

internet payment platform

The Internet Payment Platform

Philadelphia Financial Centers
Agency Meeting



Financial Management Service

Agenda



- Office of Financial Innovation and Transformation
- IPP Overview
- Intra-governmental Buy/Sell Modernization Project
- Department of Interior

Adam Goldberg

- Director of the Office of Financial Innovation Transformation (FIT) at the Treasury Department.
- Created in Spring 2010, FIT will support the transformation of financial management across the federal government by identifying, testing, and facilitating the deployment of innovative, common solutions that improve data quality, and create efficiencies.

IPP Overview



Peter Moore,

- Internet Payment Platform - Agency Outreach
- Financial Management Service, U.S. Treasury

A Web-based network to process transactions between agencies and suppliers from Purchase Order through Payment

- Accepts upload of purchase orders from an agency and allows suppliers to create invoices
- Permits business rules configuration
- Allows agencies to define invoice workflow for approval routing
- Enables email notifications for agencies and suppliers
- Provides automatic two-way matching of invoices to POs
- Interfaces via digital purchase order and invoice file exchange
- Presents remittance data (including offset information) to suppliers both online or via download

IPP Defined



- Used with commercial vendors receiving electronic payments
- Selected Federal agencies and suppliers already using IPP
- Provided by U.S. Treasury FMS free of charge to all government agencies and their suppliers

- Cost avoidance and work reduction:
 - Reduces the volume of payment and Treasury offset related inquiries to your agency and Treasury.
 - Decreases the effort required to ensure that invoices are correct and match their PO's.
 - Improves Prompt Pay compliance and decreases interest penalties.
 - Reduces paper document processing and associated costs (including postage and mailing expenses).
 - Increases efficiency through invoice approval workflow and other process improvements.
- Improved security: provides a secure layer segregating suppliers from an agency's financial systems.
- Promotes standards: provides a common method for interacting with suppliers and exchanging data across Federal government.

IPP Status



- IPP live in production since November 19, 2007
- 4 modules offered
 - Purchase Orders
 - Invoicing
 - Workflow (Invoice Approval)
 - Payment Notifications
- Payment Notifications currently provided to suppliers of 168 ALC's
- Over 16,000 suppliers enrolled
- 7 Agencies in production and 3 Agencies in deployment

Agencies Using the IPP Today

- Bureau of Engraving and Printing
- Bureau of the Public Debt (BPD, CSB and IAF)
 - Shared Service Provider to 44 agencies and bureaus
- Department of Interior (BLM, BOEMRE, OSM & USGS)
- Social Security Administration
- Government Printing Office (Non-Treasury Disbursed)
- Holocaust Memorial Museum
- Small Business Administration

Agency deployments currently in progress

- Department of Agriculture (Forest Service)
- Additional bureaus for BPD and DOI

Intra-governmental Buy/Sell Transaction Issues



Current issues with intra-governmental buy/sell transaction processing:

- GAO 2010 audit found significant differences (\$25.7B) in intra-governmental buy/sell activity and balances
- Reconciliation process for buy/sell transactions is difficult and labor intensive
- Limited visibility into buy/sell transactions between government agencies

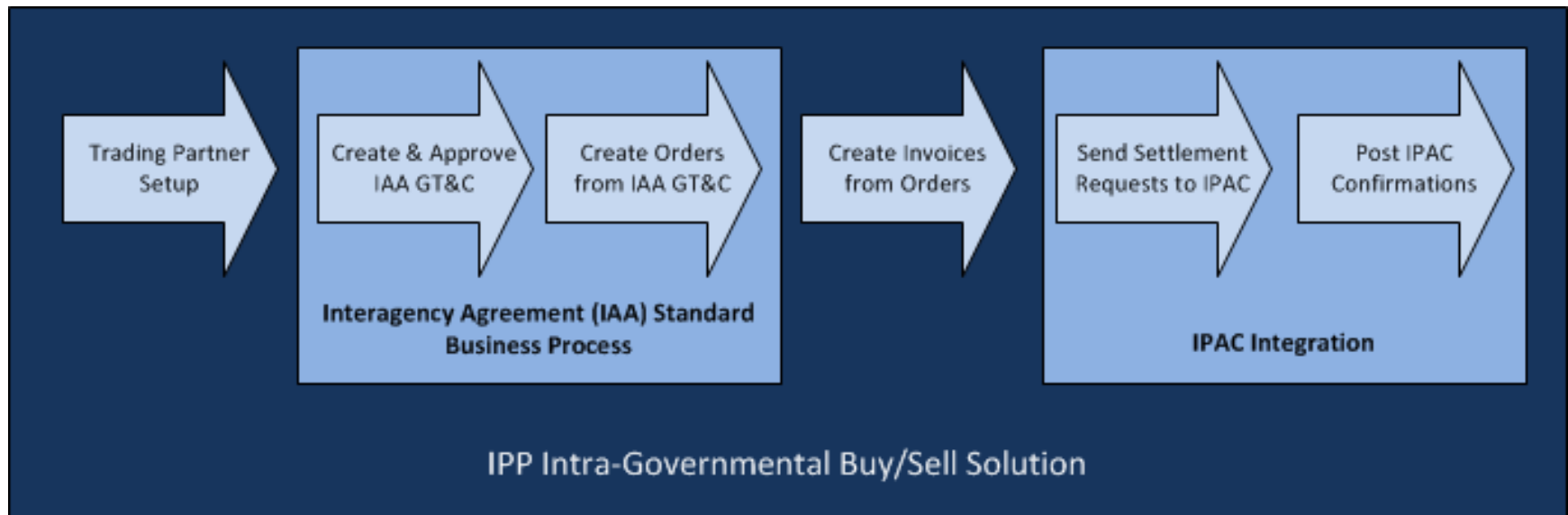
Project Goals:

- Facilitate a standard business process for agencies to transact and reconcile buy/sell activity
- Implement a digital version of the new standard InterAgency Agreement (IAA)
- Improve Buy / Sell controls
- Reduce reconciliation and elimination effort
- Support the complete process flow from GT&C to settlement confirmation in one central location
- Provide visibility for both trading partners throughout the transaction lifecycle

Project Approach:

- Leverage the current IPP commercial capabilities and best practices
- Leverage IPAC's Intra-governmental transaction settlement capabilities
- Enhance and integrate the two platforms to allow IPP to serve as a frontend to IPAC and automate support for buy/sell transactions
- Support new standard IAA, initially via entry in IPP in Phase I, additionally via integration with agency systems in Phase II or III
- Proactive controls to ensure that only valid reference data values are used (BPN, TAS/BETC, etc.)
- Conduct Pilot, incorporate agency feedback in the system
- Implement the new standard process and automated solutions government-wide

Intra-Gov Buy/Sell Transaction Flow

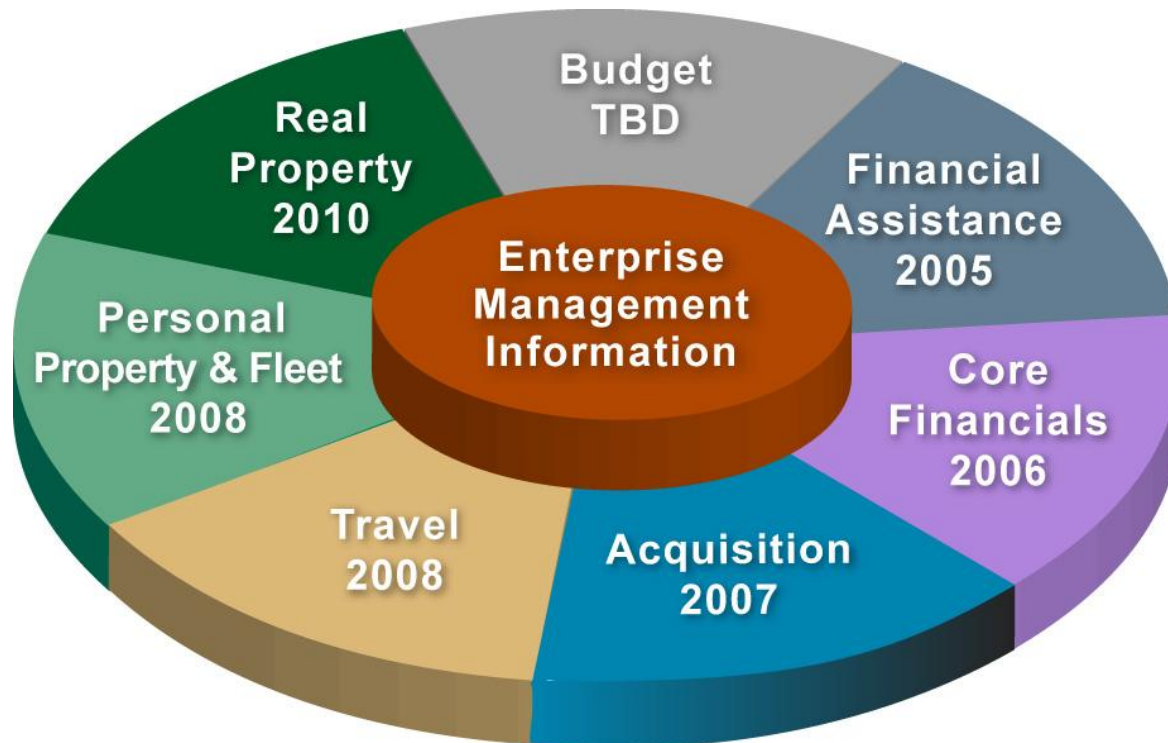


Rebecca Moore

- DOI Financial and Business Management System (FBMS) Project, Core Financial Team, IPP Lead
- Participated in the DOI IPP pilot and led the IPP ramp-up project, fully deploying IPP for use by all DOI vendors.

