From a DCAA Perspective Series: Barriers to Payment

Objectives

- Types of Contracts for Interim Reimbursements

- Authority and Responsibility

- Regulatory Oversight

- Pre-Payment Assessments

- Procurement Integrated Enterprise Environment

Types of Contracts for Interim Reimbursement

- Cost Reimbursable Contracts (CPFF, CPIF, CPAF):
  - Estimate of total costs for obligating funds
  - Establishes cost ceiling
  - Fixed Fee/ Target Fee depending on contract type and incentive
  - SF 1034 (Public Voucher)
- Time and Material/ Labor Hour:
  - Direct labor hours at specified fixed "loaded" hourly rates and specified materials needed
  - SF 1034 (Public Voucher)
- Fixed Price with Progress Payments
  - SF 1443 (Progress Payments)
  - FAR Subpart 32.5- Progress Payments Based on Costs

Authority and Responsibility

- **What DCAA is responsible for:**
  - Receiving reimbursement vouchers, interim rate adjustment vouchers, and final rate adjustment vouchers directly from contractors
  - Recommending approval for payment of vouchers found acceptable
  - Rejecting vouchers found not acceptable for payment
  - Suspending payment of questionable costs
  - Issuing DCAA Form 1 where allowability is questionable

Contractor Responsibilities

- The contractor is responsible for preparing and submitting claims for reimbursement according to the terms of the contract and ensuring billings accurately reflect special cost limitations and other contract restrictions

- Interim vouchers must be prepared directly from cost accounting records.

- Vouchers submitted shall be based on the established billing rates

- The contractor shall maintain adequate support for amounts billed and provide the necessary information to process contract billings.

Accounting System Requirements

- **The contractor shall establish and maintain an acceptable accounting system which provides for the following:**

  - The Contractor's accounting system shall provide for billings that can be reconciled to the cost accounts for both current and cumulative amounts claimed and comply with contract terms.

  - It must also provide for the cost accounting information, as required by contract clauses concerning limitation of cost (FAR 52.232-20), limitation of funds (FAR 52.232-22), or allowable cost and payment (FAR 52.216-7).

Regulatory Oversight: Defining Payments

- **31 USC 3903: Prompt Payment Act:** Payment due to contractor 30 days after **PROPER** invoice

- **FAR 52.212-4 Contract Terms and Conditions:** Requirements of an invoice

- **FAR 52.232-1 Payments:** Requires **PROPER** invoice

- **FAR 52.232-5(b) Payments under Fixed Price Construction Contracts**
  - Request for progress payment requirements to **include itemized elements of work** required by the contract under the amount requested performed by **prime and subcontracts**, any previously paid payments, any applicable supporting data for the request
  - Requires contractor certification

- **FAR 52.232-7 Payments under T&M/ Labor Hours:** Vouchers require timekeeping reports and labor quals

- **FAR 52.232-16 Progress Payments:** Payments as work progresses, no more than monthly to include 80% of total costs plus subK financing

Regulatory Oversight: Voucher Requirements

- FAR 52.216-7 Allowable Cost and Payment
  - No more than once every 2 weeks
  - In accordance with FAR subpart 31.2 and terms of contract
  - Reimbursement of costs paid for/ already incurred (i.e.- direct labor, materials, subcontracts, etc.)
  - Small business concerns may receive more frequent payments
- FAR 52.216-8 Fixed Fee
  - KO to reserve NTE 15% of total fixed fee (or $100k, whichever is less) to protect Government interest
- FAR Subpart 31.2: Allowable, Allocable, Reasonable

Accelerated Payment Overview

- **DFARS 232.903 Prompt Payment**
  - DFARS 232.903: Payment due within 15 days after receipt of acceptable invoice with all required documentation
- **DoD Class Deviation 2014-O0015: Update to Accelerated Payments to Small Businesses**
- **FAR 52.232-40: Providing Accelerated Payments to Small Business Subcontractors**
  - Requires primes to pay subs within 15 days of receipt of payment from the government

Pre-Payment Assessments

- **Purpose:**
  - To ensure the vouchers are prepared in accordance with contract terms and provisions & pursue adjustments as needed for overbillings/ overpayments
- **Results in either:**
  - Recommendation for approval for payment and forwarded to disbursing office **-OR-**
  - Returned to KTR for correction (NLT 5 days)
- Does **NOT** constitute an audit
- **Sample Methodology:**
  - Risk-based selections, high risk vouchers, and all first vouchers for new contract/ DO/ TO awards

Preparation of Vouchers

- Vouchers should not be submitted more than once every two weeks. (unless a small business)

- Public voucher claims for reimbursement must be prepared on the prescribed Government forms:

  - First voucher on a contract is an interim voucher, as are all subsequent vouchers prior to the final voucher.

  - Final voucher will not be submitted until all contract work is completed.

