

Subpart 532.72 - Payments Under Contracts Subject to Audit

Parent topic: [Part 532 - Contract Financing](#)

532.7201 General.

532.7202 Submission and processing of invoices or vouchers.

(a) Contractors should be required to submit invoices or vouchers to the contracting officer. The date on which the contracting officer receives the invoice or voucher will be used to determine interest penalties for late payments. The contracting officer, or designee, must review the processing of invoices or vouchers before payment to determine if the items and amounts claimed are consistent with the contract terms and represent prudent business transactions. The contracting officer must ensure that these payments are commensurate with physical and technical progress under the contract. If the contractor has not deducted questionable amounts from the invoice or amounts required to be withheld, the contracting officer is responsible for making the required deduction, except as provided in [532.7203](#).

(b) Subject to [532.7201](#), the contracting officer should note approval of any payment on (or attached to) the invoice or voucher submitted by the contractor, then forward the invoice or voucher to the appropriate contract finance office for retention after certification and scheduling for payment by a disbursing office.

532.7203 Action upon receipt of an audit report.

Audit reports will be furnished to the contracting officer with a copy to the appropriate contract finance office. Upon receipt of an audit report, pursuant to contract terms, the contracting officer is responsible for determining the allowability of all costs covered by audit. While the auditor's recommendations should be given full consideration, the contracting officer must make an independent business judgment before taking any action based on the audit report. If there is doubt or question about the auditor's recommendations, the contracting officer is required to follow the audit resolution procedures in GSA Order ADM 2030.2, Internal Audit Follow-up Handbook.

532.7204 Suspension and disapproval of amounts claimed.

(a) The contracting officer shall notify the appropriate contract finance office in writing when amounts claimed for payment are—

(1) Suspended;

(2) Disapproved as not being allowable according to contract terms; or

(3) Not allocable to the contract.

(b) The contracting officer's notice forms the basis for the contract finance office to issue GSA Form 533-1, Administrative Difference Statement. Finance will attach a copy of GSA Form 533-1 to each copy of the invoice or voucher from which the deduction has been made, and will include an explanation of the deduction.