



AUG 13 2013

United States Department of Agriculture

Office of the Assistant Secretary for Departmental Management

Management Services

Procurement Operations Division

Reporters Building 300 7th Street, SW, Suite 353 Washington, DC 20024

ACQUISITION OPERATING PROCEDURE (AOP)

FROM: Jodey A. Exhem Head of Contracting Activity Designee

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

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.

EFFECTIVE DATE: This AOP is effective on AUG 14 2013.

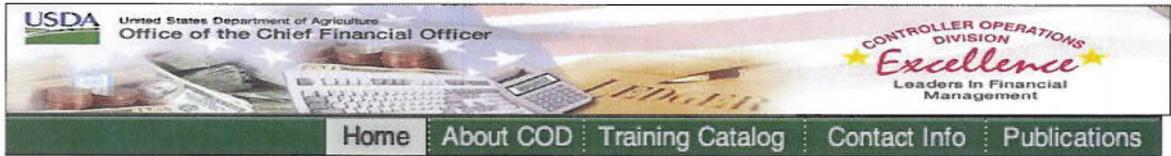
REVISIONS: Removes all procedures relating to the Centralized Servicing Center manual invoice process in its entirety. Adds reference to the Invoice Processing Platform (IPP) guidance. This AOP replaces AOP No. 12, dated July 7, 2011.

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.

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:



- 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 **7th 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 will remain in effect until canceled.

