



BUREAU OF THE
Fiscal Service

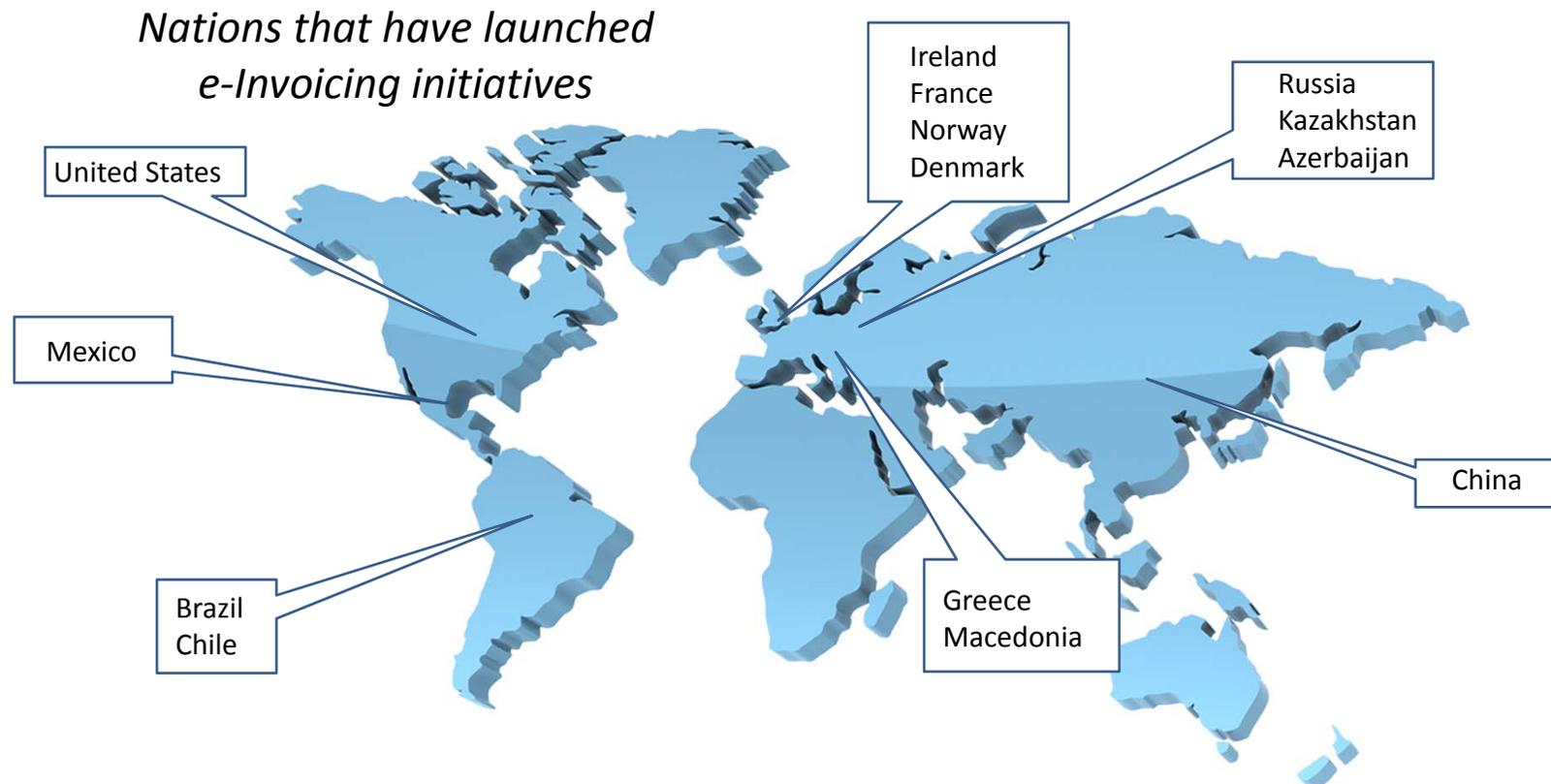
U.S. DEPARTMENT OF THE TREASURY

Invoice Processing Platform

Fiscal Service 2016 Payment Outreach What's New?

