



**WINDHAM SCHOOL
DISTRICT**

NUMBER: OP-11.09 (rev. 1)
DATE: January 26, 2015
PAGE: 1 of 3
**SUPERSEDES: OP-11.09
September 17, 2004**

OPERATING PROCEDURES

SUBJECT: PAYMENT PROCEDURES

**AUTHORITY: Texas Education Code § 19.004; Windham Board Policy (WBP)-03.02,
“Windham School District Superintendent Responsibilities and Authority”**

APPLICABILITY: Windham School District (WSD)

POLICY:

The purpose of this policy is to provide guidelines for the payment of debts owed by the WSD.

PROCEDURES:

I. Payment Due

A payment owed by WSD is due the 30th calendar day from whichever is later of the following:

- A. The day on which the WSD received supplies, materials, or equipment;
- B. The day on which the performance of services was completed; or
- C. The day on which the WSD received the invoice for the supplies, materials, equipment, or services.

II. Exceptions

The payment provisions set out above do not apply to payments made by the WSD in the following event(s):

- A. The terms of a contract specify other times and methods of payment;
- B. There is a bona-fide dispute between WSD and a subcontractor or between a subcontractor and its supplier concerning the supplies, materials, or equipment delivered or the services performed which causes the payment to be late;

- C. The terms of a federal contract, grant, regulation, or statute prevent the WSD from making a timely payment with federal funds; or
- D. The invoice is not mailed to the addressee in strict accordance with instructions on the purchase order covering said payment.

III. Interest

If a payment is not made within the period specified in this policy, the payment is overdue and subject to interest.

- A. This interest accrues and is charged beginning on the day after the payment is due and accrues at the rate of one percent higher than the prime rate published in The Wall Street Journal on the first business day of July.
- B. The interest ceases to accrue on the date that the payment is mailed by the WSD. A payment is considered mailed on the date the payment is postmarked or electronically transmitted to the vendor's financial institution.
- C. If partial payment is made within the period specified, the unpaid balance accrues interest unless the balance is in dispute.
- D. No interest accrues or may be paid on a payment if the interest is equal to or less than \$5.

IV. Disputed Payments

If the WSD believes there is an error in an invoice submitted for payment, the WSD shall notify the vendor no later than the 21st day after the date on which the invoice is received.

- A. If the dispute is resolved in favor of the vendor, the vendor shall receive interest on all invoices for which payment has not been received within the applicable time period from the date on which the payment first becomes overdue.
- B. If the dispute is resolved in favor of the WSD, the vendor who submitted the original invoice shall submit a corrected invoice and the corrected invoice shall be paid by the appropriate date or interest begins to accrue.

V. Early Payment Discounts

No early payment discount offered by a vendor shall be taken by the WSD unless full payment is made within the discount period. In the event a discount is taken later, interest shall accrue on the unpaid balance from the day the discount offer expired.

VI. Check Signing Authorities

- A. All checks for both WSD Regular and Special Funds shall be signed by the chief

financial officer (director of the Division of Administrative and Business Services). The signature of the WSD department administrator for the Business Office is accepted in the absence of the chief financial officer.

- B. Any check in the amount of \$10,000 or more must have the signature of both the chief financial officer and the WSD department administrator for the Business Office.

Signature on file _____
Paul Brown
Director, Division of Administrative and
Business Services