

# **GREENHUT CONSTRUCTION** **OWNER DIRECT PURCHASE PROGRAM**

For those owners who have tax-exempt status (religious facilities, hospitals, schools, etc.), Greenhut offers them the option of participating in our Owner Purchase Program. In this program, the owner purchases all materials so they do not pay sales tax. Greenhut manages and tracks this program entirely for the owner to make sure all subcontractor/vendor invoices are billed correctly and the owner pays for only those materials that have actually been delivered.

## **1. PARTICIPATION REQUIRED**

All subcontractors and vendors awarded subcontracts or purchase orders for an Owner Purchase Program project are required to participate in the program. If you have been awarded a project that utilizes this program and you DO NOT wish to participate, you must let the Project Manager know immediately.

## **2. BID SUBMITTAL**

**SUBCONTRACTORS:** Your bids should include sales tax as usual. When your vendor's invoices are deducted from your subcontract, taxes will be deducted as well.

**VENDORS:** Your bids should NOT include sales tax.

## **3. PURCHASE ORDER GENERATION**

All Owner Purchase Orders are generated on the owner's form.

GREENHUT DIRECT VENDORS (Ex. Specialty Items, Structural Steel, etc.)

- a. Submit your Purchase Order to Greenhut Project Manager.
- b. Greenhut will transfer your Purchase Order materials and pricing to the owner's form.
- c. Greenhut will send you two copies of the completed Purchase Order with an attached Greenhut Purchase Order Rider and the owner's Tax Exempt Certificate.
- d. Sign both copies and return one to Greenhut.

SUBCONTRACTOR VENDORS (Ex. Light Fixtures vendor used by Electrical Subcontractor)

- a. Submit your vendor's Purchase Order to Greenhut Project Manager.
- b. Greenhut will transfer your vendor's Purchase Order materials/pricing to the owner's form.
- c. Greenhut will send you one copy of the completed Purchase Order and the owner's Tax Exempt Certificate.
- d. Send Purchase Order to your vendor as per your usual method (your company's rider, multiple copies for return, etc.)

## **4. INVOICES**

Greenhut must process all invoices before the owner will issue payment.

- a. Invoices should list the owner's name and address. Greenhut's name and address SHOULD NOT appear on the invoices.
- b. If possible, invoices should be sent directly to the Greenhut Project Manager. If invoices are sent directly to the owner, the owner is instructed to forward all invoices to the Greenhut Project Manager for verification of materials. Sending invoices directly to the owner may delay payment.
- c. Once Greenhut receives the vendor invoices, delivery of the materials will be verified and the billing on the invoices will be checked for accuracy.

## **5. PAYMENT OF INVOICES**

- a. Greenhut will log each verified invoice in our system and generate a Tracking Sheet for payment.
- b. Approved vendor invoices with a Greenhut Tracking Sheet are sent to the owner for payment.
- c. The owner pays the vendor directly.

## **6. SUBCONTRACT CHANGE ORDERS**

For those subcontractors who have vendors in this program, Greenhut will send a change order to their subcontract at the end of each month deducting any vendor invoices, plus sales tax.