Peter O'B. Moore
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Washington, D.C.

Electronic Invoicing is a Global Public Sector Initiative



*“Between **45% and 65%** of all companies in a country are supplier to the public sector... that is why e-Invoicing initiatives by the public sector are key for the development of the whole country.”*

- e-Invoicing/e-Billing: The catalyst for AR/AP automation
Bruno, Koch & Billentis, 2013

Global Facts & Figures

170 billion

Worldwide volume of B2G and B2B invoices

50

Nations have implemented some form of e-Invoicing mandate

2.3 billion Euros (\$2.5B)

Savings (2012) EU mandated e-Invoicing for public procurement

45% - 65%

Companies in a country are suppliers to the public sector

Impact on Private Sector Suppliers

Private sector suppliers benefit from e-Invoicing as much as the government

Supplier's reasons for adopting e-Invoicing	%
Faster Invoice Cycle	44
Cost Savings	40
Improved Quality	30
Reduced Errors	28
Customer Relations	19

Percent of Survey Respondents
(sample size: 908 International firms from all industry sectors)

Source: "2012 Global E-Invoicing Study", The Institute of Financial Operations, 2012

Extent of Federal Agency Adoption

• Source: "2012 Global E-Invoicing Study", The Institute of Financial Operations, 2012

\$297M to process 19 million invoices

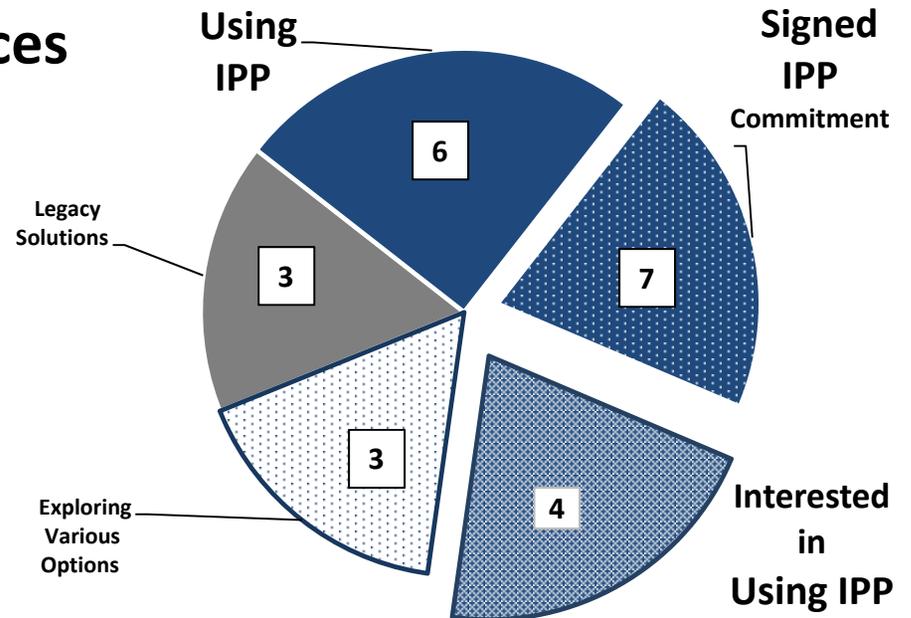
The 24 CFO Act agencies

- Spent over 297 million dollars
- Processing 19.1 million invoices in 2013
- Only 38% of these are electronic.

