

VA Financial Policies and Procedures
Invoice Review and Certification

CHAPTER 1A

0101 OVERVIEW	2
0102 POLICIES	2
0103 AUTHORITY AND REFERENCES	9
0104 ROLES AND RESPONSIBILITIES	10
0105 PROCEDURES	11
0106 DEFINITIONS	12
0107 RESCISSIONS	15
0108 QUESTIONS	15
0109 REVISIONS	15
APPENDIX A: RELEVANT FINANCIAL SYSTEMS	17
APPENDIX B: ADDITIONAL VA GUIDANCE FOR PROMPT PAYMENT ACT	19
APPENDIX C: REVIEW OF MEDICAL SERVICES INVOICES	21

0101 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding invoice review and certification and other controls for ensuring that payments are proper and accurate. VA processes several different types of invoices, to include vendor, Veteran benefit, employee travel, salary payments, and other miscellaneous payments. This chapter focuses on the general processes used to review and certify vendor invoices for payment and payment reviews including the roles and responsibilities of a Certifying Officer and Certifying Official.

VA's financial and other automated systems are designed to eliminate the majority of the manual processes that historically were related to a voucher audit¹ prior to payment. Appendix A, VA Financial Systems, lists the various systems used in the process of reviewing and certifying invoices and in the payment reviews.

0102 POLICIES

010201 INVOICE REVIEW AND CERTIFICATION. All invoices will be date stamped upon receipt, stamped paid, either manually or electronically, and maintained for purposes of audit requirements.

010201.01 Invoice Review.

A. VA will follow the Prompt Payment Act (PPA) for accepting goods, establishing the payment due date, and calculating any applicable discounts or interest required for procurement contracts, vendor payments, and utility payments per 5 C.F.R. Part 1315 and other regulatory guidance. Refer to Appendix B, Additional VA Guidance for Prompt Payment Act, for VA-specific information.

B. VA will conduct invoice reviews based upon manual and/or automated processes. Invoice reviews provide assurances that invoices include necessary substantiation and documentation for lawful and proper payment before payment certification. The principal objectives are to determine whether:

- The goods have been received or the services have been performed and are in accordance with the contract, purchase order, or agreement.
- The prices, subtotals and totals are accurate.
- The invoice includes the contract, purchase order, or agreement number and is in accordance with the terms of the contract, purchase order, or agreement.

¹ Vouchers were forms required to be submitted by a vendor along with an invoice to request payment. Two examples of vouchers required were the SF 1034, Public Voucher for Purchases and Services Other than Personal, and the SF 1113, Public Voucher for Transportation Charges. Both are still in use, but are not required to be submitted with a vendor invoice.

- The payee, vendor, and vendor code (as applicable) is correct. A Tax Identification Number or Payee Identification Number, is provided for each payee.
- The invoice is not a duplicate or has not been paid previously.
- All applicable deductions were made and credited to the proper account in the correct amount.
- The appropriation or fund from which the payment will be made is available for that purpose.

Refer to Appendix C, Review of Medical Services Invoices, for additional information on certain health care invoices.

C. VA will annotate invoices and supporting documents so that they are processed for payment only one time. All invoices will be sent directly to the designated agency office (e.g., the Financial Services Center (FSC), the VBA Regional Office, or other office per the contract, purchase order, or agreement).

1. It is the responsibility of the vendor to ensure invoices are sent to the proper office identified in the terms of the contract, purchase order, or agreement.
2. It is the responsibility of the designated agency office (when different from the payment office) to ensure that the certified invoices are routed and submitted to the designated payment office in accordance with the PPA to ensure timely payment. They will also handle vendor inquiries on payments made by their office, e.g., subsistence payments and certified payments, and the contracting officer will handle discrepancies.

D. When incorrect or improper invoices (not in accordance with the terms of the contract, purchase order, or agreement) are received, they may be returned to the vendor according to the following dates (or in accordance with the PPA) from invoice receipt:

- 7 calendar days for general services or goods;
- 3 days for meat products or fish, or
- 5 days for perishable goods, perishable agricultural commodities, edible fats or oils, and food products prepared from edible fats or oils.

