

If you are an adoptive parent, foster parent, or local government entity, this letter does NOT apply to you. Please disregard.

You are probably aware that the State of Indiana transitioned to a new statewide accounting system on September 16, 2009. We are pleased to inform you that the transition has progressed relatively smoothly. We appreciate your patience and understanding as we completed this important upgrade of the State's financial and accounting system.

We wanted to provide some additional information about the State's payment terms, including a series of steps we are introducing to make the transition easier for vendors. It is important to note that neither State law nor State policy has changed; instead, the new system provides the State with the ability to apply existing law and policy more consistently and accurately.

First, there has been some confusion regarding the timing of payments from the new system. Consistent with Indiana law, the State of Indiana will be making payments 35 days after the invoice date. Our responsibility is to prudently manage the State's assets and the new accounting system enables the State to ensure timely payment to vendors while safeguarding Hoosier taxpayers' dollars. In addition, the new system enables the State to more consistently apply interest to vendor payments that are not processed in a timely manner.

In order to provide vendors more time to adjust to the new system, the State will be taking the following steps:

- Once per week through December 15th, all approved payments in the system will be paid, regardless of effective due date. This action will take place in addition to the payments that are normally made each day of the week.
- Approved payments in the system after December 15th will be paid 35 days after the invoice date.

It is important to note that this change is not anticipated to have a significant impact on most vendors based upon the State's analysis of average processing times in the old system. That said, we understand that this change may require more adjustments for some vendors than others, and we wanted to provide a few suggestions on how to minimize any impact:

- Submit your invoices to your respective agencies in a timely manner.
- Make sure your invoices are complete and have all necessary documentation, so that delays are not caused by adding unnecessary steps to the process.
- Submit your invoices on a more frequent basis if cash flow is a concern. For instance, you can ensure a more constant cash flow by submitting invoices on a weekly basis rather than a monthly basis.
- Make sure you are signed up for electronic payment (EFT or ACH) and email notification of payments.

These steps should help ensure that you receive timely payments from the State of Indiana, consistent with the schedule outlined above and existing state law. Thank you once again for your assistance in the State's transition to a new accounting system. If you have any questions, please email them to payments@sba.in.gov or submit them using the "Ask an ENCOMPASS Question" link at www.payments.in.gov.