



OPERATIONAL INSTRUCTION

Operational Instruction MA- 2009-51-03

Policy Area: Financial Management

Effective Date: 3-26-09

Approved: Jim Williams
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Management and Administration

INVOICE PROCESSING

I. COVERAGE

This Operational Instruction applies to all Court Services and Offender Supervision Agency (“CSOSA” or “Agency”) employees and contractors (hereinafter referred to as employees unless otherwise stated), excluding the Pretrial Services Agency.

II. GUIDANCE

This Operational Instruction (OI) is a supplement to the existing Policy Statement Number 5604, Contracting Officer’s Technical Representative (COTR).

Vendor invoices shall be submitted to CSOSA in accordance with the terms of the underlying purchase order or contract. Generally, invoices must be submitted by the vendor promptly after the completion of services or the delivery of goods required by the contract or order. For contracts or orders requiring services or the delivery of items over several months, the contractor shall invoice on a monthly basis. COTRs are responsible for ensuring, to the extent possible, that vendors submit invoices on a timely basis.

CSOSA is bound by the regulations implementing the Prompt Payment Act (5 CFR Part 1315) to reimburse vendors for proper and valid invoices thirty (30) calendar days after the official invoice receipt date or the date goods and services are received and accepted by the Agency, whichever is later. The Prompt Payment Act requires the payment of interest to vendors when properly submitted, valid invoices, are not processed within the required thirty (30) calendar days. Late payment interest will be deducted from the operational budget associated with the procurement action. This OI sets forth the procedures to ensure CSOSA operates in compliance with this requirement.

The CSOSA Office of Procurement (Procurement) will ensure that all CSOSA COTRs are provided a copy of this Operational Instruction. Procurement shall also ensure that all CSOSA contracts and orders contain invoice processing procedures that comply with those in this document (See Appendix A). All purchase order or contract invoice terms that deviate from the standard Prompt Payment Act terms outlined in this

document, shall be approved by the Director of the Office of Financial Management, prior to award of the purchase order or contract.

III. PROCEDURES

A. Invoice Payment Due Date

For purposes of determining an invoice payment due date and the date on which late payment interest will begin to accrue, an invoice shall be deemed to be received by CSOSA's Office of Financial Management (OFM) on the later of the following two dates:

- (1) Date a proper and valid invoice is received by OFM, or
- (2) Date goods/services are received and accepted by the COTR

In most circumstances, vendors submit invoices to CSOSA after providing valid goods/services performed under a proper procurement. Therefore, the date the invoice is received by OFM typically begins the 30-day prompt payment timeline for CSOSA to review and pay vendor invoices.

B. Required Invoice Information

All vendor invoices submitted to CSOSA must contain the following information:

- (1) Vendor Tax Identification Number
- (2) Vendor Mailing Address
- (3) Vendor Phone Number (in case of questions)
- (4) Date of Invoice
- (5) Vendor Invoice Number
- (6) CSOSA Contract / Order Number
- (7) CSOSA Contract Line Item Number (CLIN) or item number (if applicable)
- (8) Description of services performed or merchandise provided to CSOSA
- (9) Date(s) of services performed for or merchandise provided to CSOSA

The contractor must submit a separate invoice for every CSOSA contract / Order Number. The invoice must identify the specific Contract Line Item

Number (CLIN) or item number for which the contractor is seeking payment under the contract or order. If the invoice covers multiple CLIN or item numbers, the invoice must identify specific amounts and activities applicable to each.

C. Invoice Processing

1. All invoices must be sent directly from the vendor to OFM. Invoices sent to locations or individuals other than OFM are not considered officially received until actually received and date stamped by OFM. Hard copy invoices can be mailed or hand-carried to OFM at the address below:

**CSOSA, Office of Financial Management
633 Indiana Ave, NW, Room 850
Washington DC 20004-2902**

The vendor may also submit an invoice via electronic email to the following email address:

Invoices.mailbox@csosa.gov

2. Each business day an OFM Financial Management Specialist (FMS) designated as the Mail FMS is responsible for opening mail containing hard copy invoices (mailed and hand delivered) and opening/printing invoices received through electronic email. Once printed, electronic email invoices must be saved/archived electronically by the Mail FMS for future reference. The Mail FMS must review incoming mail and the email inbox for received hard copy and electronic invoices at least twice per business day, once in the morning and once in the afternoon (2:00 pm).
3. The Mail FMS must physically record (date stamp) the date/time an invoice was officially received on a hard copy version of the invoice. This typically serves as the official date the invoice is received by CSOSA. The date stamp must be legible and placed on the front of the invoice.
4. Invoices received (hard copy or electronically) in OFM on weekends or holidays shall be date stamped by a Mail FMS the next business day. Invoices received on regular business days before 2:00 pm will be date stamped as of that date. Invoices received on regular business days after 2:00 pm shall be date stamped the next business day.

5. The Mail FMS will distribute date-stamped, incoming invoices to the FMS assigned to process and pay invoices for the particular vendor (Payment FMS). The Payment FMS stamps the hard copy invoice with an imprint (COTR approval stamp) providing the COTR with a specific location to approve/sign the invoice, indicate the date the invoice is approved, and provide the appropriate CSOSA contract / order number and line number to which the invoice will be applied. The COTR approval stamp must be legible and placed on the front of the invoice.

Note: If the Payment FMS assigned for the particular vendor's invoice is out of the office, and is expected to be out of the office the next business day, the Mail FMS will distribute the invoice(s) to an alternate Payment FMS for processing. The originally-assigned Payment FMS must be informed of invoices processed by an alternate Payment FMS, on their behalf, during their absence.

6. The Payment FMS forwards the invoice to the appropriate COTR for approval within one (1) business day of the official CSOSA invoice receipt date. Invoices should be hand-carried or forwarded via interoffice mail to the COTR. In cases where the COTR is at a remote location, and interoffice mail is deemed to take too long to reach the COTR, the FMS must forward the complete invoice to the COTR electronically (as a pdf file).
7. The Payment FMS must maintain a record of each invoice forwarded to a COTR for approval, to ensure it is returned to OFM for payment or properly disputed in a timely manner. The FMS must contact the COTR via email if an invoice is not returned to OFM or properly disputed by the COTR within seven (7) business days after it is sent to the COTR for approval. If an invoice is not returned to OFM or properly disputed by the COTR within fourteen (14) business days, the FMS must notify the OFM Supervisory FMS, who will initiate immediate action with the COTR.
8. The COTR must carefully review the invoice to ensure:
 - a. All goods and services on the invoice were received and accepted by CSOSA.
 - b. Invoiced amounts, terms, and period of performance are consistent with the current contract terms, conditions and funding limitations/availability.
9. If all invoice information is valid, the COTR must:
 - a. Approve (sign and date) the invoice;
 - b. Write the contract or order number, and CLIN /line item number(s), on the invoice, and;
 - c. Return the approved invoice to the appropriate OFM FMS within five (5) business days after receipt from OFM.

If an invoice contains charges for more than one CLIN or line item, the COTR must ensure that the invoice clearly indicates the specific charges to be posted to each line item, to ensure invoices are processed correctly.

10. Disputed Invoices

If the COTR disputes all or a portion of an invoice, a proper dispute must be sent by the COTR, in writing, to the vendor within seven (7) calendar days of the invoice official receipt date (i.e., within seven (7) days of the date stamped on the invoice by OFM). A proper dispute must identify the specific invoice items and amounts being disputed, reason the items or amounts are disputed, a reference to the specific terms of the contract which supports the government's dispute and a request for an immediate explanation and/or corrected invoice. Properly disputed invoice amounts are not subject to late payment interest computations during the period of dispute.

The appropriate OFM FMS and the Procurement Contracting Officer must be copied on all COTR disputes and applicable resolution correspondence. The COTR is responsible for following up with the vendor to affect a resolution within thirty (30) calendar days of the initial dispute notification.

When both the Agency (COTR) and the vendor agree on an invoice dispute in which the final agreed amount is different from the original invoice, a new, corrected invoice must be submitted by the vendor to OFM.

