



Procure-to-Pay (P2P) Standard Operating Procedures (SOP) for Distributing Receipt Acceptance and Electronic Receipt and Processing of Requests for Payment

(“Handshake” 5 & 6)

Version 1.0 as of June 17, 2020

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1 Purpose

Pursuant to 10 USC 2227 and Public Law 104-61 (see Appendix A) this document establishes the enterprise business rules and standard operating procedures (SOP) for Procurement and Financial activities (and their respective systems) to receive and process claims for payment and receiving reports (see Appendix A) against contracts issued by the Department of Defense (DoD). These data exchanges, or handshakes, are known as Handshake 5, “Distribute Receipt and Acceptance”, defined as “The electronic receipt and acceptance of goods or services and the distribution of the acceptance to Financial systems” and Handshake 6, “Electronic Receipt and Processing of Requests for Payment,” defined as “The electronic submittal and routing of payment requests to financial systems, including any required Government processing, reviews, or approvals of the payment request and prevalidation of the availability of funding.” Handshakes 5 and 6 are activities performed within the following Procure-to-Pay (P2P) process as defined by the Business Enterprise Architecture (BEA):

- Perform Receipt, Acceptance¹, and Return
- Manage Procurement Instrument Entitlement
- Administer Procurement Instrument

These particular data exchanges will be conducted electronically using the Defense Logistics Management Standards (DLMS) 856, 857, 861, the Electronic Data Interchange (EDI) 810 data standards and the Elimination of Unmatched Disbursement (EUD) prevalidation data standards (see Appendix B).

The contents of this document do not replace any guidance contained within the Federal Acquisition Regulation (FAR), or the associated policy contained within the DoD Financial Management Regulation (FMR), Defense Acquisition Regulations (DFARS), DFARS Procedures, Guidance, and Information (PGI) and DLMS. Should conflicts exist between this document and any formal policy documents, the FAR, FMR, DFARS, DFARS PGI, and DLMS are the prevailing government regulations.

2 Applicability

The above standards for data exchanges apply to all Procurement and Financial Management (FM) systems (which include Accounting, Entitlement, and Accountable Property Systems of Record), as well as other systems that produce, receive, process, or record claims for payment or documentation of acceptance or receipt. These standards do not apply to systems that will be retired within 36 months of this document’s publication. Some legacy systems’ anticipated lifespan may exceed this timeframe, and will not be able to implement this document’s requirements in a cost-effective manner. DoD organizations with active systems that cannot fully comply with Handshakes 5 and 6 by October 1, 2021 may submit a waiver request to the Procure-to-Pay Process Advocates’ Working Group (P2PPAWG) co-chairs. Waiver requests must document the business case for non-compliance, as well as the compensating controls that DoD Components will implement to ensure that the outcomes identified in Section 3 are still met.

Both Handshake 5, “Distribute Receipt and Acceptance” and Handshake 6, “Electronic Receipt and Processing of Requests for Payment” are initiated based on vendor submission. Wide Area WorkFlow (WAWF) shall be used for contractor submission of claims for payment and receiving reports and the Government will utilize WAWF to perform approval, acceptance, or other required actions prior to transmission requests for payment or receiving reports to entitlement systems. Exceptions to the requirement for submission of requests for payment

¹ Acceptance herein is as defined in FAR 46.101, and is distinct from any intragovernmental process using that term.

and/or receiving reports in electronic format are identified in DFARS 232.7002(a) or must be approved as a Component deviation in accordance with DFARS 232.7000.

When systems other than WAWF perform the acceptance, those systems must be able to receive an advanced shipping notice on a DLMS 856 from WAWF and be able to return acceptances to WAWF via the DLMS 861s to ensure the distribution of receiving reports to the vendor, financial systems, and other interested parties.

When using authorized systems other than WAWF, Components shall ensure those systems include language in their contracts providing instructions to vendors and are required to provide data as to support metrics (See Appendix E).

In situations where Handshakes 5 & 6 can be performed internally in a single system or in a single organization's environment, the Global Exchange Services (GEX) need not be used. Note that these environments must still be able to interface with external systems via the GEX to accomplish Handshake 5 & 6 with external organizations.

The P2PPAWG also recognizes that some Services or Components have, or will have, an alternative enterprise service bus to accomplish Handshakes 5 and 6. These alternatives to the GEX may be approved if they can 1) interface with the GEX to electronically accommodate external transactions, and 2) report metrics.

3 Background

The DoD faces increasing demands from both users who benefit from electronic business and policy makers who require increasing visibility into how the DoD spends its money. The information collected electronically to fulfill the statutory requirement for entitlement is also used to supply critical information to create records of assets, support financial statements, and provide shipping data to logistics.

Maintaining interoperability with diverse Defense stakeholders and their specific IT environments compounds the challenge. Accountable Property Systems of Record (APSR) and accounting systems often lack the detailed and timely information necessary to show the ownership and valuation of assets, to create accruals and accounts payable, and to otherwise support financial reporting.

To address these challenges, WAWF was established as the DoD standard for electronic acceptance and invoicing. WAWF complies with the statutory requirement (10 U.S.C. § 2227) to receive and process invoices and supporting documents necessary to make payments electronically. WAWF continues to be modernized to address unmatched disbursements and other inefficient or possibly fraudulent transactions.

