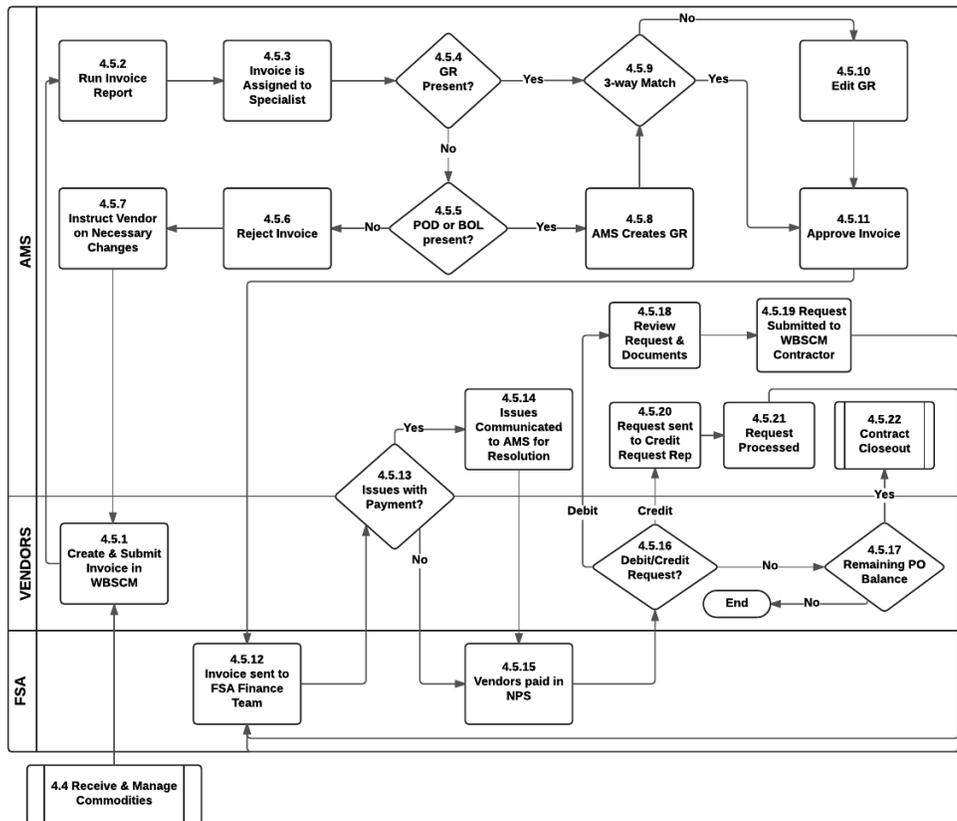


Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

4.5 MANAGE ACCOUNTS PAYABLE

BMI Domestic Team | April 21, 2016



4.5.1 Create & Submit Invoice in WBSCM

- In addition to following SAP invoicing process, vendor must attach COL
 - BOL and Proof of Delivery are optional
 - Group B: Either BOL, Proof of Delivery, or Contractor's Invoice Certification must be attached
- **Opportunity**
 - Not using reasons for movement in SAP – can use to differentiate problems from data entry errors

4.5.2 AMS Runs Invoice Report

- Queue generated based on payment due date
 - Takes into account both FIFO and prompt payment terms
- Can receive up to 300 invoices in a day
 - There may be up to 3500 invoices in the queue at any given point
- **Pain Point**
 - Because of large number of invoices, this report can take a long time
 - Workload and balancing issue

4.5.3 Invoice is assigned to Specialist

- AMS Procurement specialists evaluate the invoice to determine if it will be approved

Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

4.5.4 Decision: GR Present?

- Check to see if the recipient uploaded the GR, as they are supposed to
- If yes, skip to 4.5.9
- If no, proceed to 4.5.5

4.5.5 Decision: Proof of Delivery (POD) or BOL present?

- In order for the invoice to be processed, either the GR, POD, or BOL must be present when the invoice is submitted
- If yes, skip to 4.5.8
- If no, proceed to 4.5.6

