**Section 900.70 Approval by the State**

a) A State agency shall review in a timely manner each bill after its receipt to determine if the bill is a Proper Bill. A bill is not a Proper Bill if it contains one of the following defects:

1) lacks sufficient and/or correct information required by the agency to process the bill;

2) lacks the Vendor's taxpayer identification number or a completed Internal Revenue Service Form W-9 or Form 147C certifying that the Vendor's taxpayer identification number has been applied for but not received and the Vendor is not subject to backup withholding due to underreporting; or

3) is directed to an address or person other than the one designated in written instructions from the State.

b) An agency shall approve Proper Bills or deny bills with defects, in whole or in part, within 30 days after receipt. Vendor bills denied during this 30 day period shall be assigned a new Date of Receipt when a corresponding Proper Bill is subsequently received.

c) The State agency shall notify the Vendor upon the discovery of a defect, as soon as possible. The notification shall indicate the nature of the defect and any additional information necessary to correct the defect. The notification may be verbal or in writing, as the agency may determine is appropriate given the circumstances surrounding the payment and the nature of the defect in the bill. The State agency shall maintain adequate documentation of all such notifications and subsequent agency and Vendor actions so as to determine when and from what date late payment interest is due and to resolve any related Vendor disputes.

d) If a Vendor bill is approved, in whole or in part, after the required 30 day period to approve or deny bills, late payment interest shall be due for the approved portion of the bill if the Date of Payment is not within 90 days after receipt of the Proper Bill or part of the bill, except as to bills payable from funds appropriated prior to December 28, 2012, in which case late payment interest shall be due for the approved portion of the bill if the Date of Payment is not within 60 days after receipt of the Proper Bill or part of the bill.

e) If a Vendor bill is denied, in whole or in part, after the required 30 day period to approve or deny bills and the denied bill or part of bill is subsequently approved for payment as originally submitted and denied, late payment interest shall be due for the approved portion of the bill if the Date of Payment is not within 90 days after original receipt of the Proper Bill or part of the bill, except as to bills payable from funds appropriated prior to December 28, 2012, in which case late payment interest shall be due for the approved portion of the bill if the Date of Payment is not within 60 days after receipt of the Proper Bill or part of the bill. Vendor bills denied, in whole or in part, and not subsequently approved for payment as originally submitted and denied shall be assigned a new Date of Receipt when a Proper Bill is subsequently received.

f) If the agency and the Vendor have not formally executed a contract and State law requires a written contract, any bills submitted before the formal execution shall be deemed to be received when the contract is executed. State law allows payments to be made only after the formal contract is executed for Supplies or Services over $10,000 or Professional and Artistic Services over $5,000.

(Source: Amended at 40 Ill. Reg. 13831, effective September 26, 2016)