12 million paper invoices remain

The Federal government STILL

- Processes over 12 million paper invoices per year
- Estimated cost of about 230 million dollars

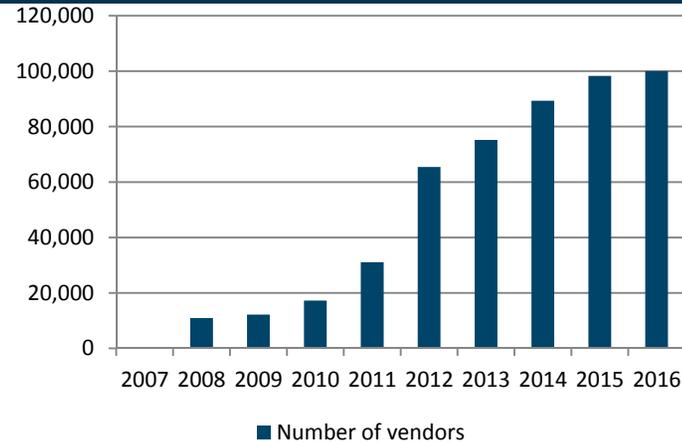


16 of the 24 CFO Act agencies have committed to an e-Invoicing solution.

Extent of Federal Supplier Adoption

Over 100,000

Suppliers to the Federal Government are enrolled in Treasury's Invoice Processing Platform, IPP.



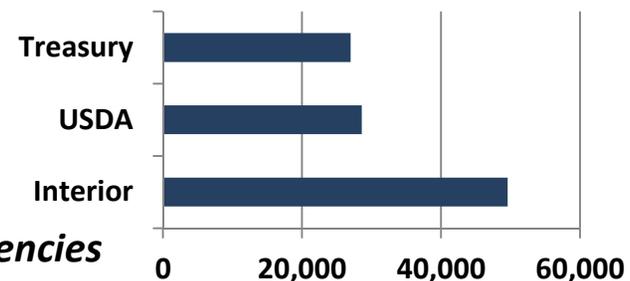
Over 30,000

Enrolled suppliers in a Cabinet-level agency

24%

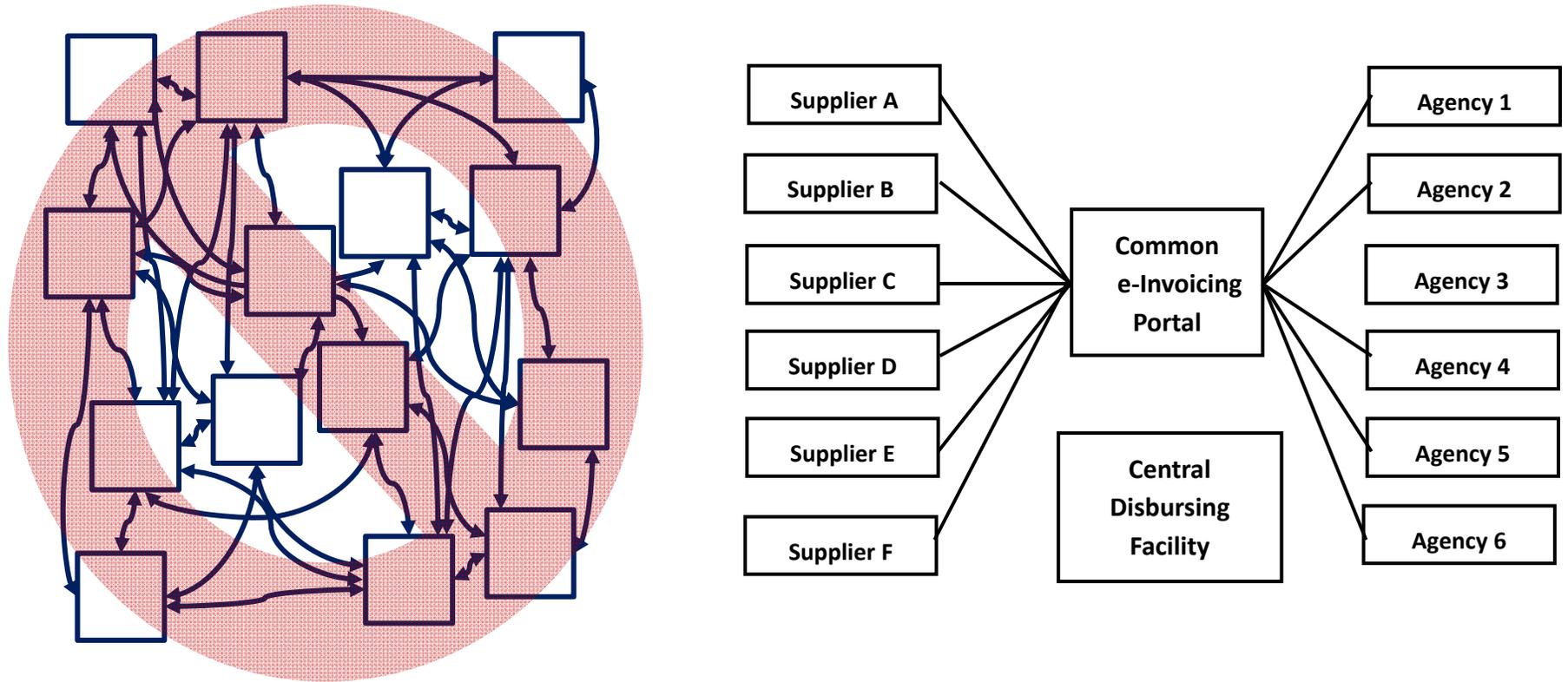
Suppliers enrolled in IPP do business with 2 or more agencies

