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Agriculture

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Bulletin: OCFO 15-05

Date: December 15, 2015

To: All Agencies

Subject: Completing FMFI Direct-Entry Invoice and Framework Purchase Order Reference Fields to Ensure Proper Vendor Payment Identification

PURPOSE

This bulletin establishes policy and provides procedures to Financial Management Modernization Initiative (FMFI) users that will help vendors and other payees properly identify payments.

Agency compliance with this policy will result in more efficient operations and greater cost effectiveness for Agencies and USDA.

DEFINITIONS

Direct-Entry Invoice: Accounts payable documents entered directly into FMFI by a user based on individual invoices received.

Framework Purchase Orders (PO): Obligations entered into FMFI by a user to establish a recurring payment.

BACKGROUND

It is USDA's responsibility to ensure vendors are paid timely, in accordance with the Prompt Pay Act, and are provided with the information necessary to properly identify and apply payments. OCFO's Financial Management Services (FMS) is establishing this policy in response to an increase in the number of payments returned to Treasury by USDA vendors and payees due to an inability to identify the invoice, contract, or grant number. This can result in additional work for the Agency related to reprocessing and has the potential to negatively impact future transactions with their vendors.

POLICY

Departmental Offices and Agencies shall ensure an entry is made in the "Reference" field of the Document Header section for a Direct Entry Invoice or the "Your Reference" field for Framework Purchase Order (PO) which will enable the vendor in identifying and properly recording the payment. FMS is requesting all Agencies implement the following procedures in processing these types of invoices and POs.

RESPONSIBILITIES

FMMI users are responsible for following the instructions provided in **Procedures** below when direct-entering invoices or Framework POs in FMMI to facilitate vendor payment identification and processing

PROCEDURES

When direct-entering an invoice in FMMI, the user shall provide information relevant to the vendor (e.g., vendor invoice number, contract/award number, or grant number) in the “Reference” field of the Document Header section (see **Figure 1**).

The screenshot shows the SAP 'Display Document: Line Item 002' interface. The 'Document Header: USDA Company Code' window is open, displaying various document details. The 'Reference' field is highlighted with a red box and contains the value 'ACCT #12345678'. Other fields include Document Type (KR Vendor Invoice), Document Date (09/02/2015), Posting Date (09/08/2015), and Currency (USD).

Figure 1

When establishing a Framework PO, the user shall populate the “Your Reference” field with the same type of identifying information listed above (see **Figure 2**).

The screenshot shows the SAP 'Framework Order 4500048519 Created by' interface. The 'Communication' tab is selected, and the 'Your Reference' field is highlighted with a red box. The interface includes fields for Salesperson, Telephone, Language (EN), and Our Reference. A table at the bottom shows item details:

S. Itm	A	Matl Group	Short Text	PO Quantity	O...	Net Price	Per	O...	Deliv. Date	Plnt	St
10	K	OpEx-ContractAgrWIndy	USDA VMLRP		1	VA	2,437.501	VA	11/20/2013	Natl Institute Food	

Figure 2

The information entered in these fields will be included on the Electronic Funds Transfer information or paper check allowing vendors to more easily match payments received to applicable invoices, contracts, or grants.

Existing Framework POs should be modified, if needed, to include the appropriate information in the “Your Reference” field. If this field is left blank, the system will automatically add the Treasury In-Transit (TI) document number and a contact phone number to the payment remittance.

INQUIRIES

Any questions concerning this bulletin should be directed to the Financial Management Services Center (FMSC) at fmsc.help@nfc.usda.gov, (877) 243-3072, or (504) 426-5695.

EFFECTIVE DATE

This bulletin is effective immediately.

/s/

C.J. STATON, Director
Financial Management Services