

DEFENSE LOGISTICS AGENCY

AMERICA'S COMBAT LOGISTICS SUPPORT AGENCY

DLA Land and Maritime

The logo of the Defense Logistics Agency (DLA) is centered in the background. It features a bald eagle with wings spread, perched on a shield with vertical red and white stripes. Above the eagle is a yellow banner with the word "LOGISTICS" in blue. The entire emblem is set against a blue globe with white latitude and longitude lines. The words "DEFENSE" and "AGENCY" are written vertically on either side of the eagle.

Vendor Payment Process Updates and Challenges

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Vendor Payment Process Updates and Challenges



Normal Payment Timeline

Payment is made based on the latter date of the receipt of a valid invoice or Government acceptance (unless fast payment procedures are authorized).

Basic List															
Sh. Text	MvT	Material Document	Item	Posting Date	Quantity	OUn	Amount in LC	L.cur	Reference	Qty in OPU	Order Price Unit	Amount	Crcy	Trans./event type	GR
GR	101	<u>5118077231</u>	1	10/09/2013	8.000	EA	14,864.00	USD		8.000	EA	14,864.00	USD	1	
Tr./Ev. Goods receipt					8.000	EA	14,864.00	USD		8.000	EA	14,864.00	USD	1	
IR-L		<u>5162404207</u>	1	10/09/2013	8.000	EA	14,864.00	USD		8.000	EA	14,864.00	USD	2	
Tr./Ev. Invoice receipt					8.000	EA	14,864.00	USD		8.000	EA	14,864.00	USD	2	



Vendor Payment Process Updates and Challenges



“Why Don’t I Get Paid”

Acceptance is based on:

- *Material*
- *Quantity*
- *Price*
- *Receipt Location*
- *Shipping, Packaging, Marking Requirements*
- *Receiving Documents*



Top Ten Reasons Payments are Delayed



10

- Not packaged to the Quantity Unit Pack (QUP) specified in the contract.

9

- Electrostatic Sensitive Material shipped in non-conforming packaging.

Yes



No



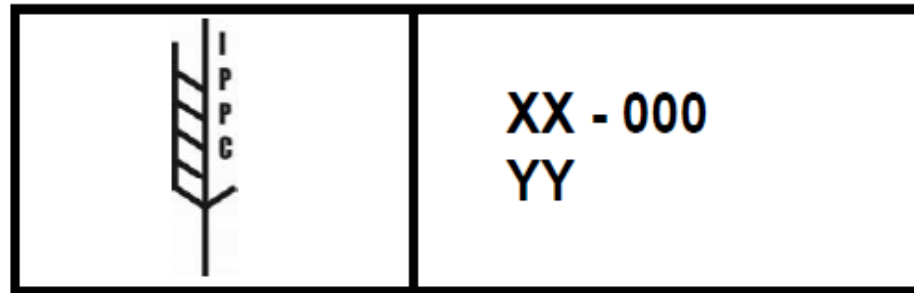


Top Ten Reasons Payments are Delayed



8

- Non-conformance to wood packing materials requirements (ISPM 15)



7

- Material received not packaged to the requirements specified in the contract (Method of Preservation).



Top Ten Reasons Payments are Delayed



6

- Shipping documents missing, incomplete or illegible

5

- Missing Bare Item Markings (Mil-Std-130)





Top Ten Reasons Payments are Delayed



4

- Shipping material before the DCMA Quality Assurance Representative signs acceptance. (Inspection and Acceptance at Origin/Source)

3

- Shelf life markings omitted or incorrect.



Top Ten Reasons Payments are Delayed



2

- MIL-STD 129R Labels omitted or missing required elements

1

- Reason why payments are delayed:
No Invoice submitted in WAWF



Accounts Payable – Payment Process Overview

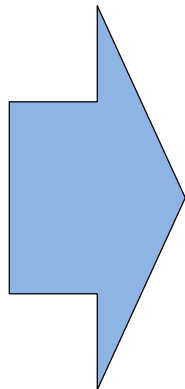
Defense Finance and Accounting Service

Rick Harris
Deputy Director - APDA
August 29





What is Vendor Pay?



