



# Federal Customer Guide To Reimbursable Work Authorizations

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## **1. Introduction to Reimbursable Work Authorizations**

Welcome to the Federal Customer Guide to Reimbursable Work Authorizations. This document disseminates major topics of interest from the RWA National Policy Document, in a similar but customer-friendly format, for use by Federal customer agencies with the goal of promoting clear and consistent understanding of reimbursable work authorization (RWA) policy.

## **2. History and Overview of the Reimbursable Work Authorization**

### 2.1. General Services Administration

The Federal Property and Administrative Services Act of 1949 established GSA to provide the Federal Government with an economical, efficient system for acquiring and maintaining property and providing services for use by the U.S. Government.

GSA contains two primary service organizations: the Federal Acquisition Service (FAS) and the Public Buildings Service (PBS). The Federal Buildings Fund (FBF) for PBS operates like a revolving fund with Congress providing annual authority through GSA's appropriation acts to obligate and expend monies from the FBF for, among other things, building operation, as well as for providing goods and services to customer agencies.

### 2.2. Federal Buildings Fund, References, and Reimbursable Authority

The FBF provides the financial mechanism for the procurement of goods and services billed to, and reimbursed by, the customer agency. Several authorities provide the basis for PBS's reimbursable work that it performs on behalf of the requesting agencies.

#### 2.2.1. Federal Property and Administrative Services Act of 1949

The establishment, development, and administration of the RWA National Policy are consistent with the Federal Property and Administrative Services Act of 1949. This act was re-codified in Subtitle I - Federal Property and Administrative Services of Title 40 of the United States Code.

Generally, PBS performs reimbursable work for other Federal agencies under the authority of 40 U.S.C. § 592 (b)(2), which authorizes the GSA Administrator to provide special services not included in an agency's Rent on a reimbursable basis.

The funding authority provided via the RWA is available for obligational purposes within the FBF for the entire period of

contract performance, even when performance crosses fiscal years.

### 2.2.2. The Economy Act

The RWA process described above differs from interagency agreements (IAAs) that are entered into under the Economy Act (31 U.S.C. § 1535) where both the requesting and performing agencies must obligate the funds within the period of availability pertaining to those funds.

## **3. Reimbursable Work Authorization Definition and Classifications**

### 3.1. RWA Definition

An RWA is an agreement between PBS and a customer agency whereby PBS agrees to provide goods and services and the customer agency agrees to reimburse PBS for the cost of these goods and services plus expenses and fees. The RWA constitutes a written order from the customer agency requesting PBS to procure goods and services on its behalf.

RWAs capture and bill customer agencies for the cost of altering, renovating, repairing, or providing services in space managed by PBS for the Federal community over and above the basic operations financed through Rent. An RWA provides written documentation of the formal agreement between the customer agency and PBS.

The RWA must include the following:

ITEM	Check
❖ A <i>Bona Fide</i> Need	√
❖ A fully defined scope of work (SOW) associated with the funds	√
❖ A cost estimate that supports the total authorized amount of the RWA, plus financial and other supporting data (e.g., billing information) relating to the reimbursable service	√
➤ NOTE: <i>The customer agency must specify the type of funding for annual or multi-year appropriations (see definitions below) as well as the expiration date of the obligational authority:</i>	
▪ <i>Annual appropriations are appropriations that are</i>	

ITEM	Check
	<p><i>made for a specified fiscal year and are available for obligation only during that fiscal year;</i></p> <ul style="list-style-type: none"> <li>▪ <i>Multi-year appropriations are appropriations that are available for obligation for a definite period of time in excess of one fiscal year; or</i></li> <li>▪ <i>No-year appropriations are appropriations that are available for obligation without fiscal year limitation. The standard language used is “to remain available until expended.”</i></li> </ul>

**3.2. RWA Type: Recurring and Non-Recurring**

The RWA breaks down into two main categories: Type (recurring or non-recurring) and Service (severable or non-severable).

**3.2.1. Recurring RWAs**

Recurring RWAs provide services to customer agencies where the costs of those services **cannot** be readily differentiated or separated from standard operating costs. The services cannot extend beyond one fiscal year. Recurring RWAs do not require an invoice and PBS bills the authorized amount equally, “*on a recurring basis,*” over the period of service. Example: Overtime utilities where service is not separately metered and/or billed.

**3.2.2. Non-Recurring RWAs**

Non-Recurring RWAs are those RWAs that provide services where costs **can** be readily identified and separated from standard operating costs. With limited exception, non-recurring RWAs have no self-determined fiscal year limitations. Non-Recurring RWAs are substantially complete at the time of final inspection and financially closed out thereafter. Examples: Overtime utilities where service is separately metered and/or billed; Space alterations, and Consulting or estimating services.

RWA Type *	
Recurring	
<b>R-type</b>	R-type RWAs depict recurring services to Federal customer agencies. Upon creating the RWA, the period of service (which can range from one day to 12-months) is determined. PBS bills the authorized amount equally over the period of service. R-type RWAs are closed at the end of the fiscal year. Example: Overtime utilities where the utility services are not separately metered and/or billed.

	<b>RWA Type *</b>
	<b>Non-Recurring</b>
<b>A-type</b>	A-type RWAs depict projects funded by both PBS and the customer agency ( <i>i.e.</i> , split-funded) and are for a one-time need. They support, or are associated with, a non-prospectus project ( <i>e.g.</i> , a minor repair and alteration project) and are for projects in Federally owned space <i>only</i> . Examples: Construction and/or design services.
<b>B-type</b>	B-type RWAs depict projects funded by both PBS and the customer agency, or customer agency-funded only, and are for a one-time need. They support, or are associated with, a prospectus project regardless of the amount. Example: Customer agency-funded work for above-standard Tenant Improvements that exceed the prospectus threshold.
<b>E-type</b>	E-type RWAs require no cost estimate and depict non-recurring services in support of national emergencies or disasters under the Stafford Act. The Department of Homeland Security, Federal Emergency Management Agency (FEMA) typically uses E-type RWAs. Example: A move associated with a Presidential disaster declaration.
<b>F-type</b>	F-type RWAs depict services for one or more miscellaneous projects not exceeding \$25,000 each, inclusive of fees. The total amount for F-type RWAs cannot exceed \$250,000 per year. This RWA type requires no cost estimate and must close by September 30 of the fiscal year in which originated. F-type RWAs may not include both severable and non-severable services (see section 3.3) on the same RWA. Also, GSA need not certify an F-type RWA as complete, and can financially close out the RWA at any time within a fiscal year. F-type RWAs close out automatically at the end of the fiscal year in which originated. Example: Changing of key locks.
<b>N-type</b>	N-type RWAs depict non-recurring services and are standalone projects for a one-time need that are fully funded by a customer agency for non-prospectus projects. N-type RWAs for severable services are limited to 365 days but may cross fiscal years. Examples: Space alterations in owned or leased space; non-prospectus repairs and alterations; or overtime utilities where the utility services are separately metered and/or billed.

\* GSA determines the type after receipt but before acceptance of the RWA

### 3.3. RWA Service: Severable and Non-Severable

#### 3.3.1. Severable Services

A severable service is one in which the customer agency receives value as the service is rendered. A task is severable if it is divisible into components where each component meets a separate customer agency need. Services that are continuing in nature are severable, and the customer agency must charge the costs to the fiscal year appropriation current at the time the service is rendered.



For severable services citing annual appropriation funding, the period of performance may cross fiscal years. Customer agencies may obligate the total amount of funds available in the fiscal year in which the contract takes effect. If a severable service contract cites no-year or multi-year funding, the period of performance must be consistent with the period of obligational authority.

**3.3.2. Non-Severable Services**

A non-severable service is one in which the customer agency receives value only at the completion of the service. A task is non-severable if it is required in its entirety to meet the customer agency need.

