



PROCURE-TO-PAY^{Orlando} TRAINING SYMPOSIUM 2018

Procure to Pay Handshakes

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WHAT ARE P2P HANDSHAKES?

Data exchanges (“or handshakes”) between functional communities that lack standard business rules and internal controls necessary to eliminate material weaknesses and should:

- Facilitate downstream business process; and
- Achieve system to system interoperability

WHY P2P HANDSHAKES?



To focus the operational communities governing the P2P process on enterprise standards and procedures critical to efficient and effective business at nine critical exchanges

HANDSHAKE 1

GREEN

CREATE PURCHASE REQUEST

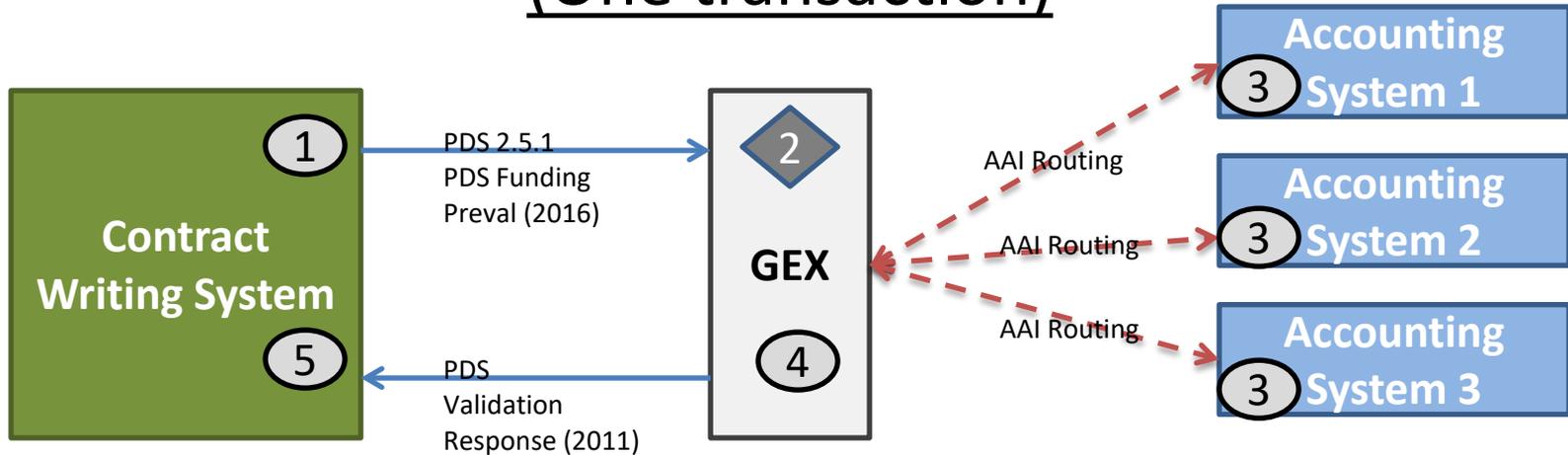
- ✓ Purchase Request Data Standard (joint governance)
 - ✓ Enables transmission of requirement as data
 - ✓ V3.0 published 2017
 - ✓ Adds contract modification capability

HANDSHAKE 2

ACCOUNTING FUNDS CHECK (PRE-AWARD)

- ✓ DoD Financial Management Reg and DFARS updated to require HS2 process
- ✓ Procurement Data Standard Pre-Val process being deployed
 - ✓ Pre-validation process currently in use for SPS, SeaPort, PRISM (DHA and ONR), IDEAS (DISA), oContrax, and in test for ConIT (AF)
- ✓ Compiled joint accounting error codes for automating HS2
- Staffing a Data Schema and Standard Operating Procedure to enable an electronic HS2 process for both accounting and contracts

Future State: Funds checks in multiple systems (One transaction)



1. Contracting office BEFORE award will send the contract or modification in the Procurement Data Standard (PDS) format to GEX to validate funds are still available and line item structure is correct in the FM systems.
2. GEX validates the PDS and Line of Accounting, and then routes to the appropriate FM system(s) based on Agency Accounting Identifier (aka FSN, ADSN, AAA)
3. FM system validates that funds are still available and that line item data is valid and able to be posted correctly once the legal/contractual obligation has been made.
4. FM system will send an acknowledgement to GEX once validation is complete. If there are any failures the acknowledgement will contain the reason for failure.
5. GEX incorporates results into validation response.