010201.02 Invoice Certification. Certifying Officials will review invoices to ensure that the information on the invoice, as described in 010201A and 010201B above, agrees with the contract, purchase order, or agreement and that the invoice is correct and proper for payment. Refer to Volume VIII Chapter 1, *Administrative Fiscal Policies and Procedures* for additional information on Certifying Officials.

A. Certifying Officials are responsible for the verification and accuracy of facts stated on an invoice, payments, and in supporting documents and records. An FMS Form 210 designation is not required.

B. Certifying Officials will respond in a timely manner to any reviewing official's questionable-payment inquiry.

C. To promote professionalism and strengthen internal controls, a Certifying Official will generally have knowledge of the subject matter, knowledge of appropriations and other funds and accounting classifications, and knowledge of the payment process (e.g., availability of funds and location of designated paying and accounting offices).

D. By manually, electronically, or digitally signing an invoice, a Certifying Official certifies to a Disbursing Officer that the items listed are correct and proper for payment from the appropriation(s) or other funds designated thereon or on supporting invoices, and that the proposed payment is legal, proper, and correct. Manual certifications on invoices, when appropriate, will include the Certifying Official's signature, typed or printed name, the title "Authorized Certifying Official," date signed, date of acceptance, and dollar amount.

E. Occasionally, there may be more than one Certifying Official involved with a given payment; this is known as "successive certification." In this circumstance, the successive Certifying Official actions do not diminish the responsibility of the official who certified the original invoice. If the official who certifies an additional related invoice is different than the one who certified the original, the initial Certifying Official is responsible for the correctness of the original invoice, and the successive Certifying Official is responsible only for the additional related invoice. If an invoice is certified and subsequently changed (e.g., to take a discount, add interest penalties), the Certifying Official certifying the legality, propriety, and correctness of the changes is monetarily liable for only the payments based on those changes; that is, successive Certifying Officials are monetarily liable for only the changes they certify.

010202 DOCUMENTATION. All invoices certified, whether in hard copy or by electronic means, will be supported with sufficient documentation to enable the audit of the transactions as required by law.

A. For individual claims, the audit requirement may include, but is not limited to, the requisition of goods, request for proposals or solicitations, issuance of purchase order or contract, or preparation of a receiving report or other evidence of performance or receipt.

B. Audit requirements for the entire process may include, but are not limited to, identification of accounting classification codes, maintenance of relevant dates, such as preparation date, receipt date, and accounting date, maintenance of records (e.g., authorization of individuals to perform specific functions, signature cards, letter of

authorization) or maintenance, in an automated environment, of batch control logs, header and trailer records, error listings, suspense and exception reports, etc.

C. Certified invoices and associated papers, information, data, or services used to support them will be kept for 6 years and 3 months or in accordance with the National Archives and Records Administration (NARA) guidance.

010203 INTERNAL CONTROLS.

A. General Accounting Segregation of Duties. VA facilities, stations, and finance activities will ensure that Certifying Officers and Certifying Officials are not responsible for other financial and accounting functions that are in conflict with their duties. As identified by auditing standards², individuals will not have authority for more than one function:

- Authorizing or approving the request for the obligation or related transaction;
- Recording the obligation or related transactions; and
- Certifying the receipt of the goods or services and processing the payment.

Key duties and responsibilities will be divided or segregated among different individuals to reduce the risk of error or fraud. This includes separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual will control all key aspects of a transaction or event. For example, a manager authorizing obligations would not be responsible for entering obligations into financial management systems or handling the payment of invoices.

B. 1358 Obligations (VA Form 1358) Segregation of Duties. In accordance with the Office of Financial Policy (OFP) Volume II, Chapter 6, *1358 Obligations*, segregation of duties has been further defined to prohibit any one official from performing more than one of the following:

- Requesting the 1358 obligation³;
- Approving the 1358 obligation;
- Recording the obligation of funds; or

² Derived from Government Accountability Office (GAO), *Standards for Internal Control in the Federal Government*, <http://www.gao.gov/special.pubs/ai2131.pdf>.

