SMG 2310.15

FDA Staff Manual Guides, Volume III – General Administration

Financial Management - Budget

Processing Vendor Invoice and Payments

Effective Date: 08/05/2021

1. Purpose.

The Division of Payment Services (DPS) within the Office of Finance, Budget, Acquisitions, and Planning (OFBAP) performs specific actions that result in the timely and accurate payment of proper invoices submitted by vendors for goods or services provided to the U.S. Food and Drug Administration (FDA). The procedures and provisions contained in this policy apply to all FDA Centers and Offices within FDA. Each Center and Office is responsible for ensuring invoices submitted by vendors are proper and received in the Unified Financial Management System (UFMS).

The purpose of this SMG is to establish the policy by which the FDA:

A. Receives and reviews invoices;
B. Returns improper invoices to vendors; and
C. Pays invoices.

2. Background.

In accordance with the Federal Acquisition Regulation (FAR), Code of Federal Regulations (CFR), Treasury Financial Manual (TFM), and the Prompt Payment Act (PPA), the FDA is responsible for ensuring vendors are paid timely and accurately for goods and services delivered, in accordance with the terms in the vendor invoice and contract. This SMG provides guidance on the policy, procedures, and roles and responsibilities for processing vendor invoices and payments.

3. Reference/Authority.

FDA Policy is consistent with guidance set forth by the following legal references regarding the requirements of vendor invoice and payments. These include:

A. Prompt Payment Act (https://www.fiscal.treasury.gov/files/prompt-payment/5cfr1315.pdf)

B. FAR 52.212-4 (Oct 2018) and 52.212-4, Alternate I (Jan 2017) Contract Terms and Conditions – Commercial Items (https://www.acquisition.gov/far/52.212-4)

C. FAR 52.232-1 Payments (https://acquisition.gov/content/52232-1-payments)

D. FAR 52.232-25 Prompt Payment (https://www.acquisition.gov/far/52.232-25)

E. FAR 52.232.40 FAR Class Deviation – Providing Accelerated Payments to Small Business Subcontractors (Dec 2013) (https://www.acquisition.gov/far/52.232-40)

F. FAR 32.11 Electronic Funds Transfer (https://acquisition.gov/content/subpart-3211-electronic-funds-transfer)

G. FAR 52.232-8 Discounts for Prompt Payment (https://acquisition.gov/content/52232-8-discounts-prompt-payment)

H. FAR 32.904 Determining Payment Due Dates (https://www.acquisition.gov/content/32904-determining-payment-due-dates)

I. FAR 32.905 Payment documentation and process (https://acquisition.gov/content/32905-payment-documentation-and-process)

J. FAR 32.906 Making Payments (https://www.acquisition.gov/content/32906-making-payments)

K. 31 Code of Federal Regulations (CFR) Part 208 Fiscal Service Treasury (https://www.govinfo.gov/content/pkg/CFR-2011-title31-vol2/pdf/CFR-2011-title31-vol2-part208.pdf)

L. TFM. Chapter 3000: Requirements for Scheduling Payments Disbursed by the Bureau of the Fiscal Service (https://tfm.fiscal.treasury.gov/v1/p4/ac300.html)

4. Definitions.

A. **Acceptance of Goods or Services** – Acceptance of goods or services means an acknowledgment by the FDA Official listed in the contract, Contracting Officer (CO), or Contracting Officer's Representative (COR), or assigned Technical Point of Contact (TPOC), that goods received, and services rendered conform with the contract requirements. Acceptance of goods and services may also apply to partial deliveries when appropriate.

B. **Acceptance Date** – The date an FDA official acknowledges that goods received, and services rendered conform with invoice or contract requirements.

C. **Accounting Period –** The first day through the last day of each calendar month.

D. **Data Entry Designee –** Upon designation by the COR, enter data into iProcurement.

E. **Delivery Date** – The date when goods and services were delivered to the FDA.

F. **Contract** – A mutually binding legal relationship obligating the seller to furnish the supplies or services and the buyer to pay for them. It includes all types of commitments that obligate the Government to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. In addition to bilateral instruments, contracts include (but are not limited to) awards and notices of awards; task/delivery orders issued under basic ordering agreements; letter contracts; orders, such as purchase orders, under which the contract becomes effective by written acceptance or performance; and bilateral contract modifications. Good and services obtained by contracts must be for the direct use or benefit of the Government and do not include grants and cooperative agreements.

G. **Contracting Officer (CO)** – FDA employee with authority to enter into and administer contracts on behalf of the FDA.

H. **Contracting Officer's Representative (COR)** – FDA employee designated in writing by a contracting officer (CO) to act as the contracting officer's representative in monitoring and administering specified aspects of vendor performance after award of a contract or order.

I. **Division of Payment Services** (**DPS)** – The office designated to first receive and review invoices.

J. **Receiving Issue(s)** – When a proper invoice cannot be processed due to a receiving issue, which includes vendor invoices that have exceed the Purchase Order (PO) ceiling and/or vendor invoices that have exceeded the cumulative Center/Office receipts, or receiving issues resulting from either shortages or overages left unresolved on a contract line during the maintenance of a contract.

K. **Invoice Specialist (IS)** – Office of Acquisitions and Grants Services (OAGS) staff member responsible for reviewing invoices on 2-way and 3-way match cost reimbursement contracts to ensure accuracy and compliance with the contract.

