

INSTRUCTION NO.  
LI 45-23

LI 45-23  
LOGISTICS  
18 December 1975

---

SUBJECT: Expedited Payment of Vendor Invoices

---

1. GENERAL

The Deputy Director for Administration has approved certain operating principles which will permit the expedited payment of invoices submitted by selected vendors. This instruction establishes conditions, responsibilities, and basic procedures to implement that approved payment system, particularly as it applies to items subject to test and inspection (T&I) prior to formal acceptance by the Agency.

2. POLICY

- a. The following clause will be added to the provisions of contracts, subject to this expedited-payment authority:

"In consideration for the lengthy period of time required to perform acceptance testing on certain items deliverable hereunder, the sponsor agrees to provide to the contractor expedited payments wherein the sponsor will, upon receipt of a proper invoice, pay the contractor upon delivery of material(s) prior to inspection and final acceptance, with the understanding and agreement that the sponsor reserves the right subsequent thereto to reject any item for any defect in material or workmanship or nonconformance with the specifications or other requirements hereunder. The contractor agrees to correct or replace all items rejected within a reasonable time after rejection at no additional cost to the sponsor."

- b. Production contracting elements, when executing contracts on behalf of the Agency, will selectively exercise the expedited-payment clause of the contract provisions when the financial stature of the contractor is such that the interests and recourses of the Agency will be protected. The contracting officer will determine when the expedited-payment provision will be exercised.

INSTRUCTION NO.  
LI 45-23

LI 45-23  
LOGISTICS  
18 December 1975

25X1A

- c. Materiel to be delivered under an expedited-payment contract should be consigned only to [REDACTED].

25X1A

25X1A

- d. Contracts utilizing the expedited-payment clause will be so identified by the contracting element so that copies distributed [REDACTED] to Central Control & Distribution Branch, Supply Division, and to the Office of Finance (O/FIN) will alert their personnel that receiving and payment documentation must be processed under extraordinary procedures. Such contract copies will be stamped "EXPEDITED PAYMENT" in large block letters and in a conspicuous color of reproducible ink.

3. PROCEDURES


- a. Immediately upon physical receipt of materiel under expedited-payment contracts, depot personnel will verify item identification and quantities and inspect containers for visible, physical damage. If the materiel passes this initial inspection and before forwarding the materiel for official T&I, if required, a receiving report (R/R) will be prepared bearing the "EXPEDITED PAYMENT" stamp or facsimile and annotated "materiel subject to T&I."
- b. One copy shall be forwarded immediately to Certification and Liaison Division (C&LD), O/FIN. That document, when used in conjunction with the expedited-payment clause of the contract, authorizes O/FIN to make payment immediately upon receipt of the vendor's billing invoice. One additional copy should be forwarded to the contracting officer.
- c. The receiving of expedited-payment contracts will be processed into the Inventory Control System data base in accordance with established procedures. The only change from procedures now in effect will be the advance copies of R/R's sent to C&LD and the contracting officer.
- d. Discrepancies will be resolved following procedures outlined in LI 45-6, Receiving Discrepancy Policy and Procedures.

INSTRUCTION NO.  
LI 45-23

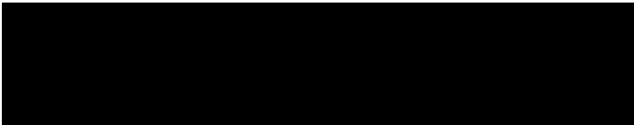
LI 45-23  
LOGISTICS  
18 December 1975

- ✓
- e. When items have been processed through T&I, each item on the R/R will be stamped either "ACCEPTED" or "REJECTED," followed by the quantity accepted or rejected. The R/R, marked as above, will be sent to all recipients other than O/FIN. The Office of Logistics (OL) will assume responsibility for resolving all discrepancies resulting from acceptance testing rejections. Necessary refunds, as appropriate, will be handled in accordance with established policy. OL will also be responsible for control and followup of property in process of T&I and for assuring that it is placed under formal accounting control promptly upon acceptance following T&I.
  - f. The contracting officer will notify O/FIN upon final acceptance of all deliverable items on each expedited-payment contract. Such notification will be sent to C&LD as the basis for the close-out and retirement of the contract.
  - g. O/FIN will periodically (at least annually) provide OL with a computer listing of selected items for which payments have been made but which have not been recorded in the acquisitions account. OL will review this listing and report to O/FIN on the status of each item.
  - h. All OL components concerned with the subject of this instruction will develop and publish the necessary internal procedures for its implementation.

