
Special Attention of:

Transmittal for Handbook No.: 1900.29 REV-02
Issued: May 2012

1. This Transmits

Revised Handbook 1900.29 REV-02, Prompt Payment Policy for the U.S. Department of Housing and Urban Development.

This revised handbook details the Department's policy for compliance with the Prompt Payment Act (Public Law 97-177 as amended by Public Law 100-496 and codified in 31 USC Chapter 39), the Prompt Payment Final Rule (5 CFR Part 1315), the U.S. Department of Treasury Financial Management Service guidance on the Prompt Payment Final Rule, and the Office of Management and Budget (OMB) Executive Memorandum M-11-32, Accelerating Payments to Small Businesses for Goods and Services dated September 14, 2011.

New legislation since the last revision that is incorporated into this version includes:

The Prompt Payment Final Rule requires Executive departments and agencies to pay commercial obligations within certain time periods (no later than 30 days after receipt of proper invoice unless specified by contract terms) and to pay interest penalties when payments are late. It requires the assessment of late interest penalties against agencies that pay vendors after a payment due date. The Final Rule also includes formulas for the calculation of simple and compound interest.

OMB M-11-32 established a policy of the Executive Branch that agencies shall exercise their Prompt Payment Act authority to establish an earlier, accelerated date (within 15 days) for making payments to small business contractors; however, prompt payment interest penalties are not incurred until after 30 days.

This revision includes an updated Form HUD-27045, Invoice Approval for Contract/Purchase Order or Training Requisition that reflects organizational changes since the last version of the handbook.

2. Implementation:

This handbook is effective immediately and replaces Handbook 1900.29 REV-01.

3. Filing Instructions:

Remove
Handbook 1900.29 REV-01, dated
September 30, 1994

Insert
Handbook 1900.29 REV-02,
dated May 2012

Distribution: W-3-1,