

****CONTRACTOR /CONSULTANT ANNOUNCEMENT ****

Change in Payment Schedule

Federal law - Title 31 of the United States Code sections 6501 - 6503 require an agreement with each state and whereby MDOT agrees to provide funds to its vendors at the same time as MDOT receives federal reimbursement. In the past, the Department of Treasury had calculated an average clearance pattern of two days. Meaning MDOT paid contractors/consultants on Wednesday and received federal reimbursement on Friday - two days average clearance. With the advent of EFT payments, the actual average clearance pattern has been reduced to zero days. Contractors/consultants are receiving EFT's or cashing warrants, on average, the same day MDOT makes payments

Therefore, MDOT is required to make a change in the payment schedule to contractors and consultants. Payments will be transferred on **THURSDAYS**, rather than Wednesdays.

This change will become effective the week of November 2 – 6, 2009.