OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION,
TECHNOLOGY
AND LOGISTICS

JUN 27 2005

DPAP/P

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY ASSISTANT SECRETARY OF THE ARMY (POLICY AND PROCUREMENT), ASA(ALT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY (ACQUISITION MANAGEMENT), ASN(RDA)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (CONTRACTING), SAF/AQC
DEPUTY DIRECTOR, LOGISTICS OPERATIONS (DLA)

SUBJECT: Requirement for Electronic Submission of Payment Requests (DFARS 252.232-7003)

DFARS 252.232-7003 requires electronic submission of payment requests unless (a) the contractor is unable to submit a payment request in electronic form or (b) DoD is unable to receive a payment request in electronic form. When the contractor is unable to submit or DoD is unable to receive the payment request electronically, the contractor is required to submit the payment request using a method mutually agreed to by the contractor, the Contracting Officer, the contract administration office, and the payment office.

For MOCAS contractors, DoD currently has the ability to receive all payment requests electronically. Therefore, as noted in the attached memorandum, beginning August 1, 2005, DFAS will reject any non-electronic invoices submitted by MOCAS contractors unless the contractor has provided documentation/rationale to the contracting officer showing that it is unable to submit payment requests in electronic form.

The Administrative Contracting Officer (ACO) shall promptly review any documentation/rationale showing why the contractor is unable to submit payment requests in electronic form. Any contractor documentation/rationale sent to the Procuring Contracting Officer (PCO) shall be forwarded to the ACO for review. As part of this review, the ACO shall, to the extent necessary, consult with the PCO, the payment office, and the cognizant auditor. When the ACO believes the documentation/rationale is

sufficient, the ACO shall notify the contractor in writing and, if practical, coordinate a date by which the contractor will begin submitting invoices in electronic form. If the ACO believes the documentation/ rationale is insufficient, the ACO shall notify the contractor in writing that electronic submissions are required, and specify the date after which non-electronic submissions will be rejected. In either case, copies of the written notifications shall be provided to the PCO, the payment office, and the cognizant auditor.

If you have any questions regarding this memorandum, please contact Mr. David J. Capitano, Senior Procurement Analyst, at 703-847-7486 or david.capitano@osd.mil.

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy

Attachment:
As stated

DEFENSE FINANCE AND ACCOUNTING SERVICE
P.O. BOX 182317
COLUMBUS, OHIO 43218-2317

DFAS-C/CO

JUN 07 2005

MEMORANDUM FOR MECHANIZATION OF CONTRACT ADMINISTRATION SERVICES (MOCAS) CONTRACTORS

SUBJECT: Requirement for Electronic Submission of Payment Requests – Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.232-7003

This memorandum notifies your company that, beginning August 1, 2005, DFAS will reject any non-electronic invoices if required on the contract in accordance with subject clause unless the contractor has provided documentation/rationale to show that it is unable to submit the payment requests in electronic form. Contractors that do not have the ability to submit electronic invoices after August 1, 2005, should provide the documentation/rationale showing their inability to submit electronically to their contracting officer, with a copy provided to the payment office and servicing Defense Contract Audit Agency (DCAA) by July 22, 2005. The contracting officer and payment office shall review any such documentation/rationale submitted and notify the contractor as to whether paper invoices will continue to be accepted. Any non-electronic invoices submitted after August 1, 2005, shall be rejected unless the contractor has provided the documentation/rationale to the contracting officer and payment office by July 22, 2005.

Attached is an April 7, 2005, memorandum on this same subject that provides the initial notification of the intent to reject non-electronic invoices, as well as information regarding the various electronic submission options available.

Jerry S. Hinton
Director, Commercial Pay Services

Attachment:
As stated

DEFENSE FINANCE AND ACCOUNTING SERVICE
P.O. BOX 182317
COLUMBUS, OHIO 43218-2317

DFAS-C/CO

APR 07 2005

MEMORANDUM FOR MECHANIZATION OF CONTRACT ADMINISTRATION SERVICES (MOCAS) CONTRACTORS

SUBJECT: Regulatory Change Regarding Requirement for Electronic Submission of Payment Requests – Defense Federal Acquisition Regulation Supplement (DFARS) Clause 252.232 – 7003

The January 2004 update to DFARS requires contractors to electronically submit requests for payment. Effective July 1, 2005, the Defense Finance and Accounting Service - Contract Pay Services (MOCAS) - will enforce the requirement to use Electronic Commerce Submission, when the DFARS clause governs the contract. It should be noted that this initial requirement would only apply to those contracts paid by the MOCAS system.

DFARS Clause 252.232-7003 fully outlines the submission options and exceptions to the regulations. For your convenience the regulatory electronic submission options are outlined below:

(a) Wide Area Work Flow (WAWF) - Receipt and Acceptance, https://wawf.eb.mil

(b) Web Invoicing System - https://ecweb.dfas.mil; and

(c) American National Standards Institute (ANSI) X.12 Electronic Data Interchange (EDI) formats – http://www.X12.org for information on EDI formats http://www.dfas.mil/ecedi for EDI implementation guides.

(d) Another electronic form authorized by the Contracting Officer. "Electronic form" means any automated system that transmits information electronically from the initiating system to all afected systems. Facsimile, e-mail, and scanned documents are not acceptable electronic forms for submission of payment requests. However, scanned documents are acceptable when they are part of a submission of a payment request made using one of the above.

Listed below are the invoice types where an electronic submission solution exists and **must** be utilized for payment requests against MOCAS paid contracts if contractually required to do so.

- Firm Fixed Price - Commercial/DD250 - EDI/WInS/WAWF

- Cost Vouchers - Direct Submission - EDI/WInS/WAWF - DCAA Approval Required - WAWF Only

- Service billings requiring government official approval - Requires use of WAWF

- Mod-based billings - Requires use of WAWF - Structure shipment number as MOD and modification number. For example, billing IAW modification P00004 would be billed as MOD0004.

- Additional billing - Requires use of WAWF and attachment of documents that support billing

- Progress Payments - WAWF

- Performance Based Billings/Commercial Item Financing - WAWF

It is further understood that there are regulatory exemptions and other forms of payment requests that will be exempted from electronic submission due to known electronic limitations. These include payment requests for withholds, grants, cooperative agreements, short shipments, missing components, credit invoices, and transportation invoices. These payment requests can continue to be submitted via hard copy until such time as an electronic solution is developed.

Contract Pay Services will also publish information in the April edition of the Commercial Pay Corner Newsletter, defenselink.mil/dfas/commpay/Contractor_Corner, as well as within myInvoice (formerly the Vendor Pay Inquiry System - VPIS). A secondary notification will be provided to all contractors still submitting hard copy invoices during the month of May.

Rejection of invoices for non-compliance will begin on July 1, 2005. The reason for rejection will be stated as follows:

"Your payment request has been denied because it was not submitted electronically as required by DFARS 252.232-7003. If you are unable to submit invoices electronically, please contact the Contracting Officer, Administrative Contracting Office and this office to negotiate an alternative method for submitting payment requests."

Information regarding electronic submission of payment requests can be obtained by accessing the DFARS Clause 252.232-7003. Additional questions and concerns may be addressed to our Customer Service Center at 1-800-756-4571, Option 1.

Jerry S. Hinton
Director, Commercial Pay Services