Suppliers, by Agency



**NETWORK
BENEFITS**

Optimum e-Invoicing Configuration



***Federal invoicing involves many-to-many relationships
that could ultimately be
addressed by a “hub-and-spoke” configuration***

Estimated Federal Savings



THEORY:

Ten years of studies estimate potential e-Invoicing savings within a narrow band of 40 % to 60 %

Study	Estimated Savings e-Invoice v. Paper
Institute Of Financial Operations, 2013	49%
Bruno, Koch & Billentis, 2013	62%
U.S. FMS (for BEP), 2009	48%
U.S. FMS (for Denali Commission), 2009	61%
Aberdeen Group, 2007	47%
Killen & Associates, 2004	67%
City of Tempere Finland, 2010	52%

ACTUAL PRACTICE:

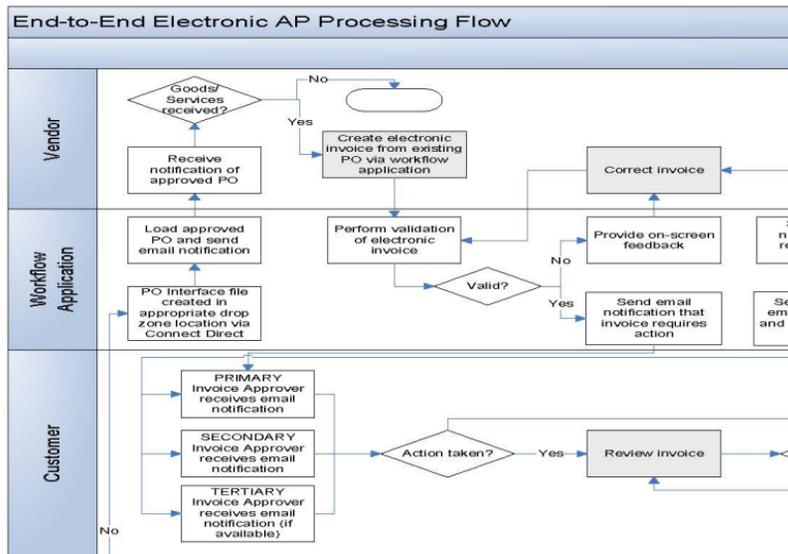
We conducted a controlled “Before & After” comparison of an IPP implementation in a large Treasury bureau

	Before	After
Invoices	26,602	29,038
Personnel	22.7 FTE	12.5 FTE
Labor-Hrs/ Invoice	1.54	0.77

BEFORE
40 manual tasks

-18 manual tasks

AFTER
22 manual tasks



- Correct Rejected Invoice
- Deliver mail
- Sort Invoices
- Prepare Invoice Folder
- Perform Invoice Validation
- Print Emails for Invoice Folder
- Print Approval Form

With almost 50% fewer manual tasks procurement staff was able to focus on the acquisition program --- not simply the administrative process of invoicing.

