

APD ALERT

Save Research Dollars – Pay Invoices on Time!!



This information is for Contracting Officer Technical Representatives (COTRs), Integrated Acquisition System (IAS) Requisitioners/Receivers, and all other individuals that receive invoices regarding the proper documentation of the receipt of invoices to ensure contractors are paid in accordance with Federal Acquisition Regulations (FAR) 32.904 – Determining Payment Due Date and in accordance with the Code of Federal Regulations (CFR) Prompt Payment Act (5 CFR 1315). The FAR states the due date for making invoice payments for most procurements is the 30th day after the designated billing office established on the procurement receives a proper invoice from the contractor. Or, if the actual receipt date is not documented at the time of receipt, the payment due date is the 30th day after the date of the contractor's invoice, provided the billing office receives a proper invoice, and there are no disagreements with contract requirements. Therefore, it is critical that the correct invoice receipt date is provided to the National Finance Center (NFC) on Form IAS-001, IAS Invoice Coversheet, Block 4 – Date Invoice Received at Billing Address.

The date the invoice is received (i.e., the date that the invoice enters Government hands, not necessarily the date it is received by the requisitioner) must be entered in Block 4 of the IAS Invoice Coversheet. This will ensure that all payments are made in accordance with the Prompt Payment Act, and any interest penalties, if incurred, are properly calculated, and paid to the contractor. The Prompt Payment Act requires the Federal Government to pay obligations within a certain period of time, and to pay the contractor interest penalties when payments are late.

If you are the individual designated as the receiver for invoices, it is your responsibility to document the date the invoice is received. It is recommended that you write or date stamp the date on the invoice to ensure the date received is not lost. This is the date that must be entered in Block 4 of the IAS Invoice Coversheet, and is used by NFC to calculate the payment due date.

In addition to noting the date the invoice is received, it is important for invoice reviewers to know that the Prompt Payment Act provides for a 7-day review and acceptance period. This means invoice reviewers have 7 days from the date of receipt to accept or reject a defective invoice without reducing the payment processing time for the invoice. If the invoice is rejected and sent back to the contractor, the payment processing clock stops, and then restarts once a revised invoice is received. After 7 days, if the invoice is not rejected, it is considered automatically accepted, and the date for payment processing is established based on the receipt date. Any delays in processing an invoice can cause interest penalties to accrue which are chargeable to the account code on the procurement. Avoid interest penalties by processing invoices promptly!

The Acquisition and Property Division (APD) hosted a Webinar on processing invoices in FY 2010. If you would like a copy of the webinar handout, please go to the Research, Education, and Economics IAS Web site (<http://www.afm.ars.usda.gov/initiatives/IAS/>), and click on the training link. If you would like the Acquisition Systems Program Manager, to go over the Webinar with you or your staff, please contact the Acquisition Programs and Oversight Branch, APD on 301-504-1725, or via e-mail at APOB@ars.usda.gov.

If you have any questions regarding your contract, invoice, requirements, etc., please contact your Contracting Officer. If you have any problems receipting in IAS, please contact the USDA IAS Help Desk on 888-427-1631 or via e-mail at ias-helpdesk@dm.usda.gov.

It is everyone's responsibility to ensure invoices are documented correctly and processed on time. Your prompt attention to processing invoices is greatly appreciated.

ISSUE DATE: November 2010
UPDATED: February 2012

APD ALERT NO. 2011-05