Multi-year contracts for non-severable services and supplies can extend for a period of up to five-years from the last year the customer agency funding is available. Additionally, a customer agency may elect to fund a multi-year contract at a higher value in any fiscal year, up to the full amount of the remaining contract value.

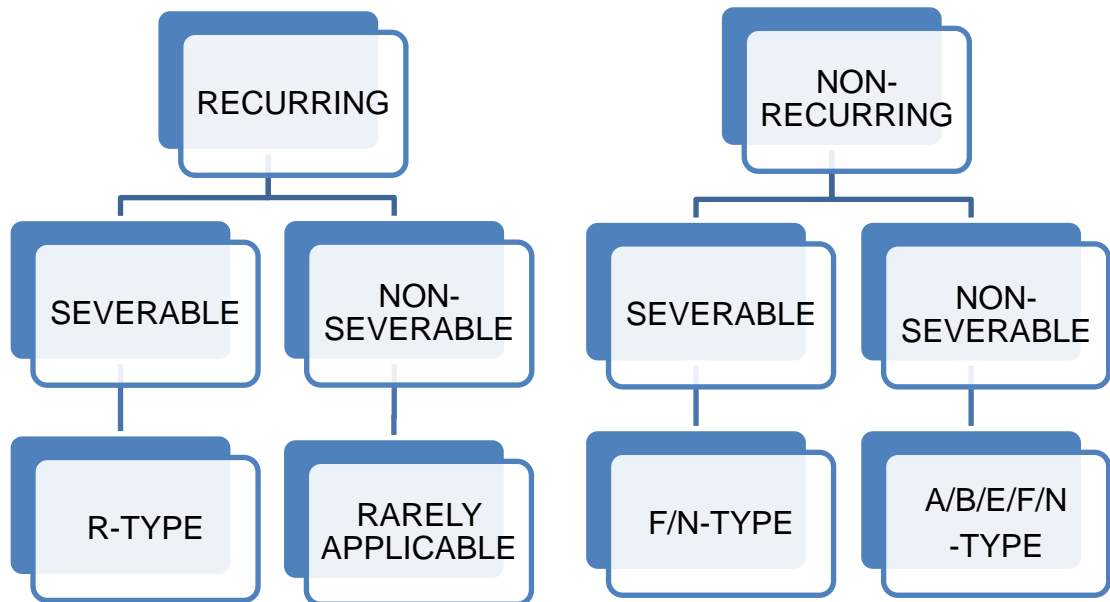


Fig. 1 – RWA Types and Services

**4. RWA and Small Project Processes**

A successful reimbursable work process begins and ends with communication. The degree of communication and documentation correlates to the complexity of the customer agency request. The RWA

process entails five phases and correlates well with the overall four phases of the Small Projects global project management (gPM) model:

Small Projects Lifecycle Phase	RWA Process	Mandatory RWA Customer Letters
1. Project Initiation <i>Develop project strategy &amp; confirm customer objectives</i>		
2. Project Development / Planning <i>Develop project plan and approach, present options, develop cost estimates</i>	1. Requirements Development 2. Cost Estimate 3. Funds Certification / Acceptance	1. Acknowledgement of Receipt Letter 2. Acceptance Letter
3. Project Execution <i>Execute project plan</i>	4. Execution	3. Completion Letter
4. Project Close-out <i>Evaluate, measure, take corrective action &amp; complete Financial Close-out</i>	5. Substantial Completion and Financial Close-out	4. Close-out Letter

Fig. 2 – RWA and Small Projects Processes

Throughout the RWA project lifecycle, PBS documents the RWA’s progress by way of customer agency letters. The output of letters will vary with the complexity of the work or service requested. Currently there are five Customer Letters as shown in *Figure 3* below, four of which are normally mandatory. Only the *RWA Follow-up Letter* is optional:

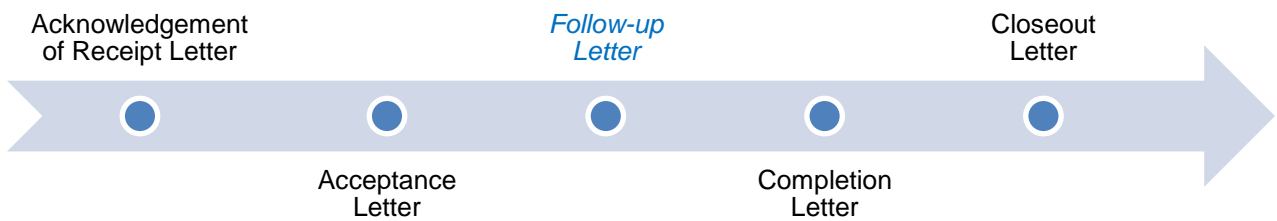


Fig. 3 – RWA Customer Letters

This Guide annotates where in the process the customer agency can expect to receive each letter.

#### 4.1. Requirements, *Bona Fide* Need and Cost Estimates for the RWA

The following depicts the description and definition of each of the three elements of an RWA:

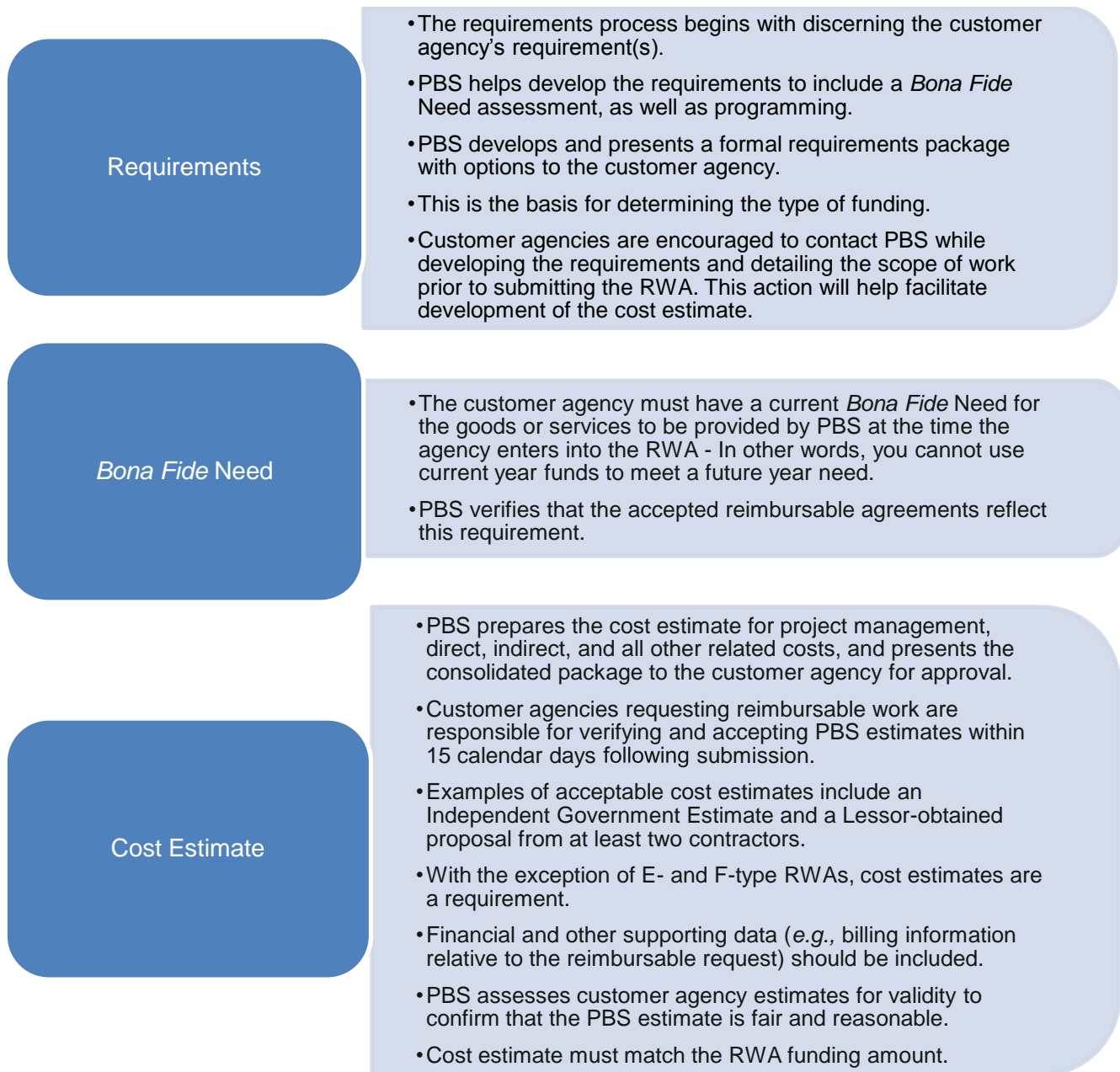


Fig. 4 – RWA Essentials

#### 4.1.1. RWAs in Excess of Prospectus Amounts

PBS no longer requires the submission of Authorization Only prospectuses for projects; rather, by signing the RWA, the customer agency is certifying that the agency's funds cited are legally available for the specific work referenced in the RWA.

- *Note: When PBS performs work under the Economy Act, it is important to note that the customer agency's funding availability and obligation requirements are different than when PBS is relying on customary RWA authority under 40 U.S.C. § 592(b)(2), and program representatives must seek further guidance from the PBS Office of Budget and Financial Management and their regional offices of Portfolio Management and Legal Counsel.*

#### 4.1.2. Completing the RWA Form

Both the PBS and a customer agency representative with the authority to order or request the service must approve the RWA. If the customer agency desires, the PBS representative will assist with completing the RWA.

Each block on the RWA contains numbers for easy reference. The RWA includes instructions for completing each of the numbered block items. The most recent version of the RWA (Form 2957) is stored in the GSA Forms Library. Once completed, the customer agency submits the RWA to GSA for review and acceptance.

#### 4.2. Acceptance of the RWA

In PBS, a reimbursable agreement becomes formal with the completion and submission of the RWA and PBS acceptance of it.

1. The submitted RWA must contain a fully defined scope of work, including the location and type of work, and all required signatures prior to PBS acceptance. Cost estimate documentation must support the scope of work. Issuance of the *Acknowledgement of Receipt Letter* to the customer agency constitutes the official receipt of the RWA.
2. Acceptance of RWAs early in the project lifecycle when occupancy might not happen until well into the future was problematic when using annual appropriations. Although GSA may not "park" or "bank" funds, accepting the RWA early on is acceptable as long as a schedule clearly identifies when the various tasks will take place and the schedule illustrates that

procurement of said items cannot happen immediately but will happen during the project lifecycle.

- ✓ PBS is responsible for executing the work within the scope identified in the RWA.
  - The RWA may not support requirements outside the scope of the RWA or beyond the period in which the funds are legally available for new obligations.
- ✓ The customer agency may amend an RWA scope, if necessary, citing current obligational authority.
  - The customer agency may amend RWAs where obligational authority has lapsed but only within the scope of the original agreement.
- ✓ Issuance of the *Acceptance Letter* to the customer agency constitutes PBS's acceptance of the RWA.

- NOTE: *While project planning may begin before acceptance of an RWA, PBS will not award a contract or a lease prior to accepting the RWA.*

#### 4.2.1. Federally Owned Space

A customer agency may submit an RWA, or an RWA amendment, for acceptance at various times for a project in federally owned space.

When a customer agency identifies a space requirement, the PBS representative will work with the customer agency throughout the project lifecycle and may request (and the customer agency must submit) an RWA or amendment at each of the following milestones if changes occur:

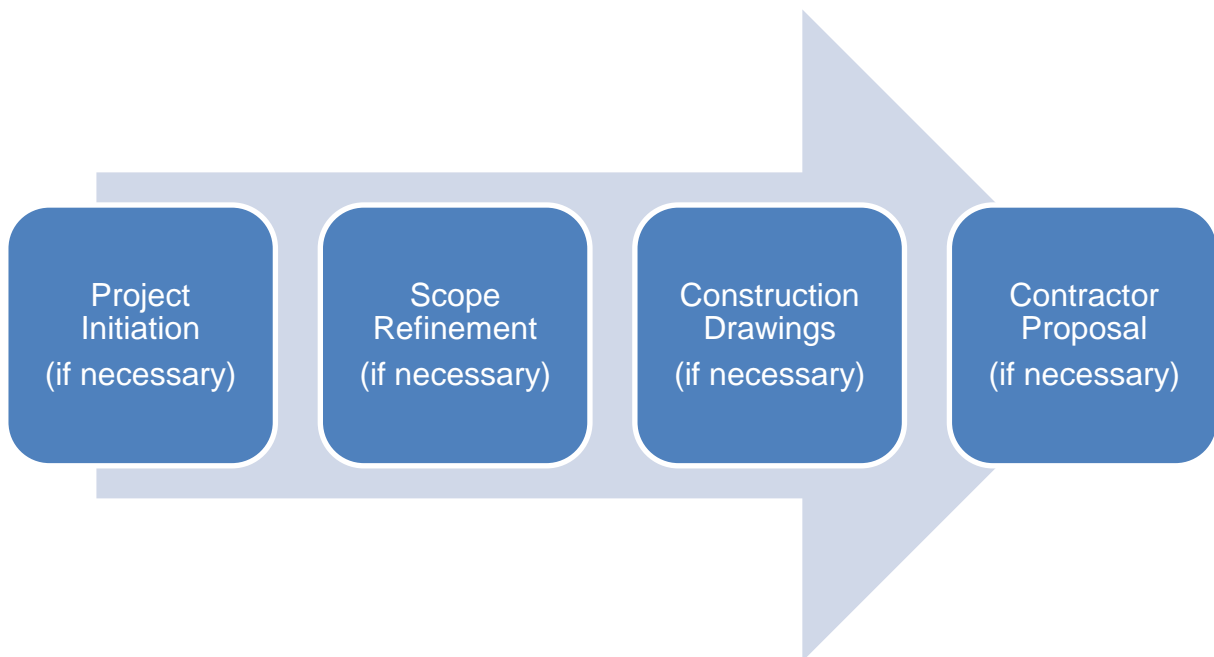


Fig. 5 – RWA Acceptance (Federal Space)

- *NOTE: The precision of the graduated cost estimate will vary based on the phase of the project lifecycle.*

#### 4.2.2. Leased Space

A customer agency may submit an RWA, or an RWA amendment, for acceptance at various times for a project in leased space.