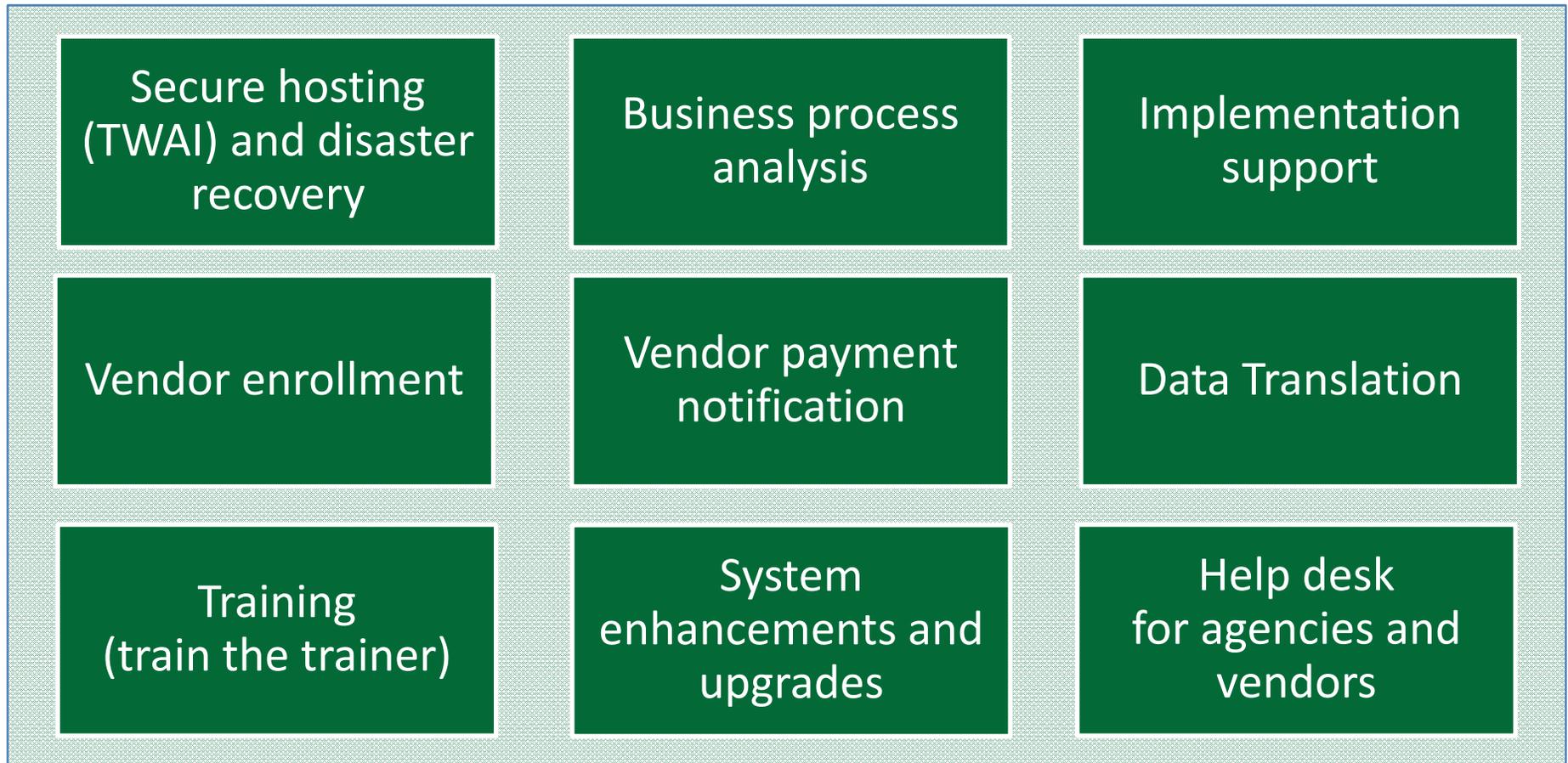
IPP Overview

- The Invoice Processing Platform (IPP) is a U.S. Treasury service that more efficiently manages government invoicing from PO to payment notification