4.5.6 Reject Invoice

- Specialist rejects the invoice in WBSCM, if both GR and POD are missing
- **Pain Point**
 - If one line is rejected, the entire invoice is rejected
- If invoice was rejected mistakenly, AMS can re-create the invoice

4.5.7 Instruct Vendor on Necessary Changes

- Provide guidance for vendor to submit an invoice that will be approved
- Usually involves providing necessary documentation
- **Pain Point**
 - Vendor must create a new invoice number
 - Invoice goes back to the end of the queue
 - Prompt payment terms are based on the date of a correctly submitted invoice

4.5.8 AMS Creates GR

- If GR is missing, but BOL or POD is present, AMS can create the GR on the recipient's behalf
- Must wait 48 hours

4.5.9 Decision: 3-way Match?

- If yes, skip to 4.5.11
- If no, proceed to 4.5.10

4.5.10 Edit GR

- Usually changed to either:
 - Match PO date
 - Match BOL or POD quantity

4.5.11 Approve Invoice

- Procurement specialist approves the invoice so that it can be sent for payment
- Approval is at header level, not line item

4.5.12 Invoice Sent to FSA Finance Team

- AMS is not involved in the actual payment of the invoice

Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

- Approved invoices are sent to the FSA Finance team, who processes and pays the invoice
- If the vendor has debt elsewhere within the government, funds may be subtracted from payment of the invoice

4.5.13 Issues with Payment?

- AMS only gets involved when there are issues processing the payment
- If yes, proceed to 4.5.14
- If no, skip to 4.5.15

4.5.14 Issues Communicated to AMS for Resolution

- Vendor will reach out to AMS if there are issues, usually for late payment
- AMS works with FSA finance team to resolve the issue

4.5.15 Vendors paid in NPS

- Invoices are paid in order of due date
- FAR Requirement: SAM must be up to date in order to enter GR and to pay vendors
 - **Pain Point:** SAM information can expire between award and invoice, causing invoices to get stuck in WBSCM
 - Can cause interest to accrue

4.5.16 Decision: Debit/Credit Request

- After payment is received, the vendor may request either a debit or credit if it believes the payment was incorrect
- If no debit or credit is requested, proceed to 4.5.17
- If debit, skip to 4.5.18
- If credit, skip to 4.5.21

4.5.17 Decision: Remaining PO Balance?

- If there is a remaining balance on the PO after payment, the PO will need to be closed out
- If the PO is paid in full, it is automatically closed out in SAP
 - FAR requires additional action to close out the contract
- If yes, proceed to Contract Closeout
- If no, process ends

4.5.18 Review Debit Request & Documents

- Specialist researches mistake, authorizes additional payment if necessary

4.5.19 Request Submitted to WBSCM Contractor

- Debit must go through the contractor, who approves and sends it to FSA Finance team for payment
- Credits/claims are worked directly through FSA Finance team