Payment for Day to Day Goods and Services

Uses Multiple Systems

Deployed Across Multiple Locations Worldwide

Encompasses Entitlement

Determination for:

- ✓ Non-DCMA Administered Contracts (some exceptions)
- ✓ Transportation Payments
- ✓ Miscellaneous Payments to Businesses and Individuals





Entitlement Systems	
SAVES	FABS
CAPS-W	DAI
EBS	

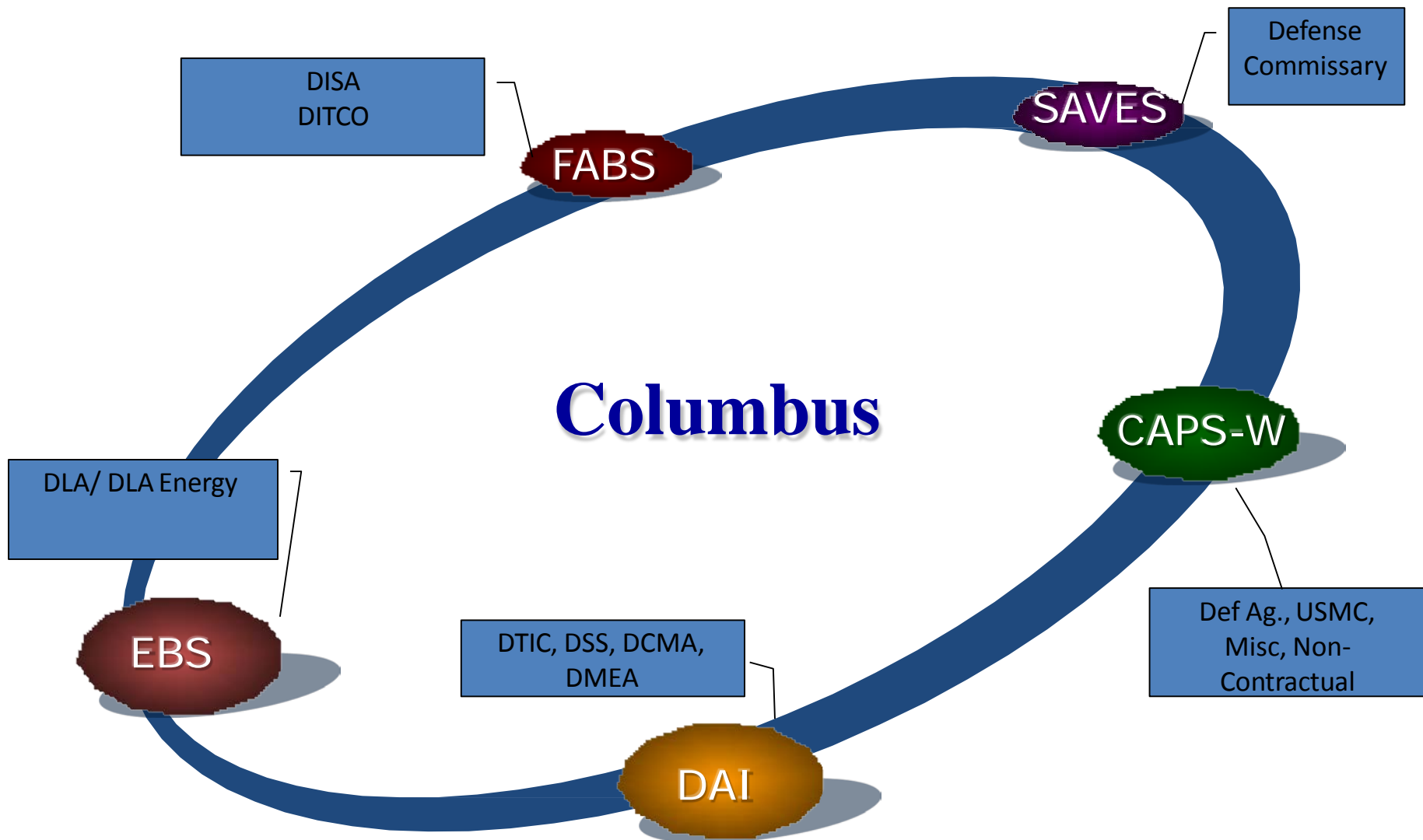
Supporting Systems	
SAM/BEIS	Powertrack/Syncada
EDA	iRAPT/WAWF
EDI	ADS
EDM	

Functions:

- Review contracts, invoices, and receiving reports for propriety IAW regulatory requirements.
- Match contract, invoice, and receiving report to initiate proper payment.
- Verify vendor SAM registration and remittance data.
- Perform entitlement/computation actions necessary to generate payments to vendors and individuals for services performed and/or goods/materials received.
- Process payments into the applicable entitlement system (Systems vary depending on customer)
- Payment Certification.
- Perform pre-pay & post pay audits.
- Manage EFT reject process.



