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OVERVIEW

3.1 What is the purpose of this chapter? This chapter defines the policies and responsibilities that govern the U.S. Fish and Wildlife Service (Service) when processing vouchers, invoices, and claims to pay for goods and services in the Financial and Business Management System (FBMS).

3.2 What is the scope of this chapter?

A. This chapter applies to all employees who process payments on behalf of the Service.

B. This chapter does not cover:

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(1) Employee vouchers for travel and transportation expenses (see [Part 265](#) of the Service Manual), or

(2) Financial assistance and cooperative agreement payments (see [516 FW 4](#)).

3.3 What are the authorities for this chapter? The legal authorities for this chapter are:

A. Advances ([31 U.S.C. 3324](#)).

B. Assignment of Claims Act ([41 U.S.C. 15](#)).

C. Authority to Settle Claims ([31 U.S.C. 3702](#)).

D. Debt Collection Improvement Act of 1996 ([Public Law 104-134](#)).

E. The Economy Act ([31 U.S.C. 1535 and 1536](#)).

F. [Electronic Authentication Policy](#), Federal Register, January 3, 2001 (Volume 66, Number 2), U.S. Department of the Treasury, Bureau of the Fiscal Reserve.

G. Expenses of Training ([5 U.S.C. 4109](#)).

H. False Claims ([31 U.S.C. 3729](#)).

I. False, Fictitious, or Fraudulent Claims ([18 U.S.C. 287](#)).

J. Federal Acquisition Regulation ([FAR](#)) (48 CFR).

K. Federal Government Participation in the Automated Clearing House ([31 CFR 210](#)).

L. Government Accountability Office (GAO) Internal Control Bulletin; "[Streamlining the Payment Process While Maintaining Effective Internal Control](#);" May, 2000.

M. [GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7](#); May 18, 1993.

N. GAO [Principles of Federal Appropriations Law \(the Red Book\)](#).

O. Interior Department Appropriation Act, 1940, approved May 10, 1939 ([53 Stat. 738](#)).

P. Management of Federal Agency Disbursements ([31 CFR 208](#)).

Q. Prompt Payment ([5 CFR 1315](#)).

R. "[Records Management Guidance for Agencies Implementing Electronic Signature Technologies](#);" October 18, 2000; National Archives and Records Administration.

S. Responsibilities and Relief from Liability of Certifying Officials ([31 U.S.C. 3528](#)).

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T. [Treasury Financial Manual, Volume I, Part 4 and 6](#), U.S. Department of the Treasury, Bureau of the Fiscal Reserve.

U. Vouchers ([31 U.S.C. 3325](#)).

3.4 What terms do you need to know to understand this chapter?

A. Accelerated pay. Payments made prior to the due date.

B. Accountable Officers. Authorized certifying officers, disbursing officers, collection officers, and other employees who by virtue of their employment are responsible for or have custody of Government funds.

C. Authorized Certifying Officers. Those individuals who certify vouchers for payment by U.S. Treasury (Treasury) disbursing officers or their agents.

D. Electronic Funds Transfer (EFT). Sending money from one bank account to another, either within a single financial institution or across multiple institutions, using computer-based systems and without the direct intervention of bank staff.

E. FBMS roles. Table 3-1 lists the abbreviations FBMS uses for the different roles in the system and defines each one.

Table 3-1: FBMS Roles

Role	Full Name	Is Responsible for...
ACQ_CO	Acquisition Contracting Officer	Issuing solicitation and contract awards, processing obligations, reporting awards to the Federal Procurement Data System – Next Generation (FPDS-NG) and approving invoices, if required.
ACQ_COR	Acquisition Contracting Officer's Representative/Receiving Official	Recording the receipt and acceptance of goods and services in the system.
AP_CO	Accounts Payable Certifying Officer	Certifying that payments are legal, proper, and correct. Once approved by the AP_CO, payments are scheduled for disbursement to the vendor.
AP_DCM	Accounts Payable Document Content Manager	Scanning payment cover sheets and vendor invoices and using FBMS to electronically route these documents to the Accounts Payable Technician at the Interior Business Center (IBC) for payment.
AP_T	Accounts Payable Technician	Entering and posting payments in the system.
FI_WA	Cross Workstream Workflow Administrator	Monitoring, fixing, forwarding, and deleting workflow (WF) in the system.

