



October 6, 2006

RSL-2006- 06

MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS
1P, 2P, 3P, 4P, 5P, 6P, 7P, 8P, 9P, 10P, WP
REGIONAL REALTY SERVICES OFFICERS

FROM: CHRISTOPHER REUTERSHAN
ASSISTANT COMMISSIONER FOR OFFICE OF
NATIONAL CUSTOMER SERVICES MANAGEMENT – PQ

KATHLEEN M. TURCO
CHIEF FINANCIAL OFFICER – B

SUBJECT: Central Contractor Registration and Electronic Funds Transfer
for Lease Payments – Supplemental Guidance

1. Purpose.

- a. To provide instructions for the required application of Central Contractor Registration (CCR) requirements for new leases and the reporting of Lessor and payee (including management companies) registration on GSA Form R620, *Lease Digest Action*. Existing leases are not subject to CCR requirements, except as noted in paragraph 2b of this Realty Services Letter (RSL).
- b. To encourage realty professionals and support contractors to continue to work with existing Lessors to register them in CCR on a voluntary basis.
- c. To reemphasize the requirement to use electronic funds transfer (EFT) for all new leases and existing leases that are not currently paid via EFT.

2. Background.

- a. PBS policy is consistent with the Debt Collection Improvement Act of 1996, which requires that most Government payments, including those for leases, be made by EFT after January 1, 1999. To accomplish this, Lessors must complete Standard Form 3881 (02/03), *ACH Vendor/Miscellaneous Payment Enrollment*. Use of EFT not only saves money but also reduces paperwork and improves cash management. Payment by EFT represents considerable cost-savings to the Federal Government and is the standard method for making Government payments. In recognition of these facts, the Chief Financial Officer's Council, in conjunction with the Office of Management and Budget, has developed Government-wide metrics related to the percentage of EFT payments to vendors/Lessors. GSA has consistently received a minimally successful scorecard on this metric; therefore, PBS must take steps to improve its EFT payments to Lessors.

- b. With the issuance of RSL PQ-2004-01, *Revised Leasing Forms*, dated July 21, 2004, PBS required realty professionals to incorporate a CCR clause into all new GSA leases. This policy was extended to existing leases when PBS issued PQ-2005-07, *Central Contractor Registration*, dated July 29, 2005. This RSL required all Offerors and Lessors to register in CCR and required realty professionals to incorporate the CCR clause into all existing leases whenever they are supplemented, modified, or amended due to changes in term, rent (including step rents), or square footage. This RSL further required realty professionals to verify that the Lessor and payee (if different) is or are registered in CCR. They can search the CCR database to confirm registration by going to the CCR Homepage at <http://www.ccr.gov>.
3. Effective Date/Expiration Date. These instructions are effective immediately for all new leases and existing leases as noted and will expire 12 months from the date of issuance, unless extended.
4. Cancellation. None.
5. Applicability. This RSL applies to all real property leasing activities.
6. Instructions/Procedures. Attached.
 - a. Attachment 1 – *CCR and EFT Supplemental Guidance for Lease Payments*
 - b. Attachment 2 – *Waiver from EFT*



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CCR and EFT Supplemental Guidance for Lease Payments

1. Leasing and Electronic Funds Transfer. It is PBS policy that all new lease payments must be processed using electronic funds transfer (EFT). Central Contractor Registration (CCR) is an integral step to payment by EFT. The Office of Finance will not waive the requirement to pay by EFT unless the conditions outlined in 31 CFR 208.4 are met (see attachment 2, *Waiver from EFT*).
 - a. Realty professionals and support contractors must ensure that the Lessor provides as a part of the lease, basic data relating to procurement, payment, and billing transactions for the purposes of making payments by EFT.
 - b. For payment purposes, realty professionals and support contractors must verify that the name of the Lessor on the *Lease Digest Action*, R620, exactly matches either the legal name or "doing business as" (DBA) name listed in CCR. If the R620 only contains the DBA name and CCR only contains the legal name, payment cannot be made.
 - c. Registration in CCR requires three addresses: mailing address (for correspondence); physical address (location of the business entity, not the leased space location); and a remittance address (required if payee differs from the Lessor and for check payments if necessary). Realty professionals and support contractors must verify the Lessor's address shown on the *Lease Digest Action*, R620 matches the physical address listed in CCR. Additionally, for leases where the payee differs from the Lessor, realty professionals and support contractors must verify that the payee is also actively registered in CCR prior to award and that the payee address shown on the R620 matches the remittance address listed in CCR. The mailing address listed in CCR will be used for correspondence such as tax form 1099's.
 - d. On October 30, 2005, the Internal Revenue Service (IRS) began validating Taxpayer Identification Numbers (TINs) and names of registrants in CCR. An exact match is required before registration in CCR can be completed. A notice was sent to every company registered in CCR informing them of the IRS validation process. In order to complete registration in CCR, a registrant must provide a TIN and Taxpayer Name that matches exactly with the data used for federal tax matters.
 - e. The Office of Finance will not require EFT forms for Lessors registered in the Central Contractor Registration System as EFT information will come from the banking information Lessors maintain in CCR. This information is obtained by the Office of Finance through a link in Pegasys. However, the official PBS lease file must contain a copy of the EFT/ACH Vendor form to document Lessor name, address, or other payment changes for PBS.
2. CCR GSA Form R620 Compliance and Waiver Language. All new leases are subject to the CCR requirements in accordance with PQ-2005-07; however, realty professionals have authority to waive the CCR requirements due to unusual circumstances determined during negotiations and approved by the contracting officer and legal counsel. The realty professional must advise the Finance Centers of waivers from CCR requirements and waivers from EFT by adding the following information directly on the R620. If space on the form is limited and the following information is unable to appear in its entirety, the Office of Finance has agreed that

