

Payment Application procedure

G703 Continuation Sheet

Create G703 first; there will be a pop-up box. Fill out each section of the pop-up box, importing from previous pay period if applicable.

The screenshot shows a software window titled "AIA Document G703-1992" with a close button in the top right corner. The main content area is titled "G703 Continuation Sheet" and features the "AIA Contract Documents" logo. Below the title, there are three sections: 1. "This G703 will be used for a payment application from:" with two radio buttons: "Contractor to Owner" (selected) and "Subcontractor to Contractor". 2. "Import data from previous G703:" with a checkbox labeled "Import from..." and a dropdown menu. 3. "Application Number:" with a text input field containing "001" and a blue question mark icon. At the bottom of the window, there are three buttons: "Document Instructions...", "OK", and "Cancel".

Once the document is created, fill out each column. Follow the Instruction Sheet:

Columns A, B & C: These columns should be completed by identifying the various portions of the Project and their scheduled values consistent with the schedule of values submitted to the Architect at the commencement of the Project or as subsequently adjusted. The breakdown may be by sections of the Work or by Subcontractors and should remain consistent throughout the Project. Multiple pages should be used when required.

Column C should be subtotaled at the bottom when more than one page is used and totaled on the last page. Initially, this total should equal the original Contract Sum. The total of column C may be adjusted by Change Orders during the Project.

Column D: Enter in this column the amount of completed Work covered by the previous application (columns D & E from the previous application). Values from column F (Materials Presently Stored) from the previous application should not be entered in this column.

Column E: Enter here the value of Work completed at the time of this application, including the value of materials incorporated in the project that were listed on the previous application under Materials Presently Stored (column F).

Column F: Enter here the value of Materials Presently Stored for which payment is sought. The total of the column must be recalculated at the end of each pay period. This value covers both materials newly stored for which payment is sought and materials previously stored which are not yet incorporated into the Project. Mere payment by the Owner for stored materials does not result in a deduction from this column. Only as materials are incorporated into the Project is their value deducted from this column and incorporated into column E (Work Completed--This Period.)

Column G: Enter here the total of columns D, E and F. Calculate the percentage completed by dividing column G by column C.

Column H: Enter here the difference between column C (Scheduled Value) and column G (Total Completed and Stored to Date).

Column I: This column is normally used only for contracts where variable retainage is permitted on a line-item basis. It need not be completed on projects where a constant retainage is withheld from the overall contract amount.

Change Orders: Although Change Orders could be incorporated by changing the schedule of values each time a Change Order is added to the Project, this is not normally done. Usually, Change Orders are listed separately, either on their own G703 form or at the end of the basic schedule. The amount of the original contract adjusted by Change Orders is to be entered in the appropriate location on the G702 form.

***Additional note about Change Orders:** You may list each Change Order on G703 (Continuation Sheet) as a line item of work, then fill out the G702 (Application and Certificate for Payment) "Change Order Summary" section at the bottom of the page. This will give you a Net Change by Change Orders, which goes in Line 2 above. For a deductive Change Order, simply put a minus sign in front of the value on the G703 and put the value (without a minus sign) in the "Deductions" column on G702.

CONTRACTOR'S APPLICATION FOR PAYMENT		
Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.		
1. ORIGINAL CONTRACT SUM.....		\$100,000.00
2. NET CHANGE BY CHANGE ORDERS.....		\$5,000.00
3. CONTRACT SUM TO DATE (Line 1 + 2).....		\$105,000.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703).....		\$0.00
5. RETAINAGE:		
a. 0 % of Completed Work		
(Column D + E on G703: \$0.00)=		\$0.00
b. 0 % of Stored Material		
(Column F on G703: \$0.00)=		\$0.00
Total Retainage (Lines 5a + 5b or Total in Column I of G703).....		\$0.00
6. TOTAL EARNED LESS RETAINAGE.....		\$0.00
(Line 4 Less Line 5 Total)		
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT.....		\$0.00
(Line 6 from prior Certificate)		
8. CURRENT PAYMENT DUE.....		\$0.00
9. BALANCE TO FINISH, INCLUDING RETAINAGE		
(Line 3 less Line 6)	\$105,000.00	
CHANGE ORDER SUMMARY		
Total changes approved in previous months by Owner	\$10,000.00	\$5,000.00
Total approved this Month	\$0.00	\$0.00
TOTALS	\$10,000.00	\$5,000.00
NET CHANGES by Change Order		\$5,000.00

Construction Change Directives: Amounts not in dispute that have been included in Construction Change Directives should be incorporated into one or more Change Orders. Amounts remaining in dispute should be dealt with according to Section 7.3 in A201.

Again, import from previous pay period if applicable. You may also import from previous G703 (the one you just did). Finally, you may select the type of retainage – fixed or variable (see note in Line 5 below).

Line 1: Original Contract Sum comes from the Project Data. *Exception: If you are doing a Subcontractor variation you will have to enter this manually.

Line 2: Net Change by Change Orders comes from the Change Order Summary box below. (See note in G703.)

Line 3: Contract Sum to date is simply Line 1 +/- Line 2.

Line 4: Total Completed and Stored to Date comes from G703 Column G (should be imported).

Line 5: Retainage: If you have a variable rate list the dollar amount in G703 Column I for each line item – the software will then calculate a total dollar amount of retainage, which it will put in G702 Line 5. A box will pop up before you create G702, simply select “variable rate.” If you have a fixed rate leave G703 Column I blank and put the percentage in G702 Line 5, also using the pop-up box to indicate that you have a fixed rate.

Line 6: Total Earned Less Retainage is Line 4 minus Line 5.

Line 7: Less Previous Certificates for Payment comes from Line 6 from the prior certificate (should be imported).

Line 8: Current Payment Due is Line 6 minus Line 7.

Line 9: Balance to Finish, Including Retainage is Line 3 minus Line 6.

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Questions about completing payment applications and change orders?

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