F. Free On Board (FOB) Destination. Shipped free of Government expense to a Government

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facility. The vendor is responsible for paying all shipping charges to the point of delivery specified in the order.

G. FOB Origin. When the Government incurs any expenses related to the shipment of the order to the point of delivery specified in the order. It is the vendor's responsibility to prepay the freight charges and claim reimbursement by invoicing the Government. If freight charges are more than \$100, the vendor must also attach a copy of the prepaid freight bill or other proof of payment identifying the actual amount of charges to their invoice.

H. Goods Receipt or Service Entry Sheet (GR/SES). Electronic documentation within FBMS that the Service received goods or services.

I. Intra-Governmental Payment and Collection (IPAC). A way for Federal agencies to transfer funds from one agency to another with standardized descriptive data.

J. Invoice Processing Platform (IPP). A secure, web-based service that more efficiently manages Government invoicing from a purchase order (PO) through payment notification, at no charge to Federal agencies and their vendors.

3.5 What types of non-financial assistance payments does the Service process? We process:

A. Manual payments:

(1) Vendors that reference their contracts;

(2) Vendors for:

(a) Utility invoices, and

(b) Non-sensitive purchases under the micro-purchase threshold, when the vendor does not accept the Government purchase card; and

(3) Employees for local travel and non-travel expenses ([Optional Form \(OF\)-1164](#)).

B. IPP payments;

C. Volunteer reimbursements ([FWS Form 3-2373](#));

D. Land and realty;

E. Emergency fire suppression, including Emergency Equipment Rental Agreements (EERA);

F. Tort claims and legal judgements;

G. Treaties or bilateral agreements; and

H. IPAC payments (see [264 FW 2](#)).

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RESPONSIBILITIES

3.6 Who is responsible for the Service’s payments? See Table 3-2.

Table 3-2: Responsibilities for the Service’s Payments

This employee...	Is responsible for...
A. Director	Approving or declining to approve Servicewide policy.
B. The Assistant Director – Management and Administration (i.e., AD-MA or Associate Chief Financial Officer)	<p>(1) Recommending changes to the payment policy;</p> <p>(2) Maintaining appropriate internal controls to process payments in the correct amount and payable to the proper vendor; and</p> <p>(3) Ensuring timely payment of invoices, interest, and penalties, when required.</p>
C. Joint Administrative Operations (JAO) Administrative Operations Center (AOC), Financial Operations Chief	<p>(1) Providing guidance to Regional and program office personnel on payment policies and procedures, and</p> <p>(2) Acting as a liaison between IBC and Service personnel.</p>
D. JAO AOC Payments and Collections Team	<p>(1) Providing guidance to field station personnel on payment policies and procedures, and</p> <p>(2) Providing WF assistance as needed.</p>
E. Field station personnel	<p>(1) Familiarizing themselves with and applying the procedures in this chapter and the relevant authorities; and</p> <p>(2) Promptly referring doubtful claims of any sort to the JAO AOC Payments and Collections Team for handling with all pertinent information that may be available at the station.</p> <p style="padding-left: 40px;">(a) Field stations must not make final determinations related to any disputes, negotiations, or correspondence with claimants other than to secure additional information needed to process routine transactions.</p> <p style="padding-left: 40px;">(b) Referring such claims promptly is necessary to preserve claimants' rights, especially if the statute of limitations is close to expiration (i.e., 6 years, according to 31 U.S.C. 3702).</p>

FALSE or FRAUDULENT ACTIONS

3.7 What is the significance of false or fraudulent actions? All employees who process payment documents should be aware of the significance of any false or fraudulent actions under

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the criminal code. Portions of the code include:

A. Title 18 U.S.C. 287, False, Fictitious, or Fraudulent Claims, which says:

"Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both."