When a customer agency identifies a space requirement, the PBS representative will work with the customer agency throughout the project lifecycle. When the PBS representative receives the first round of offers, or receives final proposal revision offers, or prior to lease award and if, at any of these stages it is known that the project will require a lump sum payment, then an RWA must be submitted, or amended, and accepted for an amount reasonably estimated by the PBS representative to cover the cost of the proposed design and construction. In any event, PBS must accept the RWA for known lump sum costs prior to lease award:

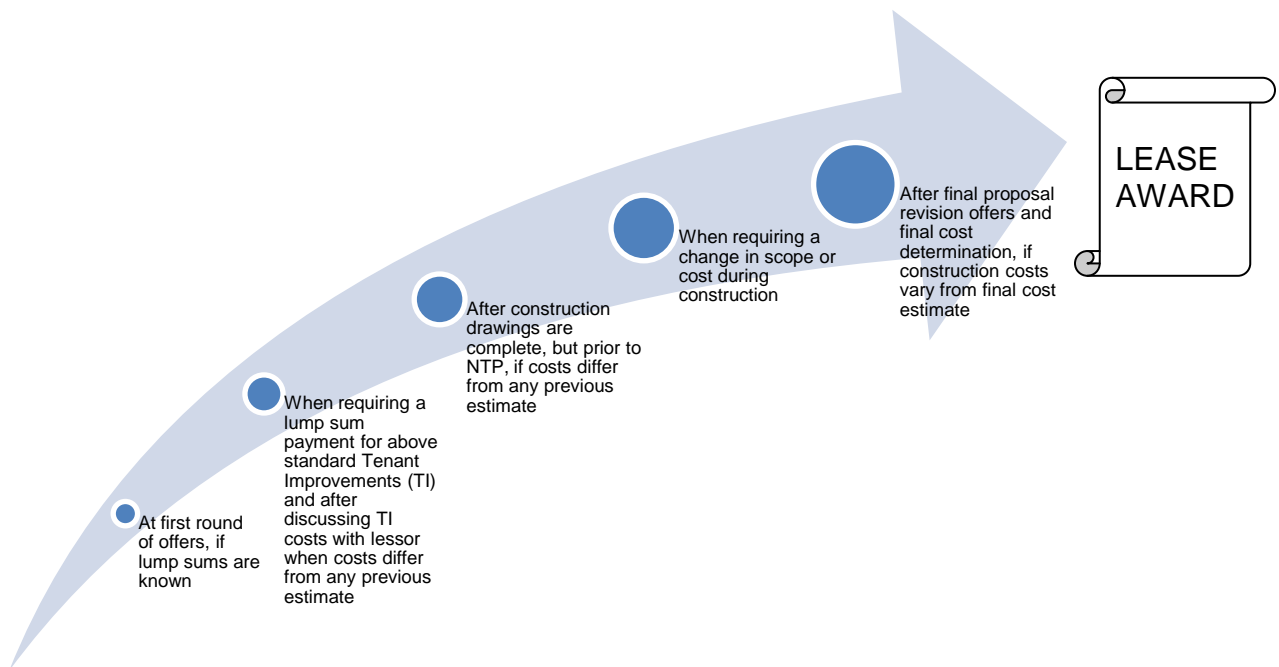


Fig. 6 – RWA Acceptance (Leased Space)

At any time in the process, the customer agency may submit and GSA must accept an RWA if:

- (a) There is a history of the customer agency exceeding the Tenant Improvement (TI) allowance,
- (b) The customer agency requires special features or enhancements that are to be built or added for the Government's unique needs or special purposes, or
- (c) The customer agency wants to pay down the customization component of its TI package, if doing so is consistent with PBS's pricing policy.

➤ **NOTE:** *The precision of the graduated cost estimate will vary based on the phase of the project lifecycle.*

### 4.3. Certification of Funds

#### 4.3.1. Acquisition Requirements

PBS contracting activities abide by any restrictions and limitations applicable to the funding provided by the requesting customer agency.

PBS initiates and sustains communication regarding specific or unique regulatory or statutory requirements applicable to the customer agency's goods or service request.

When accepting RWAs from a customer agency, PBS will, at a minimum, adhere to the following steps, which are verifiable by the customer certification on the RWA:

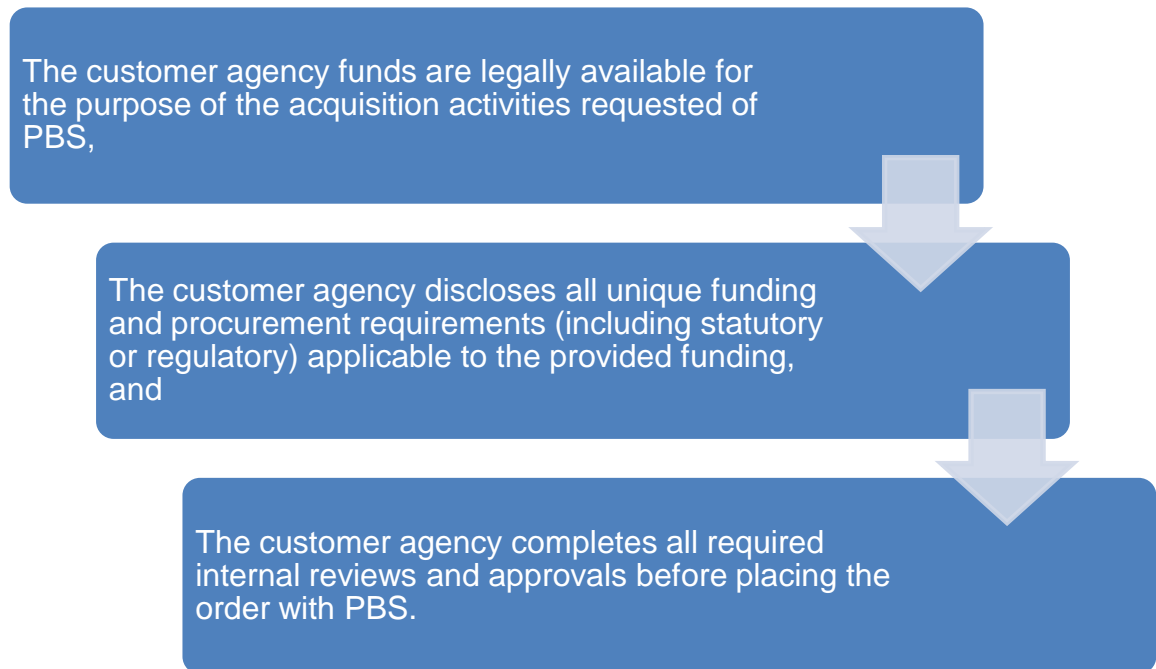


Fig. 7 – Acquisition Requirements

#### 4.3.2. Obligation of Funds

A basis of acceptance of an RWA within PBS entails an intention to execute the agreement within a reasonable time after acceptance. The RWA contains the date of contractual award agreed-upon by PBS and the customer agency. PBS considers 90 calendar days as a reasonable time to obligate funds accepted from a customer agency.

The customer agency must have authority to obligate the funds at the time the agency's funds certifying official certifies the RWA. Funds may not be obligated until the customer agency and PBS sign the RWA. The signed RWA authorizes PBS to execute the scope of the customer request based on the authorized amount.



- NOTE: The appropriation current at the time the contract commences must be sufficient, at a minimum, to fund the costs of the first fiscal year in which the contract takes effect, plus the estimated costs associated with any termination or cancellation liability under the contract.

#### 4.3.3. Restrictions on Accepting Reimbursable Work

Reimbursable tasks and related funding may only be accepted by PBS if it is in the business of providing the items or services.

#### 4.3.4. Restrictions and Responsibilities of Funds

All Government funds are restricted to the purposes for which the appropriation is made or as otherwise specifically authorized by law. The customer agency must obligate its funds during the period of availability of those funds.

### 4.4. Execution

#### 4.4.1. Initiation of Work

The act of providing reimbursable goods and services may begin only after PBS obtains the obligational authority to provide those goods and services on behalf of the customer agency, as evidenced by the fully executed RWA.

#### 4.4.2. RWA Amendments

A signed, amended RWA is required for each substantive modification to the customer agency's portion of an RWA. Administrative changes do not require an amended RWA. There is no legal distinction between amending and modifying an RWA. The key issue is whether the amendment or modification is within the initial scope.

