

Distribution	SUBJECT	Date
	DEBIT MEMOS (D.M.)	09-01-2014

**PURPOSE:** To notify accounting of reductions in payments to vendors.

**ISSUED BY:** Construction Manager, Project Manager, Superintendent, or Accounting

**REASONS FOR ISSUING:**

- A. Backcharge
- B. Work Incomplete
- C. Work Unsatisfactory
- D. Items Returned (credit due)
- E. Prices Incorrect
- F. Extensions Incorrect
- G. Price reduction (credit due)
- H. Other

Anytime a Vendor is to be paid less than the invoice or Purchase Order amount, a Debit Memo should be issued to explain the reduction.

**WHEN ISSUED:** At earliest time after the need for a Debit Memo is determined.

**PROCEDURE:** All information required by form to be completed.

CM to approve all Debit Memos except for extension errors.

**NOTE:** When a backcharge is written to a subcontractor, the Comment Section should contain a reference to any FPO's and/or subcontractor invoices associated with the Debit Memo.

**DISTRIBUTION:** White -Vendor (with monthly payment)  
 Canary – Site  
 Pink – Accounting  
 Gold - File