B. Title 31 U.S.C. 3729, False Claims, imposes a maximum fine of \$2,000 in addition to twice the amount of damages the Government suffers, for knowingly aiding or abetting a false claim.

MANUAL INVOICE REQUIREMENTS

3.8 What are the requirements for a vendor to submit a manual invoice? Vendors who are exempt from using IPP may submit requests for payment for goods and services furnished to the ordering/issuing office. They submit these bills on commercial letterhead or an invoice form, or use a Public Voucher for Purchases and Services other than Personal ([SF-1034](#)). Following is additional information about submitting invoices:

A. Order for Supplies and Services.

(1) If we used an Order for Supplies and Services ([OF-347](#)) for procuring goods or services, the vendor may submit:

(a) A request for final payment, by completing the back of the original form, or

(b) A request for partial payment, by completing the back of a copy of the original form.

(2) In either case, the vendor or vendor's representative must provide an original signature and return the form to the ordering/issuing office for processing.

B. Other Forms. The vendor may prepare a request for payment on a blank piece of paper, ensuring that all critical elements are addressed as we describe in [section 3.9](#) below. Claims of this type must also include the original signature of the vendor or a vendor's representative.

C. Non-receipt of Invoices. The ordering office may request an invoice when we have received goods and services, but the vendor never sent us a bill. The office may contact the vendor over the phone, via email, or through whatever other channel is available.

D. Advance Payments. Ordering offices should not request billings before receiving goods or services or before the expiration of the period for which a rental payment is to be made. We must not issue advance payments, except for:

(1) Subscriptions to newspapers, magazines, other periodicals and publications, including books (see [31 U.S.C. 3324](#));

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(2) Payments to other Federal agencies, such as the U.S. Postal Service for renting post office boxes (see [31 U.S.C. 1535](#)) or if required by statute;

(3) Expenses for training Government employees, including the purchase or rental of books, materials, and supplies or services directly related to the training (see [5 U.S.C. 4109](#)); and

(4) Lease payments to a state because the possibility of loss is regarded as sufficiently remote ([57 Comp. Gen. 399 \(1978\)](#)).

3.9 What are the required elements a vendor must include on a manual invoice?

Employees should carefully review invoices to ensure they are complete and accurate before processing them for payment.

A. Be sure the following required information is submitted, at a minimum:

(1) Name, address, and phone number of the vendor/contractor.

(2) Invoice date and invoice number (the vendor/contractor should date invoices as close as possible to the date of the mailing).

(3) Contract number or other authorization for supplies delivered or services performed (including order number and line item number), if applicable.

(4) Description, quantity, unit of measure, unit price, and extended price of supplies delivered or services performed.

(5) Shipping and payment terms if applicable (e.g., shipment number and date of shipment, discount for prompt payment terms).

(a) There must be a bill of lading number and weight of shipment shown for shipments on Government bills of lading.

(b) Delivery terms should be accurately stated:

(i) FOB Destination, or

(ii) FOB Origin.

(6) Taxpayer Identification Number (TIN) if the contract requires it.

(7) EFT banking information if the contract requires it.

(a) If EFT banking information is not required on the invoice, the vendor/contractor must have submitted correct EFT banking information in accordance with the solicitation provision (e.g., 52.232-38, Submission of Electronic Funds Transfer Information with Offer), contract clause (e.g., 52.232-33, Payment by Electronic Funds Transfer–System for Award Management, or 52.232-34, Payment by Electronic Funds Transfer–Other Than System for

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Award Management), or other applicable Service procedures.

(b) We may waive the requirements for EFT banking information.

(8) Contracts for bulk petroleum purchases involving payments that use the "posted price at time of delivery" as the base must indicate the posted price and show taxes, if applicable.

(9) Any other information or documentation required by the contract (e.g., evidence of shipment) if applicable.

B. Do not alter, modify, or adjust any information on or omitted from a vendor's invoice.

C. Return to the vendor any invoice not containing the minimum requirements within 7 days after receiving it. Explain why it is not a proper invoice.

