

INDIAN AFFAIRS MANUAL

Part 27

Financial Management

Chapter 11

Accounts Payable 2-Way and 3-Way Match

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- 1.1 Purpose.** This chapter establishes the requirements for processing Indian Affairs (IA) procurement-related payments to commercial vendors using the Financial and Business Management System (FBMS).
- 1.2 Scope.** This policy applies to all IA headquarters, field, and program staff under authority of the Assistant Secretary - Indian Affairs (AS-IA), including offices reporting to the AS-IA, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE).
- 1.3 Policy.** It is the policy of IA to comply with Federal regulations and policies and with the direction and guidance received from the Department of the Interior (DOI) and the Office of Management and Budget (OMB) regarding the processing of payments to ensure adequate internal controls and reviews are established and implemented.

Referencing payments require either a 3-way or 2-way match in FBMS. A 3-way match includes the obligation, receiving report and invoice. A 2-way match includes only the obligation and invoice. Non-referencing payments require only an invoice and an account assignment provided by the approving program office to process a payment. IA program offices will adhere to payment procedures in this policy designed to prevent improper payments.

1.4 Authority.

A. Statutes and Regulations.

- 1) 48 CFR Parts 1002, 1032, and 1052 Final Rule Implementation of Internet Payment Platform (IPP)
- 2) 5 CFR 1315, Prompt Payments
- 3) 31 U.S.C. 1501 (a)(8), Documentary Evidence Requirement for Government Obligations
- 4) 48 CFR Subpart 2.101, Definitions (FAR System)

B. Guidance.

- 1) DOI - Acquisition, Assistance, and Asset Policy (AAP)-0028 - Invoicing Processing Platform (IPP)-Treasury Electronic Invoicing System
- 2) DOI Financial Management Handbook, Chapter 31, FBMS Segregation of Duties Policy (<https://doimspp.sharepoint.com/sites/os-PMB-PFM-FMH>)

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- 3) Government Accountability Office (GAO), Policy and Procedures Manual for Guidance to Federal Agencies, Title 7, 6.2(C)(5)

1.5 Responsibilities.

- A. **Deputy Assistant Secretary - Management (DASM)** is responsible for establishing and implementing policy and general oversight related to administrative and financial management functions within IA.
- B. **Office of Chief Financial Officer (OCFO)** is responsible for establishing and implementing payment policy and providing general oversight for all payment activities.
- C. **FBMS Receiving Official** is the individual responsible for reviewing invoices within seven (7) calendar days of receipt. Receiving Officials are responsible for completing a receiving report (Goods Receipt (GR) or Service Entry Sheet (SES)) for valid invoices, or providing a reason to reject an invalid invoice to the designated payment office.
- D. **Contracting Officer Representative Role (FBMS ACQ COR)** is the role provided to the FBMS Receiving Official to complete required actions in the financial system.
- E. **Accounts Payable Tech (AP Tech)** is the role provided to individuals responsible for reviewing invoices and posting payments into FBMS or returning rejected invoices to vendors.
- F. **Designated Payment Office** is responsible for forwarding invoices to the program office for approval and posting payments in FBMS.
- G. **Program Office Official** is the individual responsible for approving or rejecting invoices for payment when required outside of FBMS.

1.6 Definitions.

- A. **3-way Match** is a method for verifying that the purchase order (PO), receiving report (GR/SES) and invoice match prior to processing payment and is required for referencing contract award payments.
- B. **2-way Match** requires a match between the obligation and invoice only; it does not require a receiving report (GR/SES). A 2-way match is required for all miscellaneous obligations and obligations for all Financial Assistance and Grants awards.
- C. **PRISM** is a contract management system for Acquisitions which interfaces with

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FBMS.