The Procurement Contracting Officer must track and ensure that all disputes are properly resolved by the COTR within thirty (30) calendar days of the initial dispute notification and maintain resolution documentation on all disputes. If a dispute remains unresolved after thirty (30) calendar days, the Procurement Contracting Officer has the authority to request a partial payment of valid amounts on a disputed invoice if he/she believes it is in the best interest of the Agency. This partial payment request must be made in writing to the OFM Supervisory FMS, with a copy to the COTR.

11. Payments to Vendors

Upon receipt of a COTR-approved invoice, the Payment FMS responsible for the vendor's invoice must:

- a. Perform research in the financial system to determine if the order number and CLIN /line item number(s) identified by the COTR are valid and contain available funding;
- b. Record approved invoice amounts and a valid description of the goods or services being paid for (e.g., 'Services Performed July 2010', '65 Servers') in the financial system for payment;
- c. Record the date the invoice is officially received by CSOSA in the financial system based on the date recorded/stamped on the invoice, unless the invoice was disputed, under which circumstance the FMS will record the date the dispute is resolved by the COTR/vendor or the vendor submits an updated invoice;
- d. Record an electronic (pdf. attachment) of the COTR-approved invoice in the financial system for future reference.

Invoices that contain changes or edits to vendor invoice amounts without an attached Procurement Contracting Officer partial payment request will be returned by the OFM FMS to the appropriate Procurement Contracting Officer and COTR. The only exception to this rule is invoices that are tracked through SMART Treatment.

The payment due date and late payment interest (if applicable) is automatically computed by the financial system based on the later of the official invoice received date or the date goods/services are accepted. Payment remittance information (contractor banking information) is maintained in the financial system.

APPENDIX A
Invoicing Instructions for CSOSA Contracts and Purchase Orders

- (a) Invoices shall be submitted on a timely basis upon the completion of all services or the delivery of all items required by the contract or order. For contracts or orders requiring services or the delivery of items over several months, the contractor shall invoice on a monthly basis. All official invoices must be sent directly to the CSOSA Office of Financial Management (OFM). Invoices sent to locations or individuals other than OFM are not considered officially received until actually received and date stamped by OFM. Hard copy invoices shall be submitted only to the address below:

CSOSA, Office of Financial Management
633 Indiana Ave, NW, Room 850
Washington DC 20004-2902

- (b) The contractor may also submit an official invoice via electronic email to the following email address:

Invoices.mailbox@csosa.gov

- (c) The following information must be contained on the invoice:

- (1) Contractor Tax Identification Number
- (2) Contractor Mailing Address
- (3) Contractor Phone Number (in case of questions)
- (4) Date of Invoice
- (5) Contractor Invoice Number
- (6) CSOSA Contract / Order Number (*important*)
- (7) CSOSA Contract Line Item Number (CLIN) or item number (if applicable)
- (8) Description of services performed for or merchandise provided to CSOSA
- (9) Date(s) of services performed or merchandise provided to CSOSA

- (d) The contractor must submit a separate invoice for every CSOSA contract / Order Number. The invoice must identify the specific Contract Line Item Number (CLIN) or item number for which the contractor is seeking payment under the contract or order. If the invoice covers multiple CLIN or item numbers, the invoice must identify specific amounts and activity applicable to each.

- (e) CSOSA is bound by the Prompt Payment Act (5 CFR Part 1315) to reimburse vendors on the 30th calendar day after a proper and valid invoice is officially received by the Agency. Invoices submitted without required information are not considered proper. If the invoice is disputed / rejected by CSOSA, the Contracting Officer Technical

Representative (COTR) appointed to the contract or order will notify the contractor of the dispute within seven (7) calendar days of the CSOSA invoice receipt date. The COTR's dispute / rejection notice will identify the specific invoice items and amounts being disputed, reason the items or amounts are disputed, a reference to the specific terms of the contract which supports the government's dispute and a request for an immediate explanation and / or corrected invoice. Properly disputed invoice amounts are not subject to late payment interest computations during the period of dispute.

- (f) Contractor inquiries concerning an invoice payment may be made to the COTR at any time or to OFM thirty (30) calendar days after a proper invoice has been submitted. The contractor may make payment inquiries to the OFM email address identified above in paragraph (b) or to 202-220-5714.
- (g) Contractors must inform OFM of any changes in banking information using the OFM email address identified above in paragraph (b) or by calling 202-220-5714.