AASHTO Trns·port

Transportation Software Management Solution

User's Guide

(Subcontractor Payments Chapter Extracted from User's Guide)

**Trns·port CRLMS®
Non-Agency Users**

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AMERICAN ASSOCIATION OF
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TRANSPORTATION OFFICIALS

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4 Subcontractor Payments

4.1 Subcontractor Payment Overview

After the agency makes a payment to the prime contractor for work on the contract, the prime contractor is in turn responsible for paying the subcontractors and other vendors who performed the work. When the prime contractor has paid the subcontractors, those subcontractors are responsible for paying their own subcontractors and other vendors (suppliers, brokers, and truckers) who provided materials or services for contract work.

The general subcontract payment process follows these workflow steps:

- **Pending** — If you are the prime contractor, enter subcontractor payment records for the work subcontractors performed for each estimate payment. To enter subcontractor payments, first locate the contract payment from which the subcontractor payment is being made. If you are a subcontractor entering payments made to other vendors, locate the appropriate subcontract payment for which you are the payee.

  Record any information required by your agency for the payment. In addition to general information and any amounts being withheld, this might include work items or work types being paid.

  Sign each subcontractor payment record.

- **Under Payee Review** — Payees on subcontractor payments verify receipt of the subcontractor payment.

- **Under Agency Review** — The agency reviews the subcontract payment transactions.

- **Reviewed** — Subcontract payments have been reviewed. This is the end of the subcontract payment process.

The transportation agency monitors all of these payments to make sure they are made within the federal and state guidelines for timely and accurate payment. Agencies can choose between three possible methods to monitor subcontractor payments:

- **Work Items** — Some agencies require the prime contractor and other paying vendors to record the work items being paid in the subcontractor payment. The payment amount is automatically calculated by the system, partially based on work items completed.

- **Work Types** — Some agencies require the prime contractor and other paying vendors to record the work types being paid in the subcontractor payment. The payment amount is automatically calculated by the system, partially based on recorded work types.

- **Payment Amount** — Some agencies do not require either work items or work types to be recorded for the subcontractor payment. The payment amount is recorded manually.

4.2 Locating a Contract

All subcontractor payments must originate from a contract payment. Therefore, to view, add or change a subcontractor payment, you must first find its associated contract.

To locate a contract, navigate to the Contract Overview by clicking the **Contract** link on the CRLMS Non-Agency component. Click **Show first 10** or type criteria in the **Quick Find** search box. The system displays a rolling list of rows for all the contracts in the system that match your search criteria.

Each contract row contains an **Actions** button and current values for the following fields:

- Contract ID
- Description
- Prime Contractor ID
- Prime Contractor Name

When you locate the contract, select **View Contract Payments** from **Actions** menu on the contract's row.

4.3 Viewing Agency Contract Payments

All subcontractor payments must originate from a contract payment with the prime contractor as the payer.

The Contract Payment Overview component contains a rolling list of all the payments the agency has paid to the prime contractor for the contract. To access the Contract Payment

Overview from the Contract Overview component, select **View Contract Payments** from the **Actions** menu on the contract row.

Each row represents one contract payment record. Each row displays an **Actions** button and current values for the following fields:

- Estimate Num
- Type
- Amount Paid
- End Date

To view or maintain the information in a contract payment record, click the blue **Estimate Num** link in the list, or select **View** from the **Actions** menu on the contract payment row.

To add a subcontract payment from the prime to a contract payment, select **Add Subcontract Payment from Prime** from the **Actions** menu on the contract payment's row.

4.4 Viewing a Contract Payment Summary

The Contract Payment Summary component contains all the information currently recorded for the contract payment, including subcontract payments. To access the Contract Payment Summary from the Contract Overview, select **View Contract Payments** from the **Actions** menu on the contract row. On the Contract Payment Overview component, click the **Estimate Num** link.

Information on the Contract Payment Summary is grouped on three tabs located on the left side of the component. The component opens on the **General** tab, which allows you to view the following information:

- Estimate Number
- Estimate Type
- Paid Amount
- Previous Total Paid Amount
- Total Paid to Date Amount
- Contract Payment Period Start Date
- Contract Payment Period End Date
- Date Payment was Made

To view additional information related to the contract payment, click the following tabs:

Items Click this tab to view a list of all the payment items associated with this contract payment. For more information, see Viewing Contract Payment Items.

