**Customer Advisory Board Meeting**
December 9, 2008



*Financial Management Service*

# *Agenda*

- Introduction

- The Internet Payment Platform

- Benefits to Agencies

- IPP Considerations

- IPP Team

- IPP Screen Shots

- Next Steps

# *Introduction*

**Brett Smith**

- Financial Management Service
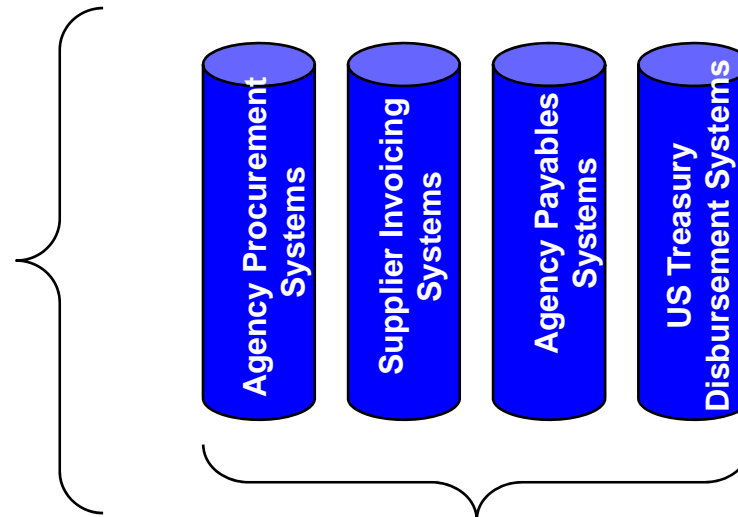- Program Manager

**Teresa Ricoy**

- Federal Reserve Bank of Boston
- Agency Outreach

# Business Problem

- The Order-to-Pay is Paper, People, and Time-Intensive

  - Expensive to process paper

  - It can take agencies weeks or months to process a vendor payment

  - Agencies (and FMS) field many phone and e-mail inquiries from payees asking for more payment-related information yet with fewer resources

- Order-to-Pay Cycle is Stove-Piped

  Agency Procurement Systems

  Supplier Invoicing Systems

  Agency Payables Systems

  US Treasury Disbursement Systems

# Internet Payment Platform

- Is a Web-based payment information service made available to all Federal agencies and their suppliers by the Treasury's Financial Management Service (FMS)

- Is a free service for both government agencies and their suppliers

- Centralizes purchase order, invoice, and payment information in the Order-to-Pay process for agencies and their suppliers

- A modular platform, not "One Size Fits All"

- Is a means to aggregate suppliers across multiple Government agencies– deploy a vendor once to transact with all participating agencies