- D. Referencing Payment** are invoices that reference a FBMS obligation.
- E. Non-Referencing Invoices** are invoices that only reference an FBMS account assignment and do not reference an obligation. They include invoices for procurements not previously obligated such as: training, torts, utilities, and fire payments. Other procurements under the micro-purchase threshold, as defined in Federal Acquisition Regulation (FAR) subpart 2.101, should use the Charge Card as a form of payment
- F. Invoice Package** includes an approved invoice and the documentation necessary to support the claim. Invoices must be signed as received and accepted by the Program Office Official and reference an obligation or a FBMS account assignment.
- G. Receiving Reports** are either a GR or SES and are entered in FBMS. A GR is entered for supply-related contract award line items. An SES is entered for service-related contract award line items. The type of receiving report is determined by the Account Assignment Category code on the contract award line item.
- H. Account Assignment** is the term used in FBMS to denote a valid line of accounting. It includes a Funds Center, Functional Area, Fund and Work Breakdown Structure (as appropriate).
- I. Purchase Order (PO) Number/Purchasing Document** are the terms used in FBMS relating to an obligation and can be used for acquisition contract awards or miscellaneous obligations.
- J. Invoice Payment Platform (IPP)** is a U.S. Treasury system used for electronic invoices. Vendors submit invoices via the IPP for all contract awards.

1.7 3-Way Match Procedures for Contract Awards.

- A.** A 3-way match is required for referencing payments resulting from a PRISM Acquisitions award. When an award or modification is released in PRISM Acquisitions, a contract award (FBMS Document Type: ZC) is automatically created or updated in SAP. The obligation, receiving report (GR or SES) and the invoice determine a valid 3-way match, and all are required before a payment is processed.
- B.** After goods or services are provided against a contract award, the vendor submits an invoice through the Department of Treasury's IPP system. The IPP interface uploads invoices into FBMS and routes the invoice to the assigned FBMS Receiving Official (FBMS ACQ_COR role) for action. The FBMS Receiving Official is assigned by the

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Contracting Officer at the time of award or modification and can be different than the designated Contracting Officer Representative (COR) also listed on the award.

- C. The FBMS Receiving Official must approve or reject the invoice in FBMS within seven (7) calendar days per the Prompt Payment regulations.
- 1) If the invoice is **approved** by the FBMS Receiving Official, a receiving report (GR or SES) must be created in FBMS within seven (7) calendar days of invoice submission. The receiving report is the program office approval required to process a 3-way match payment.
 - 2) If the invoice is invalid and is **rejected** by the FBMS Receiving Official, a valid rejection reason must be sent to the AP Tech through a workflow transaction in FBMS. The AP Tech then rejects the invoice in FBMS and requests the vendor to submit a corrected invoice back through the IPP system. The workflow process begins again. The invoice is processed for payment only when a valid 3-way match occurs between the contract award, receiving report and invoice documents. The designated COR may work with the vendor to reconcile or correct the invoice.

1.8 2-Way Match Procedures for Miscellaneous Obligations.

- A. A 2-way match is required for payments when referencing a miscellaneous obligation. The obligation and invoice determine a valid 2-way match.
- B. The payment process against a miscellaneous obligation (FBMS Document Types: ZMOB) begins after goods or services are provided. The vendor submits an invoice to the designated payment office or assigned Program Office Official. The designated payment office scans and emails the invoice to an assigned Program Office Official for review as necessary. The assigned Program Office Official must accept or reject the invoice within seven (7) calendar days of receipt.
- 1) If the invoice is **approved**, the Program Office Official must send a confirmation email with the approved invoice package that includes the miscellaneous obligation number to the AP Tech for payment processing.
 - 2) If the invoice is invalid and must be **rejected**, the Program Office Official must email the invoice back to the AP Tech with a valid rejection reason. The AP Tech will then forward the rejection to the vendor.

1.9 Non-Referencing Payment Procedures.

- A. Invoice approval for non-referencing invoices are obtained from Program Office

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Officials after invoice submission.

- B.** Invoices are submitted to the designated payment office. The AP Tech reviews the invoice for accuracy and forwards the invoice to the program office for review and approval.
- 1) If the invoice is **approved**, the Program Office Official must send a confirmation email with the approved invoice package to the AP Tech with a valid account assignment for payment processing.
 - 2) If the invoice is invalid and must be **rejected**, the Program Office Official must email the invoice back to the AP Tech with a valid rejection reason. The AP Tech will then forward the rejection to the vendor.

Approval

JASON
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Deputy Assistant Secretary – Management (DAS-M)