

APPENDIX 1 – GLOSSARY OF TERMS

ACCOUNTING OFFICE - The HUD component organization responsible for the proper submissions to Treasury for preparation of checks, Schedule of Payments, wire transfers, and for reconciling and controlling the distribution of the subsidiary ledger posting media (i.e., Fort Worth Accounting Center, Office of the FHA Comptroller, or Ginnie Mae Office of Finance).

ACCEPTANCE - Acknowledgment that property and services received conform to the requirements of the contract.

APPLICABLE INTEREST RATE - The [rate](#) established by the Secretary of the Treasury pursuant to [31 U.S.C. § 3902\(a\)](#) and published in the Federal Register semi-annually on or about January 1 and July 1.

AUTOMATED CLEARING HOUSE (ACH) - A network that performs interbank clearing of electronic debit and credit entries for participating financial institutions.

CERTIFYING OFFICER - Employee authorized to certify payment to the U.S. Treasury.

CONSTRUCTIVE ACCEPTANCE - The period of time HUD shall have to inspect and accept deliveries under a contract, if no acceptance period is specified in the contract or purchase order. For purposes of calculating interest payments, constructive acceptance shall occur 7 days after delivery unless a longer constructive acceptance period is specified in the contract/purchase order documents

CONTRACT - A mutually binding legal relationship obligating the seller to furnish the supplies or services (including construction) and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of funds. The term includes, but is not limited to, contract awards and notices of awards, job orders or task letters issued under basic ordering agreements, letter contracts, orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance, and bilateral contract modifications.

CONTRACTING OFFICER - Employee expressly authorized to enter into, administer and/or terminate contracts and make related determinations and findings.

CONTRACTOR - A person or organization engaged in a profession, trade or business, and any non-profit entity (including state and local Governments, but excluding Federal entities) operating as contractors to HUD.

DAY - Calendar day(s), including weekends and holidays, unless otherwise indicated.

DELIVERY DATE - The date on which HUD receives the goods or services.

DESIGNATED APPROVING OFFICE - The HUD component organization or employee responsible for reviewing and approving for payment invoices which require advance approval.

DESIGNATED BILLING OFFICE - The office or employee—Governmental or Non-governmental—designated in the contract to first receive invoices.

DISCOUNT DATE - The date by which a specified discount can be properly taken (deducted) when payment is made.

DUE DATE - The date on which HUD must make payment for goods or services subject to the Prompt Payment Act in order to avoid the payment of interest penalties.

ELECTRONIC FUNDS TRANSFER (EFT) - Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes, but is not limited to, Automated Clearing House and Fedwire transfers.

GOVERNMENT TECHNICAL REPRESENTATIVE (GTR) - HUD's primary liaison between the contractor and the Contracting Officer regarding the technical aspects of a contract. The employee responsible for reviewing and approving for payment invoices which require advance approval.

IMPROPER INVOICE - Any invoice that does not contain the essential elements as prescribed in subparagraph 3-1, A. 1. h of this handbook.

INTEREST PENALTY - The amount of the prompt payment penalty, calculated in accordance with this policy that is added to an invoice paid after the due date.

PARTIAL PAYMENTS - Payment made for partial delivery of accepted property or partial performance of accepted services.

PAYMENT DATE - The date on which a check for payment is dated or the date on which an Electronic Fund Transfer (EFT) payment is received by the contractor's financial institution (settlement date).

PROCURING OFFICE - The HUD component organization (Office of the Chief Procurement Officer) responsible for the award and administration of contracts to acquire goods and/or services for the Department's benefit.

PROGRESS PAYMENTS - Payments based on a percentage or stage of completion/delivery of goods/services. They are generally authorized in construction contracts and fixed-price supply contracts of a production (manufacturing) nature. As such, their use at HUD is rare.

PROPER INVOICE - A bill or voucher or other written request for payment provided by a business concern for goods or services rendered. A proper invoice must meet the requirements of subparagraph 3-1, A. 1. h of this handbook.

PROVISIONAL PAYMENTS - Payments made under cost-reimbursement contracts on the basis of costs incurred by the contractor as work progresses. Generally, these costs are billed for and paid on a monthly basis and are subject to adjustments based on costs questioned by the contracting officer, GTR, or Government auditors.

RECEIPT OF INVOICE DATE

- If the invoice is not date-stamped by the Billing office, the Receipt of Invoice Date is the vendor's invoice date.
- If the invoice is date-stamped, the Receipt of Invoice Date is the later of the stamped date or the acceptance date (which is the earlier of the constructive or actual acceptance dates).
- The 30-calendar day clock commences on the receipt of invoice date. The time required for HUD's internal approvals, examinations or processing is included in the 30-day period.

RECEIVING FACILITY - Office or place where delivered goods are received.

RECEIVING OFFICE - HUD office which received goods or services.

RECEIVING REPORT - Written evidence of acceptance of goods or services by a HUD official, including inspection reports if appropriate (e.g., the [Form HUD-27045](#), Invoice Approval for Contract/Purchase Order and Training).

REFUND - Repayment for some service or property formally contracted for.

REIMBURSEMENT - Repayment of costs incurred by an individual or entity on behalf of the Department.

SETTLEMENT DATE - The date on which an EFT payment is credited to the vendor's financial institution.

NOTE: Additional [definitions](#) can be found in the Prompt Payment Final Rule.