



Policy # 57007

LATE PAYMENT PENALTY CLAUSE FOR UNIVERSITY VENDOR CONTRACTS

Effective Date:

Reviewed Date: March 15, 2022

Responsible Office: Purchasing

Division: Finance

I. PURPOSE/OBJECTIVE

To comply with Civil Code Article 2924 and University of Louisiana System Policy number FB-IV. (5) which requires vendors of contractors who fail to meet payment requirements prescribed by the contracts to pay a late penalty fee.

II. STATEMENT OF POLICIES

Contracts between Grambling State University and persons or entities that are required to make payments or reimbursements to the institution shall contain a late penalty clause.

The clause shall state that if a vendor or contractor fails to make any payment that is due within ninety days of the due date prescribed by the contract, the vendor shall pay, in addition to the payment, interest on the amount due at the rate establishes pursuant to Civil Code Article 2924 per year, from the ninety-first day after the due date prescribed by the contract.

III. REVISION/REVISED HISTORY