Subcontract Payments   Click this tab to add or maintain subcontractor payments associated with this contract payment. For more information, see <u>Managing Subcontractor Payments</u>.

4.5 Viewing Contract Payment Items

Contract payments made to the prime contractor are made based on the contract work items that were completed during the payment period.

The **Items** tab on the Contract Payment Summary component contains an accordion list of all the contract items that are being paid in the associated contract payment. Each row represents one payment item record and displays the **Contract Item Line Number** and the **Item ID**.

To view a contract item record, expand the row to display all the available information. You can view the following information:

- Contract Line Item Number
- Item ID
- Item Description
- Unit
- Quantity Paid
- Extended Amount Paid
- Quantity Paid to Date
- Bid Extended Amount
- Contract Item Unit Price
- Supplemental Description

4.6 Managing Subcontractor Payments

The **Subcontract Payments** tab on the Contract Payment Summary component contains an accordion list of all the subcontract payments that have been made for the associated contract payment. Each row represents one subcontract payment record and displays an **Actions** button and current values for the **Payer Name** and **Payee Name**.

To maintain a subcontract payment record, expand the row to display all the available information. You can view the following information:

- Payer Name
- Payee Name
- Payee Payment Number

- Date Paid
- Payment Type
- Paid Amount
- Parent Subcontractor Payment ID
- DBE Firm Indicator
- DBE Commitment Indicator

To review or change additional information about the subcontractor payment, select **Review Sub Contractor Paymt. Summary** from the **Actions** menu on the subcontract payment's row (see Maintaining a Subcontractor Payment Record).

To add a new subcontract payment from the prime, click **Add Subcontract Payment from the Prime**. To add a new subcontract payment from the payee, select **Add New Payment From Payee** from the **Actions** menu on any subcontract payment row. To add a new subcontract payment from the payer, select **Add New Payment From Payer** from the **Actions** menu on any subcontract payment row. See Adding a Subcontractor Payment.

To delete a subcontract payment record, select **Delete** from the **Actions** menu on the subcontract payment's row.

> **Note**: Deleting a subcontractor payment also deletes any associated subordinate vendor payments.

When you are finished, click **Save** to apply your changes (including deleted information). The system displays a message to confirm that your changes were saved in the database.

To sign subcontract payments for the payer on this subcontract payment, select **Sign Subcontract Payment** from the **Actions** menu on the subcontract payment's row. For more information, see Signing Subcontract Payments.

4.7 Adding a Subcontractor Payment

The Add Subcontract Payment allows you to add general information for a new subcontractor payment. There are several ways to access the Add Subcontract Payment component from the **Subcontract Payments** tab on the Contract Payment Summary component depending on the type of payment being made. To add a new subcontract payment from the prime, click **Add Subcontract Payment From Prime**. To add a new subcontract payment from the payee, select **Add New Payment From Payee** from the **Actions** menu on any subcontract payment row. To add a new subcontract payment from the payer, select **Add New Payment From Same Payer** from the **Actions** menu on any subcontract payment row.

When you create a new subcontractor payment, the system automatically determines the payer (and sets the **Payer Name** field) according to the following rules:

- If the subcontractor payment is made directly from the contract payment (on the **Contract Payment Overview** component), the prime contractor is set as the payer.

- If the subcontractor payment is made from another subcontract payment (by selecting **Add New Payment From Payee** on the **Subcontract Payments** tab of the **Contract Payment Summary** component), the subcontract payment payee is set as the payer. (This is when a subcontract payment is made from a vendor other than the prime contractor to another vendor.)

- If the subcontractor payment is made from another subcontract payment (by selecting **Add New Payment From Same Payer** on the **Subcontract Payments** tab of the **Contract Payment Summary** component), the same payer is set for subcontract payment.

To create a new subcontractor payment, you must enter information in these fields:

- Payee
- Payee Payment Number
- Date Paid
- Payment Type
- Paid Amount
- Payee Work Complete Indicator

The following fields are set automatically by the system:

- DBE Firm Indicator
- DBE Commitment Indicator

When you are finished adding information, save the new subcontractor payment in the system by clicking the **Save** button. The system takes you to the Subcontract Payment Summary and displays a message to confirm that your changes were saved in the database. For more information, see Maintaining a Subcontractor Payment Record.

