



How to Get Paid: Common Invoicing Issues



Agenda

- Background
- Key Contract Elements
- Proper Invoice
- Government Inspection/Acceptance
- Contract Modifications
- Vendor SAM Registration
- Key Considerations
- Questions



Background

- Payment Office for contract is responsible for determining if invoice can be paid
- Determination is made on 3-way match between contract, invoice and receiving report
- Payment delays and invoice rejections usually stem from 4 main sources:
 1. Improper submission of invoice/receiving report by vendor
 2. Delay/Lack of formal acceptance of goods/services by the government
 3. Contract needs modification
 4. Vendor expired SAM registration
- Understanding your contract and how it impacts invoicing is critical to getting paid



Key Contract Elements

- Cover Page (DD Form 1155)
 - Contains many of the general terms of the contract
 - Contact #, Issued By, Administered By, Ship To, Payment By, etc.
- Supplies or Services and Prices
 - Details the CLIN level terms of the contract
 - Unit of Measure, Qty, Unit Price, etc.
- Inspection and Acceptance
 - Details where inspection/acceptance of CLIN deliveries must occur
 - Inspect at Origin/Accept at Destination, Inspect at Other/Accept at Other, etc.
- WAWF Routing Table
 - Summarizes information contained in contract to facilitate billing by vendor
 - Payment decision always made on contract terms, not WAWF Routing Table
 - If WAWF Routing Table inconsistent with contract terms, always use contract terms
- Understanding of the Key Contract Elements is critical to submitting proper invoice



Proper Invoice

- A proper invoice must contain the following and match current contract terms, if applicable:
 - 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



Government Inspection/Acceptance

- Inspection/Acceptance must take place prior to payment
- Terms established at CLIN level
- If terms differ by CLIN, WAWF routing table may refer back to specific area of contract (e.g. See Section E)
- Contract terms determine who performs the inspection/acceptance and where it occurs:
 - Who Performs?
 - Origin = Administered By Organization
 - Destination = Ship To Organization
 - Other = Specified Organization other than Admin/Ship To
 - Where Performed?
 - Origin = Contractor Facility
 - Destination = Ship To Code
 - Other = Specified Location other than Contractor/Ship To
- Prompt Payment Act requires that acceptance occur within 7 days of receiving a valid invoice or delivery of goods/services, whichever occurs last, unless the contract states otherwise



Inspection/Acceptance Issues

- Examples of issues with Inspection/Acceptance
 - Acceptance to occur at Origin but material shipped before inspection could occur, requires contract modification
 - Vendor invoices based on WAWF Routing Table but CLIN terms are different resulting in an improper invoice rejection
 - Contract calls for acceptance of goods/services at location where government individual does not exist
 - Government is delinquent in its duty to inspect/accept in timely manner



Contract Modifications

- Current contract may not reflect changes in how vendor delivers goods/services
- Modifications may be needed to update contract terms so invoice can be submitted properly
- If Contract is not accurate, likely the invoice will be rejected as well
- Examples include:
 - Contract CLIN unit of measure is “LOT”, however vendor is delivering as “Monthly” and is expecting to invoice/be paid on monthly basis
 - Vendor expects incremental payment for work performed but contract does not allow for Commercial Financing Payments
 - Acceptance to occur at location other than the Ship To address, but the acceptance terms of the contract are “Destination”
 - Payment guidance (PGI on contract is based on FIFO application to ACRNs, but vendor is invoicing based on which ACRN work is performed under



SAM Registration

- Active SAM Registration required for invoice payment
- Must be performed annually by vendor
- If expired/suspended you will NOT get paid
- Information available at <https://www.sam.gov/portal/SAM/#1>



Key Considerations

- 3-way match between the contract, receiving report and invoice determine if payment can be made
- Payment Office on contract is responsible for that determination
- Who should I start with for invoice issues?
 - Payment Office will provide information on invoice status or rejection reasons
 - If current contract prevents proper invoice or the Payment Office rationale isn't clear, contact your Procuring Contract Officer (PCO) or Administering Contract Officer (ACO)

Questions?