³ For 2237's, the requestor of the purchase order is also a separate individual with similar functions as requesting the 1358 obligation.

- Certifying delivery of receipt of goods or services and approving payment.

C. Management Controls. VA management control objectives are achieved by instituting a system of supervision to ensure policy and procedures are being followed. Supervision of invoice review and certification includes assigning responsibilities and duties to appropriate personnel and reviewing the work periodically.

010204 INVOICE QUALITY ASSURANCE REVIEWS.

VA will conduct periodic invoice quality assurance reviews as determined appropriate based on the procedure or system used for review and subsequent payment. Various publications provide guidance on sampling methods for invoice and payment quality assurance reviews (e.g., the Office of Management and Budget (OMB) Circular A-123, *“Management’s Responsibility for Internal Control,” Appendix C, Requirements for Effective Measurement and Remediation of Improper Payments*); however, there is no one universal procedure appropriate for every type of disbursing system.

The appropriateness of these reviews conducted by VA personnel who are performing their quality assurance duties or the VA Inspector General depends largely on the extent of automation of the system that computes and processes payments. Fully automated financial systems that perform reviews of all records through extensive edit checks and balances before payment essentially replace manual invoice reviews. They may also negate the need to perform pre-payment statistical random reviews for population-trend identification. In such cases, post-payment statistical sampling of invoice payments replaces the pre-payment reviews as a means to validate the accuracy of the automated system calculations and ensure that edit checks and balances are operating properly.

010205 ADMINISTRATIONS AND STAFF OFFICES. Administrations and staff offices may have specific policies and procedures for invoice reviews (e.g., invoice certifying official/VBA administrative certifying officer). The invoice certification process may be different between the Administrations or staff offices depending on the system being used to process the payment (e.g., Centralized Administrative Accounting Transaction System (CAATS), Invoice Payment Processing System (IPPS), or manual processes, as applicable). Refer to Appendix C, Review of Medical Services Invoices, for additional information on certain health care invoices.

010206 PAYMENT CERTIFICATION.

A. VA will certify payments made from appropriated funds to individuals and commercial activities.

B. Construction Payments. The Prompt Pay Act, Title 31 U.S.C. 3901-3907, and 5 C.F.R. Part 1315 require that construction contract progress payments be paid within 14 days after VA first receives a payment request from the contractor, unless a longer payment period is called for in the contract. VA Office of Construction and Facilities

Management (CFM) contracting officers are required to determine the adequacy of payment requests during that time period.

1. Payment requests which are determined to be deficient will be returned to the contractor within 7 days after receipt, accompanied by a statement identifying the deficiency.
2. Interest payments are due if progress payments, approved as payable, remain unpaid for a period of more than 14 days after receipt of the payment request, unless a longer period of time is called for in the contract.
3. Contract payments will be made as close as possible to, but not later than, the 30th day following final acceptance.

010207 PAYMENT REVIEW. VA will perform payment reviews on selected payments. VA will use sampling procedures for both prior and post-payment certification. VA relies upon a system of automated and manual controls to ensure that payments are proper before disbursement. A key control is the review and approval of all payments by approving officials prior to certification. Certifying Officers and Certifying Officials rely upon reviews by approving officials and the preparation of appropriate documentation by contracting officers and approving officials. In the case of invoices that are post-certified based on dollar criteria, the approving official also serves de facto as the Certifying Official when the uncertified invoice is paid. Failure to appropriately discharge the duties of an approving official may result in disciplinary action through VA's personnel system.

A. Accelerated Payment Methods. VA may use accelerated payment methods when processing invoices. Refer to 5 C.F.R. 1315.5 for the types of payments meeting the requirements for accelerated payment.

B. Fast Pay/Statistical Sampling Method. Both 5 CFR Subpart 1315.6 and 48 CFR Subpart 13.3, permit the use of "fast pay" procedures to pay vendor invoices before supplies have been received. The Government Accountability Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies: Title 7 - Fiscal Guidance, Chapter 7, Section 7.4F, authorizes the use of the Fast Pay/Statistical Sampling method. When employing the Fast Pay/Statistical Sampling method, payments will be made prior to obtaining administrative certifications.