HANDSHAKE 3/4

GREEN

ELECTRONICALLY RECORD CONTRACTS TO ACCOUNTING AND ENTITLEMENT SYSTEMS

- ✓ Standard Operating Procedure (SOP) issued by OUSD (Comptroller) and Dir, DPAP Feb 2016
- ✓ DoD Procurement Data Standard Service available for accounting and entitlement systems to use at GEX
- ✓ DoD FMR requires digital posting of contract awards to accounting and entitlement systems
- ✓ Monthly DoD scorecard on electronic contract data since 2011

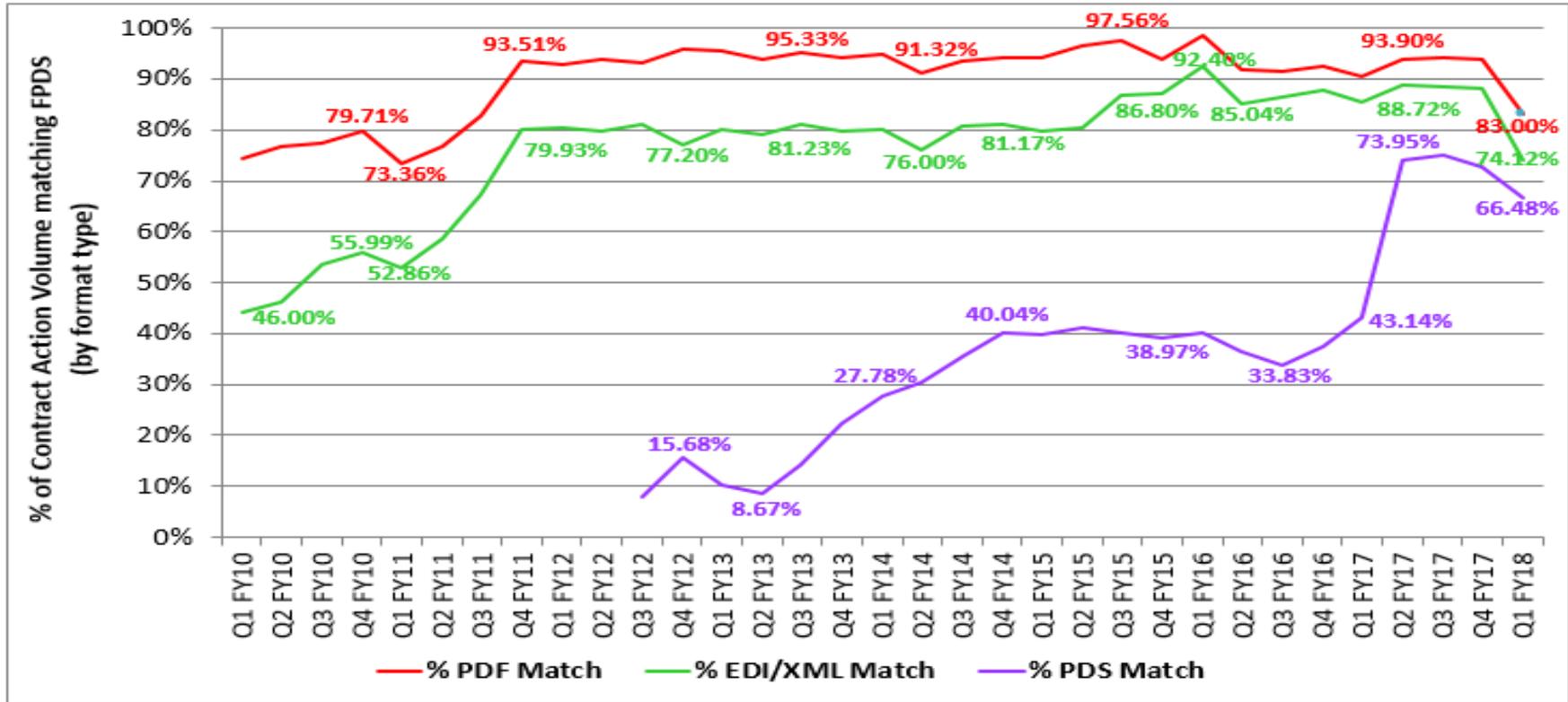
HANDSHAKE 3/4

GREEN

ELECTRONICALLY RECORD CONTRACTS TO ACCOUNTING AND ENTITLEMENT SYSTEMS

- ✓ Accounting systems taking and planning to take procurement data from GEX
 - ✓ DAI – Jun 17
 - ✓ DEAMS – Feb 18
 - SABRS – Sept 18
- ✓ GEX Recycling capability enables automatic reprocessing of awards and modifications that occur on the same day as the parent instrument. This prevents posting problems in batch based systems.

% Contract Action Volume Matching FPDS (by format type) Q1 FY10 to Q1 FY18



ELECTRONICALLY POST CONTRACTS TO ACCOUNTING AND ENTITLEMENT SYSTEMS

- ✓ PIID contract format deployed 90% across DoD
- ✓ Accounting and entitlement scorecard being developed

CHALLENGES:

- Refining the Standard Operating Procedure
- Determining barriers to success with accounting and entitlement systems
- Continuing to focus on contract quality and traceability with the accounting community

HANDSHAKE 5 -Receiving report processed, post accruals, receive invoice/voucher GREEN

- ✓ Mature procedures and processes for use of WAWF (85% deployed across DoD)*
- ✓ Improved verification and validation of receiving reports and invoices at point of receipt by government
- ✓ Partnered with DCAA to develop ability to efficiently process cost vouchers
- Integrating COR reports with DCAA reviews (Nov 18)

* Without DLA and Corp of Engineers

HANDSHAKE 5 -Receiving report processed, post accruals, receive invoice/voucher

YELLOW

- ✓ DPAP and Comptroller agree on the methodology for recording accruals; the actual system application is still being determined
- ✓ Scorecard on use of WAWF (and other invoicing solutions) submitted to OMB - March 18