##### 4.4.2.1. Substantive Amendments

###### 4.4.2.1.1. Amendments within the Period of Availability for New Obligations

For substantive amendments to RWAs citing funding within the period of obligational authority, the customer agency must meet the stated requirements for an RWA, as well as:

ITEM	Check
1. Annotate the <b>RWA number</b>	√
2. Annotate the <b>Agency Certified Amount</b> block with the amount of the amendment and the original authorized amount	√
3. Identify the submission as an amendment and list the changes in the <b>Description of Requirements</b> block	√
4. Make any additional changes in the appropriate blocks	√
5. Ensure that a certifying official signs the <b>Signature of Funds Certifying Official</b> block and forwards the amended RWA to PBS	√
<p>➤ NOTE: <i>These requirements also apply to amendments of RWAs before lease award.</i></p>	

4.4.2.1.2. Amendments outside the Period of Availability for New Obligations

With the exception of antecedent liabilities (*i.e.*, the Government’s liabilities that rise from, and are enforceable under, a provision in the original contract) and reductions in scope, PBS prohibits amendments to RWAs citing funding outside the period of availability for new obligations. Otherwise, the customer agency must submit a new RWA for review and acceptance.

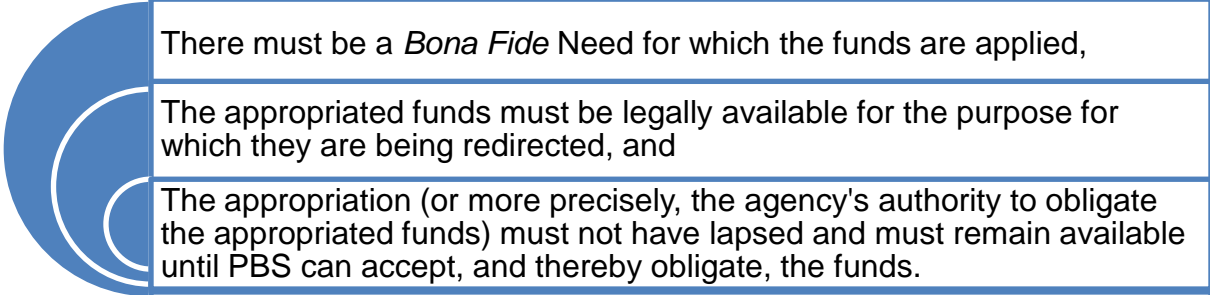
4.4.2.2. Administrative Amendments

Administrative amendments to RWAs are limited to the following:
a. Agency contact name and contact information,
b. Billing term,
c. Building Officials and Code Administrators International (BOCA) changes,
d. Customer agency accounting categories,
e. Treasury Account Symbol (TAS) changes, and
f. Certifying official’s telephone number.
An e-mail from the customer agency is sufficient to authorize these administrative changes.

#### 4.4.2.3. Uncommitted, Residual, or Excess Funds

Funds remaining on a reimbursable agreement at the completion of work are residual or excess. PBS provides timely notification of residual or excess funds to the customer agency at project close-out. These funds are not available to PBS for any new obligations or new requirements without a new or amended RWA in which the customer agency certifies to the then-existing availability of the funds in question for obligation.

PBS must close out the RWA when the scope of work has been satisfied. The customer agency might have the ability to use these funds for a new requirement or a new RWA. In order for an agency to spend or redirect excess RWA funds, the RWA must meet the following three conditions:



There must be a *Bona Fide* Need for which the funds are applied,

The appropriated funds must be legally available for the purpose for which they are being redirected, and

The appropriation (or more precisely, the agency's authority to obligate the appropriated funds) must not have lapsed and must remain available until PBS can accept, and thereby obligate, the funds.

Fig. 8 – Reuse of Funds

If the customer agency is able to meet all of the above conditions, an agency may amend an existing RWA to expend unused funds, or redirect the funds of an existing RWA to a new RWA, for a new requirement.

#### 4.4.2.4. Scope of Work Changes to Use Excess Funds

1. If the amendment involves a change in scope of work (excluding E-type and F-type RWAs) to use excess funds, the customer agency must send the amendment, citing a change in scope of work in the **Description of Requested Work** block, to PBS for review.  
This is the same process followed for a new RWA.
2. Once PBS has prepared a new cost estimate, PBS will return the RWA to the customer agency for the appropriate signature in the **Certifying Official (Signature)** block.

For a customer agency to spend or redirect excess RWA funds, the action must meet all three conditions identified in section 4.4.2.3.

4.4.3. Cancellation of RWAs

If PBS has already incurred costs and the customer agency wishes to cease further work on the RWA, PBS will not incur any additional obligations upon written receipt of cancellation. In that case, PBS will close out the RWA and invoice the customer agency for the costs already incurred.

<p style="text-align: center;">THE CUSTOMER AGENCY MAY CANCEL AN RWA AT ANY TIME BEFORE PBS INCURS CHARGES AGAINST THAT RWA. TO CANCEL AN RWA, THE CUSTOMER AGENCY MUST:</p>
<p>1. Contact the PBS office in charge of the RWA to confirm that no charges are pending,</p>
<p>2. Request cancellation in writing (<i>Note: Use of e-mail is acceptable</i>).</p>
<p>A PBS Representative then:</p>
<p>1. Checks the <b>Cancelled</b> block under the heading <b>Action</b>, and</p>
<p>2. States in the <b>Description of Requirements</b> block that the work is cancelled.</p>
<p>The Customer Agency Certifying Official then:</p>
<p>1. Signs in the block for <b>Signature and Date</b>, and</p>
<p>2. Forwards the RWA to the applicable PBS office.</p>
<p>PBS Representatives will then:</p>
<p>1. Review and concur by signing the RWA,</p>
<p>2. Enter it into the Reimbursable Entry and Tracking Application (RETA), and</p>
<p>3. Return a signed copy to the customer agency.</p>

4.5. Completion and Close-out

4.5.1. Completion

Once the purpose of the reimbursable order has reached the point of being of use to the customer agency, PBS annotates the RWA as achieving *substantial completion*. Therefore, RWA project completion means that the actual work requested on the RWA is *substantially complete* even though punch list items may remain unfinished.

When an RWA is substantially complete, PBS will initiate prompt action to submit the project completion dates to the customer agency. Additionally, PBS will:

- ✓ Verify that the completion of work date signifies that work is substantially complete, even though punch list items might remain,
- ✓ Notify customer agencies (via e-mail) using the *Completion Letter* when an RWA is certified as substantially complete.

➤ NOTE: *The customer agency must NOT de-obligate funds at this phase.*

#### 4.5.1.1. Completion of Recurring RWAs

Recurring RWAs require substantial completion dates from inception to determine the duration, service period, or lifecycle of the RWA.

The completion date must not exceed 12 months from the RWA start date. GSA may certify the recurring RWA as complete at any time before the original completion date entered at RWA acceptance.

For R-type RWAs, GSA need not send the customer agency a Completion Letter or a Close-out Letter, since the date of substantial completion can be no later than the date set forth in the RWA and the RWA is closed out at the end of the fiscal year.

➤ NOTE: *In the absence of a specific date, the completion date is set as the last day of the RWA's fiscal year.*

#### 4.5.1.2. Completion of Non-Recurring RWAs (Except F-types)

After physically completing a non-recurring RWA, PBS representatives are responsible for performing the following actions:

1. Issue the *Completion Letter*.
2. Once all open items clear (liquidate), determine the final cost of the RWA.
3. At this point, send the customer agency the final bill for the difference between previous billings and actual costs.

#### 4.5.2. Close-out

Financial Close-out occurs after invoicing and paying all costs of the work. Close-out signifies Financial Close-out of the RWA and de-obligation of any excess funds by the customer agency.