1. The use of statistical sampling for post-payment review in conjunction with "fast pay" procedures is allowable, subject to several conditions:

- The economic benefit to the Government must exceed the risk of loss,
- The plan will provide for a meaningful sampling of all invoices not subject to a 100 percent audit, and

- The plan will provide a reliable and defensible basis for the certification of payments.

2. Invoices are subject to the same internal controls and reconciliation procedures as other payments. Invoices for payment will meet the following criteria:

- Payment of invoices utilizing the Fast Pay/Statistical Sampling method will be properly identified in the automated accounting system for a subsequent statistical sample.
- All invoices will be date stamped upon receipt, stamped paid, either manually or electronically, and maintained for audit and audit requirement purposes.
- All invoices will be properly matched with obligations prior to payment authorization.
- Program offices will notify the finance activity if items are not received in a timely manner or there is some other receiving problem.
- The finance activity must have the ability to withhold fast pay payments to certain vendors until approval and authorization of the invoice is received.
- Payments made prior to verification that goods or services have been received will be reviewed at least quarterly by a valid statistical sample, and verification of receipt for goods or services will be obtained.
- Detailed accounting reports showing payments made at the obligation document level will be regularly provided to both the fiscal/finance office and program office.

010208 CLAIMS.⁴ VA will review claims made by vendors for non-receipt of payment and will examine the accounting records to see whether an earlier claim or cancellation has been processed. VA will determine if the vendor is entitled and identify the source from which the funds were originally paid. VA may re-certify a payment from the appropriation or fund from which the original payment was made (or its successor account).

010209 MONETARY LIABILITY.

A. VA is responsible for assessing the personal liability and obligations of its Certifying Officers and Certifying Officials⁵. VA's Certifying Officers and Certifying Officials may

⁴ Prior to Public Law 104-53, the Government Accountability Office (GAO) had responsibility for settlement claims. Public Law 104-53 granted this authority to OMB. In two OMB memorandums titled *Determination with Respect to Transfer of Functions Pursuant to Public Law 104-53*, dated June 18, 1996, and December 17, 1996, the OMB Director subsequently delegated the authority to the executive branch agency out of whose activity the claims arose.

⁵ Refer to Volume VIII Ch 1, Administrative Fiscal Policies and Procedures for additional information on designating certifiers and the roles of a Certifying Officer and Certifying Official.

be monetarily liable for any payments resulting from illegal, improper or incorrect certifications in accordance with 31 U.S.C. 3528 and other applicable laws.

B. Certifying Officers, Certifying Officials and Disbursing Officers are responsible for proving, in the relief of liability process, that it is more likely than not that they either were not negligent or were not the proximate cause of the fiscal irregularity. When an improper or incorrect payment is certified by a Certifying Officer or Certifying Official, relief may be granted by the Comptroller General of the United States.⁶ The Comptroller General may relieve a Certifying Officer or Certifying Official of responsibility for the physical loss or deficiency of public money, checks, securities, or records or authorize reimbursement from an appropriation or fund available for the activity in which the loss or deficiency occurred. Refer to Volume VIII, Chapter 3, *Agent Cashier Accountability Policy*, Appendix M: Losses and Overages for additional information.

C. Certifying Officers and Certifying Officials acting in good faith and in conformity with an authorized control system and/or statistical sampling procedure will not be held liable for any certification or payment that was not subject to specific examination because of the procedure.

D. Factors considered by the Comptroller General in relieving liability are, whether the obligation was incurred in good faith, that no law specifically prohibited the payment, the U. S. Government received value for the payment, and evidence that the payments were accurate and legal relating to the automated system rather than the individual transactions. Information showing that the system on which Certifying Officers or Certifying Officials rely is functioning properly and evidence that reviews are made periodically to determine that the automated systems are operating effectively, and can be relied on to produce payments that are accurate and legal, may be used by the Comptroller General to relieve liability.

