

Payment Management System Changes

Background

The U.S. Department of Labor (DOL) uses the U.S. Department of Health and Human Services (HHS) Payment Management System (PMS) to disburse funds to its grant recipients. A grant recipient submits a payment request to PMS which is approved or rejected by PMS staff based on grant recipient's payment history, authorized grant amount and remaining balances.

Starting on March 17, 2025, grant recipients are required to submit a justification with each payment request submitted to PMS.

PMS has created a new mandatory field on the payment request screen that requires for grant recipients to provide a brief justification for each payment request submitted for approval. This new field is part of the implementation of section 3 of Executive Order (EO) 14222 — *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative*, which requires a brief, written justification for each payment be submitted by the agency employee who approved the payment. The grant recipient justification will help inform the agency employee justification of the payment.

The process and technologies to fully comply with the EO requirements are still under development. In the interim, the following list of questions and answers have been developed to provide initial guidance to grant recipients on this new PMS process. This document may be periodically updated to provide additional answers to questions received in the future.

Frequently Asked Questions

Notification of Change/Effective Date

Has HHS/PMS notified all grant recipients of the payment request justification requirement?

Yes. On March 14, 2025, PMS issued an email alert to **all** users introducing the new mandatory field in the payment request screen at the subaccount level to capture a justification from the grant recipient explaining the purpose of the payment.

When is the new requirement effective?

Immediately. Per the PMS email alert, the mandatory field for the payment request justification went live on Monday, March 17, 2025.

How to Comply with the Justification Requirement/Associated Training

What should grant recipients provide in the justification?

Please refer to the PMS email alert for examples of justifications.

Payment justifications should describe the reason for the request for payment. At a minimum, the grant recipient should provide information on the main budget item that the payment request is for along with the date range (i.e., This payment request is to cover salary expense and equipment for the week ending 3/14/25). Please note, the field to capture the payment justification in PMS is limited to 1,000 characters.

Will PMS offer training specific to the new payment justification requirement?

No. To date, PMS has no plans to offer training specific to the payment request justification requirement.

However, PMS continues to offer monthly recipient training. To register for training, recipients should visit the PMS website for available training dates: [Grant Recipient Training | HHS PSC FMP Payment Management Services](#).

Will DOL offer training specific to the new payment justification requirement?

Please contact your Federal Project Officer (FPO) or designated DOL contact for technical assistance on this requirement. If DOL identifies a widespread need for technical assistance, training sessions will be scheduled in the future.

Justification Requirement Applicability

Can grant recipient payment requests be processed without a justification?

No. The new payment justification field is **mandatory**. PMS will not process any payment requests without a justification. Payment requests submitted to PMS without a justification will be rejected.

Does this new requirement affect grant recipients on drawdown restriction?

Yes. Grant recipients that are on drawdown restriction need to comply with the new payment justification requirement just like all other grant recipients. However, they should continue to work with their designated FPO or DOL staff and follow existing procedures to submit documentation supporting the payment request for pre-approval. Once DOL approval is received, grant recipients can then submit their payment request into PMS with appropriate justification.

Post-Justification Submission

How much time can a grant recipient expect to elapse between when a justification is submitted and when the funds will be released by PMS?

PMS has not informed DOL regarding a delay or any other impact with the disbursement of funds due to the implementation of this new requirement. Currently, grant recipients can expect to have the same turnaround times to access their funds in PMS once the required justification has been submitted.

Will PMS notify DOL staff when a payment request is rejected?

No. PMS will continue to follow its existing operating procedures. When a payment request is rejected, PMS will notify the grant recipient and provide a reason for the rejection.

PMS does not send the notification of a payment rejection to awarding agencies; therefore, grant recipients are requested to contact the FPO or designated DOL staff if they need technical assistance or to report on issues with PMS.