L. **iProcurement** – A module in UFMS to record receiving on goods and services accepted by the FDA.

M. **Partial Delivery Payment** – Agencies shall pay for partial delivery of supplies or partial performance of services after acceptance, unless specifically prohibited by the Contract.

N. **Primary Acquisition Liaison (PALs)** – The main point of contact for their respective Center/Office for the vendor invoice and payments process.

O. **Prior Period Receiving (PPR)** – Is a UFMS feature that corrects the receipt date of a good or service that is received in UFMS in the current accounting period but was delivered in a prior accounting period.

P. **Prior Period Receiving (PPR) Point of Contact (POC)** – This is the FDA individual authorized to backdate receipt dates in iProcurement.

Q. **Procurement Information System for Management (PRISM)** – HHS/FDA system that is integrated with UFMS to route purchase requests (requisitions) and awards.

R. **Proper Invoice** – An invoice that meets the requirements outlined in the Prompt Payment Act.

S. **Receiving** – In UFMS, this is the confirmation that goods, including accountable and non-accountable property, or services have been physically received and accepted. The timely receiving of goods and services in UFMS is critical to ensure that payment is processed within the payment terms and FDA does not incur interest payments to vendors.

T. **Technical Point of Contact (TPOC)** – Upon designation by their respective Center/Office, the Technical Point of Contact (TPOC), which is the designated iProcurement receiver, oversees the process of accepting goods and services.

U. **Unified Financial Management System (UFMS)** – The financial system used by the FDA.

V. **Vendor** – Entity that has entered in an agreement to provide goods or services to the FDA, excluding Federal entities.

5. Policy.

A. **General Policy**

1. The FDA is required to make payments for goods and services delivered and accepted in accordance with the invoice and/or contract terms.

   Note: All references to "days" and calculating dates means calendar days.

B. **Acceptance of Goods or Services**

1. Acceptance of goods and services delivered to the FDA should be completed within seven (7) days of the delivery date unless stated otherwise in the contract or by regulation. For the sole purpose of computing an interest penalty that might be due to the vendor the following can occur (see section 5.I.1-3) for additional information on Interest Payments):

   a. If acceptance or rejection of the goods and services does not occur within this seven (7) day time period, the goods or services are deemed to be constructively accepted on the last (7^{th}) day of the acceptance period; or

   b. If actual acceptance occurs within the constructive acceptance period, the determination of an interest penalty will be from the actual date of acceptance.

   If there is disagreement over quantity, quality, or vendor compliance with a contract requirement, the goods and services may be rejected. The FDA records the acceptance of goods and services by entering receiving in iProcurement.

2. Acceptance of Goods or Services for Contracts: The authorized FDA official who can accept goods and services is the Contracting Officer's Representative (COR) for a specific contract. If a contract is below the Simplified Acquisition Threshold (SAT), a COR is not required, then the Center/Office assigned Technical Point of Contact (TPOC) is authorized to receive the goods or services for that specific contract. COR/TPOCs can delegate the responsibility of receipt in iProcurement to another individual.

3. Future Receiving: Receiving for goods or services that have not been physically received and accepted may not be entered into iProcurement.

4. Prior Period Receiving (PPR): PPR may only be used when acceptance of goods or services and entering receiving into iProcurement, in accordance with section 5.B.1., crosses an accounting period or there is an error found where the receiving date entered into iProcurement is inaccurate and is corrected in another accounting period. In these instances, the receiving date must be entered into iProcurement using PPR function in UFMS. Each Center/Office must designate at least one individual, the PPR Point of Contact (POC), to have the appropriate access in iProcurement to use the PPR function.

   If a COR or TPOC does not have PPR access, then they must provide written documentation explaining what needs to be adjusted and justification for changing a receiving date in a prior accounting period to the PPR POC. If a COR or TPOC does have PPR access, then the COR must maintain this documentation or for specific contracts that do not require a COR (see section 5.B.2), the TPOC must maintain documentation.

5. Receiving Issue for Proper Invoice: Centers/Offices must ensure receiving issues are addressed and/or escalated for all proper invoices to be paid. If there is a receiving issue, DPS will contact the Center/Office for the issue to be resolved. Receiving issues for proper invoices will be on a system hold when the following occurs:

   a. If the Purchase Order (PO) shows as overbilled or if receipts don't match Unified Financial Management System (UFMS) Accounts Payable (AP), the COR/TPOC must reconcile the PO within five (5) days of receiving a proper invoice.

   b. If the vendor has exceeded the PO ceiling, the COR/TPOC must email the invoice to the FDAReturnImproperInvoice@fda.gov and DPS will return the invoice to the vendor for resubmission.

   c. If the vendor is within the PO ceiling, the COR/TPOC is responsible for updating the PO receipts and/or must direct DPS to update the invoice(s) charges by adjusting receipts in iProcurement to match previous and current activity and/or request a G-Schedule to reassign previous invoice charges, as directed. For additional information, see Appendix A.

C. **Invoice Submission Requirements**

1. Electronic Invoice Submission

Vendors are to submit their PPA compliant invoices to the FDA Vendor Payments Team mailbox: FDAVendorPaymentsTeam@fda.gov. DPS recommends that COR/TPOC request vendors to copy the COR/TPOC on invoice submissions to the FDA Vendor Payments Team mailbox. DPS will only review invoices sent directly by vendors to the FDA Vendor Payments Team mailbox.