PROCESSING PAYMENTS

3.10 What are the backup documentation requirements of each payment type? See Table 3-3.

Table 3-3: Backup Documentation Required

Type	Documentation Required
A. Manual Invoice	<p>(1) Invoice.</p> <p>(2) Signed contract/purchase order and any modifications (if applicable):</p> <p style="padding-left: 40px;">(a) For partial payments, include only the portion of the contract and modifications that shows the total amount obligated, period of performance, contract lines, cost structure, and special terms.</p> <p style="padding-left: 40px;">(b) For final payments, include the entire contract/purchase order and modifications.</p> <p>(3) Partial payment record (if applicable).</p> <p>(4) Approved Acquisition Request (FWS Form 3-2109) or equivalent documentation showing approval and fund availability/certification for the amount (if applicable).</p> <p>(5) Authorization, Agreement, and Certification of Training form (SF-182) (if applicable).</p> <p>(6) For freight charges of more than \$100, a copy of the vendor's pre-paid freight bill or other proof of payment identifying the actual amount of charges.</p>

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Type	Documentation Required
	<p>(7) For transactions that are unusual or that involve an item of a personal nature, a full explanation of the need for the articles or services.</p>
B. IPP Payments	The contract terms dictate whether the vendor is required to attach additional documentation to the electronic invoice.
C. Claim for Reimbursement for Expenditures on Official Business (OF-1164)	<p>(1) Signed and approved Claim for Reimbursement for Expenditures on Official Business (OF-1164).</p> <p>(2) Itemized receipts/invoices that support claims (receipts are not required for local mileage or car washes).</p> <p>(3) For reimbursement of training or tuition, the SF-182 and receipts.</p> <p>(4) For food purchases, a citation of the legal authority.</p> <p>(5) Reason for travel/expense.</p>
D. Volunteer Reimbursements (FWS Form 3-2373)	<p>(1) Signed and approved Claim for Reimbursement for Volunteer Expenses (FWS Form 3-2373).</p> <p>(2) Itemized receipts/invoices that support claims.</p> <p>(3) Copy of the signed Volunteer Service Agreement.</p> <p>(4) Reason for travel/expense.</p>
E. Land Payments	<p>(1) Public Voucher for Purchases and Services (SF-1034).</p> <p>(2) Invoice or settlement agreement.</p>
F. Realty Payments (title search, closings, environmental tests, surveys, etc.)	<p>(1) Invoice.</p> <p>(2) If below the micro-purchase threshold, approved Acquisition Request (FWS Form 3-2109) or equivalent documentation showing fund availability/certification for the estimated amount.</p> <p>(3) If above the micro-purchase threshold, signed contract/purchase order and any modifications (if applicable):</p> <p style="padding-left: 40px;">(a) For partial payments, include only the portion of the contract and modifications that shows the total amount obligated, period of performance, contract lines, cost structure, and special terms.</p> <p style="padding-left: 40px;">(b) For final payments, include the entire contract/purchase order and modifications.</p>

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Type	Documentation Required
G. EERA Payments	<p>(1) Emergency Equipment Use Invoice (OF-286) or original commercial vendor invoice.</p> <p>(2) EERA agreement (OF-294).</p> <p>(3) Evidence of receipt.</p> <p>(4) Resource order from incident.</p> <p>(5) Emergency Equipment Fuel and Oil Issue form (OF-304), (if deductions are made) or a log with approving official's legible signature included.</p> <p>(6) Vehicle/Heavy Equipment Pre-use Inspection Checklist (OF-296) (if applicable).</p> <p>(7) Repair orders, commissary issues, findings and determinations for claims, and any other documents supporting additions or deductions to the payment (if applicable).</p>
H. Tort Claims and Legal Judgements	<p>(1) Report that shows the Service is obligated to pay the claim (if applicable).</p> <p>(2) Public Voucher for Purchases and Services (SF-1034).</p> <p>(3) Court documents showing judgement against the Service (if applicable).</p>
I. Treaties or Bilateral Agreements	The legal authority or agreement must be cited in the comments section of the payment cover sheet.
J. IPAC Payments	The bureau/agency that is providing the products or services (seller) bills us using IPAC. IPAC transactions generally occur following delivery of products or services or on preset intervals (e.g., monthly, quarterly, or annually). Backup documentation must be manually provided to the seller and is based on contract terms.

