



General Services Administration
Public Buildings Service
Washington, DC 20405

PQRP-93-02

JUN 24 1993

MEMORANDUM FOR ALL REAL PROPERTY LEASING ACTIVITIES
(PQRP DISTRIBUTION LIST)

DIRECTOR, FINANCE DIVISION - 7BC

FROM:

ROBERT J. DILUCHIO
ASSISTANT COMMISSIONER
FOR REAL PROPERTY DEVELOPMENT - PQ

LEROY P. BOUCHER
DIRECTOR OF FINANCE - BC

SUBJECT:

Documentation Requirements for Non-recurring Lease
Payments Pursuant to the Prompt Payment Act

1. Purpose. To issue payment documentation policy and procedures to be followed in processing payments to lessors involving other than recurring monthly rental.
2. Background. The Prompt Payment Act of 1982, as amended, requires Executive agencies to make timely payments for the receipt of property and services or incur interest penalties for late payments. The provisions of the Act have been implemented through the policies and procedures of OMB Circular No. A-125 of December 12, 1989, which also specifies payment documentation requirements. In support of this, the Administrator has established agency-wide goals to reduce the level of late payment interest in GSA operations. An integral part of reducing late payment interest is the timely processing of non-recurring payments to lessors. These instructions and procedures are being issued in furtherance of the Administrator's goals and to clarify payment documentation procedures.
3. Effective Date/Expiration Date. This acquisition letter is effective upon issuance and will expire in 12 months unless otherwise cancelled or extended.
4. Cancellation. Acquisition Letter PQRP-92-03, entitled Prompt Payment for Real Estate Tax Escalations, dated June 5, 1992.
5. Coverage. All real property leasing activities and the Finance Division.
6. Instructions and procedures. Instructions and procedures are attached.

Attachment



ATTACHMENT

Instructions and Procedures
Payment Documentation for Real Property Leasing Activities

1. Contracting Officers shall provide documentation to the Region 7 Finance Division (7BC) as indicated below for each of the following types of payments:

- a. Real Estate Tax Escalations

(1) GSA Form 620, Lease Digest - The remarks section should read, "Appropriate paid tax receipts received on (date). Pay no later than (PNLT) date, based on . Insert one of the following phrases to indicate the tax escalation clause that governs the lease. (1) the 30 day clause, or (2) the first work day clause, or (3) the anniversary date of lease."

-or-

(2) Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal - This form should only be used for terminated leases and include the statement referenced above.

Tax receipts and other related documentation are not required to be submitted to 7BC, but shall be maintained in the appropriate lease contract file.

- b. Lump Sum or Final Payment for Alterations

The following documents should be included:

(1) GSA Form 276, Supplemental Lease Agreement (SLA). (Original signatures on the SLA are not required.)

(2) Correspondence or bill for payment from lessor. (The correspondence or bill for payment (invoice) shall include all the items as set forth in GSAR 552.232-71(b), and listed in paragraph 6 of this attachment.)

-and-

(3)(a) If payment is from BA 53, i.e., for unit price adjustments (up to standard level only) - GSA Form 620, Lease Digest, with the following language, "The work was completed on (date) and accepted on (date)."

-or-

(3)(b) If payment is from BA 54 or BA 80 - GSA Form 3025, Receiving Report.

c. Claims

(1) Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal, with a synopsis of the Contracting Officer's decision in the 'Article and Services' block.

-and-

(2) Correspondence or claim request from lessor.

NOTE: Claim settlements should be final settlements.

2. Two authorized signatures are required on payment documents.
3. If the correspondence or bill (invoice) from the lessor is not proper, the Contracting Officer or 7BC must return it to the lessor not later than 7 days after receipt specifying the reasons why it is not proper.
4. When discrepancies arise concerning proper documentation, 7BC shall:

a. Clarification or Documentation

First telephonically contact the Chief of the Administrative and Technical Services Branch (A&TS); however, if not available, contact the Contracting Officer in order to request clarification or documentation as required by this acquisition letter. Attempts to resolve minor discrepancies, such as typographical errors, should be accepted verbally so that payment can be made without delay.

b. Withholding Principal Payments

First telephonically contact the Chief of the Administrative and Technical Services Branch (A&TS); however, if not available, contact the Contracting Officer before withholding principal payments.

c. Paying Interest

First telephonically contact the Chief of the Administrative and Technical Services Branch (A&TS); however, if not available, contact the Contracting Officer prior to paying interest that is not submitted by the Contracting Officer if interest payment is in excess of \$500.

5. Changes in procedures or practices shall not be implemented without formal written instructions from Central Office Finance (BC) and the Office of Real Property Development (PQ).
6. Invoice Requirements (See 1b)
 - a. Name and address of the contractor
 - b. Invoice/Correspondence date
 - c. Lease number
 - d. Government's order number or other authorization (i.e. an award letter)
 - e. Description, price, and quantity of work or services delivered
 - f. Name and address of Contractor to whom payment is to be sent (must be the same as that in the remittance address in the lease or the order and on the R620)
 - g. Name (where practicable), title, phone number, and mailing address of person to be notified in the event of a defective invoice
7. The cutoff date for 7BC to process payments without the regions incurring prompt pay penalties is approximately 7 working days prior to the payment due date.

c. Claims

(1) Standard Form 1034, Public Voucher for Purchases and Services Other Than Personal, with a synopsis of the Contracting Officer's decision in the 'Article and Services' block.

-and-

(2) Correspondence or claim request from lessor.

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