# *Internet Payment Platform is NOT*

- A replacement for an Agency ERP system

- A replacement for an Agency Procurement or Accounts Payable (A/P) platform

- The system of record for a business transaction

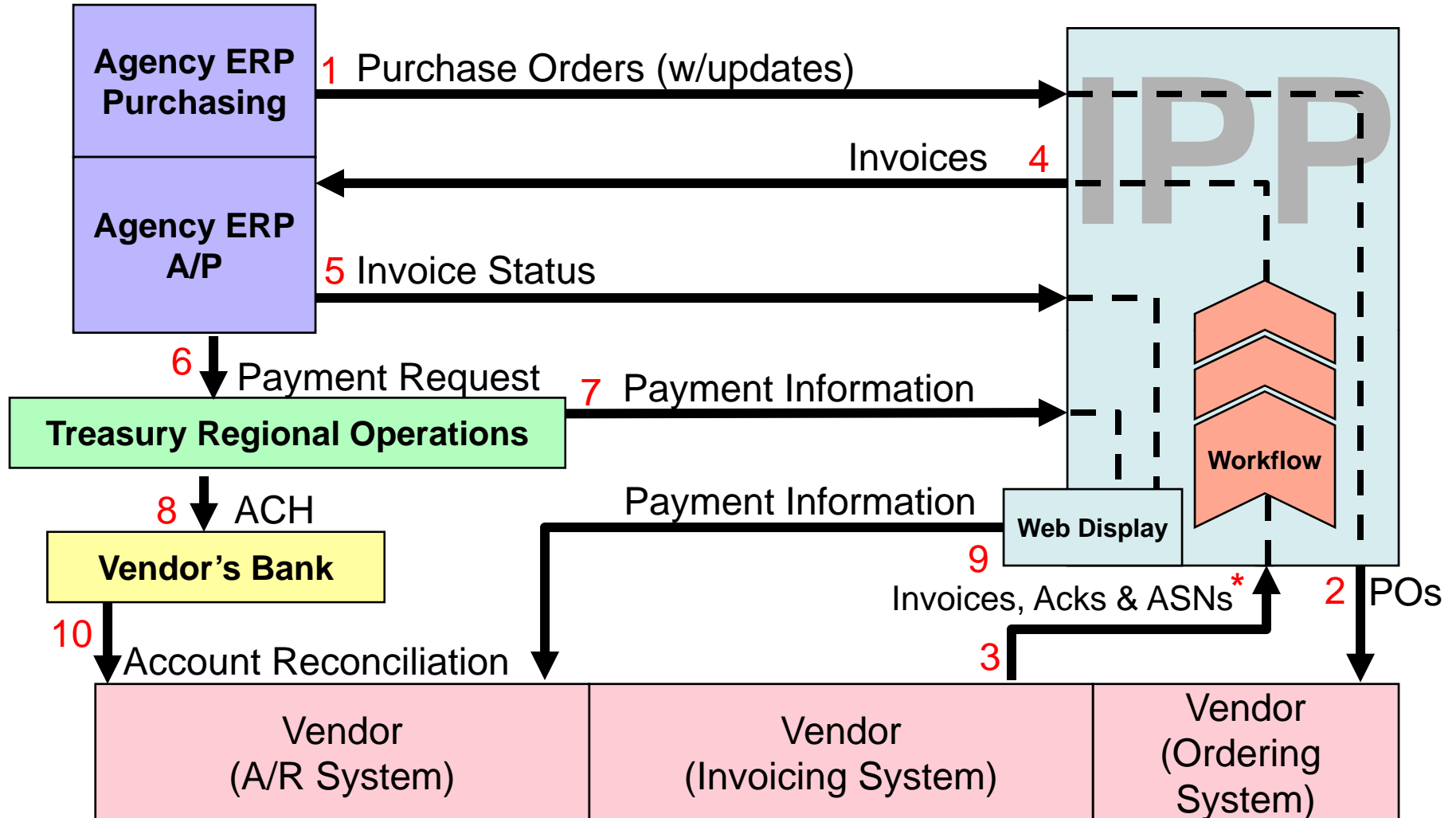- A new payment or certification process

# *How Does the IPP Benefit Agencies?*

## The IPP is an opportunity for agencies to streamline processes and eliminate time consuming inefficiencies

**Primary Agency Benefits**

| | |
|---|---|
| **Streamlined Processes** | Improves purchase order and invoice flows through electronic automation |
| **Reduction in Paper-Based Expenses** | Provides a new channel for electronic presentment of POs and invoices, reducing expenses associated with paper and postage |
| **Improved Vendor Relations** | Improves supplier / merchant relations by reducing late payments and providing for discount opportunities |
| **Time-Saving Systems** | Minimizes agency time spent responding to payment-related email and phone inquiries through vendor self-help over the Web |

# IPP Information Flow Overview

internet payment platform

**Agency ERP Purchasing**

1 Purchase Orders (w/updates) →

IPP

Invoices 4 ←

**Agency ERP A/P**

5 Invoice Status →

6 ↓ Payment Request

**Treasury Regional Operations**

7 Payment Information →

Workflow

8 ↓ ACH

Payment Information

**Web Display**

9

**Vendor's Bank**

Invoices, Acks & ASNs* 

2 POs

10 ↓

Account Reconciliation

3

| Vendor (A/R System) | Vendor (Invoicing System) | Vendor (Ordering System) |
|---|---|---|

* • **ACK is purchase order acknowledgement by Supplier**
  • **ASN is an advanced shipping notice**

# *Implementation Costs*

- IPP is provided as a free service by Treasury's Financial Management Service (FMS)

- There are no licensing fees associated to implementation, transactions or support, and there is no requirement to purchase IPP client software

- Agency resources are required for implementation and ongoing administrative processes

  – IT and subject matter experts

  – Communication and Security software/hardware

# *IPP Considerations*

- IPP is implemented in a modular fashion
    - Leverage existing Agency investments in financial systems
    - Opportunity for incremental transformation

- Select services appropriate to an Agency's needs:
    - Electronic purchase order delivery to suppliers
    - Electronic invoice submission from suppliers
    - Invoice routing for on-line approval (Workflow)
    - Payment and adjustment reporting
    - Email notification features
    - Agency implementation takes approx. 5 – 7 months

# IPP Considerations *(Cont'd)*

- Interfaces with all major financial systems via file exchange (Oracle, SAP, Momentum, etc.)

- Downstream from Procurement process

  - IPP accepts and delivers only approved Purchase Orders

- Relies on ERP interface to Central Contractor Registration (CCR)

  - IPP does not re-validate suppliers

- Minimizes change to agencies

  - Same EFT vendor file, Certification in SPS, same RFC's (Austin, Kansas City, Philadelphia, San Francisco)

- Provides one system for both Supplier and Agency

# *The IPP Considerations*

In production with

- The Bureau of Engraving and Printing

- Government Printing Office

- IPAC **pilot** (BPD with BEP)

The agencies that have signed IPP agreement and
are ready to deploy in 2008-2009:

- Bureau of the Public Debt

- Holocaust Memorial Museum

- Small Business Administration

- Department of Agriculture- Forest Service

- Department of Interior

# *PAID Migrated to IPP - October 2008*

Payment Advice Internet Delivery (PAID) services now offered by IPP:

- Approx. 27000+ additional vendors
- The IPP uploads payment information for registered suppliers and sends email notifications
- Future agencies that implement the IPP benefit from reduced vendor enrollment efforts
- Opportunity for IPP-PAID vendors to transact with IPP agencies to send and receive electronic invoices and POs

# *Connectivity with IPP*

## Treasury Web Application Infrastructure (TWAI):

- Is shared user environment

- Provides hosting environment for IPP application

- Provides technical operations

- Provides data security

- Provides users provisioning

  o Username and Password for login

# IPP Operational Support

- Agency and Supplier customer service support available through FRBB

  - M-F (except Bank holidays) 8:00 am to 6:00 pm, EST

  - FRBB dedicated team

- Technical operations are provided by TWAI

  - System is available 24/7 (except maintenance window)

  - Supported by a secondary site

# *Next Steps*

To start your agency IPP implementation process:

- Contact us to obtain additional information

- Sign an Agency Participation Agreement

- Name an Executive Sponsor and a Project Manager

- Initiate project!

For more information visit www.ipp.gov

# *Thank You*

Please forward questions and comments to:

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