

BF

February 24, 2003

TO: Distribution

FROM: B/Deputy Chief Financial Officer for Financial Management

SUBJECT: Early Vendor Payments

In response to the request from Centers to make early payments to contractors, this memorandum will provide guidance. Generally, invoice payments are subject to the prompt payment act and should not be made more than 7 days prior to the due date. However, if a determination is made that it is prudent to make payments early, the Center Deputy Chief Financial Officer for Finance is granted authority to make the payments early.

The delays experienced in making payments during the conversion of the accounting system is adequate justification for paying contractor invoices early before the legacy system is turned off. Centers are not authorized to pay contractors prior to receiving an invoice, except in cases when a contract calls for progress payments. When progress payments are authorized, the contractor must submit a request for a progress payment before the payment is made.

If you have questions or concerns about the above instructions, please refer them to Melvin DenWiddie on (202) 358-0983 or via email on mdenwidd@hq.nasa.gov.

Original Signed By

Gwendolyn Brown