If a vendor sends an invoice directly to OAGS, the COR/TPOC, or any other FDA personnel and the FDA Vendor Payments Team mailbox is not copied, the recipient of the invoice must email the invoice to the FDAReturnImproperInvoice@fda.gov and DPS will return the invoice to the vendor for resubmission.

2. Invoices sent via Regular Mail

   a. If a vendor is mailing a physical invoice to the FDA Vendor Payments Team, it must be sent to the physical mailing address below. In accordance with the electronic invoice requirements (see section 5.C.1), vendors must also send a duplicate copy of their PPA compliant invoices to the FDA Vendor Payments Team mailbox: FDAVendorPaymentsTeam@fda.gov.

      U.S. Food and Drug Administration
      Attn: Vendor Payments
      Division of Payment Services
      10903 New Hampshire Ave
      WO32 – Second Floor
      Mail Hub 2145 Silver Spring, MD 20993-0002

   b. If an invoice is sent via regular mail to an incorrect FDA physical mailing address, the FDA staff member should either scan the invoice and email the invoice to the FDAReturnImproperInvoice@fda.gov or send it via inter-office mail to DPS: Attention DPS Invoice Return Coordinator and DPS will return the invoice to the vendor.

D. **Review of Submitted Invoice**

1. In accordance with the FAR 52.232-25 Prompt Payment, a complete and proper invoice must contain the following information (except for interim payments on cost reimbursement contracts for services):

   a. Name and address of the vendor.

   b. Invoice date and invoice number.

c. Contract number or Purchase Order number, if applicable (include task order and line item number except for contracts that only contain one-line item).

d. Description, quantity, unit of measure, unit price, and extended price of supplies delivered, or services performed.

e. Shipping and payment terms (*e.g.,* shipment number and date of shipment, discount for prompt payment terms). Bill of lading number and weight of shipment will be shown for shipments on Government bills of lading.

f. Name and address of vendor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).

g. Name, title, phone number, and mailing address of person to notify in the event of an improper invoice.

h. The vendor must provide a Tax Identification Number (TIN), except for when the vendor is a foreign entity. Note: TIN is required only if SWIFT code is a U.S. Bank. TIN is not required if SWIFT code is another country (see Section 5.H.2-3.).

i. Bank routing number to facilitate an Electronic Funds Transfer (EFT), unless:

    i. EFT banking information is not required to be on the invoice and the vendor submitted correct EFT banking information in accordance with the applicable solicitation provision (*e.g.,* 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (*e.g.,* 52.232-33, Payment by Electronic Funds Transfer-System for Award Management, or 52.232-34, Payment by Electronic Funds Transfer-Other Than System for Award Management), or applicable agency procedures; or

    ii. The EFT banking information requirement is waived by the FDA in accordance with 31 CFR Part 208, Subsection 208.4 Waivers.

    iii. The invoice is a foreign invoice with a non-U.S. Bank. Non-U.S. Bank foreign invoices require a foreign bank SWIFT Code or an IBAN/Account Number.

j. Any other information or documentation required by the contract (e.g. invoice log, timesheets, reports, travel documentation or evidence of shipment).

2. The FDA must review and return improper invoices, along with the reasons why it has been deemed improper, to the vendor no later than seven (7) days after invoice receipt unless it is for:

   a. Contracts for meat, meat food products, or fish. These must be returned no later than three (3) days after invoice receipt.

   b. Contracts for perishable agricultural commodities, dairy products, edible fats or oils, and food products prepared from edible fats or oils. These must be returned no later than five (5) days after invoice receipt.

   Note: Invoices (2-way match/3-way cost) that need to be reviewed and approved by the Contracting Officer (CO) or Invoice Specialist (IS) shall be reviewed within four (4) days of receipt from the Invoice Team. Progressive escalation starting at one (1) day late will be initiated by the OAGS Invoice Team for those invoices not returned timely. Progressive escalation shall start with a reminder to the CO/IS to provide the signed invoice (or indicate rejection) and will follow with alerts, as needed, to the Branch Chief and to the Division Director. Program Offices are reminded that concurrent review and receiving on invoices may occur while the invoice is being reviewed by OAGS.

   DPS will not pay on an invoice requiring CO approval until Program Offices perform the necessary receipt and acceptance actions and the signed invoice by the IS/CO is received by DPS. CO approval on an invoice indicates that the rates and pricing are in accordance with the terms and condition of the contract whereas COR/TPOC approval indicates that the level of effort, services, goods, etc., are what were received under the invoice. The two (2) approvals will result in the payment of that invoice. Invoices that only require COR approval (receipt and acceptance) indicates that all information on the invoice is accurate and reflective of the terms and conditions in the contract.

E. **Payment Guidelines**

1. All invoice payments must be supported by an invoice.

2. The FDA will initiate payment to the vendor upon the delivery of a proper invoice and the acceptance of goods or services.

3. Unless otherwise specified in the contract, payment will be made on partial deliveries of supplies or partial performance of services after acceptance, by the FDA if:

a. The invoice reflects the partial delivery; and

b. The amount due on the deliveries warrants it; or

c. The vendor requests it and the amount due on the deliveries is at least $1,000 or 50 percent of the total contract price.