Services Provided with IPP

IPP and all related services provided by Treasury



IPP Benefits



Saves taxpayer dollars



Improves financial management



Makes it easier to conduct business

Saves Taxpayer Dollars

Saves money

- Available at no charge to you and your vendors
- Helps you avoid Prompt Payment penalties and capture early payment discounts

Saves time

- You don't have to manually handle paper invoices
- Frees your staff from data entry, error correction and reconciliation
- Reduces phone calls and e-mails from vendors



Improves Your Financial Management



- Increased controls help you avoid improper payments and prevent overbilling
- Let's you use fewer resources to comply with the Prompt Payment Act
- Promotes standard process to manage government invoices
- Supports Treasury and OMB initiatives, such as the Shared First
- Complies with relevant Federal standards (e.g. FAR) requirements

Makes it Easier to Conduct Business



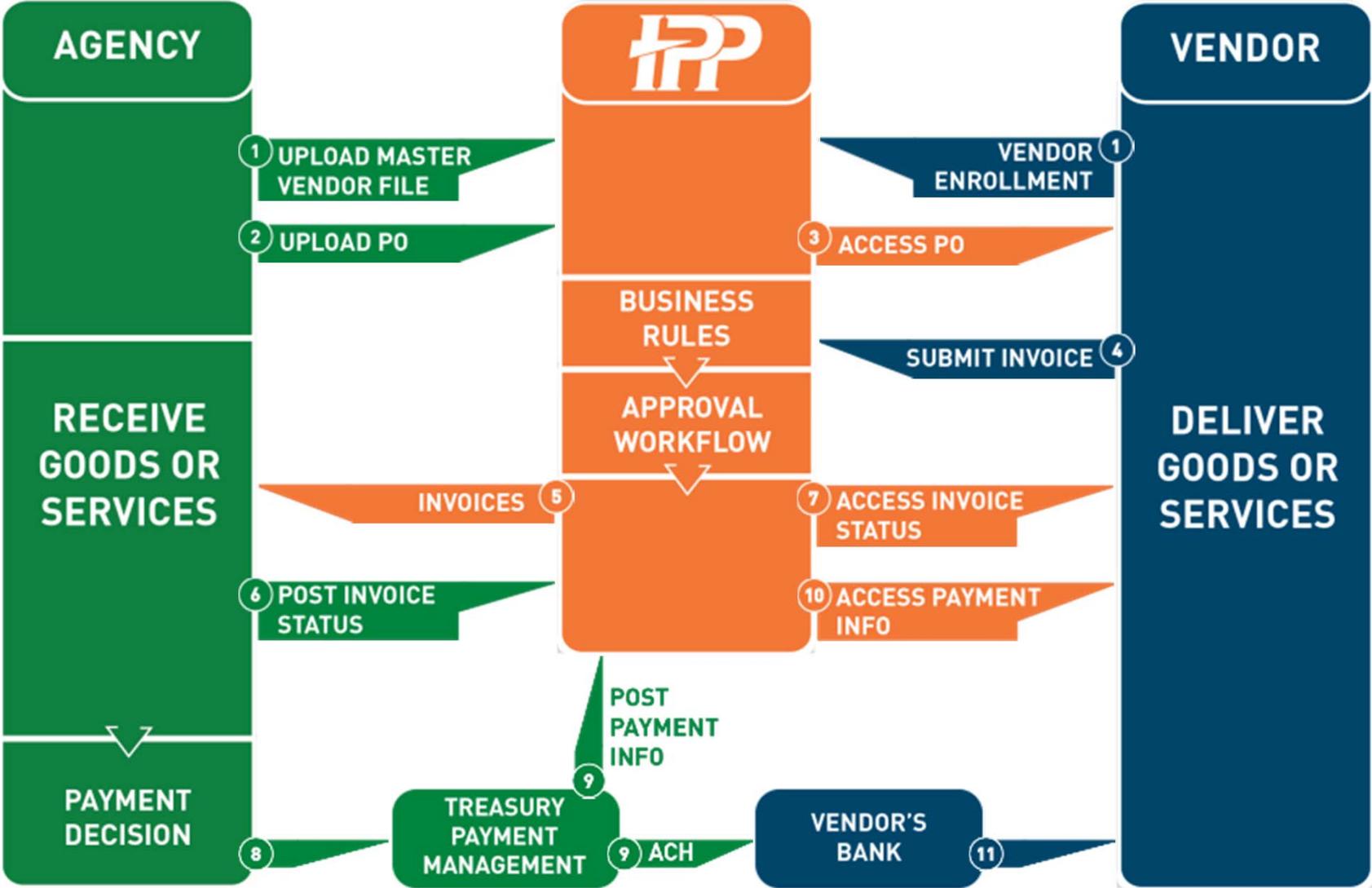
- Provides a consolidated view of all transactions in one place
- Supports your agency's business rules
- Compatible with your existing business systems
- Controls vendor access to transactions with a secure platform outside your core financial system