This SOP has been developed in collaboration with DoD Components to minimize the impact to current processes, while meeting accountability and transparency requirements, improving overall operations, supporting end-to-end (E2E) business process/activities, and limiting non-compliance with established policies for Procurement, Finance, and Logistics communities. The overarching outcomes of this effort enable stakeholders to:

- Provide electronic acceptance documentation that is timely and accurate to support Entitlement.
- Provide electronic acceptance documentation to Accounting systems in order to support follow-on activities to identify performance against a contract, record liabilities, and support liquidation of contract financing.
- Enable timely recording of Government assets into APSR and Logistics systems.

- Provide data that supports contract administration.
- Reduce or eliminate interest on late payments to vendors caused by missing or late acceptance.
- Pay vendors accurately and timely.
- Reduce or eliminate Anti-Deficiency Act violations.
- Accurately record entitlement entries in Accounting systems.
- Reduce the cost of performing Entitlement.

The outcomes cited above will be achieved by instituting a standard set of minimum data elements and business rules, as well as identifying roles and responsibilities of Procurement, Finance, and Logistics activities and systems at each handshake.

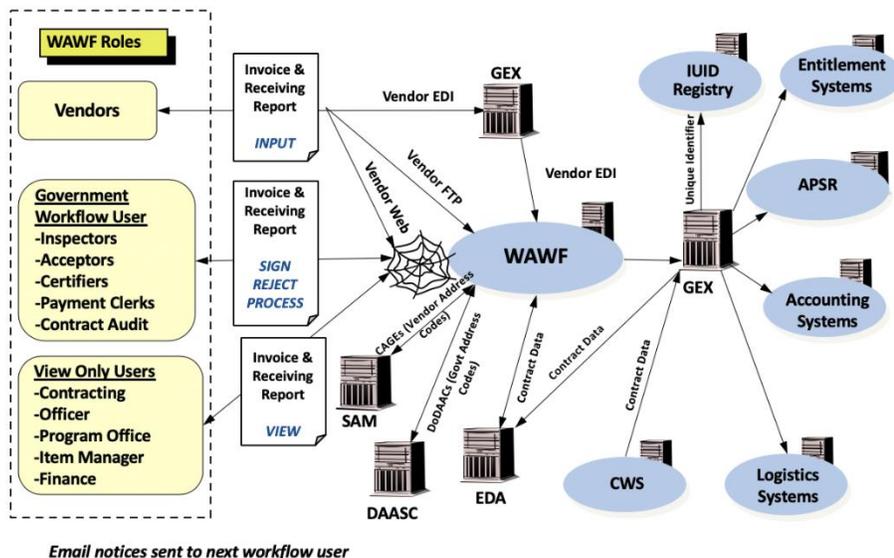
The “Procure-to-Pay Requirements Overview for Data Exchanges (“Handshakes” 1-9)” can also be found at the Defense Pricing & Contracting website: <https://www.acq.osd.mil/dpap/pdi/p2p/p2phandshakes.html>.

4 Procedures

DoD represents a complex environment where the creation and processing of invoices, acceptances, and receiving reports may occur internal to a Component or involve external organizations and systems. In order to maintain interoperability across the enterprise this SOP reflects the naming of individual systems to perform activities. Components may accomplish required actions for purely internal business through use of Enterprise Resource Planning (ERP) modules. Business that crosses organizational or system lines, such as strategically sourced efforts, must comply with the workflow and data standards established in this SOP for any transactions that effect other DoD systems, to include processing of documents received from other Components.

The diagram below depicts the Wide Area WorkFlow architecture within the DoD Procurement Integrated Enterprise Environment (PIEE).

WAWF System Architecture



Acronyms

- APSR: Accountable Property System of Record
- CWS: Contract Writing Systems
- DAASC: Defense Automatic Addressing System Center
- EDA: Enterprise Data Access
- EDI: Electronic Data Interchange
- FTP: File Transfer Protocol
- GEX: Global EXchange
- IUIID: Item Unique Identification
- SAM: System for Award Management

Figure 1: WAWF System Architecture

The procedures for implementing electronic Handshakes 5 & 6 within functional areas are as follows:

Contracts:

- Contracting officers must include instructions in contracts for submission of claims for payment and the presentation of goods and services for acceptance. Unless there is an exception to submission via an electronic form (see DFARS 232.7002(a)) or the Component has a deviation to the policy, this will be executed by inclusion of DFARS clauses 252.232-7003 “Electronic Submission of Payment Requests and Receiving Reports” and 252.232-7006 “Wide Area WorkFlow Payment Instructions”.
- If the Government Purchase Card is being used as a payment vehicle, DFARS clause 252.232-7009 “Mandatory Payment by Government Commercial Purchase Card” should be included; however, electronic submission of receiving reports in accordance with DFARS 252.232-7006 should also be included.
- Contracting officers should ensure that organizations identified in the contract as reviewing or approving payment requests or performing acceptance have trained users approved in WAWF for the appropriate respective “Reviewer” or “Approver” roles.