F. **Payment Timeline Requirements**

1. Payment Due Date: Complete and proper invoices are paid by the payment due date which is determined by the associated contract or the invoice payment terms.

   a. The payment due date is calculated based on the following factors except as indicated in 5.F.1.b. through 5.F.1.f. The later of these two (2) dates:

      i. The 30th day after the FDA receives a proper invoice from the vendor; or

      ii. The 30th day after FDA acceptance of supplies delivered and/or services performed.

   b. If the contract provides for contract financing, then the FDA will make contract financing payments in accordance with the applicable contract financing clause.

   c. If the contract contains the clause at FAR 52.213-1, Fast Payment Procedure, payments will be made within fifteen (15) days after the date of receipt of the invoice.

   d. If the contract is for certain food products, perishable items, or other specific contract items the payment due date is in accordance with FAR 52.232-25, Prompt Payment (see section 5.G).

   e. If the contract is a cost-reimbursement contract for services, then the due date for making interim payments is thirty (30) days after the date of receipt of a proper invoice.

   f. If the contract contains another payment term not listed in this section or section 5.G., then the due date for making payments will be made in accordance with the payment term specified in that contract.

2. In accordance with the FAR 52.232.40, Providing Accelerated Payments to Small Business Contractors and Subcontractors, the FDA encourages prioritizing the receiving of these invoices and to make accelerated payments to such firms, with a goal of (15) fifteen days after receipt of a proper invoice.

3. If the FDA fails to make notification of an improper invoice within seven (7) days; three (3) days for meat and meat food, fish and seafood products; and five (5) days for perishable agricultural commodities, dairy products, edible fats or oils and food products prepared from edible fats or oils), the number of days allowed for payment of the corrected proper invoice will be reduced by the number of days between the last day of the invoice review period and the day the previous improper invoice was returned to the vendor.

G. **Payment Timelines for Specific Contracts and Items**

The payment due date calculation for the following contracts and items are the following:

1. Architect-Engineering Contracts: The due dates for making invoice payments on architect-engineer contracts is the due date for work or services completed by the vendor is the later of the following two events:

   a. The 30th day after the designated billing office receives a proper invoice from the vendor.

   b. The 30th day after FDA acceptance of the work and/or services completed by the vendor.

2. Construction Contracts: The due date for making progress payments based on CO approval of the estimated amount and value of work or services performed, including payments for reaching milestones in any project, is fourteen (14) days after DPS receives a proper payment request.

3. Contracts for Food and Specified Items: Differences in the due dates for making invoice payments on food and specified items can be found below:

   a. Meat or meat food products: Including any edible fresh or frozen poultry meat, any perishable poultry meat food product, fresh eggs, and any perishable egg product. Payment must be made as close as possible to, but not later than the 7th day after product delivery.

   b. Fresh or frozen fish: Payment must be made as close as possible to, but not later than the 7th day after product delivery.

c. Perishable agricultural commodities: Payment must be made as close as possible to, but not later than the 10th day after product delivery, unless another date is specified in the contract.

d. Dairy products: Including edible fats or oils and food products prepared from edible fats or oils. Liquid milk, cheese, certain processed cheese products, butter, yogurt, ice cream, mayonnaise, salad dressings, and other similar products. Payment must be made as close as possible to, but not later than the 10th day after a proper invoice has been received.

H. **Payment Methods**

1. EFT Payments

The FDA will protect against improper disclosure of vendors' EFT information. The FDA will provide all contract payments through EFT except if:

a. The office making an EFT contract payment loses the ability to release payment by EFT.

b. The payment is to be received by or on behalf of the vendor outside the United States and Puerto Rico.

c. A contract is paid in currency other than United States currency.

d. Payment by EFT under a classified contract could compromise the security of classified information or national security.

e. A contract is awarded by a deployed contracting officer during military operations or emergency operations if (1) EFT is not possible, or (2) EFT would not support the operation's objectives.

f. The FDA does not expect to make more than one payment to the same recipient within a one-year period.

g. The need for supplies and services is of such unusual and compelling urgency that the FDA would be seriously injured unless payment is made by a method other than EFT.

h. There is only one source for supplies and services and the FDA would be seriously injured unless payment is made by a method other than EFT.

i. Otherwise authorized by Department of the Treasury Regulations at 31 CFR Part 208.

2. International Wire Transfers:

a. The FDA may issue U.S. dollar and foreign currency payments to foreign vendors through international electronic wire transfer via ITS.gov.

To initiate a wire payment, the FDA must supply Fiscal Service with the information listed below. Fiscal Service rejects any requests that do not include all the information listed.

3. FDA wire payments must include the following information:

   a. Payee name;

   b. Payee address;

   c. Bank account or international bank account number;

   d. SWIFT Bank Identification Code (or other bank identifier information when country or currency appropriate);

   e. Bank name;

   f. Bank address;

   g. Payment currency;

   h. Amount;

   i. Invoice information/details; and

   j. Reason for payment (required for some currencies).