abbreviations or minimal comments such as "In CCR" or "CCR Not Required" will be acceptable.

- a. For all new leases, modifications to the terms of existing leases, and Changes of Ownership and Payee as appropriate, realty professionals and support contractors must state directly on the GSA Form R620 in the REMARKS section that –
 - i. "Per Lease Number xxxxx or SLA # xxx, the Lessor and payee (if different) has or have been confirmed as registered in CCR" or;
 - ii. "Per Lease Number xxxxx or SLA # xxx, the Lessor is NOT required to be registered in CCR." This would appear **rarely** and would be based upon the CCR exceptions found under CCR Policy at www.ccr.gov/ccrpol.asp in accordance with FAR 4.1102 or as determined by the lease negotiation outcome. The realty professional or support contractor must include a brief note in the written record of negotiation (filed in the official PBS lease file under Tab VI of the Lease File Checklist Form 3681) which stipulates a justification for why registration in CCR was not accomplished.
- b. As payment information is pulled from CCR, realty professionals and support contractors must include the D-U-N-S or D-U-N-S + four number for BOTH the Lessor and payee (if the payee is different from the Lessor) in the REMARKS section. However, as space permits, the D-U-N-S numbers can be located elsewhere on the R620. For example, the Lessor's D-U-N-S number can be entered at the top of the R620 under the Lessor information. The + four identifier is assigned at the discretion of the Lessor, not Dun & Bradstreet, and will only be required to establish additional CCR records for identifying alternative EFT accounts for the same parent concern. The Office of Finance will consider R620s received with the D-U-N-S numbers for both the Lessor and payee (if different) as CCR compliant. The Office of Finance will consider R620s without D-U-N-S numbers non-CCR compliant and will return them.
- c. Additionally, if a Lessor is registered in CCR but fails to properly update information or annually renew or reactivate an expired registration, the automated payment process will not release a payment. Once a payment is rejected by the automated payment system, payments must be manually generated. For Finance to make a manual payment, the R620 payee information and EFT documentation on file must match the remittance and EFT information in CCR exactly. If the documentation on file does not match, the Contracting Officer will have to provide revised documentation for Finance to make the manual payment or the Lessor will have to renew their information or reactivate their expired registration in CCR. Once annual registration is renewed or reactivated, automated payments will again be generated.

Waiver from EFT

EFT Vendor Payments Policy

The EFT rule (31 CFR Part 208) requires that most Federal payments be made electronically. **Waivers are available to agencies and to individual recipients;** however, **NO waivers are available to vendors.** As a result, any vendor of the Federal government is required to receive payment by EFT.

Under Government regulations (31CFR 208.4), payment by electronic funds transfer (EFT) is not required in the following cases:

- (a) Where an individual determines, in his or her sole discretion, that payment by electronic funds transfer would impose a hardship due to a physical or mental disability or a geographic, language, or literacy barrier, or would impose a financial hardship. In addition, the requirement to receive payment by electronic funds transfer is automatically waived for all individuals who do not have an account with a financial institution and who are eligible to open an ETA\SM¹ under Sec. 208.5, until such date as the Secretary determines that the ETA\SM is available;
- (b) Where the political, financial, or communications infrastructure in a foreign country does not support payment by electronic funds transfer;
- (c) Where the payment is to a recipient within an area designated by the President or an authorized agency administrator as a disaster area. This waiver is limited to payments made within 120 days after the disaster is declared;
- (d) Where either:
 - (1) A military operation is designated by the Secretary of Defense in which uniformed services undertake military actions against an enemy; or
 - (2) A call or order to, or retention on, active duty of members of the uniformed services is made during a war or national emergency declared by the President or Congress;
- (e) Where a threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised;
- (f) Where the agency does not expect to make more than one payment to the same recipient within a one-year period, i.e., the payment is non-recurring, and the cost of making the payment via electronic funds transfer exceeds the cost of making the payment by check; and

¹ ETA\SM- Electronic Transfer Account

- (g) Where an agency's need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless payment is made by a method other than electronic funds transfer; or, where there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than electronic funds transfer.