0103 AUTHORITY AND REFERENCES

010301 31 U.S.C. 3321, Disbursing Authority in the Executive Branch

010302 31 U.S.C. 3325, Vouchers

010303 31 U.S.C. 3521, Audits by agencies

010304 31 U.S.C. 3528, Auditing and Settling Accounts

010305 31 U.S.C. 3702, Authority to Settle Claims

010306 31 U.S.C. 3901–3907, Prompt Payment

⁶ The Comptroller General of the United States is the head of the GAO, a legislative branch agency established by Congress in 1921 to ensure the fiscal and managerial accountability of the Federal Government.

010307 5 C.F.R. Part 1315, Prompt Payment Act

010308 48 C.F.R. Subpart 13.3, Simplified Acquisition Methods

010309 48 C.F.R. Part 32.9, Prompt Payment

010310 OMB Circular A-123, Management's Responsibility for Internal Control

010311 OMB Circular A-127, Financial Management Systems

010312 GAO, Policy and Procedures Manual for Guidance of Federal Agencies: Title 7
- Fiscal Guidance

010313 GAO, Streamlining the Payment Process While Maintaining Effective Internal
Control

010314 GAO, Standards for Internal Control in the Federal Government

010315 Office of Financial Policy Publications Library

0104 ROLES AND RESPONSIBILITIES

010401 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Specific responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

010402 Under Secretaries, Assistant Secretaries, Chief Financial Officers (Administrations' CFOs, other office CFOs), Fiscal Officers, Chiefs of Finance Activities, Chief Accountants and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

010403 Certifying Officer. VA will appoint Certifying Officers through delegation of authority from the Secretary of VA in the form of written authorization (i.e., FMS Form 210 filed with the Department of the Treasury (Treasury). Only Certifying Officers (i.e., authorized individuals as defined within VA or VBA) shall perform the certification of payments (e.g., batch payments) to Treasury. Certifying Officers will be Federal government employees and U.S. citizens. Certifying Officers may not serve as both the Authorizing (Approving) Official and the Disbursing Officer. Refer to Section 010203, for additional information on prohibiting dual functions.

FSC's Certifying Officer⁷ approves schedules of payments transmitted to Treasury for disbursements and is responsible only for errors made in the processing of the voucher schedule, such as the number of individual vouchers and total dollar amount of vouchers submitted to Treasury for payment, not the individual vouchers (see Comptroller General B-302789). Accordingly, the role performed by the Financial Services Center (FSC) is not the same as the role of "approving payment" as identified below.

This role of "approving payments" for individual invoices, as accomplished in the Veterans Health Information System and Technology Architecture (VISTA) Fee system, CAATS (VBA only), or IPPS is not to be confused with the role of a Certifying Officer at the FSC in Austin, TX, who approves a schedule of payments transmitted to Treasury. The "approving payment" role noted in this policy is the official (including administration and staff offices) who approves payment in the VISTA Fee system, CAATS, IPPS, or other subsidiary payment systems used by VA.

010404 Certifying Official. The Certifying Official is responsible for certifying invoices for payments and ensuring these payments are proper and accurate. The Certifying Official does not require a filing of FMS Form 210. Under 31 U.S.C. 3528, Certifying Officials are responsible for information stated in the invoice, supporting records, the computation of a certified invoice, and the legality of a proposed payment under the appropriation or fund involved. In addition, they may be responsible for reimbursing the Federal government for any payment determined to be illegal, improper, or incorrect because a certification was determined to be prohibited by law, or does not represent a legal obligation under the fund or appropriation involved.

010405 Disbursing Officers. Treasury Disbursing Officers (FMS Form 210 designation on file) and VA Agent Cashiers (for further information, see Volume VIII, Chapter 3, *Agent Cashier Accountability Policy*) who have been granted disbursing authority by the Chief Disbursing Officer, whose principal functions consist of the disbursement, collection and reporting of public funds. VA will designate certain employees to become disbursing officials, as authorized in 31 U.S.C. 3321 and 3325, to expend public money.

