



**NOAA**

NATIONAL OCEANIC AND  
ATMOSPHERIC ADMINISTRATION  
UNITED STATES DEPARTMENT OF COMMERCE

# Invoice Processing Procedures and Prompt Pay Guidelines

Accounting Operations Division

Commercial Payments Branch

Last Updated July 28, 2015

# Outline

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# Purpose

- To share invoice processing guidelines
- To review Prompt Payment Act and offer helpful suggestions that can eliminate penalty charges
- To discuss concerns and answer questions

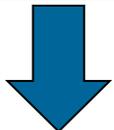
# Payment Process Flow Chart

## Customer

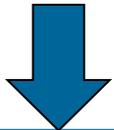
Invoice Arrives



Date Stamp Invoice  
Receipt Date



Verify that invoice is  
proper – complete  
certification  
sign(print) and date



Improper  
Invoice

Improper Invoice  
return to vendor  
within 7 days after  
receipt

Proper  
Invoice



Send to Finance  
Office

## Finance

Invoice received  
in Finance via  
mail, email or fax



All mail is date and  
time stamped and  
distributed to the  
responsible  
accounting  
technician

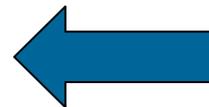


Invoice is  
reviewed and  
any questions  
are e-mailed to  
certifier.

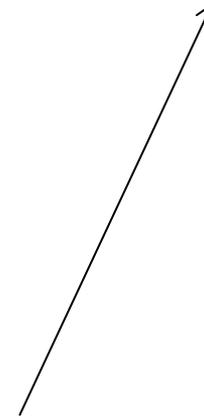


Correct  
Invoice

Invoice Processed  
for payment



Invoice  
disbursed  
when due



# General Information

## The Eastern Operations - Commercial Payments Branch processes payments for NOAA, BIS and EDA

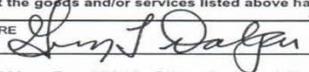
- **Contracts**
- **Purchase Orders**
- **Blanket Purchase Agreements**
- **Telecommunications**
- **Utilities**
- **Leases**
- **Non-Federal Training**
- **UPS/FedEx**
- **Gas Card**
- **Bankcard**
- **Contract Observers**
- **Weather Observers**
- **Work Orders**
- **Foreign Payments**
- **Foreign Student Stipends**
- **NWS Files**
- **Fedstrip**
- **Fleetcard**
- **Fish Tag/Balloon Awards**

**Additional responsibilities include processing year-end accruals and 1099's for NOAA, BIS and EDA entering obligations and de-obligations for NOAA's legacy (prior to FY 07) contracts and purchase orders, and entering obligations for NOAA's non-federal training and work orders.**

# Invoice Requirements Before Submission to the Finance Office for Payment

It is very important for invoices to be complete prior to submitting them to Eastern Operations Division–Commercial Payments Branch for payment. Below is a checklist for invoice submission:

- Invoice Received Date**: This is the date NOAA received the invoice from the vendor and should be recorded on the invoice and “**Invoice Received Date**” should be referenced next to the invoice date. (Please be consistent throughout the invoice with the receipt date). All invoices received in the customers office should be date stamped upon receipt.
- Authorized Signature(s)**: The authorized signature(s) must be written on the invoice, OF-347 (Receiving Report) or CD-406 (Invoice – Receipt Certification). **Print** the name above the signature.
- Submitting OF-347 (Receiving Report)**: If submitting an OF-347 (Receiving Report), the “date received” block on the OF-347 should be the date the good/services were received. The “signature” block should be signed by an authorized party and the “date” should be the date the receiving report was signed. **CD-406 (Invoice-Receipt Certification)**: Form is self-explanatory.
- Accounting Breakdown**: The Accounting (Project Code, Task Code, Organization Code and Object Class) must be recorded on the invoice or be included with supporting documentation.
- Check Funding**: Check with your budget office to ensure funding is available. The funding must be available for the designated Accounting recorded on the invoice at the time of processing to ensure timely payment.
- Proper Invoice**: Must include Invoice Date, Invoice Number, Vendor Name and Address, Item Description, Invoice Amount, Contract or Purchase Order Number (Account Number for Utilities and Telephone), Authorized Signature and Date, Date Invoice was Received, Date Goods/Services were rendered. If the invoice is for a small business, annotate “SB” in the top right hand corner of the invoice. If the invoice is for a foreign payment, annotate “FP” in the top right corner of the invoice.