3.11 How do employees process the different types of payments? See Table 3-4.

Table 3-4: Payment Processes

Type of Payment	Take the Following Actions
A. Manual Payments	<p>(1) Employee who receives the hard copy invoice stamps it with the date received.</p> <p>(2) Designated employee reviews the invoice for:</p> <p style="padding-left: 40px;">(a) Required elements we list in section 3.9A.</p> <p style="padding-left: 40px;">(b) That the goods/services were received as invoiced.</p>

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Type of Payment	Take the Following Actions
	<p>(c) For referencing payments, that the invoice matches the line item(s) listed on the contract award or miscellaneous obligation.</p> <p>(d) There are no excess valuation insurance charges. It is the long-standing policy of the Government to assume its own risks.</p> <p>(e) Contract states FOB-Origin if there are shipping charges.</p> <p>(f) There are no state, local, and Federal excise taxes. The Government is exempt from such taxes.</p> <p>(g) When expenses are incurred in connection with Government equipment, the particular vehicle or other equipment involved should be identified by annotating the serial number, license tag number, or property number of the equipment.</p> <p>(h) Charges for long distance telephone calls require the following certification, "As required by section 4 of the Interior Department Appropriation Act of 1940, approved May 10, 1939 (53 Stat. 738), I certify that the use of the telephone for the official long distance calls listed here was necessary in the interest of the Government."</p> <p>(i) The invoice includes the signature of an individual who has personal knowledge that the services/goods were received.</p> <p>(3) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p>(4) AP_DCM scans the vendor payment package cover sheet, invoice, and related attachments for uploading into FBMS.</p> <p>(5) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(6) AP_T reviews payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(7) AP_CO approves the payment and releases it to Treasury.</p>

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Type of Payment	Take the Following Actions
B. IPP Payments	<p>(1) Vendor creates an electronic invoice in the IPP system.</p> <p>(2) FBMS receives the invoice and generates a WF notification to the ACQ_COR to complete the GR/SES.</p> <p>(3) FBMS links the GR/SES to the IPP invoice and generates a WF notification to the AP_T to post the invoice.</p> <p>(4) When required by the contract, the posted invoice will be routed to the ACQ_CO for approval.</p> <p>(5) Payment is routed to the AP_CO for review, payment approval, and release to Treasury.</p>
C. Claim for Reimbursement for Expenditures on Official Business (OF-1164)	<p>(1) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p>(2) AP_DCM scans the vendor payment package cover sheet, OF-1164, and related attachments for uploading into FBMS.</p> <p>(3) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(4) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(5) AP_CO approves the payment and releases it to Treasury.</p>
D. Volunteer Reimbursements (FWS Form 3-2373)	<p>(1) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p>(2) AP_DCM scans the vendor payment package cover sheet, the FWS Form 3-2373, and related attachments for uploading into FBMS.</p> <p>(3) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(4) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(5) AP_CO approves the payment and releases it to Treasury.</p>

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Type of Payment	Take the Following Actions
E. Land Payments	<p>(1) Employee who receives the invoice or settlement agreement stamps it with the date received.</p> <p>(2) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p style="padding-left: 40px;">(a) AP_DCM checks the “yes” box associated with the land acquisition question on the payment cover sheet.</p> <p style="padding-left: 40px;">(b) AP_DCM enters alternate bank information under the land acquisition box (if applicable).</p> <p>(3) AP_DCM scans the vendor payment package cover sheet, invoice or settlement agreement, and related attachments for uploading into FBMS.</p> <p>(4) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(5) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(6) AP_CO approves the payment and releases it to Treasury.</p>