Electronic Submission of Interim Vouchers

- All vouchers should be submitted through WAWF unless contract terms require hard copy vouchers to be submitted.

- In WAWF, the "Cost Voucher" is the equivalent of the SF 1034. Data equivalent to the SF 1035 must be included in a separate electronic file and attached to the cost voucher in WAWF.

- Vouchers must be prepared and submitted in accordance with the terms of the contract, including any special billing or payment instructions.

- Guidance and training for completing a cost voucher invoice can be obtained on the WAWF Web Based Training website: (https://pieetraining.eb.mil/wbt/xhtml/wbt/wawf/index.xhtml)

Electronic Submission of Interim Vouchers

- WAWF Cost Voucher (SF 1034 equivalent) information on how to create a interim voucher is under the WAWF Web Based training Software User's Manual Documents section of the WAWF training website. (https://pieetraining.eb.mil/wbt/wawf/documents/CV.pdf)

- SF 1035, Interim Vouchers for Cost Plus Fixed Fee Contract, information required and example:

SF 1035
Instructions

Electronic Submission of Final Vouchers

Final (completion) voucher:

- Last voucher to be submitted on a contract.

- A separate completion voucher will be submitted for each individual project or task order for which a separate series of public vouchers has been submitted.
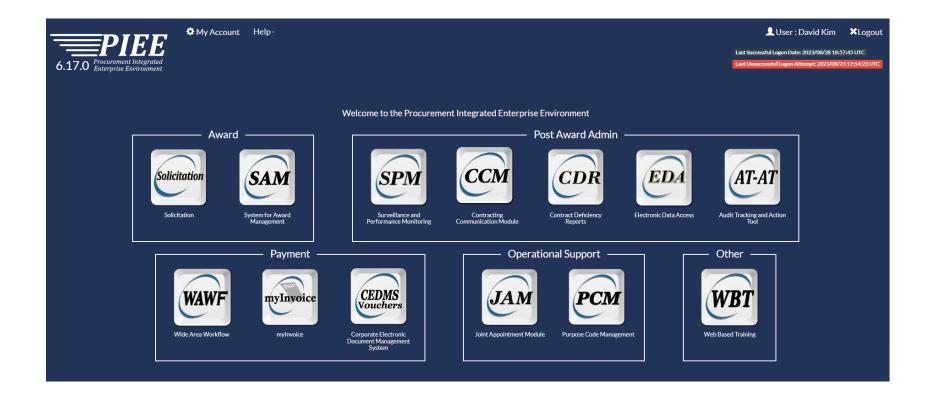
- In accordance with FAR 52.216-7(d)(5)

Interim Voucher Example

PIEE Overview

Procurement Integrated Enterprise Environment (PIEE)

- DoD's electronic centrally accessible business suite

- Designed to streamline electronic business transactions between the DOD agencies/ Federal government and industry.

- PIEE promulgates the DoD's Procure-to-Pay end-to-end e-business vision.

PIEE Overview

- Several applications are within PIEE:
  - Solicitations
  - SAM- System for Award Management
  - EDA- Electronic Data Access
  - WAWF- Wide Area Workflow
  - myInvoice
  - CBAR-
- Vendor registration and personal accounts required to navigate PIEE
- Account activated by your Government Administrator or the PIEE Customer Support Center.
- Self-register as "Vendor" or your Contractor role for your CAGE codes

Wide Area Workflow (WAWF)

- A secure Web-based PIEE application for electronic invoicing, receipt and acceptance.

- Enables electronic form submission of invoices, government inspection and acceptance documents in order to support DoD's goal of moving to a paperless acquisition process.

- Provides the technology for government contractors and authorized DoD personnel to generate, capture, and process receipt and payment-related documentation.

WAWF

Wide Area Workflow

WAWF Uses and Benefits

- Contractors input invoices

- Faster Payments

- Government performs inspection/acceptance

- Sends inspection/acceptance information to Payment System via Electronic Data Interchange

- Provides real time visibility to all – Industry, DCMA, DCAA, DFAS

- Maintains electronic records

- Standard DoD application with Single Face to Industry

- Provides secure and auditable transactions

Wide Area Work Flow (WAWF) - Vendor

▶ Vendor Applications / Capabilities

✓ WAWF WAWF – Wide Area Workflow

✓ EDA EDA – Electronic Document Access

✓ myInvoice myInvoice

✓ IUID IUID – Item Unique Identification Registry

myInvoice Overview

- Provides invoice status and payment data

- Consolidates invoice data obtained from numerous DFAS payment systems into one central repository.

- Paid invoice data may be available from 30-120 days after payment.

- Data Availability:

  - Multiple open CLINs, paid in full CLINs only open for a couple of days

  - Paid in full contracts with available funds for that particular day will only be provided for a couple of days

- Users may download the data available from myInvoice for further analysis.