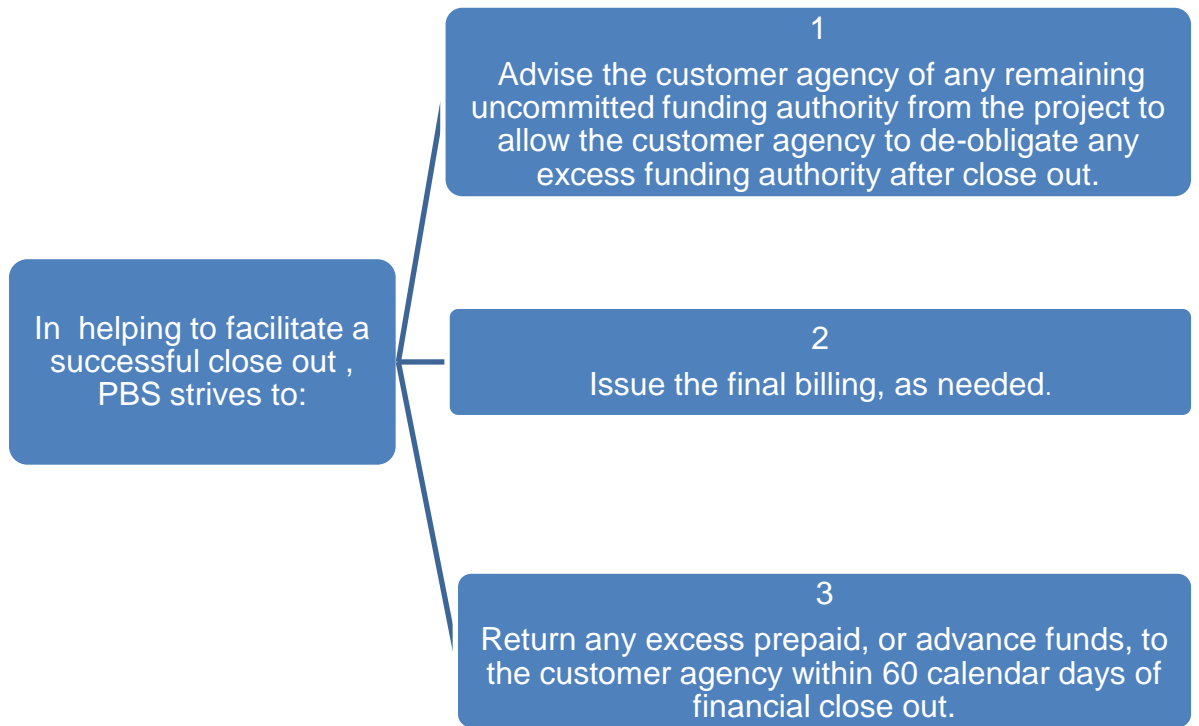


Fig. 9 – Facilitating a Successful Close-out

- *NOTE: Financial Close-out results in the distribution of the completed Form 2957 as well as the RWA Close-out Letter to the customer agency, which identifies the remaining balance to de-obligate.*

## 5. Pricing

The Office of Management and Budget (OMB) and the authorities governing the FBF require PBS to recoup all costs incurred to deliver the work requested under an RWA. Direct costs apply only to a specific project. PBS recovers indirect costs through allocation of two different fees: (1) a 4% project management (*i.e.*, regional overhead) fee, and (2) a non-business line (*i.e.*, Central Office) overhead fee.

### 5.1. What Is Directly Charged?

Obligations and expenses incurred to deliver work requested by the customer agency are direct costs. Additionally, PBS charges directly for all PBS representatives' time performing work. (Time is a direct cost if the PBS representative is physically helping to deliver the scope of work--*e.g.*, performing the physical activity that PBS would typically hire a contractor to perform.)



Fig. 10 – Chargeable Costs

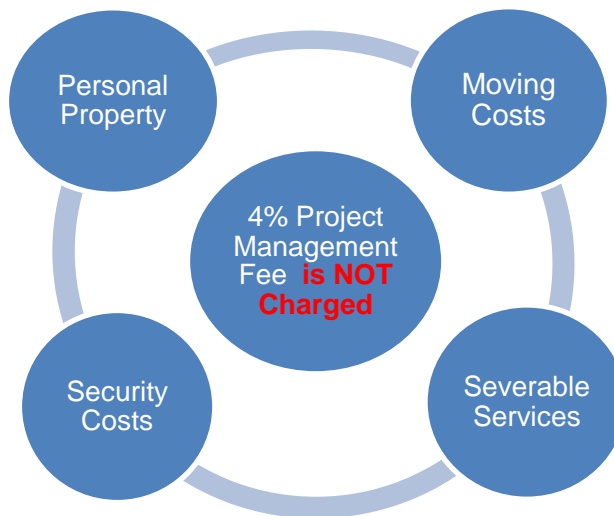


Fig. 11 – Non-chargeable Costs

## 5.2. Pricing Policy and the 4% Project Management Fee

PBS pricing policy requires PBS to charge a fixed 4% project management fee on Tenant Improvement (TI) work above the TI allowance or after occupancy commences as outlined below.

The intent of the 4% project management fee is to recover PBS's regional indirect costs of managing and delivering all regional RWAs. As the fee is not for recovering indirect costs on each individual project, PBS cannot waive it. The project management fee does not apply to such items as physical moves, relocation management, severable services, or personal property, such as telecommunication equipment and furniture.

### 5.2.1. What Does the Project Management Fee Cover?

The 4% project management fee recovers the indirect costs of salary and benefits of PBS representatives and contract representatives hired by PBS who work to oversee, administer, and deliver TI work.

### 5.2.2. Applying the Project Management Fee

The 4% project management fee applies automatically to all space alteration RWAs. There are no exceptions.

### 5.2.3. Projects in Federally Owned Space

#### 5.2.3.1. Initial or Backfill Occupancy

Shell Rent covers PBS representatives' project oversight of TIs within the TI allowance. The project management (*i.e.*, regional overhead) fee applies to the value of the TIs over the TI allowance funded by the customer agency with an RWA. If a customer agency elects to waive or lower its customization allowance and instead funds TI work by using an RWA, the project management fee applies.

#### 5.2.3.2. Relet Space and Post-initial/continuing Occupancy

In relet space—second-generation space that already has TIs installed for a prior tenant—and for any post-initial/continuing occupancy, a customer agency may pay for all TIs with a lump-sum RWA, provided the space is not taken back to shell condition.

The project management fee applies to the TI work funded with an RWA. This is true whether PBS funds and amortizes costs into the Rent or receives payment by the customer agency through an RWA.



#### 5.2.4. Projects in Leased Space

##### 5.2.4.1. Initial or Backfill Occupancy

The project management fee for leased space covers PBS representatives' project oversight of TI amortized in Rent. The project management fee applies to the value of the TIs over the TI allowance that the customer agency funds with an RWA. If a customer agency elects to waive or lower its customization allowance and instead funds TI work by using an RWA, the project management fee applies.

##### 5.2.4.2. Post-Initial and Continuing Occupancy

In relet space—second-generation space that already has TIs installed for a prior tenant—and for any post-initial/continuing occupancy, a customer agency may pay for all TIs with a lump-sum RWA, provided the space is not taken back to shell condition.

The project management fee applies only to TI work funded with an RWA. This is true whether the lessor funds and amortizes costs into the Rent or receives payment by GSA paid by the customer agency through an RWA.

#### 5.3. Non-Business Line Overhead

PBS charges for non-business line (*i.e.*, Central Office) overhead to recover all costs, including indirect costs, related to the administration of RWAs from its customer agencies. The non-business line overhead recovers the nationwide indirect cost of managing and operating the PBS Reimbursable Services Program.

