

ADMINISTRATIVE APPROVAL FORM AND CHECKLIST

To: _____

Date: ____/____/____

From: _____

PHOENIX #: _____

Subject: Administrative Approval of _____

Approving Office: _____

Project No.: _____

The attached Voucher is forwarded to the Cognizant Technical Officer (CTO) or other approving officer for **Administrative Approval**. The approving officer must complete both the **Checklist** showing the basis of his/her approval and sign the **Administrative Approval** below. Administrative Approval provides written evidence that work is proceeding satisfactorily under an assistance agreement or that, for a contract, the goods and/or services specified on the invoice were received and conform to the requirements of the agreement between the vendor and USAID. Validation of pricing, extension of computations, etc., are not responsibilities of the approving officer but of the payment office. If appropriate, approval for an amount less than the full invoiced amount may be made but the vendor must be notified promptly regarding the reason(s) for the suspension. **(See the instructions for Amount Suspended From Payment on the reverse side.)**

The Prompt Payment Act requires agencies to pay commercial obligations within certain time periods and to pay interest penalties when payments are late. To process the invoice within the time constraints of the Prompt Payment Act and/or Agency policy, the **Voucher and this completed Memorandum showing Administrative Approval/Disapproval must be returned to _____, within 5 workdays from the above date.** Failing to meet the time constraints of the Prompt Payment Act results in a legal requirement to automatically pay the vendor interest and penalty fees from Agency funds. This unnecessary use of Agency funds degrades operations and program activities and creates cash flow problems for the vendor. Interest payments to vendors for late payment charges may result in notification to appropriate Bureau/Mission Managers for actions or direct charges to the responsible activity's funds.

Any questions about **administrative approval** may be directed to _____

Approval:

I have reviewed the attached Voucher, the related invoice, and supporting documentation. Based on this documentation and my personal knowledge of the activity, I see no reason to withhold payment. Therefore, the Voucher is administratively approved for payment subject to the necessary financial reviews and certification by the Certifying Officer.

Invoiced Amount: \$ _____

Amount Suspended from Payment: \$ _____

Amount Approved for Payment: \$ _____

The Vendor has been notified of any deficiencies in this invoice in writing and a copy of the notification is being forwarded with this approval.

CTO: _____

Signature

Typed Name _____ **Date** _____

CTO's Checklist for Administrative Approval:

_____ I have made _____ field visits to the project site(s) in the last three months and observed project implementation.

_____ I have visited the main office of the implementing agency(ies) _____ time(s) in the last 3 months and discussed project implementation.

_____ I have met with my counterpart(s) _____ time(s) in the last three months and discussed contractor level of performance and/ or commodities delivered.

_____ I have visited the project site(s) as part of my responsibilities and have sufficient information to allow me to provide administrative approval.

_____ Goods and/or services have been received.

_____ None of the above. My Administrative Approval is based on the following: (be concise)

Instructions to the Contract Technical Officer (CTO) for Completing the Administrative Approval Form and Checklist

Purpose: To make payments, the Paying Office is required to have in its possession 1) documentation of a contract or binding agreement with the vendor that identifies what is being purchased, 2) a valid invoice/bill from the vendor requesting payment for property purchased or services provided, and 3) written evidence of acceptance of the property or services by a Government official. Generally, acceptance is done through receipt of a **Receiving Report**; however, when there is no formal **Receiving Report**, an alternative may be used. The **Administrative Approval** is that alternative within USAID. The Law requires the U.S. Government to pay its bills in a timely manner (within the time constraints of the law) or pay interest and/or penalty for late payment to the vendor. The Administrative Approval must be completed expeditiously and the documentation returned to the paying office within 5 workdays.

Instructions for Completing the Administrative Approval and Checklist

The following are detailed entry-by-entry instructions for the completion of the form by the **Administrative Approving Official** (generally the CTO).

Invoiced Amount: Enter the Total Amount shown on the Invoice as billed and payable.

Amount Suspended from Payment: This is generally the amount of goods not yet received or services not yet rendered, but it can also be goods/services received that do not meet the agreement specifications, or it can represent a suspension for any legitimate reason such as overpricing. If there is any difference between the **INVOICED AMOUNT** and the goods/services received, enter the value of that difference as the **AMOUNT SUSPENDED FROM PAYMENT**. The CTO has the option on continuing agreements of notifying the vendor of issues/concerns regarding the invoice and asking for clarification while approving the voucher for the original amount. (See the Sample Letter from CTO approving but questioning items in the invoice in ADS 630.)

Amount Approved for Payment: If the **INVOICED AMOUNT** and the goods/services received are the same, enter the total **INVOICED AMOUNT**. If the amounts differ, subtract the **AMOUNT SUSPENDED FROM PAYMENT** from the **INVOICED AMOUNT** and enter the amount approved. This is written acknowledgement that goods/services **APPROVED FOR PAYMENT** have been received and do meet contract specifications and are appropriate for payment to the value indicated.

Notification To Vendor: If the **AMOUNT APPROVED FOR PAYMENT** is less than the **INVOICED AMOUNT**, an explanation is required to provide the rationale for the disapproval. This explanation should provide adequate information for the vendor to understand why the amount being paid is less than the amount invoiced. (See Sample Suspension Letter from CTO in ADS 630.) **If there are items being approved but questioned**, a letter to the vendor should also be sent.

Attach a copy of the notification that you have sent to the vendor. This supports the amount that will be paid and assists the Payment Office in responding to vendor questions.

Signature: The CTO's signature formally documents the acceptance of the goods/ services.

Typed or Printed Name: Either type or print the CTO's name and telephone number. This provides an easily identifiable reference source to provide any additional information or answer any questions.

Date: Enter the date that the Administrative Approval is given.

Complete as many of the reasons on the CTO's Checklist that support the basis for your approval as possible. At least one of the checklist blocks must be checked.

NOTE: P.L. 97-177, as amended, states that when the Contractor has not been notified of a defective invoice within 7 calendar days of the date it was received by the Payment Office, the number of days to pay a resubmitted, corrected invoice is reduced.

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