Acceptors/Approvers:

- A uniformed service member or civilian employee of the Government will accept goods and services, and approve requests for payment².
- When acceptors and approvers receive payment requests or acceptance documents, they will process them electronically. Action should be taken in a timely³ manner to ensure on-time payments and to avoid Prompt Payment Act interest penalties. Components should monitor actions and have procedures for escalation to ensure timely processing.

Finance:

- Entitlement
 - Entitlement systems will electronically receive and process requests for payment and acceptances as supporting documentation in accordance with DFARS 232.70 and the FMR Volume 10 chapter 8.
 - Requests for payment on contracts containing the clause from DFARS 252.232-7003 that are not submitted electronically will be rejected as improper invoices.
 - Rejected entitlement documents will be work-flowed to the previous user in WAWF, notification will be sent to the originator of the document.
 - In accordance with the FMR Volume 10 Chapter 1 and Volume 10 Chapter 8, prevalidation will be conducted to ensure that prior to payment, the undisbursed balance of each applicable obligation must be sufficient to cover the amount of the planned disbursement, as well as all previously scheduled disbursements. Action must be taken to validate the line of accounting associated with the planned disbursement with the line of accounting on the obligating document before the financing or invoice payment is made.
- Accountable Property
 - Accountable Property Systems of Record (APSRs) shall receive acceptance documentation electronically and use it to establish a record for an item in accordance with the FMR Volume 4 Chapter 25, FMR Volume 4 Chapter 27 and DODI 5000.64.

² For contracts placed in Canada, either with the Canadian Commercial Corporation or directly with Canadian suppliers, the Department of National Defence (Canada) will perform any necessary contract quality assurance and/or acceptance on behalf of the US Government, as applicable (DFARS PGI 225.870-7).

³ Constructive acceptance happens after seven days and is used for Prompt Payment Act interest calculations if action is not taken by the Government.

- Accounting
 - Accounting systems will receive and respond to electronic prevalidation requests from entitlement systems.
 - Accounting systems will receive acceptance and requests for payment electronically. Accounting systems will determine processes to use electronic acceptance, request for payment, and/or other supplementary data to create accounts payable and estimate accounts payable accruals in accordance with the FMR Volume 4 Chapter 9. Additionally, acceptance shall be used to record assets and liquidate in-process and advance accounts in accordance with the FMR Volume 4 Chapter 25 and Volume 4 Chapter 27⁴.

The diagram below depicts a high-level prevalidation flow of a transaction from an Entitlement system through the Pay Prevalidation Module (PPVM) to the Accounting Prevalidation Module (APVM) and the Accounting system and back where entitlement and accounting are performed in different systems:

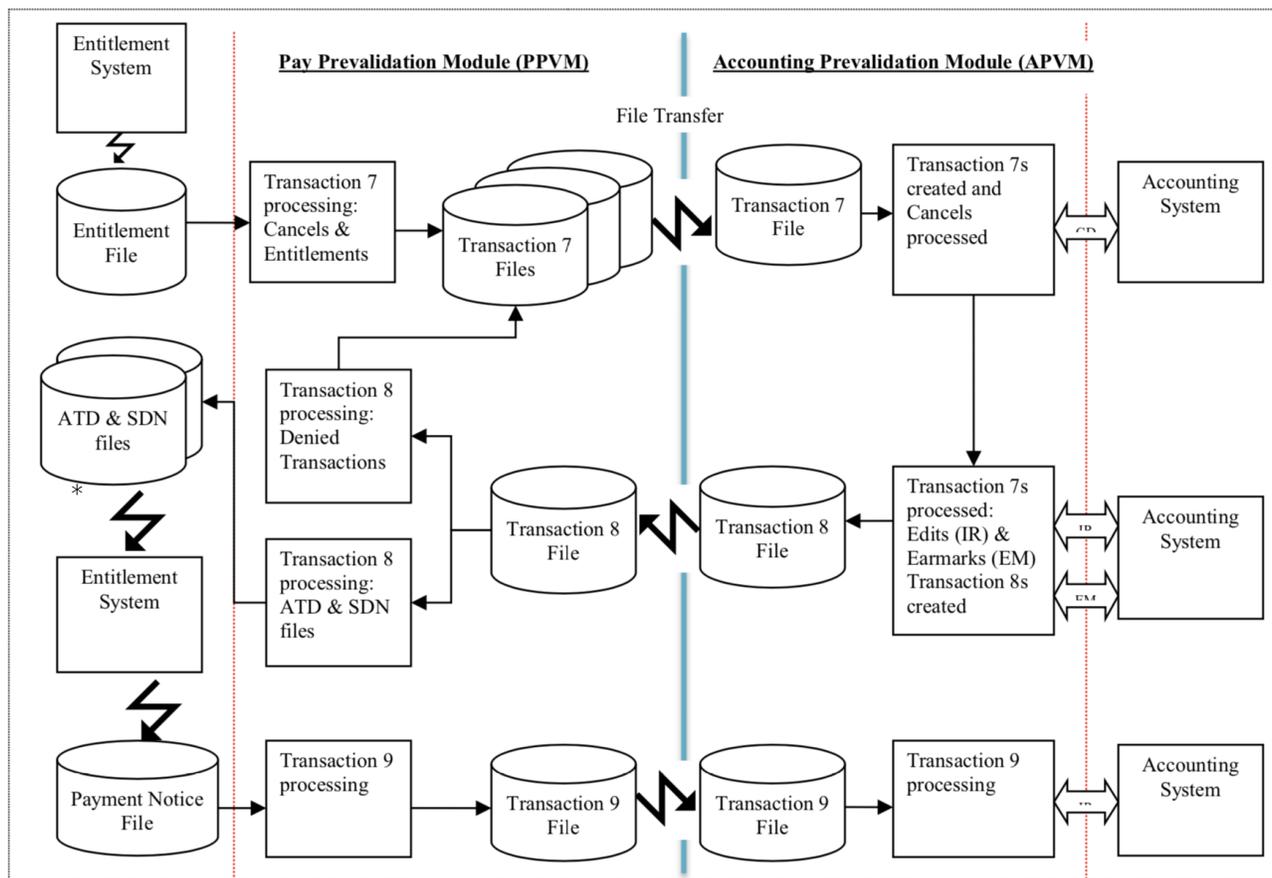


Figure 2: Prevalidation Flow

⁴ Requests for payment for Wide Area Workflow are available as EDI and XML transactions and through the Invoice Prevalidation Application Programming Interface (API).

5 Roles and Responsibilities

Procurement Activity:

- Include contract clauses for electronic submission of payment requests and receiving reports.
- Ensure that organizations identified in the contract as accepting receiving reports or approving invoices have trained users approved in those respective roles.

Contract Administration Activity:

- Ensure that users are approved to perform review and approval of requests for payment.
- Require contractors to comply with contract requirements for electronic submittal of payment requests.
- Review and act on payment requests in a timely manner.

Accepting Activity:

- Ensure that users are registered and trained to perform inspection and acceptance.
- Act on receiving reports in a timely manner.
- Ensure acceptance document is complete and accurate.

Entitlement Activity:

- Electronically receive requests for payment and receiving reports (EDI 810, DLMS 856, DLMS 861).
- Reject requests for payment that do not meet contractual requirements for electronic submittal.
- Conduct prevalidation prior to payment.

Accounting Activity:

- Maintain financial records as of the date of acceptance for General Property, Plant, and Equipment (PP&E) and Internal Use Software (IUS).
- Record accounts payable based on receipt of a request for payment or acceptance.
- Liquidate financing payments based on acceptance.
- Respond to requests for prevalidation.

Contract Audit Activity:

- Ensure users are registered to approve, suspend, or disapprove costs on reimbursement vouchers received directly from contractors, under cost-type contracts, transmitting the vouchers to the cognizant Disbursing Officer (DoDD 5105.36).
- Review and act on reimbursement vouchers in accordance with DFARS 242.803(b).

Accountable Property Activity:

- Create records of new accountable property in an APSR.
- Update property records when Government-Furnished Property (GFP) is returned to the government.

6 Metrics

All Handshake 5 & 6 Metrics will be collected by Defense Pricing and Contracting (DPC) and made available to the P2PPAWG on a quarterly basis. Quantitative metrics will be reported by Fiscal Year, inclusive of all completed quarters of that Fiscal Year. Qualitative metrics will be reported by Fiscal Year, indicative of the system's status when the most recent quarter in the Fiscal Year was completed.

Components not using enterprise systems will provide data shown in Appendix E as applicable.

Handshake 5 Metrics:

1. Volume of Acceptances

- Count of acceptance by accepting component.

2. Timeliness of Acceptance

- Percentage of acceptances acted on (accepted or rejected) within 7 days of submittal (period before constructive acceptance triggers Prompt Payment Act interest clock) divided by the total acceptances for the period by accepting component.

3. Aging of Acceptance Documents

- Average age of acceptance requests that have been submitted but not acted on (either accepted, voided, or rejected).
- Days from submittal to the end of the reporting period by the accepting component.

4. Entitlement Systems Receiving Electronic Acceptance

- Capability of entitlement systems to receive electronic acceptances (DLMS 856 Source Acceptance, DLMS 861Acceptance, EDI 810 Acceptance of fixed-price services): Red/Yellow/Green status indicators.
- Percent of acceptances going to an entitlement system electronically: Total acceptances going to an entitlement system electronically divided by total electronic acceptances.

5. APSRs Receiving Electronic Acceptance

- Capability of APSRs to receive electronic acceptances ((DLMS 856 Source Acceptance, DLMS 861Acceptance): Red/Yellow/Green status indicators.
- Percent of acceptances going to an APSR electronically: Total acceptances going to an APSR electronically divided by total electronic acceptances.

6. Accounting Systems Receiving Electronic Acceptance

- Capability of accounting systems to receive electronic acceptances ((DLMS 856 Source Acceptance, DLMS 861Acceptance, EDI 810 Acceptance of fixed-price services): Red/Yellow/Green status indicators.
- Percent of acceptances and advanced shipping notices going to an entitlement system electronically: Total acceptances and advanced shipping notices going to an entitlement system electronically divided by total electronic acceptances and advanced shipping notices.

Electronic acceptances are defined as acceptance performed in WAWF, an alternative system defined at DFARS 232.7002, or using a system identified in a component's deviation to 232.7002.

Handshake 6 Metrics:

1. Invoices Received Electronically

- Number of electronic invoices divided by the number of total invoices in MyInvoice (electronic invoices divided by total invoices).

