

*IPP: Innovating with e-Invoicing to
Save Money & Gain Visibility*

August 20, 2012



Speakers

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Invoice Processing Platform Program Prospective



Governmentwide e-Invoicing

- ▶ Electronic invoicing supports the President's Campaign to Cut Waste (\$450 million/year)
- ▶ BEP cost savings realized through use of IPP is 46% for undisputed, 26% savings for disputed invoices
- ▶ Treasury proposes an "Electronic Invoice Shared Service Initiative"



e-Invoicing Value Proposition

- ▶ For the CFO Organization: Makes the process for receiving, processing and paying invoices more efficient and less error-prone
- ▶ For the CIO Organization: Enables incremental improvement to agency financial mgmt capabilities without large-scale systems modernization
- ▶ For the CAO/CPO Organization: Streamlines process for CO and COR approval of invoices, strengthens internal controls and improves auditability

IPP is Smart Government

- ▶ Invoice Processing Platform (IPP) is a Web-based system that more efficiently manages government invoicing from PO to payment notification
- ▶ U.S. Department of the Treasury provides leadership and program management for IPP and the Federal Reserve Bank of Boston is responsible for its development and operations



IPP Benefits

- ▶ Saves taxpayer dollars through more efficient invoice processing
- ▶ Improves your financial management
- ▶ Makes it easier for vendors to do business with government and for agencies to transact with each other
- ▶ Frees staff from data entry, error correction and reconciliation



Saves Taxpayer Dollars

Saves Time

- ▶ You don't have to manually handle paper invoices

Saves Money

- ▶ IPP is available at no charge to you and your vendors
- ▶ It helps you avoid Prompt Payment penalties and capture early payment discounts



Improves Your Financial Management



- ▶ IPP promotes a standard process to manage government invoices with increased controls
- ▶ IPP lets you use fewer resources to comply with the Prompt Payment requirement

Makes it Easier to Do Business with Government

- ▶ It's proven to work
 - **41** agencies use IPP and **9** are currently implementing IPP
 - YTD through June, IPP processed **27,000 POs** and **67,000 invoices**, and provided notification of more than **1.7 million payments**



Invoice Processing Platform Agency Prospective



Architect of the Capitol

- ▶ Legislative Branch Agency
- ▶ 2,500 employees – mostly in DC
- ▶ \$600 million appropriated yearly
- ▶ Mission – To serve Congress and the Supreme Court, preserve America's Capitol, and inspire memorable experiences.
- ▶ Promise: Serve – Preserve - Inspire

Implementation Factors

- ▶ AOC has had a clean Audit for 7 years and won a CEAR award in 2011
- ▶ AOC is not subject to the Prompt Payment Act
- ▶ Architect's Challenge –
“Eliminate Late Payments”

IPP implementation scope

- ▶ 1,300+ vendors in the IPP
- ▶ 3,500+ open purchase orders
- ▶ 2,000+ invoices input into the IPP from April to June of 2012
- ▶ 450+ AOC users of the IPP
- ▶ Momentum interface built
- ▶ An integrator was hired (CGI)

What was not included

- ▶ Travel
- ▶ Purchase Cards
- ▶ Intergovernmental Transaction (e.g. IPAC)
- ▶ Miscellaneous Obligations (e.g. Tort Claims)
- ▶ Training Obligations

What went right

- ▶ 100% of vendors affected were loaded in the IPP (Supplier Enrollment Group was fantastic)
- ▶ Implemented on-time and within budget
- ▶ AOC employees knew about the change
- ▶ Most vendors knew about the change
- ▶ Interfaces were active on day one and data started flowing

What went wrong

- ▶ Itemized payment lines were selected in AoC Financial Management System (FMS) and rounding errors resulting in underpayments
- ▶ Automated Match was not as automated or precise as needed (Automated Match will be disabled in August)
- ▶ Vendors without contact information caused delays in uploading purchase orders

Lessons Learned

- ▶ Clean the vendor file as much as possible before implementing
- ▶ Clean the purchase order files before implementation
- ▶ Unless baseline Momentum changes, always pay on header accounting lines never use itemized lines
- ▶ Try not to tie the IPP to other implementations (System Upgrade, Reporting Upgrade)

Lessons Learned

- ▶ Hire an implementer for the interfaces
- ▶ Know the difference between Goods and Services in the IPP and the impacts of that decision
- ▶ Momentum Automated Match – isn't and doesn't
- ▶ Vendors who are not getting paid due to systemic issues do not have a sense of humor about it

Where we are now

- ▶ 2,000 + invoices entered into the IPP
 - 55% by AOC Staff 45% by vendors – to date
 - June only – 30% AOC Staff – 70% vendors
- ▶ Interfaces are being rebuilt to pay on Header Accounting Lines (Target August)
- ▶ 200 or so invoices are in the IPP daily to be acted on or downloaded
- ▶ Well on our way to eliminating late payments



Materials that can be shared

- ▶ Training Slides
- ▶ Interface documentation (large amounts)
- ▶ Lessons learned documentation
- ▶ Conversion Strategy for Purchase Orders
- ▶ Advice from staff members involved in the process
- ▶ Anything we have that will help others implement successfully

*Invoice Processing Platform
Shared Service Prospective*



Administrative Resource Center

- ▶ Financial Management, Procurement, Travel, Human Resources, Information Technology
- ▶ AP Processing for 32 Federal entities
- ▶ Piloted IPP with two small agencies
- ▶ Began migrating remaining customers in May, 2011



ARC's Implementation Strategy

- ▶ Self-service/workflow first
- ▶ Voluntary use by vendors initially
- ▶ Mandate use by vendors once positioned to support a mandate
- ▶ Continued refinement of process

ARC's Status

- ▶ Current Status
 - All but one full-service customer is using IPP to route & approve invoices
- ▶ Future Plans
 - Treasury bureaus mandating use by vendors in October
 - ARC continuing to refine & improve process and expand its use



ARC's Experience

- ▶ Results
 - Improved workflow routing of invoices
 - Improved internal control environment
 - Improved visibility for vendors
- ▶ Lessons Learned
 - Work closely with procurement functions
 - Use best practice with Invoice Approver assignments
 - Use help available from IPP team

Invoice Processing Platform Points of Contact



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