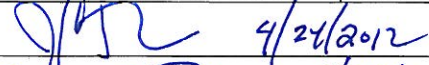



**Standard Operating Procedure (SOP)
Invoices and Payment Applications**

SOP No.	DC-2110	Revision:	3
Department:	Design & Construction Services	Date:	April 24, 2012
Dept. Head Approval:			
Director Approval:			

Purpose

To provide the procedures for processing invoices and Payment Applications on AIA G702/G703 Forms and general invoices.

Responsibility

1. The following people are responsible for following this SOP.
 - 1.A. Project Managers
 - 1.B. Procurement, Contracting & Payment Services (PC&PS)
 - 1.C. Expert Business Office (EBO)

Definitions

1. Mountaineer Administrative Processes (MAP)- WVU accounting system that performs the following:
 - Recording budgets, expenditures, and receipts
 - Purchasing goods and services
 - Maintaining asset records
2. Purchasing Agent - WVU PC&PS officer who issues a contract purchase order.
3. Purchase Order (PO)- a commercial document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer.

Procedure

1. General Invoices
 - 1.A. Original Invoices are to be mailed directly to Procurement, Contracting & Payment Services (PC&PS). PC&PS will review the invoice to make sure the information on the cover sheet is correct (dates, PO number, etc.).
 - 1.A.1. If the Invoice is incorrect, PC&PS will contact the Contractor to have it corrected.
 - 1.A.2. If the Invoice is correct, PC&PS will scan the Invoice and send it to the Project Manager for approval via e-mail. After the Project Manager approves the Invoice, an approval e-mail is sent to PC&PS and EBO. PC&PS forwards the Invoice to EBO where they receive the Invoice in MAP/Oracle. The payment application then goes to PC&PS to process the payment at the WV State Auditor's Office.

- 1.B. When processing an invoice or payment application, it is helpful to have the original purchase order and subsequent change orders in hand for reference.
- 1.C. Invoices for construction or progress payments should be submitted monthly and numbered sequentially.
- 1.D. Project Managers should review and process Invoices as quickly as possible and within 5 days of receipt.
- 1.E. The following checklist should be used to review Invoices:
- All Invoices must be original.
 - AIA G702/G703 Forms must be notarized.
 - Purchase Order (PO) number must be indicated.
 - Indicate dates of service (“from” and “to”). The dates of service on the invoice must fall within the beginning and end dates of the contract.
 - The contract value on the invoice should match the purchase order.
 - Correct vendor address.
 - Check for mathematical errors.
 - Rounding of numbers is not allowed.
 - Confirm that work being invoiced is included in contract. Change-order work cannot be invoiced until PO is processed by PC&PS.
 - Confirm that work being invoiced has been completed.
 - Reimbursable expenses require appropriate receipts.
- 1.F. The Project Manager may indicate approval by stamping, signing, and dating the Invoice with “Project Manager Approved for Payment” stamp. This is **not** a requirement and a simple approval e-mail will be accepted by PC&PS.
- 1.G. Only one original document is required. Additional copies may be requested for convenience. One copy should be retained for the project file. PC&PS will retain the original copy.
- 1.H. The Project Manager may make corrections, edits, or changes to the Invoice. A copy of the corrected Invoice should be sent to the contractor and architect.

1.I. Invoice must be sent to the following address:

Attention: Purchasing Agent on the PO
WVU Procurement, Contracting & Payment Services
One Waterfront Place, 3rd Floor
PO Box 6024
Morgantown, WV 26506

2. AIA G702/703 Form Payment Applications

- 2.A. This section provides requirements in addition to those listed above and applies to projects using AIA G702/703, Application and Certificate for Payment.

- 2.B. The contractor should send the architect/engineer (AE) and the owner a draft version of their payment application for review (Reference AIA 201) electronically.
- 2.C. The Application for Payment should be submitted to the AE first for their review prior to submitting to PC&PS.
- 2.D. It is recommended to review pay applications and construction progress schedules together. The progress noted on the payment application should match the progress noted on the construction schedule.
- 2.E. Verify that the contractor, notary, and AE sign G702. If the G702 form is used and an outside architect was not hired, then note “NA” for Not Applicable in the architect’s signature block.
- 2.F. The items and values on AIA G702/703 must match the Schedule of Values submitted for a project. The values on the G702 should match the totals on the G703 Continuation Sheets.
- 2.G. Verify that the table on the bottom left corner of G702 is completed if project has change orders.
- 2.H. Applications for Payment should not include any change order amounts on G702/703 until the Change Order is issued by WVU Procurement Services.
- 2.I. Retainage
 - Refer to payment section of contract and WV Supplemental General Conditions.
 - 10% retainage must be held on Pay Applications up to 50% completion. Reference contract AIA 201 language and WV Supplement General Conditions for specific details.
 - The first payment application where retainage is reduced will require a Consent of Surety to release retainage.
 - If retainage is not an even percentage, leave the space for “percentage” blank on lines 5a and 5b and fill in dollar amounts only.
 - Make sure retainage is held out of change orders.
 - If contract is for less than 60 days, project could be paid in one lump sum with no retainage held.
 - WVU will typically hold 5% retainage until final completion.

2.J. Final Payment

- The following items should be included with Final Payment Application: Consent of Surety; Proof of B&O Tax Payment with or before last Invoice. Use AIA forms where applicable. Conditions of Final Payment should be specified in General Requirements.

3. BOT 100

- 3.A. If physical work is necessary after the final completion date, a BOT 100 can be issued. A BOT 100 is used for payment purposes **only**, and the vendor does not see this document. A BOT 100 is used as an alternative to extending the contract via a change order.