



Accounts Payable Procedures

Dear Subcontractor:

As part of the AMG team, the Accounts Payable (AP) department is here to help our subcontractors in processing their billing payments. Our job is to make sure that all the correct and proper documents (Exhibit F, H, L, and vendor releases) are received from the subcontractors and to ensure that check payments are processed in a timely manner once funding is received from the owner.

Below are the following guidelines and procedures that need to be followed:

1. Subcontractor billings need to be submitted and reviewed with the Project Manager (PM) and Superintendent on or prior to the 20th of each month. We encourage all subcontractors to follow this deadline so as to give enough time for the PM and the Owner to go through the billing.
2. Email your billing to the Project Manager assigned and to the AP department. Our email address is: Ap@amgassociatesinc.com. The PM contact is listed in the Welcome Letter and on the Preliminary Information sheet.
****To ensure a timely payment, billings need to be submitted correctly. AMG cannot guarantee you will be paid on time if your billing is not submitted by the 20th of the month or to the wrong people****
3. To submit your billing, subcontractors can either use Exhibit F (Subcontractor Payment Application) that has been provided in the contract, or they can use their own invoice. In addition to the billing, you must submit the **Owner approved SOV**. You can request a copy of this either from the PM or from AP. The SOV is very crucial and helps the PM and Owner to expedite the approval process. As the project progresses, each subcontractor's SOV needs to be updated to match the Owner approved billing.
4. Once your percentages have been approved by the owner, AMG's AP department will contact you via email requesting the required documents and releases needed to process your payment.
5. The PM will notify the subcontractor if there are any discrepancies between the Owner approved billing and the subcontractor's billing. The subcontractor can reach out to the PM if they need clarification regarding the differences or the reason for the disapproval. AP has no access to this information, so we encourage the subcontractors to contact the PMs directly.
6. AMG requires the following documents to be submitted correctly and on time to avoid payment delays:
 - **Exhibit F - Subcontractor Payment Application.** This shows the amount approved by the owner and includes the completion percentage and change orders. This serves as a conditional waiver and release for the subcontractor and needs to be signed and dated. Attached to Exhibit F will be the Owner Approved SOV (page 2) that you can use this to reconcile your numbers with the Owner.
 - **Exhibit H - Subcontractor's Suppliers & Material Sources.** Subcontractors need to list all suppliers, vendors and 2nd tier subcontractors from which you will purchase labor,

materials, rental equipment and other entity that will have lien or stop notice rights under the contract.

- **Exhibit L - Subcontractor's Affidavit for Prevailing Wages and Declaration of Apprentices.** The purpose of this form is to account for payroll activity for the current billing month.
 - **Vendor Releases** - All payment applications shall be supported either by a conditional waiver and release of rights or unconditional waiver and release of rights for all previous and current payment periods from all persons legally eligible to record mechanic's liens, serve stop payment notices or make claims against payment bonds provided with respects to the Project.
7. In addition to the required documents, AP ensures that the following are current before payment can be released:
- **Certified Payroll Report (CPR)**- for any questions you can contact our payroll team at: cpr@amgassociatesinc.com
 - **DIR registration** date is current.
 - **Insurance** (general liability, auto, and workers comp) -for any questions you can contact our insurance team: Insurance@amgassociatesinc.com
 - **Warranties** – At 50% completion of the contract, each subcontractor is required to submit the O&M's and Warranties to our field team. AP will withhold an additional 10% on the gross billing until all required O&M's and warranties are furnished by the subcontractor. Please contact our field team for any questions regarding the requirements or see Article 4 of the contract.

Please be aware that we will not process any payments until all required items are submitted and current.

8. It usually takes 30 to 45 days before funding is received from the owner. AMG will issue a payment check and all required joint checks to subcontractor within seven (7) days of receipt of AMG's payment from the owner (assuming the subcontractor's pay application package is complete).