POLICY MEMORANDUM 5-16

From: Assistant Secretary of the Navy (Financial Management and Comptroller)

Subj: NAVY ELECTRONIC COMMERCE DIRECTIVE – REDUCTION OF MANUAL PAYMENT REQUESTS SUBMITTED TO DEFENSE FINANCE AND ACCOUNTING SERVICES

Ref: (a) DoD 7000.14-R FMR Volume 10, Chapter 8
(b) DoD 7000.14-R FMR Volume 10, Chapter 12
(c) DoD Guidebook for Miscellaneous Payments
(d) NAVSUPINST 4200.99C

Encl: (1) Exceptions to Electronic Invoicing - Miscellaneous (Non-Contractual) Payments

1. Purpose. This memorandum directs Department of Navy (DON) activities to increase their use of electronic invoicing processes and sets forth the parameters under which the Defense Finance and Accounting Services (DFAS) will no longer accept non-contractual manual invoice submissions from DON activities. Budget Submitting Offices are directed to disseminate this document to commands under their cognizance.

2. Background. As part of the DON’s ongoing efficiency efforts, the Department has identified the continued submission of manual invoices to DFAS as an area of opportunity to further improve standardization, improve auditability and reduce DFAS bill processing costs. In Fiscal Year (FY) 16, DFAS made approximately 100K payments for the DON that were associated with manual invoice submissions to DFAS. Leveraging electronic capabilities to submit manual payments will enable the Navy to process invoices in a timely manner and reduce DFAS transaction costs from $40.79 to $5.43 per transaction in FY17. The potential costs savings associated with moving manual invoices to electronic channels is estimated to be up to $5M annually, based on FY17 DFAS billing rates.

3. Policy. Commands must transition all manual Miscellaneous (Non-Contractual) Payments Requests to electronic channels such as Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT) Miscellaneous Pay, the Government Purchase Card (GPC), Syncada, etc.

   a. Per reference (a) acceptable electronic submission forms prescribed in Defense Federal Acquisition Regulation Supplement 232.7003 include, but are not limited to:

      (1) The iRAPT module of the Wide Area Work Flow e-business suite;
Subj: NAVY ELECTRONIC COMMERCE DIRECTIVE – REDUCTION OF MANUAL PAYMENT REQUESTS SUBMITTED TO DEFENSE FINANCE AND ACCOUNTING SERVICES

(2) Department of Defense approved electronic third party payment systems, or other exempt vendor payment/invoicing systems, which have been determined to be acceptable for commercial transportation services provided under a government rate tender or contract for transportation services; and

(3) TRICARE Encounter Data System for rendered health care services.

b. Effective 16 January 2017, DFAS operated Onepay and Computerized Accounts Payable System – Windows pay offices will begin rejecting all non-contractual manual payment requests (paper Standard Form (SF) 1034’s, SF 1164’s, SF182’s and other manual payment request forms) submitted by DON activities, except under circumstances listed in enclosure (1). Any manual payment requests submitted on or after 16 January 2017 that do not qualify for an exception will be rejected back to the certifying activity which will be instructed to use available electronic channels.

c. Payments already electronically interfaced to Onepay (i.e. payments interfaced directly from the Integrated Management Processing System, Defense Working Capital Accounting System, eMarketPlace, etc.) or directly entered into Navy Enterprise Resource Planning (N-ERP) are not impacted by this directive.

d. Miscellaneous (Non-Contractual) Payments administered by DFAS should be submitted via electronic channels. Information on some of the more common channels can be found below.

(1) Instructions for using the iRAPT Miscellaneous Payments module can be found at the following websites:

(a) http://www.seanav.navy.mil/rda/OneSource/Pages/eBusiness/DON%20eBusiness%20Solutions/iRAPT.aspx

(b) https://wawf.eb.mil/xhtml/unauth/help/help.xhtml

(2) Reference (b) prescribes policy for certain miscellaneous payments.

(3) Reference (c) contains a detailed description of the various Miscellaneous Pay codes available in iRAPT, to include their cash management and tax reporting requirements.

