Procure to Pay
Handshakes

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WHAT ARE P2P HANDSHAKES?

Analysis has shown that data exchanges (“or handshakes”) between functional communities 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
CREATE PURCHASE REQUEST

✓ Purchase Request Data Standard published (joint governance)
  – V2.0 published (addresses Intergovernmental) 2016
  – V3.0 pending (Mods to Contracts)

✓ Established an Product Service Code to Object Class Crosswalk (FY15)

✓ eMIPR capability established at WAWF (FY15)
CREATE PURCHASE REQUEST

• Establish policy for purchase request (PR)
• Enterprise Challenges: Business Rules for -
  – PR number format
  – Non-PR requirements numbers
  – Tracing PRs uniquely
    • Amendments to PRs after contract action award
    • Reuse of PRs for more than one contract action
    • Commitment ID number and PR Line Item Number
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
✓ Compiled joint accounting error codes for automating HS2
  • Staffing a data schema to enable an electronic HS2 process for both accounting and contracts
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

ELECTRONICALLY RECORD CONTRACTS TO ACCOUNTING AND ENTITLEMENT SYSTEMS

- DoD Procurement Data Standard Service available for accounting and entitlement systems to use at GEX (Nov 2016)
- DoD FMR requires digital posting of contract awards to accounting and entitlement systems
- Standard Operating Procedure (SOP) issued by OUSD (Comptroller) and Dir, DPAP Feb 2016
- Monthly DoD scorecard on electronic contract data since 2011
% Contract Action Volume Matching FPDS (by format type)
Q1 FY10 to Q2 FY17
HANDSHAKE 3/4
ELECTRONICALLY POST CONTRACTS
TO ACCOUNTING AND ENTITLEMENT SYSTEMS

✓ PIID contract format deployed 85% across DoD (less Army)
• 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

- Mature procedures and processes for use of WAWF (80% deployed across DoD; NASA)*
- Improve 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

* Without DLA and Corp of Engineers
HANDSHAKE 5 - Receiving report processed, post accruals, receive invoice/voucher

- Working with Comptroller to determine method for recording accruals
- Need to scorecard use of WAWF by Components and identify areas for improvement
HANDSHAKE 6 - Match Obligation Document Acceptance & Payment Request

- 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)
HANDSHAKE 7 Distribute Payment & Handshake 8 – Disbursement

✓ 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 at Defense Cash Accountability System (DCAS) – Scheduled for 4th Qtr FY17
HANDSHAKE 7 Distribute Payment & Handshake

8 – Disbursement

- 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

✓ Established Contract Closeout Working Group – meets quarterly
✓ Implement and update capability for automated closeout
✓ Conduct a proof of concept for a common closed contract repository for DoD
✓ Develop scorecards in DATA Lake
HANDSHAKE 9 - CONTRACT CLOSEOUT

• Identify policies to be iteratively updated
• Implement new statutory closeout authority
• Implement production capability to workflow contract closeout at the enterprise level – June release to WAWF
PROCURE TO PAY TRAINING SYMPOSIUM

May 30 – June 1, 2017 • Hyatt Regency Orlando FL