2. Time to Review/Approve Invoices

- Average time from submittal till approval/reject of invoices that need approval (Cost Vouchers, Progress Payments, Commercial Item Financing Payments, Performance-Based Payments, Construction Invoices, Ship building invoices (Fixed-Price invoices for services that include Government acceptance are covered in acceptance)).

3. Time from Vendor Submittal until the Invoice is in the Entitlement System

- The number of days between the vendor submittal date and the date that the entitlement acknowledges receipt through MyInvoice.

4. Percent of Payment Requests Paid within the Prompt Payment Act Timeframe

- The number of invoices subject to the Prompt Payment Act Interest Penalty paid within the Prompt Payment Act Interest Penalty time frame divided by the total number of invoices paid within the reporting period.

5. Interest Penalty per Million Dollars Paid

- Identification of which Components and payment systems incur interest penalties per million dollars paid, based on reason for delay in payment (see <https://dodprocurementtoolbox.com/site-pages/procure-to-pay-p2p>).

6. Electronic Invoices Received by Entitlement Systems

- Entitlement System ability to receive electronic invoices (EDI 810): Red/Yellow/Green status indicators.
- Percent of invoices going to an entitlement electronically: Total invoices going to an entitlement system electronically divided by total electronic invoices.

7. Electronic Invoices Received by Accounting Systems

- Accounting System ability to receive electronic invoices (EDI 810): Red/Yellow/Green status indicators.
- Percent of invoices going to an accounting system electronically: Total invoices going to an accounting system electronically divided by total electronic invoices.

8. First Pass Prevalidation

- Monthly average prevalidation rate by entitlement/accounting system for MOCAS, CAPS-W, and IAPS
- Measures the success of the first Preval attempt (i.e. the invoice is presented to prevalidation, either systemically or via EUD or other prevalidation tools, and an electronic “match” is received allowing for payment to processed)

9. Prevalidation

- Ability for entitlement systems to perform electronic prevalidation: Red/Yellow/Green status indicators.
- Ability for accounting systems to perform electronic prevalidation: Red/Yellow/Green status indicators.
- Ability for accounting to utilize the WAWF API for invoice prevalidation: Red/Yellow/Green status indicators.

Electronic Invoice is defined as an invoice submitted through WAWF, an alternate system listed at DFARS 232.7002, or through a system identified in a component deviation to DFARS 232.7002.

7 Internal Controls

It is DoD policy to make payments and collections that are timely and accurate in accordance with applicable laws and regulations. These laws and regulations include requirements for identification, reporting, and reduction of improper payments (refer to FMR Volume 4, Chapter 14 and Volume 5, Chapter 6). In addition, financial managers with responsibilities for ensuring internal controls are established and functioning properly to comply with this policy must:

A. Create, document, and maintain an organizational structure and business processes that appropriately segregate assigned duties, emphasize adherence to policies and procedures, and employ sound internal accounting and system access controls;

B. Implement finance and accounting systems that comply with the federal financial management systems requirements, maintain accurate and complete accounting and entitlement records from contract execution through closeout, and monitor the causes of late payments and interest penalties. The complete listing of financial management system requirements is in the *Business Enterprise Architecture*, maintained by the Chief Management Officer. Efforts to develop or modify a critical financial management system must be subject to the compliance process (see FMR Volume 1, Chapter 3);

C. Establish systematic controls that provide adequate audit trails to allow the tracing of financial events from source documents to general ledger account balances through successive levels of summarization and financial reports/statements. Ensure all transactional data is processed using accurate coding, and errors are researched and corrected;

D. Utilize electronic processes and digital signatures, as prescribed by OMB *Circular A-130, Appendix II*, whenever possible and in the best interest of the Government;

E. Employ systems that ensure the authenticity of electronically transmitted data, including the electronic signature. Such controls must provide reasonable assurance that deliberate or inadvertent manipulation, modification, or loss of data during transmission is detected;

F. Ensure prevalidation and payment documentation to vendors and contractors is retained in accordance with FMR Volume 1, Chapter 9 and is readily available to support future audit efforts. Original payment documentation, and associated supporting documentation, must also be retained in accordance with FMR Volume 10 Chapter 8, paragraph 080401. The documentation must be of sufficient quality to allow an independent third party, such as an outside auditor, to understand and verify the basis of the prevalidation and the payments. Electronic record storage requires adequate controls to ensure that integrity of the digital images accurately represents the corresponding paper documentation and detects changes to an original digital image. The retention of documentation, both paper and electronic records, is the responsibility of the certifying officer; and

G. Implement finance and accounting data structures that comply with the Standard Financial Information Structure and the Standard Line of Accounting (see FMR Volume 1, Chapter 4).

Appendix A: Statutory Requirements

10 USC. § 2227 Electronic Submission and Processing of Claims for Contract Payments:

(a) Submission of Claims.-The Secretary of Defense shall require that any claim for payment under a Department of Defense contract shall be submitted to the Department of Defense in electronic form.

(b) Processing.-A contracting officer, contract administrator, certifying official, or other officer or employee of the Department of Defense who receives a claim for payment in electronic form in accordance with subsection (a) and is required to transmit the claim to any other officer or employee of the Department of Defense for processing under procedures of the department shall transmit the claim and any additional documentation necessary to support the determination and payment of the claim to such other officer or employee electronically.

