

## Assignment of Payment Process

Assignment of Payment is a legal agreement through which a New York City (City) Agency agrees to assign payments due to the contractor vendor under a City Agency contract directly to a third party. For the Contract Financing Loan Fund program, the Assignment of Payment is **used as loan collateral and is often required by the Lender prior to the loan closing.**

### Involved Parties and Terminology

- The Original Beneficiary (**Assignor/Contractor**) who is entitled to receive the payment from a contract or letter of credit for a City Agency contract.
- The Third-Party (**Assignee/Lender**) to whom the original beneficiary (**Assignor/Contractor**) designates to receive money that original beneficiary (**Assignor/Contractor**) earns under the contract.
  - **Assigned Funds:** The amount equal to the loan payments that is payable or becomes payable to the **Assignor/Contractor** by the **City Agency** under that City Agency contract.
- The **City Agency** that issued the contracts, purchase order, certificate for payment, or any other document under which the City Agency funds have become or may become payable.

### Steps to Complete General Assignment of Payment

- **Step 1:** The Lender/Assignee creates, signs, and notarizes the Assignment of Payment form and sends to the Contractor/Assignor to complete.
- **Step 2:** The Assignment of Payment form is submitted via email by the Contractor and/or Lender for review and approval to the contracting City Agency contact. **NOTE:** The City Agency must approve the Assignment of Payment request, after verifying that the Contractor has met the requirements of the contract or letter of credit.
- **Step 3:** The City Agency files the Assignment of Payment form with the ACCO (Agency Chief Contracting Officer) so that the ACCO can properly log in, date, and sign the Assignment of Payment.
- **Step 4:** The City Agency logs the Lender in FMS (Financial Management System) using the Lender's vendor number and designates the Assigned Funds.
- **Step 5:** The signed Assignment of Payment is returned to the Contractor and Lender and contract payments are remitted accordingly.

### Vendor Numbers

- BOC Capital Corp. – Vendor Code: VC00151701
- TruFund Financial Services, Inc – Vendor Code: VC000312594

**Please Note:** The processes outlined in this guide are intended as a general framework and may vary depending on individual city agencies. It is advisable to consult with the contracting agency for any additional requirements that may apply.