4.8 Maintaining a Subcontractor Payment Record

Information currently recorded for the subcontractor payment is available on either the Subcontract Payment Summary or the Review Subcontract Payment Summary.

The Subcontract Payment Summary is displayed whenever you save a new subcontract payment, or you can access it by clicking the Subcontract Payment quick link on the Verify Payment component. To access the Review Subcontract Payment Summary, click the **Subcontract Payments** tab on the Contract Payment Summary, and then select **Review Sub Contractor Paymt. Summary** from the **Actions** menu on the appropriate subcontract row.

Both components open on the **General** tab, which allows you to view or change the following information:

- Payer
- Payee
- Payee Payment Number
- Date Paid
- Payment Type
- Paid Amount
- DBE Firm Indicator
- DBE Commitment Indicator
- Payee Work Complete Indicator

Click in a field and add, change, or delete information as required.

When you are finished making changes, click the **Save** button to apply your changes to the system. The system displays a message to confirm that your changes were saved in the database.

To maintain additional information for the subcontractor payment, click the following tabs:

Withholding   Click this tab to change withholding information for the subcontractor payment (see Maintaining Subcontractor Payment Withholding).

Endorsements   Click this tab to view endorsement and review information for the subcontractor payment (see Viewing Subcontractor Payment Endorsements).

Items   Click this tab to change the payment items associated with this subcontractor payment (see Maintaining Subcontractor Payment Items). This tab is only available if your agency requires that work items be recorded for subcontractor payments.

Work Types   Click this tab to change work type information associated with this subcontractor payment (see Maintaining Subcontractor Payment Work Types. This tab is only available if your agency requires that work types be recorded for subcontractor payments.

> **Note:** If your agency does not require that work items or work types be recorded for subcontractor payments, the **Items** and **Work Types** tabs are not available on this component.

To add a new subcontractor payment to the same subcontractor as the current subcontractor payment, select **Add New Payment Same Payer** from the **Actions** menu on the component header.

To add a new subcontractor payment to the payee on the current subcontractor payment, select **Add New Payment From Payee** from the **Actions** menu on the component header.

To verify that you have received a subcontractor payment, select **Verify Payment** from the **Actions** menu on the component header. For more information, see [Verifying Receipt of a Subcontractor Payment](#).

4.9 Maintaining Subcontractor Payment Withholding

The **Withholding** tab of the Subcontract Payment Summary component contains information related to funds being withheld or previously withheld funds being released in the subcontractor payment.

On this tab, you can view or change the following information:

- Retainage Released
- Retainage Dollars Held
- Payment or Partial Amount Withheld Indicator
- Partial Payment Comments
- Payer Comments

Click in a field and add, change, or delete information as required.

The **Partial Payment Comments** field is required if both of the following conditions exist for this subcontractor payment:

- The **Payment or Partial Amount Withheld Indicator** check box is selected.
- Your agency does not require that work items or work types be recorded for the subcontractor payment.

> **Note:** If the *Subcontractor Payment Detail* agency option is set to *Contract Pay Items* or *Work Types*, the **Partial Payment Comments** and **Payment or Partial Amount Withheld Indicator** fields are maintained at the corresponding payment item or payment work type level and their values cannot be changed on this component.

When you are finished, click the **Save** button to apply your changes. The system displays a message to confirm that your changes were saved in the database.

4.10 Viewing Subcontractor Payment Endorsements

The **Endorsements** tab on the Subcontract Payment Summary component contains endorsement and review information for the subcontract payment.

On this tab, you can view the following information:

- Signed By
- Signed Date
- Signer Comments
- Payee Reviewed By
- Payee Reviewed Date
- Payment Received
- Date Received
- Amount Received
- Payee Work Complete Indicator
- Payee Comments
- Agency Reviewed Date
- Agency Reviewed By
- Agency Reviewer Comments

4.11 Maintaining Subcontractor Payment Items

The **Items** tab on the Subcontract Payment Summary component contains an accordion list of all the contract items that are being paid in this subcontractor payment.

Note: This tab is only available if your agency requires that work items be recorded for subcontractor payments.

