

**SAMPLE LATE PAYMENT PENALTIES CALCULATIONS**

	<b>Facts</b>	<b>Payment Due Date Set forth In Contract as defined in SAM 8474.4 (c)</b>	<b>Payment Due Date Not Set Forth In Contract</b>
<b>A</b>	Date agency receives invoice or notice of refund or other payment due	3/1/xx	3/1/xx
<b>B</b>	Payment due date per contract /1	4/1/xx	N/A
<b>C</b>	Payment issue date	4/6/xx	4/30/xx
<b>S T E P</b>	<b>Completing Penalty Calculation form (STD.208) - Part A</b>		
<b>1</b>	Required payment approval date or notice of refund or other payment /2	4/1/xx	3/31/xx
<b>2</b>	Maximum time to issue payment (45 calendar days) /3	N/A	4/15/xx
<b>3</b>	Amount subject to penalty (net of tax)	\$30,000	\$30,000
	Daily penalty rate /4		
	• Small Business	0.000363	0.000363
	• Other Business	0.0000419	0.0000419
	• Refunds/Other payments due	N/A	0.0000335
<b>4</b>	Penalty per day (multiply amount by daily penalty rate as shown in Step 2)		
	• Small Business	10.89	10.89
	• Other Business	1.26	1.26
	• Refunds/Other payments due	N/A	1.01
<b>5</b>	Number of days penalized /5	5	15
<b>6</b>	Penalty amount (multiply amount by the number of days as shown in Steps 3 and 4)		
	• Small Business	\$10.89 x 5 = \$54.45	\$10.89 x 15 = \$163.35
	• Other Business	\$1.26 x 5 = \$6.30 /6	\$1.26 x 15 = \$18.90 /6
	• Refunds/Other payments due	N/A	\$1.01 x 15 = \$15.15