Recoverable indirect costs include costs associated with the following PBS organizational units and programs:

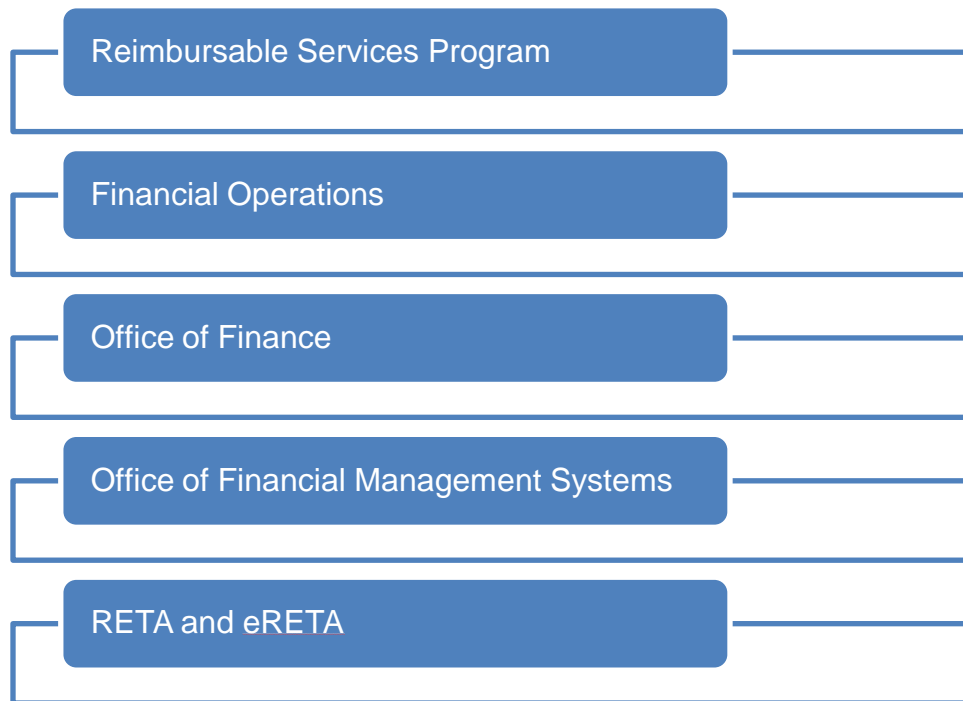


Fig. 12 – Recoverable Indirect Costs

- NOTE: PBS applies a non-business line overhead cost allocation to all recurring and non-recurring RWAs with no exceptions.<sup>1</sup>

5.3.1. Recurring RWAs

Recurring RWAs incur a flat \$100 administrative fee to cover non-business line overhead.

5.3.2. Non-Recurring RWAs

Non-Recurring RWAs incur a sliding-scale fee to cover non-business line overhead. The sliding-scale charge applies to the total value, including the 4% project management fee, of all non-recurring RWAs. The maximum sliding-scale charge for a non-recurring RWA is \$30,000.

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<sup>1</sup> GSA's Office of General Counsel concluded that GSA "...lacks the authority to waive or reduce reimbursable costs...that cannot be included in GSA's standard level service charge (Rent) for which arose outside of 40 U.S.C. § 490(j)." [This citation is now codified as 40 U.S.C. § 586.]

## 6. Billing and Collections

Federal agencies may use their appropriations to pay the cost of work performed on their behalf. Any unreimbursed costs of PBS expended on behalf of another customer agency may constitute an unauthorized augmentation of that agency's appropriations.

PBS must bill the requesting customer agency for work performed under an RWA, and the bill must contain the document number, fund citation, and the billing address. PBS bills regularly to recover the costs incurred after PBS and the vendor begin services.

Cost of goods sold (flow through) or operating expenses and accounts payable are a result of performing the services. Costs and related billings must not exceed the amount of the RWA. If costs exceed the RWA's authorized amount, PBS must promptly request the customer agency to amend the RWA to cover the overage.

- *NOTE: Any prompt payment interest incurred on a customer agency-requested contract for reimbursable work is a proper charge to the RWA, but only if caused by the customer agency. Otherwise, the prompt payment interest is the responsibility of GSA.*

### 6.1. RWA Billing

Customer agencies have the option of a monthly or quarterly billing cycle regardless of the amount. When the customer agency does not specify either option on the RWA, PBS bills monthly.

#### 6.1.1. Recurring RWAs

PBS bills for recurring services in advance and at an established cost equal to the estimated amount.

For R-type RWAs, PBS divides the RWA authorized amount by the period of performance, and the \$100 overhead fee is included in the first billing cycle.

PBS reviews recurring RWAs periodically to verify that the authorized amount estimate is accurate.

#### 6.1.2. Non-Recurring RWAs

PBS bills Non-Recurring RWAs based on costs incurred (e.g., accruals, vendor payments, etc.) as the work is completed. Billing is consistent with the terms of the RWA (usually monthly) in an amount equal to the direct costs accumulated for the billing period, plus the 4% project management fee and the sliding-scale overhead amount.

## 6.2. Billing Methods

### 6.2.1. Intra-Governmental Payment and Collection

PBS participates in the Department of the Treasury's Intra-Governmental Payment and Collection (IPAC) system, which allows direct transfer of funds from the customer agency's Department of the Treasury account to GSA's Department of the Treasury account. IPAC billing records detailing amounts transferred go to the Department of the Treasury. The IPAC website generates reports to registered customer agencies.

### 6.2.2. Non-IPAC

For non-IPAC customer agencies, PBS generates an invoice, which is the GSA Statement, Voucher, and Schedule of Withdrawals and Credits.

### 6.2.3. Credit Card

The credit card payment option is available to RWA customer agencies for any RWA with a total authorized amount less than \$100,000. When a Federal customer agency chooses to pay via credit card, the Department of the Treasury encourages use of its Pay.gov Website.

- ✓ The customer agency need not complete the credit card blocks on the RWA, as this information must be entered directly into the Pay.gov site.
- ✓ The Department of the Treasury charges the customer agency's credit card and transfers the funds into PBS's account.

Lastly, the following procedures apply specifically for F-type RWAs billed via credit card:

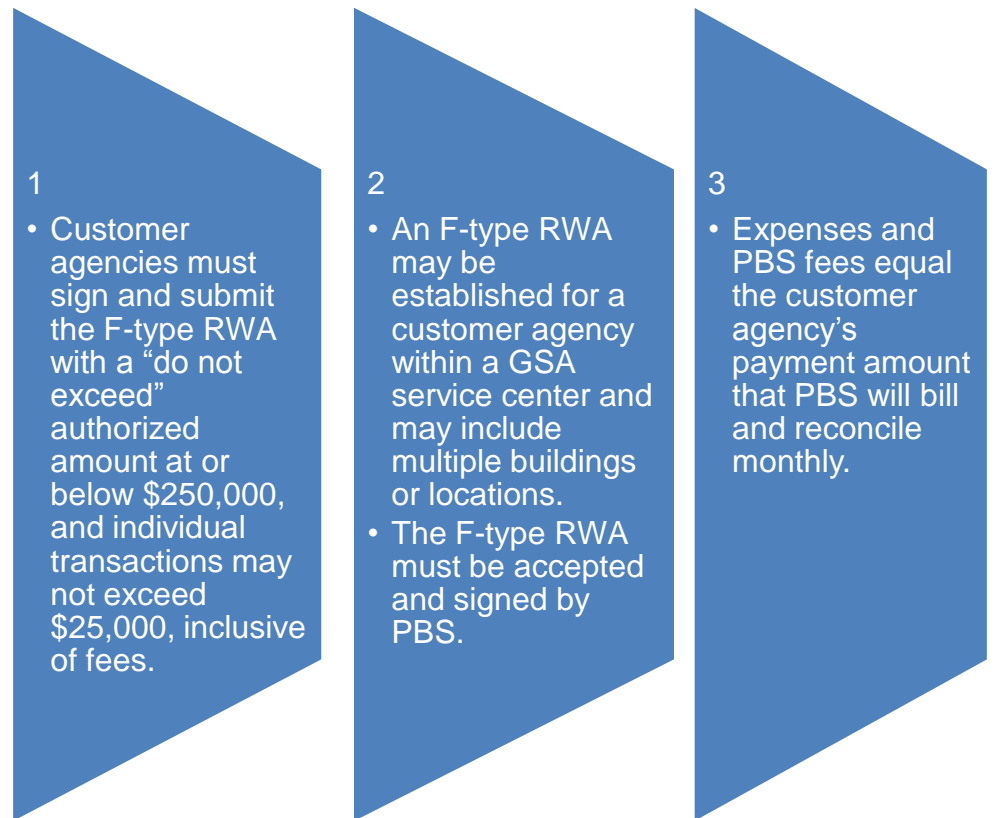


Fig. 13 – F-type Billing via Credit Card

#### 6.2.4. Advance Billings

PBS may bill other agencies in advance of the service performance under 40 U.S.C. § 581(g). Advance billings are bills that PBS sends to the requesting customer agency for payment before the commencement of services by PBS and the incurrence of costs associated with the RWA.

