

IAS ALERT



Lean Six Sigma Transaction Processing (LSTP)

The Lean Six Sigma Transaction Processing (LSTP) is a USDA Initiative designed to automate the processing of **IAS contract invoices** in order to improve efficiency and shorten the time required for payment, thus reducing the amount of prompt payment interest being accrued.

Solution:

All USDA contract invoices will be in an electronic format in a central repository prior to payment processing by National Finance Center (NFC) Controller Operations Division (COD) Administrative Payments Branch (APB).

Impact:

There are two changes as a result of LSTP. First, payment office has new addresses and fax numbers which have been established for each USDA Agency submitting invoices for processing and payment. The preferred method for submitting invoices for payment is by fax. Electronic receipting in IAS is not impacted (i.e. you must still receipt in IAS). Second, the Prompt Pay Code in IAS is now a required field and must be completed by the Contracting Officer prior to award.

Benefit:

Mitigates the risks associated with paper invoices. Enhances the speed and control of invoice processing activities to pay vendors on time, reduce prompt pay interest payments, and reduce costs per transaction.

Phase I:

Phase I of the LSTP has minimal impact to the vendor and acquisition team and **will affect only IAS contracts**. Non-IAS contracts will continue to be processed as they are currently. The required changes starting on **July 16, 2007** are:

- All invoices reviewed and approved by the agency will be sent with the Form IAS-001, Invoice Cover Sheet, to Rural Development's Centralized Servicing Center (CSC) for scanning instead of to NFC CPD APB.
- IAS has been updated to include the new payment addresses. All new contracts that do not require the invoice to be reviewed by the agency prior to submission for payment will need the

new payment address for the agency. Please note that there are difference addresses for each agency of the Research, Education, and Economics Mission Area.

- Existing contracts that have projected performance periods greater than one year should be modified with the new payment address during the course of routine administration (i.e. modifying the contract to exercise an option, etc.). **No** special modification to change the payment address is necessary.
- The Prompt Pay Code in IAS is now a **required** field and must be completed by the Contracting Officer. This field will not have a default value, and can be found on the Main page under Additional Information, the same screen as the BioBased fields. Entering the correct code will help ensure timely scheduling of invoice payments. Please note that construction prompt pay code should be "C" (Construction) at time of contract award. This prompt pay code should be changed to "O" (Other or Construction Final Payment) by NFC COD APB for the final payment, which the agency has identified on the Form IAS-001, Invoice Cover Sheet.

Contracting Officers, please remind your vendors that they must submit a proper invoice as outlined in FAR 32.905(b), Content of Invoices, to facilitate payments in a timely manner. Omission of any of the required information on invoices sent directly to CSC will result in a rejected invoice. Invoices that are reviewed and approved by the agency prior to submission to CSC will be considered a proper invoice.

There will be interfaces from IAS and FFIS to Enterprise Content Management (ECM) to provide the status of invoice payments.

The new address and fax number to send approved invoices to CSC are available in IAS and are listed below for each REE Agency:

IAS Pick List Office Code	Name	Address	E-mail Address	Fax Number*
CSC-ARS	CFC-ARS, USDA OFCO, COD, APB	P.O. Box 771111 St. Louis, MO 63177	ARS.771111@stl.usda.gov	314-335-8210
CSC-CSREES	CFC-CSREES, USDA OFCO, COD, APB	P.O. Box 78425 St. Louis, MO 63177	CSREES.78425@stl.usda.gov	314-335-8210
CSC-ERS	CFC-ERS, USDA OFCO, COD, APB	P.O. Box 78005 St. Louis, MO 63177	ERS.78005@stl.usda.gov	314-335-8210
CSC-NASS	CFC- NASS USDA, OFCO COD, APB	P.O. Box 771673 St. Louis, MO 63177	NASS.771673@stl.usda.gov	314-335-8210

*This is a temporary fax number that all USDA Agencies will use until the individual toll-free fax numbers are established for each Agency.

The physical address to overnight invoices is:

LSTP Imaging
1520 Market Street
FC-246B
St. Louis, MO, 63103

Phase II:

Phase II will be implemented in stages across USDA beginning in FY 2008. More information will be provided on the implementation of Phase II in REE as it becomes available.

All contracts will be modified to change the payment address to send invoices directly to CSC for scanning and indexing.

- CSC will route the invoices to the field for review and approval using the ECM workflow or directly to NFC COD APB for payment processing through an automated matching process.
- There will be an ECM/FFIS Interface to process contract payments.

There will be interfaces from IAS and FFIS to ECM to provide the status of invoice payments.

Questions:

If you have any questions regarding the LSTP or the status of invoices, please contact Angelia Fleming Loggie, 301-504-1730, or via e-mail at angelia.flemingloggie@ars.usda.gov.

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