AP Systems – Defense Agencies/USMC



Accounts Payable Process - 3 Way Match



DoD

- Awards contract to Vendor
- Forwards contract to DFAS

Vendor

- Provides Goods and Services
- Submits receiving report for the goods and services to DoD
- Can also submit the invoice along with the receiving report (Combo and Invoice 2 in 1)

DoD

- Receives goods and services
- Forwards signed receiving report to DFAS



Vendor

- Submits Invoice to DFAS if not already submitted with the receiving report.

DFAS Entitlement

- Using a 3-way match between the Contract, invoice, and Receiving Report, validates, entitles and then prevalidates the invoice
- Sends payment file to Disbursing office

Disbursing office

- Sends Check/EFT to Vendor
- Updates MyInvoice
- Sends disbursement data back to the Accounting systems.





- ▶ **Net 30 Days = Normal Payment Terms**
- ▶ **Net 7 Days**
 - ✓ Meat, Meat Food Products, including Poultry, Fresh Eggs, Seafood or Shellfish
- ▶ **Net 10 Days**
 - ✓ Perishable Agricultural commodities, Fresh Baked Goods, Dairy Products, Fats and Oils
- ▶ **Net 14 Days**
 - ✓ Construction Contracts
- ▶ **Fast Pay 15 Days**
 - ✓ Based on inclusion of the FastPay FAR clause in the contract
- ▶ **Accelerated Pay (All Vendors)**
 - ✓ Paid as soon as possible (15 days)
 - ✓ Per memorandum dated 8-1-2014



Calculation of Interest



► Interest paid on LATTER of:

✓ **Date Invoice Received at Proper Billing Office**

✓ **Acceptance Date**

✓ **Constructive Acceptance Date**

***Constructive acceptance = 7 days after delivery date
(If the difference between Delivery and Acceptance exceeds 7 days,
then Constructive Acceptance is used in place of Acceptance Date).**

Inv Rcvd: 12/14/11

Inv Date: 12/12/11

RR Rcvd: 12/20/11

Mdse Del: 12/12/11

Mdse Acpt: 12/20/11

***Constructive Acceptance is 12/19/11**



Interest would be calculated off of 1/18/12 due date

Prompt Pay and Discount calculators can both be found at this site:

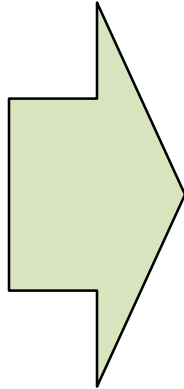
https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/promptPayment_home.htm



Proper Manual Invoice



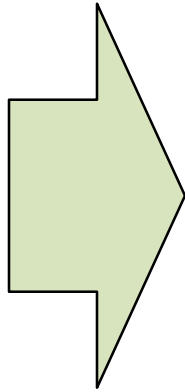
A proper invoice must have the following:



✓	Invoice Date
✓	Name and Address of the vendor
✓	Invoice number, Account number, and/or any other identifying number agreed to by contract
✓	Contract Number or other authorization for delivery
✓	Description, Price and Quantity
✓	Shipping, Payment, and Discount Terms
✓	Taxpayer Identifying Number (TIN), unless agency procedures provide otherwise
✓	Contact Name (where practicable) of person to be notified in event of a defective invoice
✓	Banking information, unless agency procedures provide otherwise, or except in situations where the EFT requirement is waived under 31 CFR 208.4
✓	Other substantiating documentation or information required by the contract



Common Problems with Invoices



✓	Wrong or incomplete contract (PO) number
✓	Missing call/delivery order number
✓	Vendor sends statements and not invoice
✓	Billing for past due amounts on current charges instead of submitting original invoice where balance is due
✓	Missing invoice number and date
✓	Billing description is incomplete or incorrect
✓	Failure to mark DD250 as an original invoice
✓	Invoice is submitted by a vendor (sub contractor) other than the vendor named on the contract

★ By using WAWF, most of these errors would be eliminated

Accounts Payable Defense Agencies – Pay Offices



HQ0131

- Defense Agencies
- System = CAPSW
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-877-278-3106

HQ0131

- MISC PAY
- System = CAPSW
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-877-278-3106

M67443

- USMC
- System = CAPSW
- Formerly DFAS Kansas City
- Customer Service
 - ✓ 1-800-756-4571, option 5
- Non-WAWF fax invoice submission:
 - ✓ 1-866-217-6523

HQ0252

- DITCO
- System = FABS
- Formerly DFAS Pensacola
- Customer Service
 - ✓ 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-866-451-1110



Accounts Payable Defense Agencies – Pay Offices



HQ0104

- Some FUELS
- System = CAPSW
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
- Non-WAWF fax invoice submission:
 - ✓ 1-614-693-2630