FORM CD-406 (REV. 2-00)LF		INVOICE—RECEIPT CERTIFICATION			U.S. DEPARTMENT OF COMMERCE	
<b>SEE REVERSE FOR COMPLETION AND MAILING INSTRUCTIONS.</b>						
1. PURCHASE ORDER NUMBER DG133W-08-CN-0209		2. TYPE SHIPMENT Partial	3. DATE GOODS RECEIVED May 20th, 2010	4. DATE INVOICE RECEIVED 6/23/2010	5. DATE GOODS ACCEPTED* May 20th, 2010	
6. VENDOR INVOICE NUMBER JC-301		7. VENDOR NAME TSAY Construction and Services				
* ACCEPTANCE OF MORE THAN 7 DAYS FROM DATE RECEIVED MUST BE AUTHORIZED ON CD-404						
8. LINE ITEM NO.	9. DESCRIPTION		10. QUANTITY/UNIT ISSUE	11. DOLLAR AMOUNT		
1	CLIN 1001B: CRHQ Installation - DCP Site Prep, Installation, and As-Built Documentation		1	16,260.00		
2	CLIN 8004: Differing Site Conditions - Battery Replacement		1 @ \$215 ea	215.00		
3	CLIN 8004: Differing Site Conditions - Extra Gravel, Vegetation Barrier, and Labor		1	2,438.00		
	EEMF		1 @ \$263.00	263.00		
	Transformer		1 @ \$869.87	869.87		
	Disconnect Switches		1 @ \$106.00	106.00		
	G & A plus Fee		1 @ \$753.76	753.76		
	Please see attached invoice					
	Please use attached list of fund codes to process this invoice for payment					
I certify that the goods and/or services listed above have been received, inspected and accepted as complying with the referenced order.						
21. SIGNATURE 		12. + Non-Merchandise Charge				
ADDRESS 1325 E/W Hwy Rm 16312 Silver Spring, MD 20910		13. + Freight				
DATE 6/24/2010	PHONE (Area Code and Number) 301-713-1833 x 147	14. + Federal Excise Tax				
REMARKS Please process for payment. Thanks. Greg Dalyai		15. + State or Local Tax				
		16. Subtotal				
		17. - Trade-In				
		18. - Discount				
		19. - Credit				
		20. TOTAL 20,905.63				



# Invoice Submission Options

Mail to: **NOAA Finance Office**  
**Accounting Operations Division**  
**Eastern Operations-Commercial Payments Branch**  
**20020 Century Blvd, Building CXXI**  
**Germantown, MD 20874**

Email to **[EasternOperations@noaa.gov](mailto:EasternOperations@noaa.gov)**

Or

Mail to: **NOAA Finance Office**  
**Accounting Operations Division**  
**Western Operations Branch**  
**7600 Sand Point Way Northeast**  
**Seattle, WA 98115**

Email to: **[westernoperations@noaa.gov](mailto:westernoperations@noaa.gov)**.

# Other Invoice Submission Information

- To obtain access to Oracle Discoverer, please contact Client Services at 301-444-3400 or email [clientservices@noaa.gov](mailto:clientservices@noaa.gov). Training is available at the Germantown, MD site.
- PDF files are preferred and hard copies of invoices and receiving reports are accepted. When submitting PDF files of invoices, **do not** submit hard copies. **All PDF files must be sent in accordance with the EasternOperations Inbox guidelines (see page 12). Multiple files will be accepted.**
- Faxed copies of invoices are also accepted. If you submit faxed invoices, **do not** submit hard copies.

**Eastern Operations Email: [EasternOperations@noaa.gov](mailto:EasternOperations@noaa.gov)**

**Western Operations Email: [westernoperations@noaa.gov](mailto:westernoperations@noaa.gov).**

# Eastern Operations Inbox Requirements

Due to the **Paper Reduction Act** and **OMB'S Accelerated Payments to Small Business Memorandum**, new guidelines have been established for the [easternoperations@noaa.gov](mailto:easternoperations@noaa.gov) inbox. These changes are necessary to reduce the volume of paper used, to allow for double-sided printing and to meet the new Small Business payment requirements.

## GENERAL REQUIREMENTS:

- **ONE** certified document per PDF.
- **ONE** PDF per email
- Subject Line: **ALWAYS** use Document Reference No. in the subject line (Contract, Purchase Order, Account No., Training, Authorization No., etc.)
- **OMIT** the Eastern Operations email address for **ALL** conversational emails. Please notify your vendors of this as well. Eastern Operations inbox is **ONLY** intended for receiving documentation.
- Invoices must be submitted **promptly** to expedite payments within **15 days**. This is a new requirement due to the Accelerated Payments to Small Businesses Memorandum established by the executive branch.