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Type of Payment	Take the Following Actions
<p>F. Realty Payments (title search, closings, environmental tests, surveys, etc.)</p>	<p>(1) Employee who receives the invoice stamps it with the date received.</p> <p>(2) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p style="padding-left: 40px;">(a) AP_DCM checks the “yes” box associated with the land acquisition question on the payment cover sheet.</p> <p style="padding-left: 40px;">(b) AP_DCM enters alternate bank information under the land acquisition box (if applicable).</p> <p>(3) AP_DCM scans the vendor payment package cover sheet, invoice, and related attachments for uploading into FBMS.</p> <p>(4) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(5) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(6) AP_CO approves the payment and releases it to Treasury.</p>
<p>G. EERA Payments</p>	<p>(1) Employee who receives the invoice stamps it with the date received.</p> <p>(2) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p>(3) AP_DCM scans the vendor payment package cover sheet, invoice, and related attachments for uploading into FBMS.</p> <p>(4) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p> <p>(5) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(6) AP_CO approves the payment and releases it to Treasury.</p>

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Type of Payment	Take the Following Actions
H. Tort Claims and Legal Judgements	<p>(1) Designated employee gathers the Solicitor's, Safety Officer's, or Tort Claim Officer's report that shows the Service is obligated to pay the claim.</p> <p>(2) Designated employee obtains claimant's banking information.</p> <p>(3) Designated employee initiates a Public Voucher for Purchases and Services (SF-1034) to authorize payment.</p> <p>(4) Designated employee completes and signs the appropriate vendor payment package cover sheet and sends it to the JAO AOC Payments and Collections Team.</p> <p>(5) JAO AOC Payments and Collections Team confirms the package is complete and that any tax implications are considered, and then emails the package to the IBC for processing. DO NOT upload the payment package into FBMS using the AP_DCM role.</p> <p>(6) IBC AP_T and AP_CO enter and approve the payment on behalf of the Region/program.</p>
I. Treaties or Bilateral Agreements	<p>(1) Employee who receives the hard copy invoice stamps it with the date received.</p> <p>(2) Designated employee reviews the invoice for:</p> <ul style="list-style-type: none"> (a) Required elements we list in section 3.9A. (b) The goods/services were received as invoiced. (c) For referencing payments, that the invoice matches the line item(s) listed on the contract award or miscellaneous obligation. (d) The invoice includes the signature of an individual who has personal knowledge that the services/goods were received. <p>(3) Designated employee completes and signs the appropriate vendor payment package cover sheet.</p> <p>(4) AP_DCM scans the vendor payment package cover sheet, invoice, and related attachments for uploading into FBMS.</p> <p>(5) AP_DCM electronically routes the payment package to their IBC AP_T via FBMS.</p>

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Type of Payment	Take the Following Actions
	<p>(6) AP_T reviews the payment package in FBMS for compliance with payment policy and procedures and contacts the AP_DCM if there are any issues.</p> <p>(7) AP_CO approves the payment and releases it to Treasury.</p>
J. IPAC Payments	The bureau/agency that is providing the products or services (seller) bills us using IPAC. IPAC transactions generally occur following delivery of products or services or on preset intervals (e.g., monthly, quarterly, or annually).

3.12 What if an invoice has been lost or destroyed? If an original invoice has been lost or destroyed, the designated employee must obtain a duplicate invoice from the vendor. He/she must explain, in writing, circumstances of the loss or destruction of the original invoice and include steps he/she has taken to prevent a duplicate payment. The designated employee should maintain this documentation with the duplicate of the invoice.

3.13 What are the digital signature requirements for payment packages? Digital signatures should be:

- A. Unique to the signer,
- B. Under the signer's sole control (e.g., digital signature using a PIV card), and
- C. Verifiable.

ELECTRONIC FUNDS TRANSFER (EFT)

3.14 How does the Service transfer funds to a vendor? The Debt Collection Improvement Act of 1996 requires that the Government make all payments via EFT. The Service may obtain waivers in limited circumstances to pay vendors/contractors in other ways, but the Department of the Interior must approve the waivers. To request a waiver, contact the JAO AOC Payments and Collections Team.