SL4701

- EBS
- System = EBS
- Formerly BSM, also used for Fuels
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-866-313-2340

HQ0131

- DeCA
- System = CAPSW/SAVES
- Customer Service
 - ✓ 1-800-756-4577, option 2
- Non-WAWF fax invoice submission:
 - ✓ 1-877-278-3106

HQ0492/HQ0690/HQ0751/HQ0748

- DAI
- System = DAI
- Customer Service
 - ✓ Call 1-800-756-4571, option 2
 - ✓ Non-WAWF fax invoice submission:
 - ✓ 1-877-326-8044





▶ When things don't go as expected

- ✓ What do I do now? I haven't been paid! My invoice got rejected! I got a partial payment!

▶ Contact DFAS Customer Service or Use Self-Service

- ✓ 1-800-756-4571

- ✓ **Top Reasons for Inquiry**

- Pay Status
 - Solution: MyInvoice <https://wawf.eb.mil> to register
 - If you have iRAPT/WAWF, you can easily register for MyInvoice
- Missing Goods Receipts
 - This is NOT a DFAS role. You must contact your DLA/Govt Receiving Activity POC or your contracting officer
- Short Pay (as a result of partial or missing GR)
- Freight balance due
 - Did you attach a copy of your freight bill to your WAWF invoice submission?
- How to bill
 - Invoicing should MIRROR you contract CLIN/SLIN layout, including QTY/Unit Price/Unit of Measure
- Maintain your SAM registration.
 - Annual requirement. If expired/suspended, you will NOT get paid!
<https://www.sam.gov/portal/SAM/#1>





► Why am I not getting paid?

- ✓ **Do you have an existing debt with a federal agency? IRS, local government, liens, outstanding collections?**
 - If DFAS is paying you, we partner with the Treasury Department and IRS to process offsets based on your TIN. (these can and will include administrative fees, penalties and interest)
- ✓ **Small Business Payment Acceleration Program**
 - Currently, all payments are accelerated with a Department goal of 15 days (for Net 30 payment terms). While this is the goal, all processes **MUST** occur before payment is released, which could result in delays, including applicable PPA interest if terms of contract are exceeded.
 - Requirements include: Proper Invoice, Proper Receiving Report, Proper Contract, AND Prevalidation (validation of adequate funds to disburse). Example) You wouldn't write a check for a personal utility bill for \$200 if you only had \$100 in your account would you?





Creation of Purchase Order

- ✓ DLA Procurement

Creation of Invoice

- ✓ Vendor
 - Electronically submitted and passes all edits
- ✓ DFAS Entitlements
 - Electronically submitted, but contains error or doesn't pass an edit
 - Invoice submitted manually, requires input by DFAS

Creation of Goods Receipt

- ✓ Receiving Activity
 - DLA (DLADirect)
 - DLA's Customer (Customer Direct)

Creation of Disbursement

- ✓ DFAS Certification/Disbursement



Partial Payment (Invoice)



WAWF Invoice →

Item No.	Product/Service ID	Qualifier	Qty. Delivered	Unit of Measure	UoM Code	Unit Price (\$)	Amount (\$)
1002CD	V112	SV	1	Each	EA	60,375.00	60,375.00
	AAI	SDN	ACRN	PR Number	GFE	Advice Code	
		SC05001200014	AA	M22RB2XCM2	N		
Description RB-CASA TRANSPORTATI							

Item No.	Product/Service ID	Qualifier	Qty. Delivered	Unit of Measure	UoM Code	Unit Price (\$)	Amount (\$)
1002DB	V112	SV	1	Each	EA	11,615.00	11,615.00
	AAI	SDN	ACRN	PR Number	GFE	Advice Code	
		SC05001200014	AA	M22RB2XCM2	N		
Description RB-CASA TRANSPORTATI							

EBS Purchase Order
for Item Number
1002CD for
\$60,375.00 →

Sh. Text	MvT	Material Document	Posting Date	Quantity	OU	Amount in LC	Reference	L. cur	Qty in OPUn	Order Price Unit	Amount	Crcy
GR	101	5123625129	06/06/2014	60,375.000	EA	60,375.00		USD	60,375.000	EA	60,375.00	USD
Tr./Ev. Goods receipt				60,375.000	EA	60,375.00		USD	60,375.000	EA	60,375.00	USD
IR-L		5166412231	06/06/2014	60,375.000	EA	60,375.00		USD	60,375.000	EA	60,375.00	USD
Tr./Ev. Invoice receipt				60,375.000	EA	60,375.00		USD	60,375.000	EA	60,375.00	USD