HANDSHAKE 6 - Match Obligation Document

Acceptance & Payment Request

RED

- ✓ Updated Payment Instructions in Dec 2017
 - ✓ Requires insertion of a table or link to DFARS table in Section G of contract
- Implement Accounting process changes to ensure 3-way match prior to payment
- Define financing payment process to resolve audit Notice of Findings and Recommendations (NFRs)
- Rationalization of entitlement systems (reduce legacy systems and clearly identify which systems can perform specific payment types)

HANDSHAKE 7 Distribute Payment & Handshake

8 – Disbursement

GREEN

- ✓ Standardize service input and industry access to invoice status – myInvoice (GEX maps and WAWF capability deployed 2015)
- ✓ Build the foundation of the GEX infrastructure between the entitlement systems, Treasury and DCAS – DAI went live in Jan 17
- ✓ Implement central cash recon process within Defense Cash Accountability System (DCAS) – Complete 4th Qtr FY17

HANDSHAKE 7 Distribute Payment & Handshake

8 – Disbursement

YELLOW

- ✓ Build DCAS data standards
 - ✓ Pay collection inbound/outbound
 - ✓ Posting results inbound
 - ✓ Treasury standards inbound
- ✓ Build Treasury data standards
 - ✓ Payment Application Modernization (PAM) in/outbound
 - ✓ Payment Information Repository (PIR) in/outbound
 - ✓ Central Accounting Reporting System (CARS) in/outbound
 - ✓ Post Payment System (PPS) inbound
- Build the connections between the entitlement, accounting, and disbursing systems

HANDSHAKE 9 - CONTRACT CLOSEOUT

GREEN

- ✓ Established Contract Closeout Working Group ('15)
- ✓ Implemented capability for automated closeout ('15)
- ✓ Implemented production capability to workflow contract closeout at the enterprise level (June 17)
- ✓ Develop scorecards in DATA Lake (March 18)
- Conduct a proof of concept for a common closed contract repository for DoD

HANDSHAKE 9 - CONTRACT CLOSEOUT

YELLOW

- Identify policies to be iteratively updated
- Implement new statutory closeout authority – DFARS Deviation pending



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Training Symposium

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