Outline

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- Late Payment Interest Reasons
- How to Avoid Interest
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Purpose

• To share invoice processing guidelines

• To review Prompt Payment Act and offer helpful suggestions that can eliminate penalty charges
Payment Process Flow Chart

**Customer**

- Invoice Arrives
- Date Stamp Invoice Receipt Date
- Verify that invoice is proper – complete certification, sign and date
  - Proper Invoice: Send to Finance Office
  - Improper Invoice: Return improper invoice to vendor within 7 days after receipt

**Finance**

- Invoice received in Servicing Finance Office Eastern or Western
- All documentation is date stamped and placed in the work queue for processing
- Invoice is reviewed and questions are sent to the Certifier
  - Correct Invoice: Invoice Processed for payment
General Information

The Eastern and Western Finance Offices process Commercial 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.
## INVOICE—RECEIPT CERTIFICATION

**U.S. DEPARTMENT OF COMMERCE**

**SEE REVERSE FOR COMPLETION AND MAILING INSTRUCTIONS.**

<table>
<thead>
<tr>
<th>1. PURCHASE ORDER NUMBER</th>
<th>2. TYPE SHIPMENT</th>
<th>3. DATE GOODS RECEIVED</th>
<th>4. DATE INVOICE RECEIVED</th>
<th>5. DATE GOODS ACCEPTED*</th>
</tr>
</thead>
</table>

**6. VENDOR INVOICE NUMBER**

<table>
<thead>
<tr>
<th>7. VENDOR NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSAY Construction and Services</td>
</tr>
</tbody>
</table>

Note: *ACCEPTANCE OF MORE THAN 7 DAYS FROM DATE RECEIVED MUST BE AUTHORIZED ON CD-404*

<table>
<thead>
<tr>
<th>8. LINE ITEM NO.</th>
<th>9. DESCRIPTION</th>
<th>10. QUANTITY/UNIT ISSUE</th>
<th>11. DOLLAR AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>CLIN 1001B: CRHQ Installation - DCP Site Prep, Installation, and As-</td>
<td>1</td>
<td>16,260.00</td>
</tr>
<tr>
<td></td>
<td>Built Documentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>CLIN 8004: Differing Site Conditions - Battery Replacement</td>
<td>1 @ $215 ea</td>
<td>215.00</td>
</tr>
<tr>
<td>3</td>
<td>CLIN 8004: Differing Site Conditions -</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Extra Gravel, Vegetation Barrier, and Labor</td>
<td>1</td>
<td>2,438.00</td>
</tr>
<tr>
<td></td>
<td>EEMF</td>
<td>1@ $263.00</td>
<td>263.00</td>
</tr>
<tr>
<td></td>
<td>Transformer</td>
<td>1@ $869.87</td>
<td>869.87</td>
</tr>
<tr>
<td></td>
<td>Disconnect Switches</td>
<td>1 @ $106.00</td>
<td>106.00</td>
</tr>
<tr>
<td></td>
<td>G &amp; A plus Fee</td>
<td>1 @ $753.76</td>
<td>753.76</td>
</tr>
</tbody>
</table>

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.

**SIGNATURE**

12. **+ Non-Merchandise Charge**

13. **+ Freight**

14. **+ Federal Excise Tax**

15. **+ State or Local Tax**

16. **Subtotal**

17. **- Trade-In**

18. **- Discount**

19. **- Credit**

20. **TOTAL** 20,905.63

**ADDRESS**

1325 E/W Hwy Rm 16312 Silver Spring, MD 20910

**DATE**

6/24/2010

**PHONE (Area Code and Number)**

301-713-1833 x 147

**REMARKS**

Please process for payment. Thanks. Greg Dalyai
## Optional Form 347

### SUPPLEMENTAL INVOICING INFORMATION

If desired, this order (or a copy thereof) may be used by the Contractor as the Contractor's invoice, instead of a separate invoice, provided the following statement, (signed and dated) is (or attached to) the order: “Payment is requested in the amount of $6,268.00. No other invoice will be submitted.” However, if the Contractor wishes to submit an invoice, the following information must be provided: contract number (if any), order number, item number(s), description of supplies or services, sizes, quantities, unit prices, and extended totals. Prepaid shipping costs will be indicated as a separate item on the invoice. Where shipping costs exceed $10 (except for parcel post), the billing must be supported by a bill of lading or receipt. When several orders are invoiced to an ordering activity during the same billing period, consolidated periodic billings are encouraged.

### RECEIVING REPORT

<table>
<thead>
<tr>
<th>SHIPMENT NUMBER</th>
<th>PARTIAL</th>
<th>FINAL</th>
<th>DATE RECEIVED</th>
<th>SIGNATURE OF AUTHORIZED U.S. GOVT REP.</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CONTAINERS</td>
<td>GROSS WEIGHT</td>
<td>RECEIVED AT</td>
<td>X</td>
<td></td>
<td>Dana Flig</td>
</tr>
</tbody>
</table>

**TITLE:** Donna Page, Task Manager

### REPORT OF REJECTIONS

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>SUPPLIES OR SERVICES</th>
<th>UNIT</th>
<th>QUANTITY REJECTED</th>
<th>REASON FOR REJECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5/3.5</td>
<td>Software Engineer IV (4/30/11 – 5/27/11 Invoice)</td>
<td>Hours</td>
<td>14:11</td>
<td>$0,358.45</td>
</tr>
</tbody>
</table>

**TOTAL:** $8,268.00

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**DATE LEFT OHD:** 7/12/11

**TO:** Lisa Deal, Finance

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**OPTIONAL FORM 347 (REV. 6/95) BACK**
Invoice Submission Options

Email to:  EasternOperations@noaa.gov

OR

Email to:  WOBinvoices@noaa.gov
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.

https://fiscal.treasury.gov/prompt-payment/
Properly Prepared Invoice

- Vendor Name and Address
  - Taxpayer Identification Number (TIN) and/or DUNS Number help ensure the correct vendor is being paid
- Invoice Date and Invoice Amount
- 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)
- 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 Certifier for correction. Improper invoices should be returned to the vendor for correction within seven (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. Depending on existing workload, Staffing, and holiday or month-end processing restrictions, the turnaround time for processing an invoice can vary from two-days to two-weeks. To ensure payment is made in a timely manner, please submit your invoices as soon as possible.

• Provide complete invoices, by ensuring accounting information is identified and signatures are documented.

• 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 NOAA paying a late interest penalty.

• 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.

• To determine the amount of interest that will be paid, use Treasury’s simple interest calculator: https://fiscal.treasury.gov/prompt-payment/interest.html#simple
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/FOAOD_Home.html
  • http://www.corporateservices.noaa.gov/finance/forms.html