## DOCUMENT SPECIFIC REQUIREMENTS:

- **CERTIFIED INVOICE:** Invoice must include authorized signature, date invoice was received by the line office, accounting breakdown, document reference number, date goods received/services rendered (CD406, OF347 or receiving report document).

### **MAXIMUM** page **LIMITS** for **INVOICES** are:

- Utilities - 2 pages - including the CD406 / OF347 if used. (Exception: DIRECT ENERGY requires the first 3 pages)
- Training - 2 pages
- Purchase Order/Contract - 6 pages
- Miscellaneous - 2 pages

### **Document Order** (within PDF)

- Invoice
- CD406/OF347 or receiving report document
- Supplemental accounting documentation
- **CERTIFIED OBLIGATIONS:** Must already be **APPROVED**, in **C-AWARD**, and include **AUTHORIZED SIGNATURES**

### **MAXIMUM** page **LIMITS** for **OBLIGATIONS** are:

- Purchase Orders / Contracts - 10 pages
- Work Orders - 2 pages
- Training (SF-182) - 2 pages

# Prompt Payment Act

A law enacted in order to ensure that companies transacting business with the Government are paid in a timely manner. With certain exceptions, the Act requires that the Government make payment within 30 days from the date of submission of a “properly prepared” invoice by a contractor. For amounts not paid within the required period, the Government is obligated to pay interest at a rate established by the Secretary of the Treasury.

<http://www.fms.treas.gov/prompt/questions.html>

# Properly Prepared Invoice

- Vendor Name
- Invoice Date
- Vendor Invoice Number or Account Number
- Obligating Document Number for Contract, Purchase Order, Work Order or SF-182 authorizing purchase of goods or services
- Description (including, for example, contract line/sub line number), price, and quantity of goods and services rendered
- Shipping and Payment Terms (unless mutually agreed that this information is only required in the contract)
- Taxpayer Identification Number (TIN), DUN's Number (if more than one)
- Banking information, unless agency procedures provide otherwise, or except in situations where the EFT requirement is waived
- Contact Name, Title and Telephone Number (if available)
- Other substantiating documentation or information required by the contract

**Note: AOD may return improper documentation to the line office for correction. Improper invoices should be returned to the vendor for correction within 7 days after receipt.**

# Late Payment Interest Reasons

- Late Reasons
  - Generally the delay of payments are due to :
    - Delay in Finance's receipt of the invoice
    - Delay in Finance's receipt of the receiving report
    - Delay in Finance's receipt of the PO/Contract Mod
    - Delay due to invalid Accounting/Funds Availability
  - Specifically the delay of payments are due to:
    - No mail date stamp on the invoice
    - Goods being inspected/sitting at the receiving location
    - Certifier not available (on leave, training class etc.)
    - Not able to obtain signatures

# How to Avoid Interest

- Submit invoices to Finance in a timely manner. The average turnaround time for processing payment of an invoice is two to three days. To ensure payment is made in a timely manner, you must take into consideration delivery and processing time. Payment is considered late 30 days after the established receipt date for non- Small Business vendors. Payment is considered late 15 days after the established receipt date for Small Business vendors, however, interest will not be assessed until after 30 days.
- Provide complete invoices, by ensuring accounting information is identified and signatures are legible (printing helps a lot).
- If additional information is requested from Finance in order to process the invoice, promptly provide a response. This will ensure timely payment of invoice and reduce possibility of assessment of late interest penalties.
- Do not ask vendors to mail invoices directly to the Finance Office. This causes a delay in processing since additional time is taken to obtain an authorized signature and other required information. Invoices should be sent directly to the office that received the goods or services or directly to authorizing officials.
- Ensure all invoices are date stamped when received in your office. This helps establish an accurate invoice receipt date. It is especially important when the invoice is received much later than the goods/services were received.
- If you want to determine the amount of interest that will be paid the interest calculator is located at this website: <http://www.fms.treas.gov/prompt/ppcalc1.html>

# Useful Websites

- You may find these Finance Office Links useful:
- <http://www.corporateservices.noaa.gov/finance/yearend.html>
- <http://www.corporateservices.noaa.gov/noaa/cfohome.html>
- [http://www.corporateservices.noaa.gov/finance/FO\\_Home.html](http://www.corporateservices.noaa.gov/finance/FO_Home.html)
- [http://www.corporateservices.noaa.gov/finance/FOAOD\\_Home.html](http://www.corporateservices.noaa.gov/finance/FOAOD_Home.html)
- [http://www.corporateservices.noaa.gov/finance/AOD\\_Welcome.html](http://www.corporateservices.noaa.gov/finance/AOD_Welcome.html)
- <http://www.corporateservices.noaa.gov/finance/forms.html>