(c) Waiver Authority.-If the Secretary of Defense determines that the requirement for using electronic means for submitting claims under subsection (a), or for transmitting claims and supporting documentation under subsection (b), is unduly burdensome in any category of cases, the Secretary may exempt the cases in that category from the application of the requirement.

(d) Implementation of Requirements.-In implementing subsections (a) and (b), the Secretary of Defense shall provide for the following:

(1) Policies, requirements, and procedures for using electronic means for the submission of claims for payment to the Department of Defense and for the transmission, between Department of Defense officials, of claims for payment received in electronic form, together with supporting documentation (such as receiving reports, contracts and contract modifications, and required certifications).

(2) The format in which information can be accepted by the corporate database of the Defense Finance and Accounting Service.

(3) The requirements to be included in contracts regarding the electronic submission of claims for payment by contractors.

(e) Claim for Payment Defined.-In this section, the term "claim for payment" means an invoice or any other demand or request for payment.

PUBLIC LAW 104-61—DEC. 1, 1995 109 STAT. 673 SEC. 8102.

(a) Not later than October 1, 1995, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of \$5,000,000 be matched to a particular obligation before the disbursement is made.

(b) The Secretary shall ensure that a disbursement in excess of the threshold amount applicable under subsection (a) is not divided into multiple disbursements of less than that amount for the purpose of avoiding the applicability of such subsection to that disbursement.

(c) The Secretary of Defense may waive a requirement for advance matching of a disbursement of the Department of Defense with a particular obligation in the case of

(1) a disbursement involving deployed forces,

(2) a disbursement for an operation in a war declared by Congress or a national emergency declared by the President or Congress, or

(3) a disbursement under any other circumstances for which the waiver is necessary in the national security interests of the United States, as determined by the Secretary and certified by the Secretary to the congressional defense committees.

(d) This section shall not be construed to limit the authority of the Secretary of Defense to require that a disbursement not in excess of the amount applicable under subsection (a) be matched to a particular obligation before the disbursement is made.

Appendix B: Interface Standards

The DoD has identified and defined a minimum set of data elements (found within the prescribed data standards) which are required to show traceability through the P2P process. The goal is to identify the initiation point of each data element where the data must be captured, and then pass only the minimum set of data needed to be carried forward and create traceability to the next process step. The key Financial Management and Procurement data standards that follow provide such further definition:

EDI 810 – The EDI 810 also known as the American National Standards Institute (ANSI) X12 EDI 810, is used for claims for payment, also referred to as invoices. This includes commercial invoices, financing payments, cost vouchers, construction invoices and other types of invoices (see Appendix C for a complete list of invoice types). The EDI 810 may be used by vendors to submit payment requests and is used by WAWF to distribute payment requests to financial systems, including after the invoices have been approved, reviewed or accepted by the Government. Information on the EDI 810 implementation can be found at <https://www.dfas.mil/contractorsvendors/irapt/holdswawf/edi.html> and at the WAWF Electronic Data Interchange Implementation Guides at <link availability pending>. The X12 DoD Implementation Conventions as published by the ASC X12 Committee for DoD Vendors and Government usage can be found here: <https://dodprocurementtoolbox.com/site-pages/ebusiness-data-standards-edi>.

DLMS 856 – The DLMS 856 also known as the American National Standards Institute (ANSI) X12 EDI 856, advanced shipment notice (ASN) provides an electronic receiving report to designated recipients to enable electronic processing of the receipt and acceptance of supplies. The ASN replaces the functionality of the DD Form 250, Material Inspection and Receiving Report. Vendors may use the DLMS 856 to submit receiving reports to WAWF. The DLMS 856 provides acceptance information on source accepted items and shipment information on destination accepted items. Information on the use of the DLMS 856 can be found in the DLMS Manual 4000.25 Volume 7, DLMS Implementation Conventions – Transaction sets web site https://www.dla.mil/HQ/InformationOperations/DLMS/eLibrary/TransFormats/140_997/ and at the WAWF Electronic Data Interchange Implantation Guides at <https://wawf.eb.mil/xhtml/unauth/web/homepage/ediGuides.xhtml>. Instruction for vendor completion can be found at the DFARS Appendix F.

DLMS 857 - The DLMS 857 also known as the American National Standards Institute (ANSI) X12 EDI 857, Shipping and Billing Notice, is used to allow vendors to submit one document that serves as both a request for payment and a receiving report. The DLMS 857 provides the same functionality as the WAWF Combo (generated through on line entry). A DLMS 857 is transmitted to financial systems as two different documents, an EDI 810 for the payment request and a DLMS 856 or 861 for the receiving report. Information on the DLMS 857 can be found at the DLMS Implementation Conventions – Transaction sets web site https://www.dla.mil/HQ/InformationOperations/DLMS/eLibrary/TransFormats/140_997/ and at the WAWF Electronic Data Interchange Implantation Guides at <https://wawf.eb.mil/xhtml/unauth/web/homepage/ediGuides.xhtml>.

