



May 2, 2018

United States  
Department of  
Agriculture

**ACQUISITION OPERATING PROCEDURE (AOP)**

Office of the  
Assistant  
Secretary for  
Departmental  
Administration

**FROM:** Richard R. Jiron  
Mission Area – Senior Contracting Official

Office of  
Procurement and  
Property  
Management

**SUBJECT:** AOP No.12: Invoice Payment Process for Contracts Issued through the Integrated Acquisition System

Procurement  
Operations  
Division

◆ **PURPOSE:** The purpose of this Acquisition Operating Procedure (AOP) is to direct the contracting staff, Contracting Officers Representatives (CORs) and invoice approvers to use the Invoice Processing Platform (IPP) for invoices to be paid against contracts issued through the Integrated Acquisition System (IAS) within the Departmental Management and Staff Offices.

301 S. Howes  
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Fort Collins, CO  
80524

◆ **EFFECTIVE DATE:** This AOP is effective on May 2, 2018.

◆ **REVISIONS:** The Office of the Chief Financial Officer (OCFO) issued memo *USDA and the Invoice Processing Platform (IPP)*, dated October 18, 2012, (*Exhibit-1*) to the USDA contractors announcing on December 10, 2012, the USDA Office of Inspector General (OIG), Food and Nutrition Services (FNS) and Departmental Management (DM) will be using IPP (*electronic web-based submission, tracking and invoice payment system*). OCFO issued OCFO Bulletin Number OCFO 13-3, *Invoice Processing Platform Implementation*, dated December 19, 2013, (*Exhibit-2*) to announce implementation of IPP for all USDA Agencies. *References:* Added the OIG Audit Recommendation. Due to USDA-wide implementation of IPP, this AOP is canceled in its entirety.

This AOP replaces AOP No. 12, dated August 13, 2013.

◆ **AUTHORITIES:** 5 Code of Federal Regulation, Part 1315 and Federal Acquisition Regulation Subpart 32.9, Prompt Payment Act; and the Office of the Chief Financial Officer (OCFO) Agency IPP Implementation Timeline at [https://cod.nfc.usda.gov/IPP/IPP\\_home.html](https://cod.nfc.usda.gov/IPP/IPP_home.html).

◆ **AUTHORITIES:** OIG Audit 50703-0001-12, American Recovery and Reinvestment Act (ARRA) Contract Oversight, DM South Building Modernization Project, dated January 29, 2013: Recommendation 1, “*Revise invoicing procedures to ensure that contract invoices are processed in a timely manner during the absence of the assigned contracting officer and/or contracting office’s representative.*”

◆ **PROCEDURE:**

1. Beginning December 10, 2012, OCFO implemented IPP an electronic submission and tracking of contract data, invoices, and payment information to its suppliers of goods and services.

IPP guidance, procedures and training are issued by OCFO, Comptroller Operations Division (COD), which are found at [https://cod.nfc.usda.gov/IPP/IPP\\_home.html](https://cod.nfc.usda.gov/IPP/IPP_home.html):



**Quick Picks**

- o [NFC](#)
- o [OCFO](#)
- o [USDA](#)
- o [IPP](#)

**Welcome to the Controller Operations Division, Invoice Processing Platform (IPP)**

Invoice Processing Platform (IPP, hereafter) is a web-based system provided by FMS free of charge to all government agencies and their vendors. IPP is a single system for federal government and is estimated to reduce the cost of entering invoices and responding to invoice inquiries by \$450 million annually.

**IMPORTANT NOTE:**

- **Improper Invoice:** If an invoice is determined to be improper, it must be returned to the contractor no later than the **7<sup>th</sup> calendar day** after receipt, with the reasons why the invoice is not a proper invoice. (For other specified food and dairy items, see Federal Acquisition Regulation (FAR) 32.905(b) (3)). If such notice is not timely and the invoice is returned, the due date will be adjusted for determining interest penalty. The contents of a proper invoice are prescribed in the FAR, Subpart 32.9, Prompt Payment.
- **Improper Invoice Corrects and Re-submits an Invoice:** An improper invoice that has been corrected and then re-submitted by the contractor, must reflect a **New** invoice date that the corrected invoice is submitted.

2. CORs and Invoice Approvers:

- a. Ensure the invoice is a “***proper invoice***” in IPP. If the invoice is improper, return the invoice to the contractor and state the reason why the invoice is not a proper invoice.
- b. Verify the accuracy of the invoice line item description, quantity, unit of measure, unit price, and price of the supplies or services received and accepted in accordance with the contract information.
- c. Approve the invoice to recommend the invoice for payment. IPP will route the invoice to the contracting officer (CO) for approval.