Payment and Invoicing Support

- To check the status of a payment, contact your Contracting Officer or follow these steps:
- Log in to PIEE
- Navigate to Wide Area Workflow (WAWF)
- From the History folder, validate your invoice, receiving report, combo, or voucher is in "processed" status
- Access the myInvoice module. Run a payment report for the associated CAGE Code (Reports > Status and Date Report, or Reports > Payment Report).
- Or, contact the payment center (Find your payment center in the PIEE application by navigating to WAWF > Lookup > Pay DoDAAC)

Electronic Data Access (EDA)

- The master source for all unclassified DoD contracts, orders, and modifications

- Is used by the program management, finance, disbursing, contracting, industry trading partners, other federal agencies, and the logistics community to store and manage common documents.

- Data within EDA is provided to WAWF for receiving and invoicing processes.

- View contracts and mods via Award Search (Contracts)

- Download invoices and/or PDFs for contracts and mods via Award Search

Example of Reasons for Invoice Rejections

- Incorrect Data including, but not limited to:

  - Cage Codes

  - DoDAACs

  - Contract Numbers

  - Voucher Numbers

- Invoiced current and cumulative amounts do not reconcile to books and records
- Invoiced costs not allowed per the contract terms (e.g., overtime)
- Invoice includes incorrect provisional billing rates (indirect costs)
- Billed against incorrect CLIN
- Billing over contract ceiling amounts or outside period of performance
- Fixed fee withholding noncompliances per FAR 52.216-8
- Supporting accounting system reports do not reconcile to billed amounts/ hours

Useful Links

- Procurement Intregrated Enterprise Environment (PIEE): https://piee.eb.mil/

- WAWF Web Based Training: New User Information and Help: https://pieetraining.eb.mil/wbt/xhtml/wbt/wawf/index.xhtml

- WAWF Customer Support (Account Access and Payment/ Invoicing): https://piee.eb.mil/xhtml/unauth/web/homepage/vendorCustomerSupport.xhtml

- Invoice Payment Status (myInvoice): https://pieetraining.eb.mil/wbt/xhtml/wbt/minv/overview/overview.xhtml

Points of Contact

- PIEE Help-Desk - 866-618-5988

- Email:

  disa.global.servicedesk.mbx.eb-ticket-requests@mail.mil

- Fax: 801-605-7453

- Help Desk Hours: Monday - Friday, 06:30 – 24:00 EST

Frequently Asked Questions

Is there any general guidance for how a contractor should be inputting information into WAWF?

- Yes, there is guidance on the required information for different contract types and the guidance varies by type of contract. See https://pieetraining.eb.mil/wbt/xhtml/wbt/wawf/index.xhtml for an overview of invoice creation and required information for different types of contracts.

Frequently Asked Questions

When information is incorrect on a voucher, can the contractor recall and correct the voucher or does the contractor have to submit a new voucher?

- Indirect (Interim) cost vouchers and final cost vouchers can be recalled and resubmitted if it is in Submitted or Resubmitted status. However, contractors will not be able to recall and correct the following fields: contract number, delivery order number, Cage Code, document type, shipment number or date, and invoice number or date. If these items are incorrect a new voucher must be submitted.

Frequently Asked Questions

What is the proper numbering sequence for vouchers?

Voucher numbers may vary based on the entitlement system. For example:

- Mechanization of Contract Administration Service (MOCAS) -voucher number must begin with "BVN" and be 7 or 8 characters in the format of AAAXNNN or AAAXNNNA (A=Alpha, X=Alphanumeric, and N=Numeric). The 8th position is only used for final vouchers and will be a "Z."

- Enterprise Business System (EBS) - voucher number must be 7 or 8 characters in the format of AAAXNNN (A=Alpha, X=Alphanumeric, and N=Numeric). The 8th position is only used for final vouchers and will be a "Z." The voucher number does not include a prefix of BVN.

Different numbering sequences must be established for separate delivery orders issued against the same contract.

DCAA Internet Resources

- **Guidance**
  - Audit Process Overview – Information for Contractors Manual
  - Directory of Audit Programs
  - Contract Audit Manual
  - Select Area of Cost Guidebook (FAR 31.205 Cost Principles)
  - Links to Acquisition Regulations
- **Checklists and Tools**
  - Cost of Money Rates
  - Incurred Cost Electronically (ICE) Model
  - Contractor Submission Portal
  - Adequacy Checklists - Preaward Accounting System, Contract Pricing Proposal, Forward Pricing Rate Proposal, Incurred Cost Submission, Termination Settlement Proposal.
- **Frequently Asked Questions For Contracting Officers, Contractors and COVID-19**

Small Business Outreach Survey

We would love to hear about your recent experience with the DCAA Small Business Program, as we are committed to providing the best guidance possible and strengthening our nation's Defense Industrial Base. By participating in our survey, you will help us improve our courses, content and provide you with even better support as we continue to grow our program.

Questions/Comments

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