

## Section 2.37

### Payment Assignments

#### Assignment

An assignment is the legal transfer of a right or property. In business an assignment is usually the transfer of the right to receive payment. An assignment involves at least two parties: the assignor and the assignee. The assignor is the party transferring the right to receive payment. The assignee is the party receiving the right to receive payment.

Once an agency receives a notice of a financial assignment, it is legally bound to make payment to the assignee. Assignments may be requested by the contractor to show changes in the payee on an order. Requests for assignments must be in writing from the contractor receiving the order on the **company letterhead with the signature of an authorized representative**. Issue an assignment letter acknowledging the assignment. The vendor identification number (VID) will remain that of the original awarded contractor, but the contractor name and payments will be mailed to the assignee. Refer to the [TINS Guide](#) "*How to set up Assignments.*"

#### Delegated Purchases

When a payment assignment is requested on a delegated purchase, the agency must receive a letter from the original awarded contractor assigning the order to the new contractor and a letter from the new assignee noting acceptance of the assignment. Once these letters have been received, then the form letter for Purchase Order Assignment (see below) may be used. Any reference to a TPASS order number should be deleted. A copy of this notice should be maintained in the procurement file.

The agency is responsible for setting up, in TINS, the assignment mail code for the VID number of the original contractor so that the payment may be processed.

#### TxSmartBuy and TPASS Managed Contracts

The [TPASS Contract Management Office \(TCMO\)](#) is responsible for processing assignments for TxSmartBuy or Managed contracts. Agencies are required to inform contractors to contact the TPASS Contract Management Office.

#### Company Name Changes

Any name change requires documentation from the original contractor on company letterhead stating the circumstance of the name change and the new name. The letter should be signed by an authorized representative, showing the change and the effective date. A copy of the assumed name certificate filed with the Secretary of State or a sales tax permit may be obtained as proof of name change. Issue a letter amending the PO to change the name and advise the company to contact the Comptroller's Office to set up a new VID in order to secure payment. The purchaser should change the name on the PO file copy and acknowledge the name change.

#### Buyout or Sale

A Buyout or Sale occurs when one company is purchased by another. The contractor of record needs to have the purchase order/contract amended to receive payment when the order is completed. An agency must secure a letter from the original vendor stating the circumstances of the buyout/sale. If the contractor is already out of business, the agency should then obtain a letter indicating the sale of the company to the new contractor. Then

issue a letter amending the purchase order/contract to change the name. Advise the new contractor to contact the Comptroller to obtain a new VID in order to secure payment.

**Authority to Assign**

Generally, a person may assign the right to receive a payment from the state in the same way that a person may assign the right to receive a payment from a private person or entity. Reference [eXpendit State Purchase Policies](#) select the “Miscellaneous” tab, [Payments and Fees for Assignments of Payment from the State](#) .

Questions should be directed to the Comptroller of Public Accounts, Claims Division, at (512) 463-4850.