

# 16 Payment Processing

## 16.1 Payment Application Process<sup>11</sup>

During the course of construction projects, general contractors are permitted to periodically submit progress payments to FP&C for work that has been completed.

The Payment Application Process enables the routing of pay applications from the general contractor to the PM, FM, Director and AP for review and processing.

The contractor completes and submits the Pay Application in PMIS and attaches its supporting documents in accordance with the contract documents.

1. The PM reviews and approves or rejects the pay application per the 'Periodic Payment to Contractor' terms in the General Conditions and per the pay application review checklist.
  - a. For the first contractor payment, the PM should review the first pay application by completing the First Pay Application Review Checklist (Appendix 16.1a), review the Pay Application Review Checklist (Appendix 16.1b) for ongoing pay applications, and the Final Pay Application Review Checklist (Appendix 16.1c) for the final pay application.
2. The PM then approves the pay application on the PMIS and attaches the completed checklist as supporting document. For large projects, the PM has the option to send it to the Architect for review.
3. Once approved by the PM, the Fiscal Officer reviews & approves the pay application by utilizing the same checklist. The FM should subjectively select 5 items of his/her choice from that checklist to review and approve.
4. The FM then approves the pay application on the PMIS and attaches the completed checklist as supporting document.
5. Once approved by the FM, the Director approves or rejects the pay application.
6. Once approved by the Director, The FM prints the pay application packet for Accounts Payable review.
7. Accounts Payable processes the payment upon review and approval.

---

<sup>11</sup> Refer to Appendix 16.1W – Pay Application Management Workflow

The draft payment application, including any A/E review comments, approved payment application, and any documented conversations between a FP&C party and the GC in arriving at the approved payment should be retained to the project folder on the PMIS each month.