25X1A

  
MICHAEL J. MALANICK  
Director of Logistics

CONCUR:

  
THOMAS B. YALE  
Director of Finance

25X1A

Approved For Release 2001/11/01 : CIA-RDP78-05054A000100100002-5

| SENDER MUST CHECK CLASSIFICATION TOP AND BOTTOM   |                    |                          |                       |
|---|--------------------|--------------------------|-----------------------|
| UNCLASSIFIED  | CONFIDENTIAL       | SECRET                   |                       |
| <b>OFFICIAL ROUTING SLIP</b>  |                    |                          |                       |
| TO  | NAME AND ADDRESS   | DATE                     | INITIALS              |
| 1   | D/K                | 15 DEC 1978              | U                     |
| 2   |                    |                          |                       |
| 3   |                    |                          |                       |
| 4   | L 45-23            |                          |                       |
| 5   |                    |                          |                       |
| 6   |                    |                          |                       |
| <input type="checkbox"/>  | <b>ACTION</b>      | <input type="checkbox"/> | <b>DIRECT REPLY</b>   |
| <input type="checkbox"/>  | <b>APPROVAL</b>    | <input type="checkbox"/> | <b>DISPATCH</b>       |
| <input type="checkbox"/>  | <b>COMMENT</b>     | <input type="checkbox"/> | <b>FILE</b>           |
| <input type="checkbox"/>  | <b>CONCURRENCE</b> | <input type="checkbox"/> | <b>INFORMATION</b>    |
| <input type="checkbox"/>  |                    | <input type="checkbox"/> | <b>PREPARE REPLY</b>  |
| <input type="checkbox"/>  |                    | <input type="checkbox"/> | <b>RECOMMENDATION</b> |
| <input type="checkbox"/>  |                    | <input type="checkbox"/> | <b>RETURN</b>         |
| <input type="checkbox"/>  |                    | <input type="checkbox"/> | <b>SIGNATURE</b>      |
| <b>Remarks:</b>   |                    |                          |                       |
| <p><i>For your signature then to Registry for correction of typo, reproduction, and distribution.</i></p> |                    |                          |                       |
| <b>FOLD HERE TO RETURN TO SENDER</b>  |                    |                          |                       |
| <b>FROM: NAME, ADDRESS AND PHONE NO.</b>  |                    |                          | <b>DATE</b>           |
| Approved For Release 2001/11/01 : CIA-RDP78-05054A000100100002-5  |                    |                          | 12/15                 |
| UNCLASSIFIED  | CONFIDENTIAL       | SECRET                   |                       |

UNCLASSIFIED
  INTERNAL USE ONLY
  CONFIDENTIAL
  SECRET

Approved For Release 2001/11/01 : CIA-RDP78-05054A000100100002-5

**ROUTING AND RECORD SHEET**

SUBJECT: (Optional)

FROM:

C/Certification and Liaison Division  
604 Key Bldg. x2591

EXTENSION

NO.

DATE

10 DEC 1975

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. C/Certification and Liaison Division

*LIO/DC*

10 Dec 75

*cep*

Comments:

25X1A

Mr. [redacted] asks that OF coordinate on this LI and return to OL, if at all possible, by COB 11 December 1975.

2.

3. C/Planning Staff  
615 Key Bldg.

10 Dec 75

*AD*

(Presume Typing error in line 4 of para 3 b will be corrected)

4.

5. Deputy Director for Plans & Systems

12/11

*gg*

6.

7.

Director of Finance

12/16

8.

9. C/C&LD

12/15

*cep*

10.

[redacted]

11.

12.

13.

14.

15.

25X1A