EBS Purchase Order
for Item Number
1002DB for
\$11,615.00 →

Field	Value
Unloading Point	
G/L Account	61002210
Business Area	WESP
CO Area	DLA1
Cost Center	5024600
Fund	97X49305X
Functional Area	
Funds Center	5024600
Earmarked Funds	0
Commitment Item	61002210

Partial Payment (Line)



[-] Line Item Information

Item No.	Product/Service ID	Qualifier	Qty. Shipped	Unit of Measure	UofM Code	Unit Price (\$)	Qty. Accepted	Amount (\$)
0001	5306014762040	FS	12	Each	EA	196.7		2,360.40
	SDN		ACRN		AAI		PR Number	
			BX				0054507197	
Description								
BOLT, EXTERNALLY RELIEVED BODY 53711 P/N 721-7070284-45 REV A								
Line Item Total (\$):								2,360.40

The screenshot displays the SAP interface for a purchase order line item. The top section shows the 'Header' with a table of line items:

Status	Confite...	Item A I	Material	Short Text	Quantity	OUh C	Delivery Date	Net Price	Crcy	Per OPU Mater
0001		1	014762040	BOLT,EXTERNALLY REL	12.000	EA	D 01/20/2015	196.70	USD	1 EA Bolts

The bottom section shows the 'Item' details for line item [0001] 014762040, BOLT,EXTERNALLY REL. The 'Basic List' table is as follows:

Sh. Text	MvT	Material Document	Posting Date	Quantity	OUh	Amount in LC	Reference	L.our	Qty in OPUh	Order Price Unit	Amount	Crcy
GR	101	5128083779	12/05/2014	11.000	EA	2,163.70		USD	11.000	EA	2,163.70	USD
Tr./Ev. Goods receipt				11.000	EA	2,163.70		USD	11.000	EA	2,163.70	USD
IR-L		5169614986	12/06/2014	1.000	EA	196.70		USD	1.000	EA	196.70	USD
IR-L		5169614987	12/06/2014	1.000	EA	196.70		USD	1.000	EA	196.70	USD
IR-L		5169462258	11/27/2014	12.000	EA	2,360.40		USD	12.000	EA	2,360.40	USD
Tr./Ev. Invoice receipt				12.000	EA	2,360.40		USD	12.000	EA	2,360.40	USD





- ▶ EBS can only pay DLA Lines of Accounting
- ▶ If a contract has a non-DLA LOA, EBS can't entitle/disburse (Payment Office SL4701)
- ▶ If SL4701 is the payment office, a modification is necessary
- ▶ DFAS policy – not to split up a contract over multiple payment offices





Modification

- ✓ Payment Office Change

Certification of Funds

- ✓ Identifies the obligation
- ✓ Amount disbursed
- ✓ Awaiting liquidation
- ✓ Signed by Losing Payment Office
- ✓ Sent to new Payment Office



Questions





Other Tips and Suggestions



- **Contact your Contract Administrator**
- **Maintain up-to-date point of contact information in the System for Award Management (SAM)**
- **Retain and make available Proof of Delivery (Carrier Tracking) information**
- **Recommend placing shipment commercial tracking numbers in Wide Area WorkFlow (WAWF/IRAPT) Receiving Report**



Helpful Websites



- <http://assist.daps.dla.mil/> - copies of Military Standards including MIL-STD-129P and MIL-STD- 2073-1D
- www.dodrfid.org – information on DoD’s Radio Frequency Identification marking requirements
- www.wawftraining.com – online training for WAWF



Helpful Websites



DFAS Home Page

- <http://www.dfas.mil/contractorsvendors.html>
 - One-Stop Shop for ALL your payment questions and links to valuable resources

iRAPT/WAWF

- Invoice, receipt, acceptance, property transfer & Wide Area Workflow (your electronic invoicing tool)
 - <https://wawf.eb.mil/>
 - » Includes training tutorials, how to, and additional reference material
 - MyInvoice Tutorial (YouTube) (Payment Status Online)
 - » <https://www.youtube.com/watch?v=sbYi85oRH5o>

DFAS Open House – come see us!

- <http://www.dfas.mil/contractorsvendors/upcomingevents/openhouse.html>

System for Award Management (SAM)

- <https://www.sam.gov/portal/SAM/#1>

Prompt Payment Act

- http://comptroller.defense.gov/Portals/45/documents/fmr/current/10/10_07.pdf

United States Treasury – Prompt Payment Calculator

- https://www.fiscal.treasury.gov/fsservices/gov/pmt/promptPayment/promptPayment_home.htm



Conclusion



Process of Payment Payment Delays Tips & Suggestions





