




DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
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WASHINGTON, DC 20350-1000

MEMORANDUM FOR UNDERSECRETARY OF THE NAVY

AUG 12 2002

FROM: Mr. Dionel M. Aviles 
Assistant Secretary of the Navy
(Financial Management and Comptroller)
Prepared by: CAPT England, FMO-A, (202) 695-6702

SUBJECT: Prompt Payment Act Interest Penalties - INFORMATION
MEMORANDUM

PURPOSE: To provide comments on USD (C) memo concerning
reduction in interest penalties

DISCUSSION: Attachment (1) directed the Defense Finance and Accounting Service (DFAS) to develop and implement a coordinated plan to reduce interest penalties in FY 2003 by 40 percent from the FY 2001 amount. It is important to note that, under the Business Initiative Council effort, the DoD resource team presented a project to implement a Wide Area Work Flow (WAWF) process to help reduce interest payments.

WAWF is one of the key components of the end-to-end procurement/financial process being implemented by the Navy with the goal of reducing problem disbursements and interest penalties. Specifically, WAWF is the tool that enables electronic invoicing and invoice processing, including electronic receipt and acceptance. Since timely receipt of a proper invoice and accurate and timely processing of receipt and acceptance are two critical elements of timely payment, implementation of WAWF will be critical to the future reduction of interest penalties. Aggressive implementation of WAWF must be pursued in order to meet the FY 2003 goal. We will work closely with DFAS to develop a plan and report on our progress.

Attachment(s):

1. USD(C) memo of 10 JUL 02