4. Check Payments

   a. If the payment meets one of the exceptions to the requirement for payments to be made with EFT, in accordance with section 5.H.1., payment may be made to the vendor in the form of a check from the Department of Treasury.

   b. In accordance with TFM, Section 2045.05 – General Requirements, agencies must support disbursements with sufficient information on supporting documentation, or on documents attached to them, to enable the audit of the transactions of certifying and disbursing officers, as required by law.

c. Agencies should mark supporting documents systematically, or manually when applicable, to prevent duplicate payments and to avoid mutilation, overwrite, inadvertent deletion, or destruction.

d. If an original invoice has been lost or destroyed, the agency should obtain a duplicate from the original submitter of the invoice. Then, the agency may process payment through regular disbursement channels provided it places on or attaches to the duplicate invoice a full explanation as to the circumstances of the loss or destruction of the original invoice and a statement indicating that steps have been taken to prevent duplicate payment.

e. Checks drawn to commercial concerns, institutions, grantees, or vendors often require account or invoice numbers and other kinds of identification data, as well as the payee name, to be properly applied to the account for which moneys are due.

I. **Interest Payments**

1. Interest due to late payments: Under PPA, when a proper invoice is paid late, an interest penalty is due automatically. In the event that interest is inadvertently omitted when an invoice is paid, FDA will pay the interest if discovered subsequently or when a vendor contacts the FDA to make a claim for interest.

   The vendor must make a claim within six years from the date the vendor understood or should have known the interest was due, technically six years from the date the FDA paid the invoice.

2. Interest on unpaid interest: If interested penalties remain unpaid at the end of any 30-day period, it will be added to the principal and subsequent interest penalties will accrue on that amount until paid in accordance with PPA.

3. Additional Penalties: FDA will pay additional penalties in accordance with PPA guidelines section § 1315.11 Additional Penalties. The additional penalty shall be equal to 100 percent of the original late payment interest penalty but must not exceed $5,000.

J. **Discounts for Prompt Payment**
Discounts for prompt payment are indicated in writing by the vendor in the contract. As an alternative, vendors awarded contracts may offer a discount for prompt payment on individual invoices.

6. Responsibilities.

A. Responsibilities of Center/Office, COR

1. Serve as the primary oversight official, reviewing and accepting contract deliverables, and ensuring contract payments are both proper and timely.

2. Responsible for assisting the Contracting Officer (CO) with managing the government/contractor relationship.

3. Monitors contractor performance, including communicating with vendors and the Center/Office Technical Point of Contact (TPOC) representatives.

4. Enter receiving in iProcurement on goods and services as soon as they are physically delivered and accepted or work with their COR designated receiver (Data Entry Designee) to enter receiving.

5. If there is a Data Entry Designee, provide written instruction to the Data Entry Designee regarding the date of receiving, the amount of receiving to be entered, and the contract line(s) the receiving should be entered against.

6. Review the invoice to ensure accuracy, namely that the goods or services that FDA is being invoiced for were delivered to the FDA in compliance with the terms of the contract, and other information or documentation required by the contract/purchase order is provided.

7. If invoice is billing against the wrong line(s), missing vendor contract information, and/or incorrect totals for goods/services rendered, email invoice with return reason(s) to FDAReturnImproperInvoice@fda.gov mailbox. For information on reviewing invoices for accuracy, see section 7.B.3 Accuracy Review and/or section 5.D.1 Review of Submitted Invoice.

8. COR is responsible for ensuring DPS receives the receipt number(s) for each invoice. If a Data Entry Designee is used, COR must ensure the Data Entry Designee provides the receipt number(s) to DPS.

9. Maintain contract files to include invoice copies and log to track what has been billed against the contract.

10. COR or Data Entry Designee is responsible for reconciling iProcurement receipts if there is a shortage or overage on contract lines that is preventing payment of an invoice. Return receipts as necessary to resolve discrepancies. If a receipt cannot be returned unless DPS has unmatched an invoice, contact DPS to coordinate returning the receipt.

11. Resolve receiving issues for proper invoices submitted to the FDA within five (5) days of receiving a proper invoice.

12. COR's are encouraged to monitor the Center Analytics Dashboard – Aging

Invoice on Holds and Receiving Reconciliation: https://fda.sharepoint.com/sites/OC-Intranet-OC-OO-OFBA-OFM-Reporting to resolve invoices that are on the “Awaiting COR Approval.”

13. Resolve and collaborate on invoice escalated issues submitted by the Automated Vendor Invoice Escalation process, which provides a weekly email to Receivers identifying all invoices that are on the “Awaiting COR Approval” hold, a weekly email to PALs identifying invoices that are on the “Awaiting COR Approval” hold for fifteen (15) days or more, and a bi-weekly email to Center/Office Deputy Executive Officers identifying invoices that are on the “Awaiting COR Approval” hold for over thirty (30) days.

14. Resolve escalated issues submitted by the DCFO to the Center/Office Executive Officer.

15. If the assigned COR cannot perform the review of invoices and acceptance of goods or services, the task(s) should be reassigned to another COR within the Center/Office. If the COR has questions on performing these tasks, they can contact the CO.

16. COR and/or Data Entry Designee ensures PPR is completed when required before DPS processes an invoice.

B. Responsibilities of Center/Office, COR’s Data Entry Designee

1. Obtain official receiving information from the COR and enter data into iProcurement on behalf and/or as directed by the COR.

2. Provide DPS with receipt number(s) for each invoice. For additional information, reference Section Appendix A for a link to Vendor Invoice and Payments resources, which includes process maps and job aids.