IPP Features

Processes transactions between agencies and vendors from Purchase Order through Payment Notifications

- Accepts uploads of purchase orders and allows vendors to create invoices
- Uses agency defined business rules to screen invoices
- Workflow for invoice approval available
- Enables email notifications between agency and vendors
- Retains associations between POs, invoices and payment information
- Interfaces with agency systems via batch data imports/exports
- Presents remittance data (Payment Notifications) to vendors, including Treasury offset information

IPP Information Flow





IPP Program Status

IPP is Proven to Work

- Live since November 2007
- **80** agencies use IPP and **13** are currently implementing IPP
- Over **103,000** enrolled vendors
- In 2015 IPP processed nearly **391,000** invoices, and provided notification of almost **4.63 million** payments

Memorandum M-15-19

“One area where work remains is how the Federal government interacts with contractors to pay invoices. The Federal government is the largest single purchaser of goods and services in the United States, processing over 19 million invoices each year. Approximately 40% of these invoices are processed using electronic invoicing with the remaining using a mix of electronic and manual processes that provide little visibility to businesses and can result in tax dollars being used for late payment fees rather than to support critical agency missions.

To address cash flow issues for businesses, particularly small businesses, the Administration took steps to facilitate accelerated payments to small businesses and small business subcontractors. Electronic invoicing can further these goals while also reducing administrative burden and cost to taxpayers...

All-Electronic Invoicing by 2018

This memorandum directs agencies to transition to electronic invoicing for appropriate Federal procurements by one of the following means:

- Continued migration to a designated Federal Shared Service Provider (FSSP) and adoption of the FSSP’s electronic invoicing solution;*
- For agencies not migrating to FSSPs by the end of FY2018, use of an existing electronic invoicing solution that aligns with agency mission and support requirements;*
- Cessation of any investments in new electronic invoicing solutions.”*

*Excerpted from “Improving Government Efficiency and Saving Taxpayer Dollars through Electronic Invoicing”,
OMB Memorandum M-15-19, July 2015.*

Agency Requirements

- Complete agency implementation survey
- Sign agency participation agreement

- Establish and test network connectivity with the Treasury Web Application Infrastructure (TWAII)
- Set up batch import/export functions
- Conduct vendor outreach
- Set up IPP
- Copy vendor files to IPP and approve matches



Questions and Answers

Contact Information



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