(4) Additional guidance can be obtained at the iRAPT Miscellaneous Payment help desk: CCL-EC-Navy-WAWF-Helpdesk@mail.mil or (800) 756-4571, Option 6.

(5) Inquiries for using the GPC for miscellaneous transactions should be directed to the Navy’s Consolidated Card Program Management Office at (717) 605-9394 or don_purchasecard@navy.mil.
Subj: NAVY ELECTRONIC COMMERCE DIRECTIVE – REDUCTION OF MANUAL PAYMENT REQUESTS SUBMITTED TO DEFENSE FINANCE AND ACCOUNTING SERVICES

e. Per reference (d), “DON activities shall electronically certify Government Purchase Card invoices using the bank Electronic Access System or the N-ERP to the maximum extent practical.” GPC invoices may only be submitted to DFAS using iRAPT Miscellaneous Pay under the following circumstances:

(1) GPC invoices that have been corrected and re-submitted to DFAS after an initial electronic certification in the bank system failed;

(2) GPC invoices that could not be electronically certified in the bank system due to system and/or access issues;

(3) GPC invoices associated with a past due account; and

(4) GPC invoices associated with fraud cases.

4. Exceptions

a. The list of currently approved exceptions can be found in enclosure (1).

b. Requests for additional exceptions must be submitted to Ms. Erica Thomas, FMP-2, at erica.e.thomas@navy.mil and Mr. Anthony Aseff at anthony.aseff@navy.mil for review and adjudication. Requests must include a detailed explanation on why electronic invoicing/payment submissions are not feasible.

c. Activities processing payments qualifying for an exception to this directive are strongly encouraged to submit the payment requests to DFAS manually via the Electronic File Room (eUpload) process. Details of this process can be found at https://efredm.dfas.mil/efr/authentication/home.aspx.

5. Records Management. Records created as a result of this memorandum, regardless of media and format, shall be managed per SECNAVINST 5210.1.

6. Effective Date. This directive is effective 16 January 2017.

JOSEPH B. MARSHALL, JR.
Acting

Distribution:
DON/AA
HQMC
FSA
ONR
Subject: NAVY ELECTRONIC COMMERCE DIRECTIVE – REDUCTION OF MANUAL PAYMENT REQUESTS SUBMITTED TO DEFENSE FINANCE AND ACCOUNTING SERVICES

NIA
BUMED
NAVAIR
BUPERS
NAVSUP
NAVSEA
NAVFAC
SSP
MSC
SPAWAR
NSMA
CNIC
FLTFORCOM
PACFLT
NAVRESFOR
NAVSOC

Copy to:
DASN (FMP)
DASN (FO)
DFAS
Exceptions to Electronic Invoicing - Miscellaneous (Non-Contractual) Payments

Non-Contractual/Miscellaneous Payment Exceptions:

- Payments related to emergency operations
- Next of Kin Payments
- Government Purchase Card invoices that contain more than 25 lines of accounting
- Centrally Billed Accounts invoices that contain more than 25 lines of accounting
- Transportation of Things (ToT) invoice exceptions:
  - Direct procurement moves and Outside Continental United States (OCONUS) shipments invoices submitted to Defense Finance and Accounting Service Indianapolis to enter into the Transportation Support System
  - ToT invoices associated with Department of Defense working group efforts to resolve Pre-Third-Party Payment System non-temp storage overaged invoices
- OCONUS – OnePay only exceptions
  - Payments made in foreign currencies to vendors and foreign nationals with foreign bank accounts
  - Payments to foreign vendors and foreign nationals without bank accounts (example: legal claims paid to foreign nationals)
- Invoices containing Travel Order or Change of Station document type(s) that could not be submitted through other, non-Invoicing, Receipt, Acceptance, and Property Transfer (iRAPT), electronic channels (i.e. Syncada). Note: This is a temporary exception that will expire no later than 1 October 2017, or until the necessary system changes are made to allow these document types to process without issue through iRAPT.