FBMS Overview

FBMS replaces the Department's many administrative systems and results in a modernized, fully integrated enterprise-wide solution with standard processes. FBMS continues to implement incrementally the approved Financial Management Modernization Blueprint.



DOI's Initial Use of IPP



- DOI piloted the use of IPP as a means for acquisition-related vendors to submit invoices electronically
- DOI piloted IPP with a small group of vendors, prior to mandating its use Department-wide.
- The pilot was used to:
 - prove the concept of e-invoicing within FBMS and to gain buy in from customers
 - determine if implementing IPP would have a positive impact on DOI workload
 - validate DOI's configuration of IPP and interface designs with FBMS

DOI IPP Ramp-Up and Current Use



- DOI fully ramped-up IPP beginning May 1, 2011

The use of IPP for submittal of invoices is a mandatory requirement for any contract vehicle where new awards will be made on/after May 1, 2011 with the following DOI Bureaus:

- Bureau of Land Management (BLM),
 - Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE),
 - Office of Surface Mining (OSM), and
 - the United States Geological Survey (USGS).
- **IPP Waiver Requests**
 - Vendors may submit IPP waiver requests through their contracting officer
 - Waivers are approved/rejected by the DOI Office of Acquisition and Property Management (PAM)
 - Contracting Officers are working with vendors to become compliant

FBMS Deployment 6 (November 2011):

- Beginning October 1, 2011, the U.S. Fish and Wildlife Service (FWS) and the DOI Departmental Offices (DO), including the National Business Center (NBC), will require the use of IPP for the electronic submittal of invoices for any contract vehicle where new awards will be made on/after this date

- New IPP Functionality

The NBC Acquisition Services Directorate (AQD), provides procurement services to DOI, other Civilian Agencies, and the Department of Defense (DoD).

- To enable the use of IPP for the NBC AQD, the DOI will utilize the workflow functionality within IPP for invoices against DOI Contracts administered on behalf of an agency external to FBMS
- Contracting Officer Representatives (COR) / Receiving Officials (RO) that are external to FBMS will use IPP to review invoices and accept/reject goods and/or services.

DOI Future Use of IPP (Continued)



The remaining DOI bureaus will begin using IPP when they are deployed in FBMS:

FBMS Deployment 7 (November 2012):

- National Park Service (NPS)
- Indian Affairs (IA)

FBMS Deployment 8 (November 2013):

Bureau of Reclamation (BOR)

DOI Pilot Implementation & Ramp-Up - What Went Well



- FRBB had an assigned project manager who was our primary point of contact, secondary contacts were available when he was unavailable
- FRBB was willing to work within the FBMS project timeline and the creation of that timeline was a joint effort
- Interface specifications were provided in a timely manner and contained an appropriate level of detail
- FRBB was available by phone and during weekly meetings to answer questions
- A QA environment was configured, reviewed by FRBB, and extensively tested. It remains available for upgrade testing and troubleshooting
- FRBB quickly enrolled a large number of DOI vendors within IPP

IPP Product - What Works Well



- Vendors 'flip' PO line items rather than typing in the data.
 - Reduces the possibility of typos
 - Eliminates the ability to overbill
- Vendors notified of invoice approval steps and payment date
 - Reduces calls to bureaus from vendors
 - Vendors can tell on-line if a payment is accelerated
- Agency User Group
 - Agencies meet several times a year with FRBB to determine content of upgrades
- Support for Agencies and Vendors provided by FRBB
 - FRBB is available to support the DOI on an as-needed basis

Pilot Implementation Lessons Learned



- Resistance to Change is significant
 - Bureaus were reluctant to participate, fearing loss of control of the invoice process
- Use of the payment clause was inconsistent in field office
 - Vendors did not know they had to enter invoices in IPP
 - PMO had to review contracts and remind bureaus to follow new policy
- Many changes requested to software during pilot
 - Bureaus participated in interface design process
 - Bureaus performed integration and acceptance testing
 - After production release many changes were requested and coded

Resistance to Change was significant

- Integrated Knowledge Transfer (KT) sessions were conducted for Accounts Payable staff, Contracting Officers, and COR/ROs. KT sessions:
 - Clarified the electronic invoicing process across all parties
 - Explained each users role within the process, shedding light on areas in which problems may occur and what may affect downstream processes
- Weekly IPP meetings were held with the bureaus to discuss business process changes. We continue to meet with the bureaus weekly to discuss questions and any items of concern

What was done differently for IPP Ramp-Up (Cont.)



Use of the payment clause was inconsistent in field office

- Vendors did not know they had to enter invoices in IPP
 - DOI sent email notifications to acquisition-related vendors of the new e-invoicing requirement on three separate occasions prior to Ramp-Up.
- PMO had to review contracts and remind bureaus to follow new policy
 - Contracting Officers were instructed during KT sessions to include IPP invoice submittal instructions in each contract, as well as solicitations
 - A revised DOI IPP Policy was released and disbursed to the bureaus

Thank You!



For more information visit www.ipp.gov

Please forward questions and comments to:

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