3. As directed, responsible for assisting the COR with the following:

    a. Reconcile iProcurement receipts if there is a shortage or overage on contract lines that is preventing payment of an invoice. Return receipts as necessary to resolve discrepancies. If a receipt cannot be returned unless DPS has unmatched an invoice, contact DPS to coordinate returning the receipt.

    b. Resolve receiving issues for proper invoices submitted to the FDA within five (5) days of receiving a proper invoice.

    c. Resolve and collaborate on invoice escalated issues submitted by the Automated Vendor Invoice Escalation process, which provides a weekly email to Receivers identifying all invoices that are on the “Awaiting COR

Approval" hold, a weekly email to PALs identifying invoices that are on the "Awaiting COR Approval" hold for fifteen (15) days or more, and a bi-weekly email to Center/Office Deputy Executive Officers identifying invoices that are on the "Awaiting COR Approval" hold for over thirty (30) days.

d. Resolve escalated issues submitted by the DCFO to the Center/Office Executive Officer.

e. Ensure PPR is completed when required before DPS processes an invoice.

C. Responsibilities of Center/Office, Prior Period Receiving (PPR) POC

1. Review request of PPR from COR.

2. Verify information such as receipt number, actual date of receipt, and requisition number.

3. Enter the actual receiving date in iProcurement in the correct accounting period.

D. Responsibilities of DPS, Vendor Payments Team

1. Monitor FDA Vendor Payments Team mailbox.

2. Stamp physical invoices as soon as they are received with date and time of receipt.

3. Upload invoice and approvals into UFMS.

4. Review invoice to ensure it is compliant with PPA guidelines and that the math on the invoice is accurate. If invoice is compliant and math is accurate, and it is not a duplicate invoice, DPS will match the invoice to the correct invoice/shipment/distribution lines(s) and place it on a manual hold in UFMS. If the invoice is inaccurate or not compliant, send the invoice to DPS, Payers for review.

E. Responsibilities of DPS, Payers

1. Review the daily aging holds report generated in Financial Business Intelligence System (FBIS) to determine which invoices require follow-up with COR/TPOC and/or OAGS.

   a. Escalate receiving issues for proper invoices submitted to the FDA to the Center/Office PAL if the COR/TPOC does not resolve the issue within five

(5) days.

b. If the receiving issue is not resolved within three (3) days after escalating to the Center/Office PAL, DPS will escalate the unpaid invoice to the Deputy Chief Financial Officer for escalation to the Center/Office Executive Officer.

2. Process invoices after accurate receipt acceptance is provided by the Centers and Offices in accordance with the payment due dates.

3. If an invoice is not compliant with the Prompt Payment Act, or funding is unavailable due to a pending contract modification, email invoice to FDAReturnImproperInvoice@fda.gov mailbox with the return reason(s).

F. Responsibilities of DPS, Returns Coordinator

1. Return invoices to the vendors, and the COR, that are determined to be improper, inaccurate, non-compliant and/or duplicate with appropriate reason for invoice return in the communication to the vendor.

2. Upload return notice in UFMS after returning an improper invoice to vendor.

3. Cancel invoice in UFMS.

G. Responsibilities of OAGS, Invoice Specialist (IS)

1. Review invoices on 2-way match and 3-way match cost reimbursement contracts within four (4) days of receipt to ensure compliance with the contract, specifically review the unit price and/or bill rates to ensure accuracy and other information or documentation required by the contract/purchase order, and login to the Invoice Log to validate there is sufficient funding.

2. If invoice is not compliant with contract, email invoice to FDAReturnImproperInvoice@fda.gov mailbox to return the invoice to the vendor.

3. If invoice is compliant with the contract, email invoice to CO.

4. Upon receiving the signed invoice from the CO, email invoice to the FDAVendorPaymentsTeam@fda.gov mailbox and the COR or TPOC.

H. Responsibilities of OAGS, Contracting Officer (CO)

1. Review cost reimbursement contract invoices and two-way contracts within four (4) days of receipt to ensure compliance with the contract, specifically review the unit price and/or bill rates to ensure accuracy and other information

or documentation required by the contract/purchase order is provided.

2. Determine if a new COR/TPOC should be assigned to a contract if a COR/TPOC is not able to accept goods or serves and review invoices (e.g. COR/TPOC is on leave). If a new COR/TPOC should be assigned, facilitate issuing a modification to the contract to assign a new COR/TPOC. If a new COR/TPOC is not required, accept goods or services and review invoices on behalf of the COR/TPOC.

I. Responsibilities of Center/Office, Primary Acquisition Liaisons (PALs)

1. Serve as a main point of contact for respective Center/Office for vendor invoice and payments process.

2. Identify the CORs, TPOC, or designated receiver in Centers/Offices who will be responsible for entering receiving in iProcurement.

3. Communicate invoice and payments process changes to appropriate Center/Office staff.

4. PALs are encouraged to monitor the Center Analytics Dashboard – Aging Invoices on Holds and Receiving Reconciliation: https://fda.sharepoint.com/sites/OC-Intranet-OC-OO-OFBA-OFM-Reporting%20 to follow up with the applicable Receiver, COR, and/or TPOC on invoices that are on a “Awaiting COR Approval” hold.