DLMS 861 - The DLMS 861 also known as the American National Standards Institute (ANSI) X12 EDI 861, Acceptance Report, is used to transmit acceptance at destination. It can be generated in WAWF by an acceptor, sent electronically to WAWF when acceptance is done externally, and will be sent by WAWF to financial systems to convey the data on destination accepted items. Information on the use of the DLMS 856 can be found in the DLMS Manual 4000.25 Volume 7, DLMS Implementation Conventions – Transaction sets web site https://www.dla.mil/HQ/InformationOperations/DLMS/eLibrary/TransFormats/140_997/ and at the WAWF Electronic Data Interchange Implementation Guides at <https://wawf.eb.mil/xhtml/unauth/web/homepage/ediGuides.xhtml>.

Elimination of Unmatched Disbursements (EUD) Interface File Specification – The EUD Interface File Specification is used to conduct prevalidation between entitlement and accounting systems, a pre-condition to making payments. Information on the EUD Interface File Specification can be found at <https://dodprocurementtoolbox.com/site-pages/procure-to-pay-p2p>.

Appendix C: Wide Area WorkFlow Document Types

- Receiving Report (RR)
- Repairables Receiving Report (RRR)
- Purchase Card Receiving Report
- Energy Receiving Report
- Invoice
- Credit Invoice
- Energy Invoice
- Invoice Fast Pay
- Invoice as 2-in-1 (Services Only) (2n1)
- Invoice and Receiving Report (COMBO)
- Invoice and Repairables Receiving Report (RCOMBO)
- Energy Invoice and Energy Receiving Report (ECOMBO)
- Construction Payment Invoice (CICON)
- Navy Construction Payment Invoice (NAVCON)
- Navy Ship Building Invoice (SUPSHIP)
- TELCOM Invoice (Summary & Detail)
- Commercial Item Financing (CIF)
- Performance Based Payment (PBP)
- Progress Payment (PPR)
- Cost Voucher
- Cost Voucher - Shipbuilding

Appendix D: Regulatory References to Acceptance

Key: F=FAR, D=DFARS. P=DFARS PGI, FMR=DoD FMR

F/D/P/FMR	Part	Title	Citation
F	2	Definitions	2.101
D	204	Uniform Procurement Instrument Identifiers	204.16
D	204	Contract Line Items	204.7103
P	204	Contract Line Items	204.7103
F	8	Required Sources of Supplies and Service - FSS	8.406-1
F	8	Required Sources of Supplies and Service - FSS	8.406-2
F	12	Acquisition of Commercial Items - CQA	12.208
F	12	Acquisition of Commercial Items - Acceptance	12.402
F	13	Simplified Acquisition Procedures (SAP) - I & A	13.302
F	13	SAP - Purchases Under BPAs	13.303
F	13	SAP - Purchases using Imprest funds and third party drafts	13.305
F	13	SAP - Fast Payment Procedures	13.4
D	225	Foreign Acquisition - Acceptance of Canadian Supplies	225.870-7
P	225	Acceptance of Canadian supplies.	225.870-7
P	225	Acquisitions for Foreign Military Sales (FMS)	225-7301
F	32	Contract Financing - Definitions	32.001
D	232	Provisional Delivery Payments	232.102-70
F	32	Contracts conditioned upon availability of funds	32.703-2
F	32	Determining Payment Due Dates	32.904
F	32	Payment Documentation and Process	32.905
F	32	Making Payments	32.906
F	32	Contract Clauses	32.908
D	232	PROMPT PAYMENT - Responsibilities	232.903
D	232	PROMPT PAYMENT - Determining Payment Due Dates	232.904
D	232	Electronic Submission And Processing Of Payment Req & RR	232.7002
P	232	Electronic Submission And Processing Of Payment Req & RR	232.7004
P	236	Construction and A/E Contracts - Pricing FP Construction Cont	236.207
F	45	Govt Property - Definitions	45.101
F	45	Govt Property - Title to Contractor Acquired Property (CAP)	45.402
P	245	Govt Property - Title to Contractor Acquired Property (CAP)	245.402-70
P	245	Govt Property - Special Circumstances (CAP)	245.402-70
F	46	Quality Assurance (QA) - Definitions	46.101
F	46	(QA) Policy	46.102
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D	246	Single Agency Assignments of Govt CQA	246.408
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P	246	Government CQA Inspection Stamping	246.472
F	47	Transportation - Supply Contracts Place of Delivery FOB	47.302
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F	49	Termination of Contracts Addtl Principles for FP Contracts T for C'd	49.2
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F	52	First Article Approval-Government Testing	52.209-4
F	52	Liquidated Damages - Construction	52.211-12
F	52	Variation in Quantity	52.211-16
F	52	Contract Terms and Conditions - Commercial Items Alt 1	52.212-4
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F	52	Payments under Fixed-Price Research and Development Contracts	52.232-2
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F	52	Payments under Fixed-Price Construction Contracts	52.232-5
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F	52	Prompt Payment	52.232-25
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F	52	Government Property	52.245-1
F	52	Inspection of Supplies - Fixed Price	52.246-2
F	52	Inspection of Supplies-Cost-Reimbursement	52.246-3
F	52	Inspection-Time-and-Material and Labor-Hour	52.246-6
F	52	Inspection of R and D (FP)	52.246-7
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F	52	Inspection of Construction	52.246-12
F	52	Certificate of Conformance	52.246-15
F	52	Responsibility for Supplies (normally used in FP contract exceeding SAT for supplies/services or R & D)	52.246-16
D	252	Payments for Subline Items Not Separately Priced -DFARS Case 2018-D050 OUT FOR COMMENT CHGS LANGUAGE	252.204-7002
D	252	Payments MASTER AGREEMENT FOR REPAIR AND ALTERATION OF VESSELS	252.217-7007
D	252	Default	252.217-7009
D	252	Deferred Delivery of Technical Data or Computer Software	252.227-7026
D	252	Payments in Support of Emergencies and Contingency Operations	252.232-7011
D	252	Protection Against Compromising Emanations	252.239-7000
D	252	Contractor Business Systems	252.242-7005
D	252	Warranty of Construction - Germany	252.246-7002
D	App F	Material Inspection and Receiving Report	F-101 and 103
D	App F	Material Inspection and Receiving Report	F-103
P	253	Completion of DD Form 1155, Order for Supplies or Services.	253-213-70
FMR	Vol 4	Accounting Policy Chapter 9 Accounts Payable	0902
FMR	Vol 4	Accounting Policy Chapter 9 Accounts Payable	090201
FMR	Vol 4	Accounting Policy Chapter 9 Accounts Payable	090203
FMR	Vol 4	Accounting Policy Chapter 25 General Equipment	250204C.2
FMR	Vol 4	Accounting Policy Chapter 27 Internal Use Software	270204C.3
FMR	Vol 10	Contract Payment Policy Chapter 7 Prompt Payment Act	0702
FMR	Vol 10	Contract Payment Policy Chapter 7 Prompt Payment Act	070203
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FMR	Vol 10	Contract Payment Policy	Chapter 7 Prompt Payment Act	070205
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FMR	Vol 10	Contract Payment Policy	Chapter 7 Prompt Payment Act	070207
FMR	Vol 10	Contract Payment Policy	Chapter 7 Prompt Payment Act	070208
FMR	Vol 10	Contract Payment Policy Documentation	Chapter 8 Commercial Payment Vouchers and Supporting	0803
FMR	Vol 10	Contract Payment Policy Documentation	Chapter 8 Commercial Payment Vouchers and Supporting	080303
FMR	Vol 10	Contract Payment Policy Documentation	Chapter 8 Commercial Payment Vouchers and Supporting	080303
FMR	Vol 10	Contract Payment Policy Documentation	Chapter 8 Commercial Payment Vouchers and Supporting	080303
FMR	Vol 10	Contract Payment Policy	Chapter 10 PAYMENT VOUCHERS – SPECIAL APPLICATIONS	100203
FMR	Vol 10	Contract Payment Policy	Chapter 23 Purchase Card Payments	230501