**Note:** *Certifying and recommending the invoice for payment implies the supplies or services (nature, type, quantity of effort or materials) were received in accordance with the contract requirements are being expended or progressing according to the contract.*

3. CO will:
  - a. Ensure the invoice is a “*proper invoice*” in IPP. If the invoice is improper, return the invoice to the contractor and state the reason why the invoice is not a proper invoice.
  - b. Approve or disapprove the payment of the invoices in IPP.

**Note:** *Although the program officials provide recommendations for the approval of an invoice, the authority to approve or disapprove payment of an invoice is the responsibility of the CO.*

- c. Maintains a copy of an Invoice Payment Log or Invoice Payment report in the contract file to track the contractor’s expenditures. Attachment 1 is a sample log that may be modified to include other contractual data.
4. COD will in IAS, use the IPP approved invoice data by the CO that matches against the contract line item data to create the IAS receipt. The appropriate fields to be used are populated by the CO.

◆ **EXPIRATION DATE:** This AOP is canceled.

[END]





United States  
Department of  
Agriculture

Office of the  
Chief Financial  
Officer

Controller  
Operations  
Division

P.O. Box 60000  
New Orleans  
Louisiana 70160

October 18, 2012

Vendor Name

Vendor Address Line 1

Vendor Address Line 2

Vendor Address Line 3

Re: USDA and the Invoice Processing Platform

You are being contacted because your company is currently doing business with the United States Department of Agriculture (USDA). Beginning December 10, 2012, Office of Inspector General (OIG), Food and Nutrition Service (FNS), and Departmental Management (DM) will be using the Invoice Processing Platform (IPP) for electronic submission and tracking of purchase orders, invoices, and payment information to its suppliers of goods and services.

Your company has been identified as a current user of IPP. No further enrollment actions are necessary. As of the above date your company can begin to create invoices directly from OIG, FNS, and DM contract awards and submit them electronically while continuing to enjoy the benefits of using IPP which includes:

- e-mail notification when invoice(s) are paid
- online payment history
- remittance download

Attached is a list of contract awards that will be processed via IPP. As a reminder, the IPP Customer Support Desk is available to assist users Monday through Friday (excluding bank holidays) from 8:00AM – 6:00PM ET, including answering any questions related to accessing IPP. Their toll-free number is 866-973-3131 or they can be reached at:  
IPPCustomerSupport@fms.treas.gov

If you have any questions or concerns, please contact the Controller Operations Division Help Desk at: 1-877-243-3072 or 504-426-5695 or you can e-mail us at: [cod.help@usda.gov](mailto:cod.help@usda.gov).

Sincerely,

KARREN Y. ALEXANDER, Associate Director  
Controller Operations Division

Enclosure



United States  
Department of  
Agriculture

Office of the  
Chief Financial  
Officer

Associate Chief  
Financial Officer –  
Financial Operations

Washington D.C.  
20250

Bulletin: OCFO 13-03

Date: December 19, 2013

To: USDA Agencies

Subject: Invoice Processing Platform (IPP) Implementation

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## PURPOSE

This bulletin announces the implementation of the Invoice Processing Platform (IPP) for processing vendor payment requests and provides the responsibilities, policy, and procedures for USDA Agencies and vendors to utilize IPP.

## BACKGROUND

The Office of the Chief Financial Officer (OCFO), in partnership with the Office of Procurement and Property Management (OPPM), has implemented the use of IPP for contracts and purchase order invoice payments. IPP is a Web-based system that provides one integrated, secure system to simplify the management of vendor invoices. IPP enables vendors to electronically create and submit invoices directly from the contract award, and provides online access to invoice status and payment information for all Government payments, not only those invoiced via IPP. IPP automates and supports timely invoice processing by offering multiple approval steps and options to delegate, reassign, or escalate invoices that are not processed promptly. This change to the vendor invoice submission and payment tracking process supports the Secretary's Administrative Strengthening Project to streamline and modernize financial systems/processes, and meet budget reduction goals through cost-saving efforts.

## RESPONSIBILITIES

### OCFO

- Share responsibility with OPPM for determining functional and technical requirements.
- Determine telecommunications capabilities and requirements.
- Submit a daily invoice status file from the Financial Management Modernization Initiative (FMMI) to IPP.
- Grant users access to the IPP system.
- Submit vendor information to IPP.
- Conduct Agency training and issue certificates and Continuing Professional Education credits.
- Review the "Vendor Match Exception Report" daily to identify new awards loaded into IPP that require an IPP account.

- Serve as the point of contact/help desk support for IPP inquiries (except for assistance with user ID and/or passwords).
- Timely record receipts in the Integrated Acquisition System (IAS) for Agency approved invoices (as requested by the agencies).
- Conduct the 3-way match between the purchase order, invoice, and goods receipt.
- Issue IPP notifications to agencies.
- Maintain the USDA financial interface responsible for the payment of all IAS invoices.
- Perform “invoice action” (e.g. reassign an invoice, set delegation, etc.) as requested by the Agencies.