5. As requested, PALs are encouraged to resolve and collaborate on invoice escalated issues submitted by the Automated Vendor Invoice Escalation process and follow up with the applicable Receiver, COR, and/or TPOC. The Automated Vendor Invoice Escalations Process includes the following three (3) escalations:

    a. Weekly email to Receivers identifying all invoices that are on the “Awaiting COR Approval” hold.

    b. Weekly email to Center/Office PALs identifying corresponding Center/office invoices that are on the “Awaiting COR Approval” hold for fifteen (15) days or more.

    c. Bi-weekly email to Center/Office Deputy Executive Officers identifying invoices that are on the “Awaiting COR Approval” hold for thirty (30) days or more.

6. Follow up on invoice escalations from DPS and Centers/Offices that are on hold for fifteen (15) days or more.

7. Resolve escalated unpaid invoices due to receiving issues for proper invoices submitted to the FDA within three (3) days.

8. Expedite resolution of escalated issues submitted by the DCFO to the Center/Office Executive Officer.

J. Responsibilities of Center/Office, Technical Point of Contact (TPOC)

1. When a contract does not require a COR, a TPOC will be appointed and will be responsible for all roles and responsibilities in the TPOC appointment letter, which includes entering receiving in iProcurement on goods and services as soon as they are physically delivered and accepted.

2. TPOCs may delegate the receiving to another individual who has iProcurement access, but the TPOC still maintains the responsibility as an oversight official in the process of accepting goods and services.

3. Provide DPS with receipt number(s) for each invoice. This may also be completed by the designated receiver.

4. Resolve receiving issues for proper invoices submitted to the FDA within five (5) days when applicable.

5. Follow up and collaborate with the applicable Data Entry Designee, Receiver, and/or COR to resolve issues submitted by the Automated Vendor Invoice Escalation Process, which provides a weekly email to Receivers identifying all invoices that are on the “Awaiting COR Approval” hold, a weekly email to PALs identifying invoices that are on the “Awaiting COR Approval” hold for fifteen (15) days or more, and a bi-weekly email to Center/Office Deputy Executive Officers identifying invoices that are on the “Awaiting COR Approval” hold for over thirty (30) days.

6. Resolve escalated issues submitted by the DCFO to the Center/Office Executive Officer when applicable.

K. Responsibilities of OFBAP, Deputy Chief Financial Officer (DCFO)

1. Escalate unpaid proper invoices to the Center/Office Executive Officer due to any of the following reasons:

    a. Receiving issues;

    b. Unresolved holds lasting more than fifteen (15) days;

    c. Unresolved Center/Office receiving issues reported by vendors to the FDA helpdesk that have lapsed more than fifteen (15) days.

L. Responsibilities of Centers/Office, Executive Officer/Deputy Executive Officer

1. Deputy Executive Officers are encouraged to monitor the Center Analytics Dashboard – Aging Invoice on Holds and Receiving Reconciliation: https://fda.sharepoint.com/sites/OC-Intranet-OC-OO-OFBA-OFM-Reporting%20 to identify invoices that are on the “Awaiting COR Approval” hold.

2. Follow up with the applicable Data Entry Designee, Receiver, COR, PAL and/or TPOC to resolve issues submitted by the Automated Vendor Invoice Escalation Process, which is a bi-weekly email identifying Center/Office invoices that are on the “Awaiting COR Approval” hold of thirty (30) days.

3. Resolve escalated unpaid proper invoices due to receiving issues for proper invoices submitted to the FDA within three (3) days.

7. Procedures.

A. Invoice Receipt

1. DPS receives invoices electronically or via physical mail. Electronic invoices are uploaded to UFMS with the date invoice was submitted to DPS. DPS stamps the date of receipt on invoices physically mailed. If an invoice is not submitted to the FDA using the submission requirements listed in Section 5.C., the FDA employee who receives the invoice sends the invoice to the DPS Returns Coordinator so that the invoice can be returned to the vendor.

2. DPS, Vendor Payments Team places the “Awaiting COR Approval” manual hold on the invoice. For invoices on a cost reimbursement contract or 2-way match, DPS, Vendor Payments Team also places the “Awaiting CO Approval” manual hold on the invoice.

B. Invoice Review

1. Proper Review

   DPS conducts review to determine if the invoice contains the information required to be classified as “proper”. See Section 5.D.1 for proper invoice requirements. If the invoices are determined to be a proper invoice, DPS then emails the invoice to OAGS, if applicable.

2. Contractual Review

   For 2-way and 3-way match cost reimbursement contracts the CO reviews

the invoice for alignment with contractual requirements.

OAGS/CO Review Steps:

a. The Invoice Specialist (IS) reviews the invoice. If the invoice is accurate according to contract terms, the IS forwards invoice to the CO. If the invoice is inaccurate, the IS sends invoice to the DPS Returns Coordinator at FDAReturnImproperInvoice@fda.gov, with the COR copied, along with the reason(s) for invoice rejection. DPS returns the invoice to the vendor.

b. The CO reviews the invoice, if the invoice is accurate according to contract terms, the CO approves the invoice within four (4) days of receipt. If the invoice is not accurate, the IS sends the invoice to the DPS Returns Coordinator at FDAReturnImproperInvoice@fda.gov, with the COR copied, along with the reason(s) for invoice rejection. DPS returns the invoice to the vendor.

    i. If the invoice is approved by the CO, DPS removes the “Awaiting CO Approval” hold and uploads the approved invoice in UFMS.

    ii. If an invoice is resubmitted by a vendor due to inaccuracy or invoice rejection, the CO should email the invoice to the COR to ensure that they have a copy of the resubmitted invoice(s).