3.15 How does the Service obtain vendors' EFT information?

A. Referencing Payments. We pay vendors/contractors using the EFT information in the System for Award Management (SAM) database. If the EFT information changes, the vendor/contractor is responsible for updating the SAM database.

B. Non-Referencing Payments. Service personnel can request a new non-SAM vendor or an update to an existing non-SAM vendor by completing and submitting an FBMS Vendor Request Form to the Regional FBMS user assigned the Master Data Maintenance Bureau Vendor Request (MDM_BVR) role.

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3.16 How does incorrect EFT information impact the prompt payment of an invoice? It is the vendor's/contractor's responsibility to ensure their EFT information is correct and kept up-to-date. Until we have correct EFT information, we consider any invoice or contract financing request improper as it relates to any prompt payment clause under the associated contract or order, and delays in accrual of interest penalties apply.

DISCOUNTS

3.17 What are the types of discounts the Service may receive? There are two types of discounts we can receive on a vendor's invoice — trade and time.

A. Trade Discounts. Trade discounts are reductions from the list price for a certain type of customer (e.g., a "Government discount" or a "retailer's discount"). The discounts usually run higher than 2 or 3 percent, and the vendor deducts them from the billed price. If we are entitled to such a discount and the bill doesn't include it, we may subtract the appropriate percentage from the total billed with a notation such as, "Less trade discount 10%, \$_____, Net \$_____."

B. Time Discounts.

(1) Time discounts are when we receive a reduction from the invoice price based on how quickly we pay it, e.g., 10 or 20 days instead of 30. The vendor/contractor typically stamps the potential for a discount on the invoice (e.g., 3%10 (a 3% discount if paid in 10 days) or 2%20 (a 2% discount if paid between 10 and 20 days)).

(2) The beginning day of the discount period is the vendor's billing date. See the Office of Management and Budget's Circular A-125, Prompt Payment, for further guidance.

(a) If we have to return an invoice for a correction, the discount period begins the day we receive the corrected invoice.

(b) The closing day of the discount period is the day on which Treasury releases the EFT payment, not the day the vendor/contractor receives it. If the last day of the discount period falls on a Sunday or legal holiday, the following day is the last day of the discount period.

(3) We should take advantage of discounts if one is offered on the invoice, even though the purchase order or contract may provide for net payment terms.

(4) The payment cover sheet for invoices that have time discounts should be clearly marked "Discount." Employees should not work to take advantage of discounts that are under \$1 because the special handling doesn't justify it economically.

INTERIOR BUSINESS CENTER

3.18 What are IBC's procedures for processing payments? The IBC processes payment packages, which involves examining or auditing the proposed payment, inputting and posting the payment information into FBMS, and having the AP_CO certify it. The payment information

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is electronically transmitted to Treasury for issuance.

A. Invoices Returned. It may be necessary at times for the IBC to return invoices to the originating AP_DCM for correction or additional information. Because such returns create unnecessary work, employees should strive to ensure all necessary information is included and accurate.

B. Disallowances. If IBC has to deduct from the amount a vendor/contractor claims, other than for a time discount, IBC sends a notice of disallowance or a letter to the vendor/contractor (with a copy to the AP_DCM) explaining the nature of the deduction. Vendors/contractors may reclaim the disallowed amount if they can justify it and provide supporting documentation.

C. Information Furnished to Vendors/Contractors. IBC sends the following information to our vendors/contractors.

(1) EFT Identification Data. IBC will include payment information, such as the invoice number, account number, etc., and the date of the referenced invoice. If the vendor/contractor has not provided this information, IBC will use the contract number, purchase order number, or issuing field office name.

(2) Notice of Interest Penalty. If we are paying prompt payment interest payments, the payment will include:

- (a)** Notice of the amount of interest penalty,
- (b)** The rate we used to compute the penalty, and
- (c)** The number of days we used to compute the penalty.

/sgd/ Stephen Guertin
DEPUTY DIRECTOR

Date: April 25, 2018