4.5.20 Credit Request Sent AMS Credit Request Rep

- Standard form is completed

Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

4.5.21 Request Processed

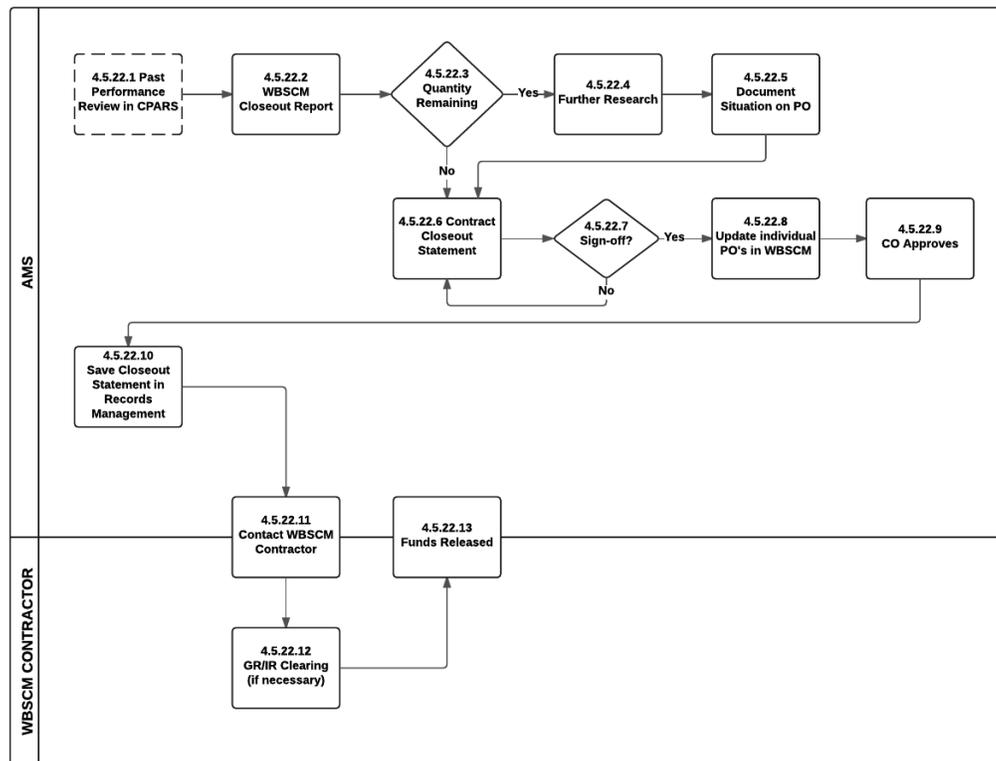
- Credit Request Rep processes all credits
- Specialists have very little visibility to the process
- After processing, rep sends request to FSA Finance team for payment

4.5.22 Contract Closeout

- Contract is closed and funds are released

4.5.22 CONTRACT CLOSEOUT

BMI Domestic Team | April 21, 2016



4.5.22.1 Past Performance Review in CPARS

- **Gap:** Not currently being performed in DC office, rarely in KC office (FAR Requirement)

4.5.22.2 WBSM Closeout Report

- Report tells AMS if there is any quantity remaining either to be delivered or invoiced

4.5.22.3 Decision: Quantity Remaining?

- If yes, proceed to 4.5.22.4
- If no, skip to 4.5.22.6; considered "Perfect PO"

4.5.22.4 Further Research

- Is quantity remaining to be delivered or invoiced?

4.5.22.5 Document Situation on PO

- Header text notes explaining what quantity is remaining

Procure to Pay (4.4 & 4.5) As-Is Process Flow and Narrative

- **Pain Points**

- GR and Invoice not matching
 - Example
 - GR received in full, but Proof of Delivery shows 10 cases damaged
 - Invoice reflects 10 cases short, as a result does not match GR
 - Vendor may forget to invoice

4.5.22.6 Contract Closeout Statement

- Letter to vendor notifying them of the closeout
- Includes the following reports:
 - Last invoice number and date
 - Last modification
 - Excess Funds
 - Vendor Name and address
- IDIQ
 - Must make sure all individual PO's are closed out

4.5.22.7 Decision: Sign-off?

- The following parties must sign off on the Contract Closeout Statement
 - CO
 - Procurement Specialist
 - Financial Analyst

4.5.22.8 Update Individual PO's in WBSCM

- Add notes in Header Text
- Update status as "closed out"

4.5.22.9 CO Approves

- **Opportunity:** Use Doc Approval in SAP instead of sign-off via email

4.5.22.10 Save Contract Closeout Statement in Records Management

4.5.22.11 Contact WBSCM Contractor

- Notify contractor of which PO's have been closed

4.5.22.12 GR/IR Clearing (if necessary)

- Performed by WBSCM contractor
- Clears remaining quantities on GR and or invoice
- Not performed for "Perfect PO's"

4.5.22.13 Funds Released

- Funds only returned to USDA budget if PO is closed out in current fiscal year
 - Otherwise, funds are returned to the Treasury
- Entitlement funds are not affected; only attached to SO, not PO