Each row on the **Items** tab represents one item record. Each row displays an **Actions** button and current values for the **Contract Item Line Number** and **Quantity Paid** fields. To maintain an item record, expand the row to display all the available information. You can view or change the following information:

- Contract Item Line Number
- Quantity Paid
- Actual Payment
- Payment or Partial Amount Withheld Indicator
- Partial Payment Comments (this field is required if the **Payment or Partial Amount Withheld Indicator** is selected)
- Retainage Released
- Retainage Dollars Held
- Payee Work Complete Indicator

Click in a field and add, change, or delete information as required. When you are finished making changes, click the **Save** button to apply your changes to the system. The system displays a message to confirm that your changes were saved in the database.

4.12 Maintaining Subcontractor Payment Work Types

The **Work Types** tab on the Subcontract Payment Summary component contains an accordion list of all the work types recorded for the subcontract payment.

> **Note:** This tab is only available if your agency requires that work types be recorded for subcontractor payments.

Each row on the **Work Types** tab represents one work type record. Each row displays an **Actions** button and the current value for the **Work Type** field. To maintain a work type record, expand the row to display all the available information. You can view or change the following information:

- Work Type
- Actual Payment
- Payment or Partial Amount Withheld Indicator
- Partial Payment Comments (this field is required if the **Payment or Partial Amount Withheld Indicator** is selected)
- Retainage Released
- Retainage Dollars Held
- Payee Work Complete Indicator
- Contract Current DBE Commitment Work Type Indicator
- Work Type Status Description
- Primary Code Flag
- Comment
- DBE Work Type Source

Click in a field and add, change, or delete information as required. When you are finished making changes, click the **Save** button. The system displays a message to confirm that your changes were saved in the database.

4.13 Signing Subcontract Payments

The Sign Subcontract Payment component provides a guided process by which you review, verify and sign a subcontractor payment.

⬛ **Caution**: After you sign a subcontractor payment, it can no longer be changed or deleted.

Follow these steps to sign a subcontractor payment:

1. On the **Subcontract Payments** tab of the Contract Payment Summary component, select **Sign Subcontract Payment** from the **Actions** menu on the subcontract payment's row.

   The system automatically generates the Contract Payment report and displays it on the Sign Subcontract Payment component.

2. Review the Contract Payment report. When you have determined the information in the report is correct for this subcontract payment, click the **Next** button at the bottom of the component.

   *The system displays the agency's verification requirement for the subcontractor payment. You can click the **Previous** button to return to the Contract Payment report if needed.*

3. Review the verification requirement and click the **Next** button to proceed.

   The system displays the Sign step.

4. Click in the **Comments** field and enter any information you need to record for the subcontractor payment record.

5. Sign the subcontractor payment by clicking the **Sign Payment** button.

   *The system verifies that you are authorized to sign the subcontractor payment, sets the **Signed By** field to your User ID, and sets the **Signed Date** to the current system date. The system displays the Contract Payment report and the Payment Verification report in the guided process and also attaches them to the subcontract payment record. The system then sets the subcontract payment record to read-only to prevent any future changes and takes you back to the Subcontractor Payment tab on the Contract Payment Summary page.*

4.14 Verifying Receipt of a Subcontractor Payment

The payee must verify the subcontract record information to complete the subcontractor payment process. When the payee verifies receipt, the agency then reviews the transaction to make sure it was made within the federal and state guidelines for a timely and accurate payment.

The Verify Payment component provides a guided process by which the payee can review and verify the subcontractor payment.

Follow these steps to verify the subcontractor payment:

1. To open the subcontractor payment record, click the **Subcontract Payments** tab on the Contract Payment Summary, and then select **Review Sub Contractor Paymt. Summary** from the **Actions** menu on the subcontract payment row.

2. On the Review Subcontract Payment Summary component, select **Verify Payment** from the **Actions** menu on the component header.

   The system generates the Contract Payments Report and takes you to the Verify Payment component, with the report displayed.

3. Review the Contract Payment report. When you have determined the information in the report is correct for this subcontract payment, click the **Next** button at the bottom of the component.

   *The system displays the Verify Receipt step. You can click the **Previous** button to return to the Contract Payment report if needed.*

4. Add information in the following fields for the payment received: Payment Received, Amount Received, Date Received, Payee's Work on Contract Complete, Payee Comments.

5. Click the **Next** button.

   The system displays the Submit step.

6. Review the information displayed, and if it is correct, click the **Submit Verification** button.

   The system submits the verification to the agency and takes you back to the Subcontract Payment Summary component.