

OFFICE OF ACCOUNTS AND CONTROL

**OAC-EXPEDITED PAYMENT DISCOUNT**

**OFFICE OF ACCOUNTS & CONTROL**

**EXPEDITED PAYMENT DISCOUNT POLICY  
POLICY A-74**

**Division Contact:**  
**Louise Sawtelle**  
401-222-2704  
Louise.Sawtelle@doa.ri.gov

**Effective July 1, 2018**

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**1. Purpose**

The goal of the Department of Administration (“Department”) is to provide an opportunity for expedited payment for State of Rhode Island (“State”) vendors, while also reducing the cost to the State through discounts (these are sometimes referred to as “cash discounts”). State agencies are encouraged to utilize vendors that offer payment discounts, along with competitive pricing, when selecting services or goods.

Additionally, it is the policy of the Department to further promote prompt payment by using “Electronic Funds Transfer” (“EFT”) through the Automated Clearing House (“ACH”) process. Accordingly, it strongly encourages vendors to sign up for ACH. The form required for ACH enrollment can be found at <http://controller.admin.ri.gov/Forms/index.php>.

**2. Applicability**

Any vendor receiving payments through the State Controller’s Office is eligible to participate in the Expedited Payment Discount Program. This is a voluntary program. By completing the Expedited Payment Discount Enrollment Form, the vendor agrees to have the discounted terms of **2%15 Net 30 Days** applied to all contracts and payments, existing and future.

Vendors benefit from the program by accelerated cash flow due to fast and efficient payments for products sold or services rendered. Vendors who accept ACH payments further increase the benefit of expedited payment by ensuring that funds are paid directly to their designated bank accounts, thus eliminating traditional mailing time as well as the time associated with the check clearance process. The State benefits from the program because vendors will provide a discount for products and services.

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**3. Procedures Compliance**

Vendors choosing to participate in the program must complete an Expedited Payment Discount Enrollment Form and submit it to the Division of Purchases for processing.

Discounts of 2% shall be automatically deducted from the payment when the actual number of days to issue a payment are less than or equal to fifteen (15) days and are in accordance with the State's Prompt Payment Law, R.I. Gen. Laws § 42-11.1-1 et seq.

The actual number of days to issue a payment will be measured from the later of: (1) the date goods or services are received and accepted/performance was completed OR (2) the date an invoice is received by the State Controller's Office, to the date the payment is issued via ACH or mailed by the General Treasurer's Office (*not the date a payment is actually received by the vendor*).

Vendors who use the State's RIFANS Supplier Portal, or other electronic invoicing system maintained by the State, may electronically submit invoices against open Purchase Orders. This practice is encouraged as it eliminates mailing and handling time.

The State Purchasing Agent reserves the right to determine whether any procurement shall be exempt from this policy.

The State Controller's Office shall be responsible for overseeing the deduction of the discounts for Executive Branch agencies, and shall issue further instructions as necessary, along with quarterly savings reports and audit procedures.

State of Rhode Island  
Department of Administration

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**4. Signatures**



\_\_\_\_\_  
**State Controller**

**6/25/18**

\_\_\_\_\_  
**Date**



\_\_\_\_\_  
**Director of Administration**

**6/25/18**

\_\_\_\_\_  
**Date**