

Subpart 532.9 - Prompt Payment

Parent topic: [Part 532 - Contract Financing](#)

532.904 Determining payment due dates.

Payment due dates for construction contracts are addressed at FAR 32.904(d). The following procedures apply to construction and building service contracts:

(a) The amount of final payment must include, as appropriate, deductions to cover any of the following:

(1) Liquidated damages for late completion.

(2) Liquidated damages for labor violations.

(3) Amounts withheld for improper payment of labor wages.

(4) The amount of unilateral change orders covering defects and omissions.

(5) The agreed-upon dollar amount in a Deficiency Report, which is included in all applicable Operation and Maintenance (O&M) service contracts.

(b) An official one level above the contracting officer shall approve justifications exercising the authority prescribed by FAR [32.904\(d\)\(1\)\(i\)\(B\)](#). The time needed should be determined on a case-by-case basis, but the specified constructive acceptance period shall not exceed 30 days.

532.905 Payment documentation and process.

(a) Contractors are to submit invoices or vouchers to the contracting officer for approval. Invoices must be annotated with the date of receipt, as required by FAR 32.905. That date will be used to determine interest penalties for late payments. The contracting officer or designee must review the processing of invoices or vouchers before payment to determine if the items and amounts claimed are consistent with the contract terms and represent prudent business transactions. The contracting officer must ensure that these payments are commensurate with physical and technical progress under the contract. If the contractor has not deducted questionable amounts from the invoice or amounts required to be withheld, the contracting officer must make the required deduction, except as provided in [532.7203](#). Subject to [532.7201](#), the contracting officer must note approval of any payment on (or attached to) the invoice or voucher submitted by the contractor and forward the invoice or voucher to the appropriate contract finance office for retention after certification and scheduling for payment by a disbursing office.

(b) See GSAM [532.7203](#) for the handling of audit findings.

532.905-70 Final payment—construction and building service contracts.

The following procedures apply to construction and building service contracts:

(a) The Government shall pay the final amount due to the contractor under this contract after the documentation in the payment clauses of the contract is submitted. This includes the final release prescribed for construction at FAR 52.232-5, and for building services at GSAR 552.232-72.

(b) A contracting officer may only process the final payment for a construction or building service contracts once:

(1) The contractor submits a properly executed GSA Form 1142, Release of Claims; or

(2) The contracting officer documents in the contract file:

(i) That the contracting officer requested a release of claims from the contractor and did not receive a response within 60 calendar days; and

(ii) Approval to process the final payment from one level above the contracting officer.

532.908 Contract clauses.

(a) *Building services contracts.* Insert the clause at 552.232-72, Final Payment Under Building Services Contracts, in solicitations and contracts for building services.

(b) *Stock, Special Order, and Schedules Programs.*

FAR deviation. GSA has a deviation from FAR 52.232-25 to authorize payment within 10 days of receipt of a proper invoice. The deviation applies only to:

(i) Orders placed by GSA under Stock, Special Order, and Schedules programs;

(ii) That include FAR clause at 52.232-33, Mandatory Information for Electronic Funds Transfer Payment; and

(iii) For which the order is placed, and the contractor submits invoices using EDI in accordance with the Trading Partner Agreement.

(2) If the contract is for other than commercial products or commercial services, use the clause at 552.232-25, Prompt Payment, in lieu of the FAR clause at 52.232-25.