

Distribution	SUBJECT	Date
	INTERIM PAYMENT REQUESTS	09-01-2014

PURPOSE: To outline the circumstances under which a subcontractor or supplier may be paid between normal draw periods.

PROCEDURE:

1. The CM will not discuss the possibility of interim payments with any supplier or subcontractor until the request has first been channeled through the project super.
2. The project super shall endeavor to dissuade the person requesting the interim payment to the best of his ability and shall flatly reject any requests for such payment under any circumstances other than emergency or where the job would be jeopardized in the terms of progress, etc.
3. The CM will notify the DA on the particulars of the individual interim payment request. A check request will be initialed by the CM and the normal accounting routine will apply to processing the request for payment. The individual invoices will need to be at the main office prior to disbursement.
4. Partial payments against Purchase Orders will not be made to subcontractors regardless of the reasons. All work on the Purchase Order must be 100% complete in order for the Purchase Order amount to be paid.

On occasion the Construction Manager may (with the company President's approval) agree to weekly payments. This agreement is limited to subcontractors providing primarily labor (frame carpenters, slab masons, block masons, etc.). Weekly pay requests will not be agreed to for subcontractors providing materials as a major portion of their contract (electricians, plumbers, air-conditioning, etc.).

The Construction Manager will bring to the Accounting Department's attention all subcontractors to which he has agreed to a weekly pay. This should be in writing in the contract. Any subsequent agreements for weekly pay must be accompanied by our standard agreement for weekly payment which reflects a 2% discount as a processing fee.

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When the Accounting Department is made aware of weekly pays, the following procedures will be followed:

1. On Friday afternoon the Superintendent will fax, then mail all bills to the main office to be paid the following Friday.
2. AP should prepare a separate check for any draw which is in question as to whether or not it will be completed that Friday and paid the following Friday. It is the Accounting Department's responsibility to see that these checks reach the Project Superintendent in a timely fashion.

EXAMPLE

Project 19 File Code _____

FDC X
Job _____
Sub _____

**ADDENDUM TO STANDARD SUBCONTRACT AGREEMENT
EARLY PAYMENT AGREEMENT**

WHEREAS, Flynn Development Corporation has entered into a Standard Subcontractor Agreement with the below named Subcontractor for the construction of Pearl Lane Apartments, 725 N. Umatilla Blvd., Umatilla, FL 32784;

WHEREAS, said Agreement calls for Subcontractor to be paid monthly for work completed through the 25th of the previous month;

WHEREAS, it is the desire of Subcontractor to be paid more frequently than set forth in Subcontract Agreement;

WHEREAS, Flynn Development Corporation wishes to accommodate said Subcontractor in this request.

Therefore, it is agreed that Flynn Development Corporation will pay Subcontractor on a weekly basis for the duration of the project. The procedure for the weekly pay is as follows:

1. Friday, 5:00 pm – Subcontractor’s bills for work completed will be submitted by the Subcontractor to the Flynn Development Corporation superintendent. No bill will be approved by the superintendent or paid by Flynn Development Corporation until work is 100% complete. If any work remains incomplete, regardless of the reason, including events beyond the Subcontractor’s control, the invoice will not be approved or paid.
2. The following Friday, Flynn Development Corporation will mail Subcontractor’s check to the job site. Checks will be available for the Subcontractor to pick up the next Monday at 4:00 pm at the construction office. It is agreed that for all invoices processed in this manner, Flynn Development Corporation will deduct 2% of the invoice amount to cover the additional cost of handling and processing.

Flynn Development Corporation, at its sole option, may terminate this Agreement at any time and is under no obligation to make payments set forth herein if it has not received adequate funds from the interim lender to make these payments. No payment will be made to a Subcontractor who would otherwise be eligible to receive the payment due to their failure to meet the Standard Subcontract Agreement. This Agreement in no way alters any other provisions contained in the Standard Subcontract Agreement.

Subcontractor

A+B ELECTRIC INC.

By Brian Cooper

Title PRESIDENT

Flynn Development Corporation

By T. Flynn
President