

Voucher and Invoice Review

The contracting officer is responsible for monitoring invoice/voucher payments according to the terms and conditions of the contract as well as local policies and guidance. CORs may be asked to assist the contracting officer by performing detailed reviews of contractor invoices/vouchers to ensure the work performed by the contractor is correctly invoiced and accepted by the Government and in accordance with the contract/delivery or task order terms and conditions. Additionally, CORs may be given the responsibility to approve invoices on fixed-price contracts. However, for cost reimbursement, time and materials (T&M), and labor-hour contracts, CORs can review—but **not** approve—interim invoices/vouchers (DoDI 5000.72).

Interim payment requests on complex contracts such as the Logistics Civil Augmentation Program (LOGCAP) and the Air Force Contract Augmentation Program (AFCAP) can be especially challenging to review and require a team approach. In contingency environments, in-country oversight personnel are in the best position to augment prepayment reviews. The Defense Contract Audit Agency (DCAA) has the sole authority for verifying claimed costs and approving interim payment requests. Only the contracting officer can approve final payment requests. It is imperative the COR establish strong working relationships with the contracting officer and DCAA to assist their review.

The COR's review of interim vouchers/invoices must be in accordance with the contract/task or delivery order, and their COR letter of designation, and does not replace the voucher review/approval performed by DCAA. Best practices of a COR review include (but are not limited to):

- Ensuring costs in the interim voucher/invoice are consistent with the COR's records of monitoring contract performance. If not, the COR should request supporting information from the contractor (e.g. validate contracting officer written approvals prior to contractors incurring travel and/or overtime).
- Ensuring hours worked equal hours invoiced/vouchered. This may be done by reviewing time cards or sign-in/-out sheets.
- Verifying materials and services were required by the contract and were delivered to/accepted by the Government. This may be done by obtaining copies of invoices if not included in the voucher/invoice.
- If vouchering problems are noted, communicating the issues to DCAA through the contracting officer so the issues can be considered during the auditor's voucher approval process.

CORs should ensure the *Payment Approval with (and without) WAWF* checklist at Appendix A.11 is completed prior to DCAA and the contracting officer's approval/rejection of the voucher or invoice.

Note: CORs must understand local finance office procedures and requirements for proper invoicing. CORs should ask their contracting officers for additional details.

Note: Payment to a contractor implies that work is progressing according to the contract. Therefore, CORs must ensure that the Government is receiving the services or supplies for which it is paying. CORs must monitor contractor performance by reviewing monthly reports, making onsite visits, and performing surveillance reviews. It is vital that CORs review billing statements thoroughly and on time.

Note: If problems are identified in performance of the contract or during the COR's review of invoices, the COR must communicate the issues to the Defense Contract Audit Agency (DCAA) through the contracting officer so that the issues can be appropriately considered during the auditor's voucher approval process.

COR approval of a voucher or invoice implies that, to the best of the COR's knowledge, the nature, type, and quality of effort (or the materials being expended) are in accordance with the progress of work under the contract. In other words, the COR supports the contracting officer by ensuring that payments are made for performance in accordance with the contract terms and conditions.

Typical problems that can be found on invoices include the following:

- Inflated or unrealistic labor hours
- Unsupported ODCs (e.g., poor descriptions that cannot be tied to specific tasks)
- Unauthorized overtime charges
- Incorrect or unrealistic labor category
- Management hours that are disproportionate to the hours of the personnel performing the work
- Duplicate invoice or wrong invoice
- Mathematical errors
- Wrong contract number or task order number
- Wrong price (e.g., proposed versus negotiated)
- Wrong CLIN or sub-CLIN
- No POC for defective invoices
- No date
- Incorrect or missing shipment information
- No remittance address
- Prompt pay discounts that are not offered.