### OPPM

- Share responsibility with OCFO for determining functional and technical requirements.
- Provide requirements for the configuration of IPP and the integration between IAS and IPP.
- Submit approved IAS awards to IPP in near real-time.
- Retrieve approved invoices from IPP and load into IAS for processing.
- Receive all requests for IPP access via the IAS-200 form and coordinate with OCFO to load users into IPP.
- Maintain IAS/IPP user account mappings and configurations/validations within IAS needed to support IPP.
- Support OCFO with issues requiring IAS support/intervention.
- Participate in user acceptance testing of new IPP releases, update IAS interface code when necessary, and work with OCFO on any applicable IPP configuration changes.

### Agencies

- Ensure all parties involved in contract functions comply with established USDA policies and procedures.
- Ensure users request access to IPP.
- Identify the workflow and approvers required for invoices submitted by vendors.
- Modify contracts (when applicable) to identify workflow and approvers required, if other than the Contracting Officer (CO).
- Request training and identify the method for training Agency personnel.
- Ensure Agency personnel utilize AgLearn for training registration.
- Notify vendors of IPP’s invoice remittance process.
- Timely approve vendor invoices submitted to IPP.
- Submit requests for configuration changes.
- Identify escalation and receipting groups.
- Identify escalation time frames for the different types of goods and/or services.
- Establish delegation procedures in IPP.
- Modify workflow approvers when required.

- Review and approve invoice workflow and, in certain circumstances, submit invoice on behalf of the vendor.

#### Vendors

- Register with IPP to enable access to review awards and submit their invoices for payment.
- Maintain up-to-date contact information with the System for Award Management (SAM).

### **POLICY**

Agencies and vendors will use IPP for submission of contract/award invoices for payment. Vendors will be requested to complete a one-time registration with IPP in order to submit invoices for payment. In the event a vendor is unable to utilize IPP, the Agency representative will be required to submit the invoice in IPP for payment on the vendor's behalf. Vendors will no longer be required to fax invoices for payment request.

### **PROCEDURES**

#### **Registration**

- Vendors are identified and their information is provided to IPP.
- Vendors are notified in writing of the requirement to begin utilizing IPP for all invoice submissions.
- Notifications are issued from IPP to the vendors which will include a logon ID (vendors that have previously registered with IPP will not be required to re-register).
- Agency user/employees will complete an IAS-200 to request IPP access.
- Agency users/employees and vendors will receive an e-mail communication from IPP with instructions on how to complete the registration process.
- Vendors will provide required information during the IPP registration process.

**NOTE:** Many Departments/Agencies, other than USDA, utilize IPP for invoice processing. Accordingly, a vendor may have multiple contracts/awards with various Government entities; therefore, a single IPP user ID/login is required by the vendor.

#### **Invoice Submission and Approval**

- New contracts/awards will be uploaded to IPP as they are issued. The Agency is responsible for revising existing invoice submission instructions, as well as assuring new contracts/awards contain the correct invoice submission instructions.
- Once goods and/or services have been provided, the vendor (or Agency CO/Contracting Officer Representative (COR)) will logon to IPP and submit the

invoice for review and approval. Invoices may be submitted for a partial payment or entire contract amount.

- Agency CO/COR will be notified via email when an invoice is awaiting review. Once reviewed, if approved, the invoice is processed via USDA's core-accounting system and the payment is issued.

During this process, invoices should reflect one of the following statuses:

Status	Definition
Draft	Invoice created but not yet submitted and is editable at this stage
Received	Awaiting review by Agency
Scheduled to Pay	Invoice approved and has a scheduled pay date
Rejected	Invoice returned to vendor with explanation and/or request for action
Paid	Payment issued by Treasury and funds received by vendor

- Treasury sends the payment file to IPP, which changes the status to "paid" and triggers the notification of the payment to the vendor, which includes:
  - ACH trace number
  - Payer name
  - Issue date
  - Returned date (if applicable)
  - Status
  - Amount
  - Reason

### Invoice Rejection

- Invoices that are not approved will be rejected and the vendor notified via e-mail.
- Agencies are required to explain in detail, the reason any invoice is rejected and provide any other helpful information or instructions to the vendor.
- Rejected invoices can be resubmitted after the appropriate action has been taken.

### INQUIRIES

Any questions concerning this bulletin should be directed to the COD Contact Center at 877-243-3072 or 504-426-5695, or via e-mail at [cod.help@usda.gov](mailto:cod.help@usda.gov).

Additional information is available on the COD Web site at <https://cod.nfc.usda.gov/IPP/ipp.html>.

**EFFECTIVE DATE**

This bulletin is effective immediately.

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**JOHN G. BREWER**

Associate Chief Financial Officer for Financial Operations

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