Appendix E: Data for Metrics from Non-Enterprise Systems

Handshake 5 Metrics:

- **Volume of Acceptances**
 - Provide a count each quarter of total electronic acceptances outside of WAWF
- **Timeliness of Acceptance**
 - Provide for each acceptance received electronically outside of WAWF acted on (accepted or rejected) during the quarter, the contract number, order number, shipment (or other identifying) number, vendor submittal date, acceptance date, rejection date, contract issuing office DoDAAC, contract admin DoDAAC, paying office DoDAAC, CAGE Code, accepting organization DoDAAC
- **Aging of Acceptance Documents**
 - Provide for each acceptance received electronically outside of WAWF during the quarter, but not acted on (not rejected, accepted or recalled by the vendor) the contract number, order number, shipment (or other identifying) number, vendor submittal date, contract issuing office DoDAAC, contract admin DoDAAC, paying office DoDAAC, CAGE Code, accepting organization DoDAAC

Handshake 6 Metrics:

- **Invoices Received Electronically**
 - Provide the number of electronic invoices received outside of WAWF for the quarter
 - If MyInvoice is not used, provide the total number of invoices received outside of WAWF either electronically or manually.
- **Time to Review/Approve Invoices**
 - Provide for invoices submitted electronically outside of WAWF that require Government review or approval (Cost Vouchers, Progress Payments, Commercial Item Financing Payments, Performance-Based Payments, Construction Invoices, Ship building invoices (Fixed-Price invoices for services that include Government acceptance are covered in acceptance)) the contract number, order number, contract issuing DoDAAC, contract admin DoDAAC, payment office DoDAAC, CAGE Code, date submitted, date approved or reviewed, date rejected, type of invoice
- **Time from Vendor Submittal until the Invoice is in the Entitlement System**
 - Provide for invoices submitted electronically outside of WAWF, the contract number, order number, contract issuing DoDAAC, contract admin DoDAAC, payment office DoDAAC, CAGE Code, date submitted, date the invoice was received by the payment system.
 - If MyInvoice is not used, provide the above information for all invoices received by the payment system in the quarter
- **Percent of Payment Requests Paid within the Prompt Payment Act Timeframe**
 - The number of invoices subject to the Prompt Payment Act paid within the Prompt payment Act time frame divided by the total number of invoices paid within the reporting period.
- **Interest Penalty per Million Dollars Paid**
 - For components not using DFAS for payment, provide the total interest penalties paid per quarter and the total value of payments subject to the prompt payment act.
 - Provide an analysis of reasons causing interest