

**PROMPT PAYMENT POLICY STATEMENT OF THE TOWN  
OF NORTH HEMPSTEAD BUSINESS AND TOURISM  
DEVELOPMENT CORPORATION**

*Pursuant to Section 2880 of the Public Authorities Law*

September 14, 2010

It is the policy of The Town of North Hempstead Business and Tourism Development Corporation (the "BTDC") to promptly pay any valid outstanding obligation of the BTDC as soon as is practicable within proscribed timeframes. It is further the policy of the BTDC to seek and utilize discounts offered by vendors as an incentive for early payment.

Any vendor seeking payment from the BTDC for goods or services provided to the BTDC must submit an acceptable invoice to the BTDC, which will be processed by the Treasurer. The appropriate BTDC officer or staff will verify the validity of the invoice.

Payment will be made within thirty (30) calendar days, excluding legal holidays, after the receipt of an acceptable invoice. Contracts with pre-determined payment dates will be paid on or before such designated date.

Payment may be delayed or tolled based on legally proscribed reasons identified in this Policy.

If the BTDC fails to meet the prompt payment schedule as described above, the BTDC will pay interest at the rate no greater than that set by the New York State ("State") Tax Commission for corporate taxes.

The BTDC will pay penalties with funds drawn from the BTDC's operating accounts, which funds most contracts entered into by the BTDC.

The following facts or conditions constitute legal exceptions to the prompt payment schedule:

- a. statutory or contract provisions requiring an inspection or an audit prior to payment;
- b. a requirement for State appropriation to authorize payment;
- c. a requirement for federal government examination of an acceptable invoice prior to payment;
- d. extraordinary delay between the provision of goods or services by a vendor and the receipt of an acceptable invoice by the BTDC;
- e. failure by a vendor to submit documents required by agreement prior to payment.

The following facts or conditions justify tolling the prompt payment schedule:

- a. the existence of defects in the goods or services supplied;
- b. the existence of defects in the invoice;
- c. suspected improprieties of any kind.

In order to toll the prompt schedule without penalty, the BTDC has fifteen (15) calendar days after receipt of an invoice to send a vendor notification of defects or improprieties. BTDC notification shall be in writing to the vendor. In the event that BTDC fails to act within fifteen (15) calendar days, once the defect or impropriety has been corrected, the number of days allowed for payment is reduced by the number of days between the fifteenth day and the date of notification. In the event that BTDC's contentions are proven unreasonable, the date by which payment shall be made is calculated from the date of receipt of the invoice. For contracts which provide pre-determined payment dates without an invoice, the same fifteen day regulations apply.

This Prompt Payment Policy may be amended by the BTDC at any time.

The BTDC is under no liability to pay interest pursuant to Section 2880 of the Public Authorities Law after a vendor has filed a claim or given notice of an intention to file a claim or commenced legal action for payment of interest.

Any applicable matters not otherwise addressed by this Policy shall be interpreted consistently with Section 2880 of the Public Authorities Law.