- *NOTE: Customer agencies may request advance billing on an exception basis, which must coincide with the business rules contained in the OMB Policy on Advance Payments.*

#### 6.2.5. Billing for R-Type Services via Rent Bill

RWA customer agencies have the option to pay for recurring RWA services as a component of PBS’s Rent bill.

#### 6.2.6. PBS Accounts Receivable for Non-IPAC Billings

PBS must take timely action to collect all outstanding bills, claims, and debts. In cases of continuing delinquencies, PBS will collaborate with the appropriate Finance office to find solutions.

#### 6.3. Delinquency and Collections

Delinquencies, also known as aged accounts receivables, generally occur when customer agencies do not pay their bill within 30 calendar days of the customer agency bill (invoice date). Delinquency follow-up by PBS will facilitate timely escalation of the bill collection effort.

With the exception of congressional accounts, PBS will issue delinquency notices to delinquent customer agencies on all unresolved disputed items, and overall credit balances that require additional validation, monthly. Contact by telephone, e-mail, and letter will escalate the matter within the debtor customer agency until the delinquency is resolved.

- *NOTE: The Economy Act and the Federal Acquisition Regulation requires the prompt payment of interagency agreements.*

#### 6.4. Disputes

If a customer agency disagrees with the billing amount, PBS considers the bill in dispute and proceeds as follows:

*In the case of a disputed bill, the appropriate PBS regional office will verify the validity of the bill.*

1. If a bill is in dispute, delinquency notices will not generate until the bill dispute is resolved.
2. If only a part of the billing is under dispute, PBS advises customer agencies to pay the undisputed amount.

*Disputed bills are resolved in a timely manner with effective follow-up at 30 calendar day intervals to collect all monies owed PBS. Disputed bills between agencies follow the interagency dispute resolution set forth by OMB Memorandum M-07-03, dated November 13, 2006.*

1. If the dispute is financial, it will be referred to the Chief Financial Officers' Council;
2. If legal, then it will be referred to the U.S. Attorney General.

Fig. 14 – F-type Billing via Credit Card

### 6.5. Credits, Duplicate Payments, and Refunds

PBS either processes offsets with another current outstanding receivable in the customer agency's account or issues a refund to the customer agency for credit billings of \$50 or more.

Similarly, when PBS receives a copy of a collection remittance and research discloses a duplicate payment by the customer agency, PBS will process the overpayment to either offset another current outstanding receivable in the customer agency's account, or refund the customer agency.

When credit billing a non-IPAC under \$50 and the customer agency does not use it to offset a different outstanding receivable within 60 calendar days, PBS either writes-off the amount or transfers it to the Department of the Treasury.

- *NOTE: A customer agency may not apply any credit on its account toward future billings; rather, PBS will issue a refund to the customer agency. PBS issues refunds to non-IPAC customer agencies using Standard Form (SF) 1047: Public Voucher for Refunds.*

### 6.6. Congressional Accounts

Congressional fiscal years and budgets coincide with calendar years; therefore, prompt collections alleviate any problems that may arise from changes in House and Senate membership after elections. PBS refers congressional invoices to its congressional support branch.

### 6.7. Chargeback

If the customer agency determines it was overbilled, PBS will research the item and issue a credit if applicable.

- The customer agency receives a control number and must process an IPAC adjustment within 90 calendar days of the bill date, citing the control number.
- PBS has 90 calendar days to respond to the chargeback submitted by the customer agency.

PBS will work internally to rectify the billing, however, if PBS does not agree with the chargeback (or a portion thereof), PBS will contact the customer agency and ascertain the reason for the chargeback.

## **7. Fiscal Year-End Processing**

PBS conducts a careful review of the RWA at or near fiscal year-end. GSA issues year-end letters, which detail PBS's requirements for acceptance of RWAs at or near year-end.

- Note: *Department of Defense (DoD) customer agency year-end letters and those for civilian customer agencies identify deadlines in which RWAs must be received by GSA to be accepted and processed by fiscal year-end.*

The requirements for acceptance of an RWA at or near fiscal year-end depend upon the following:

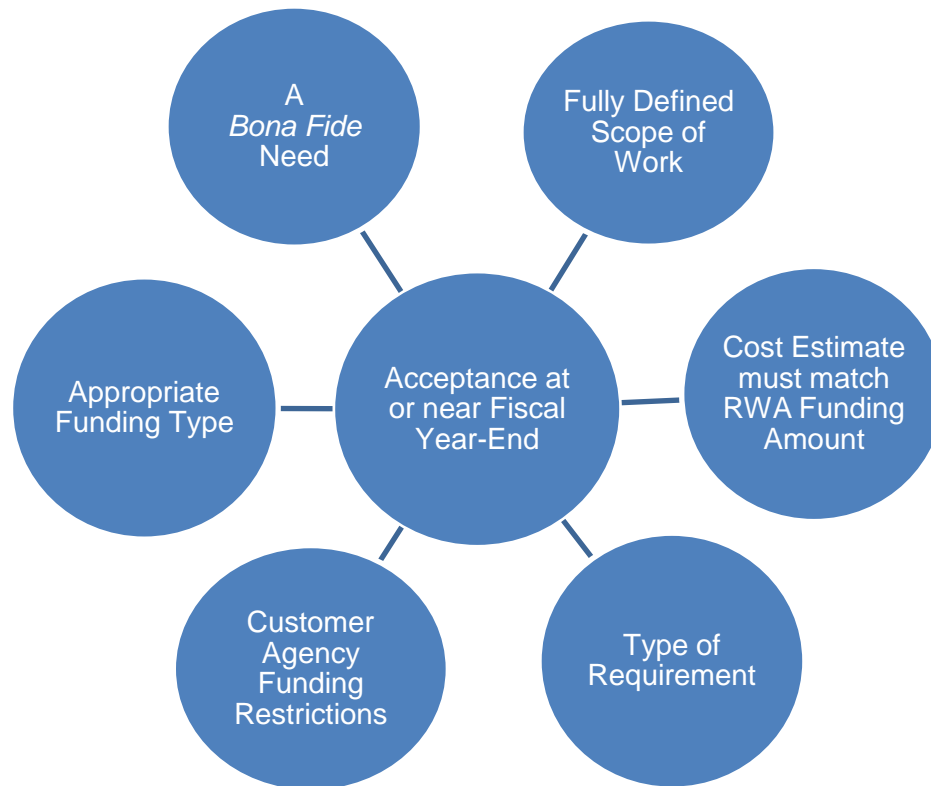


Fig. 15 – Fiscal Year-End Acceptance

- NOTE: *Any restrictions on the availability and use of the customer agency's funds also apply to PBS's contracting activities under the authority of the RWA.*

Current policy requires PBS to obligate customer agency funding within 90 calendar days unless a documented agreement exists with the customer agency to the contrary. Unless the customer agency places further fiscal restrictions upon its RWA, PBS has a reasonable time to obligate the customer agency's funding, even if the award takes place in a subsequent fiscal year.



## 8. Questions?

If you have additional questions, or need specific information, please contact your local PBS Representative or go to the RWA Customer Portal, at [www.gsa.gov/rwa](http://www.gsa.gov/rwa).