Paying contract progress payments

PURPOSE:
To establish process for paying contract progress payments.

DEFINITIONS:
CAA- Construction Accounting Assistant

POLICY GUIDELINES:

- CAA prints two copies of pay application and verifies the following information:
  a) Purchase order number
  b) Original contract sum
  c) Net change by CO’s (through CO#)
  d) Contract sum to date
  e) Previous certificate payment amount
  f) Put a √ mark indicating they are correct.
  g) Architect’s signature if applicable
  h) If M/WBE (minority/women) subcontractors are being paid for this period, make sure they are listed on line 8A of 1st page of App and their invoices are attached to Direct Pay exhibit D2.

- On continuation sheet, make sure subs names are listed in column B beside the description of work.
  a) Check grand totals and put √ mark indicating correct.
  b) Scheduled value (column C) should = contract sum to date on front of App (line #3)
  c) Column D less 10% should = line #7 (If retainage is variable adjust calculation accordingly)
  d) Column E less 10% should = line #8 (If retainage is variable adjust calculation accordingly)
     or Column E + Column F less 10% = line 8
  e) Total completed & stored to date Column G = line 4
  f) Column G % = total completed/contract sum to date
  g) Column H + Column I = line #9
  h) Column I = row 5
  i) Add Pay App line #9 + #8 + #7 = line #3

- Review the lien waiver summary shee t(exhibit B2). An interim lien waiver (exhibit B3) should be submitted by the contractor and each subcontractor that was paid on a previous pay application. A final lien waiver (exhibit B4 should be submitted with the final payment application.
  a) Verify the vendor name
b) Verify the amount paid from previous application
c) Verify that the lien waiver amount matches what is listed on the lien waiver summary sheet
d) Verify that the lien waiver has been notarized

- Log into CMS and enter the pay application detail information
- Pay Application approval steps
  a) Print routing slip
  b) Route to PM, FA, and additional approvers as required for review and signature
  c) After final approval, send one copy to Property Accounting for payment processing, note date sent in CMS, and stamp copy with date stamp.
  d) The file copy is held and monitored for payment status.
  e) Once the pay application is paid, it is stamped as Paid with check number and date paid noted, and filed in the project folder.