3. Accuracy Review

The COR reviews the invoice for accuracy.

COR Review Steps:

a. The COR reviews the invoice for accuracy, with respect to the goods or services that were delivered by the vendor. If the invoice is not accurate, the COR sends the invoice to the DPS Returns Coordinator at FDAReturnImproperInvoice@fda.gov, with the CO copied, along with the reason(s) for invoice rejection. DPS returns the rejected invoice to the vendor.

b. The COR, Data Entry Designee, and TPOC are the authorized individuals that may enter receiving in iProcurement. Once goods or services are delivered and accepted, the authorized individual enters receiving in iProcurement.

    i. If receiving is being entered prior to the invoice being submitted by the vendor, the authorized individual enters receiving using instructions in Section 7.C.2. Upon obtaining the invoice for which receiving has been entered, the authorized individual should reference instructions in

Section 7.C.3.

ii. If receiving is being entered after the invoice has been submitted by the vendor, the authorized individual enters receiving using instructions in Section 7.C.4.

c. If required, as described in Section 5.B.4, the authorized individual's Center/Office PPR POC updates the receiving date to a prior accounting period (month) if goods/services were received on the incorrect accounting period. For example, if goods were physically delivered and accepted in March but receiving date entered in iProcurement is April, the receiving date should be dated to March.

d. The COR notifies DPS of all receiving actions via email to FDAVendorPaymentsTeam@fda.gov. The TPOC may also perform this function if the COR is not required.

e. DPS releases the "Awaiting COR Approval" hold and uploads the receipt confirmation into UFMS.

4. Returning the Invoice

a. If DPS, the COR/TPOC and the CO determine that the invoice is improper, inaccurate, or non-compliant, they provide all rejection reasons to the DPS Returns Coordinator, who in turn returns the invoice and the reasons for the rejection to the vendor.

b. Invoices submitted to the incorrect address will be returned without going through the invoice review process for resubmission to the designated payment office, DPS.

C. Entering Receiving in iProcurement

1. The authorized designated receiver enters receiving in iProcurement by line item per the contract as soon as goods/services have been delivered by the vendor and accepted by the COR/TPOC. Amount of goods and services should match what was delivered by that date and time.

2. If receiving is being entered before the authorized individual was sent the invoice, the following information is entered in the comments field:

a. Date goods/services were delivered.
b. Date goods/services were accepted.
c. Reason for delayed acceptance (if applicable).
d. Dollar amount or quantity of goods/services delivered and accepted.

3. Upon obtaining the invoice, the authorized individual emails the invoice number and the receipt number for which receiving has been entered to FDAVendorPaymentsTeam@fda.gov.

4. If receiving is being entered after the authorized individual obtained the invoice, the following information is entered in the comments field:

    a. Invoice Number.
    b. Invoice Date.
    c. Invoice Amount.
    d. Date goods/services were delivered.
    e. Date goods/services were accepted.
    f. Reason for delayed acceptance (if applicable).

D. Entering Receiving in iProcurement for a Prior Accounting Period

The Center/Office PPR POC enters Prior Period Receiving when goods/services were received and accepted in a prior accounting period in accordance with Section 5.B.4. PPR must be completed before DPS pays the invoice.

1. If the receiving is being entered after the accounting period in which the goods/services were delivered and accepted, the COR collaborates with the PPR POC to adjust the receiving date using the Prior Period Receiving function described in Section 5.B.4.

2. The Center/Office PPR POC adjusts receiving date using PPR function in iProcurement.

E. Resolving Receiving Issues

Centers/Offices are responsible for ensuring receiving issues are addressed and/or escalated for proper invoices to be paid (Section 5.B.5). In the event there is a receiving issue, the FDA will adhere to the following escalation procedures:

1. COR/TPOC must resolve receiving issues for proper invoices within five (5) days of receiving a proper invoice.

2. If the receiving issue(s) are not resolved by the COR/TPOC within the five (5) days of receiving a proper invoice, DPS will escalate to the Center/Office PAL.

3. If the receiving issue is not resolved within three (3) days after it has been escalated to the Center/Office PAL, DPS will escalate to the DCFO for escalation to the Center/Office Executive Officer, who must resolve the issue within three (3) days.

F. Issuing Payment

During final review, DPS ensures the invoice is compliant with Prompt Pay guidelines, the math on the invoice is accurate, and matches the invoice line(s)/shipment/distribution. Once this review is complete, all manual holds are removed, and invoice is paid.

1. DPS calculates invoice due dates, runs and formats payment batches before sending payment batch file to U.S. Department of Treasury.

2. Treasury issues payments to vendors by acknowledging receipt of payment batch file and disbursing funds in payment system after FDA sends payment batch file to the Department of Treasury through the Secure Payment System (SPS).

8. Effective Date.

The effective date of this guide is August 5, 2021.

9. Document History, SMG 2310.15, "Processing Vendor Invoice and Payments"

Status (I, R, C)	Date Approved	Location of Change History	Contact	Approving Official
Initial	08/04/2021	N/A	OFM	Sahra Torres-Rivera, Deputy Chief Financial Officer (DCFO), Director Office of Financial Management (OFM)

Appendix A – Vendor Invoice and Payments User Manual:
https://fda.sharepoint.com/sites/OC-Intranet-OC-OO-OFBA-FMM/SitePages/Section/Vendor-Invoice-and-Payments.aspx