0105 PROCEDURES

010501 General procedural and other guidance for the following topics is in Section 0102, Policies:

- 010201 Invoice Review and Certification
- 010202 Documentation
- 010203 Internal Controls

⁷ VBA has Certifying Officers who submit schedules to Treasury for benefit payments.

- 010204 Invoice Quality Assurance Reviews
- 010205 Administrations and Staff Offices
- 010206 Payment Certification
- 010207 Payment Review
- 010208 Claims
- 010209 Monetary Liability

010502 Other guidance and information is in the appendices, as indicated below:

- Appendix A: Relevant Financial Systems
- Appendix B: Additional VA Guidance For Prompt Payment Act
- Appendix C: Review of Medical Services Invoices

0106 DEFINITIONS

010601 Approval. The attestation by an authorized individual that the provider of goods or services for which the payment is being prepared is entitled to that payment, subject to the goods being received or services performed being accepted as satisfactory. Receipt and payment approval may be reflected in a combined attestation.

010602 Audit Requirements. The evidence in place (as a hard copy or in an authorized electronic system) that allows for the retracing of a transaction to its source.

010603 Approving (Authorizing) Official. An approving (authorizing) official is an agency head or designee who manages the Certifying Officers. All agency heads or designees have the authority to delegate the Certifying Officer appointments and revocation responsibility within the agency.

010604 Certification. The act of verifying the legality of the obligation to be paid under the particular appropriation, the correctness of the information contained in the invoice and supporting records, and the accuracy of any computations.

010605 Certifying Officer. An individual who is personally accountable and individually responsible for verifying that the Federal government payments under his/her jurisdiction are legal, proper, and correct. If any payment, that is certified by the Certifying Officer is found to be illegal, improper, or incorrect, that individual may be held individually responsible for reimbursing the Federal government for the amount of that payment.

010606 Certifying Official. An individual who has been charged with the “approving payment” responsibility for certifying invoices for payments and ensuring these payments are proper and accurate. If any payment certified by the Certifying Official is found to be illegal, improper, or incorrect, that individual may be held individually responsible for reimbursing the Federal government for the amount of that payment. The Certifying Official does not require a filing of FMS Form 210. The Certifying Official shall be appointed in writing (e.g., job description, email, memo, etc.) by whomever has the authority to do so.

010607 Disbursing Officers. Treasury Disbursing Officers (FMS Form 210 designation on file) and VA Agent Cashiers (for further information, see Volume VIII, Chapter 3, *Agent Cashier Accountability Policy*) who have been designated disbursing authority by the Chief Disbursing Officer, whose principal functions consist of the disbursement, collection and reporting of public funds. VA will designate certain employees to become disbursing officials, as authorized in 31 U.S.C. 3321 and 3325, to expend public money.

010608 Fast Pay. A payment procedure under the Federal Acquisition Regulation at Part 13.4 which allows payment under limited conditions to a vendor prior to the Government’s verification that supplies have been received and accepted.

010609 Improper Payment. Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements, and includes any payment to an ineligible recipient, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), and any payment that does not account for credit for applicable discounts.⁸

010610 Internal Controls. The organizational policies and procedures used to reasonably ensure:

- Programs achieved their intended results;
- Resources are used consistent with the organization/Department mission;
- Programs and resources are protected from waste, fraud, and mismanagement;
- Laws and regulations are followed; and
- Reliable and timely information is obtained, maintained, reported and used for decision making.

⁸ As defined in Public Law 111-204, Improper Payments Elimination and Recovery Act of 2010, July 22, 2010.

010611 Invoice. A bill, written document, or electronically transmitted document provided by a vendor requesting payment for goods received or services rendered. A proper invoice or an electronically transmitted document meets the requirements of the Prompt Payment Act under 5 C.F.R. 1315. The term “invoice” also includes a receiving report and delivery tickets when contractually designated as invoices.

010612 Invoice Review. An examination of documentation prior to payment of an item, such as an invoice or other payment request.

010613 Legal Payment. Legal means the payment is permitted by law and is consistent with the purpose of the funding appropriation. Proper means that funds are available, the transaction or contract is properly documented, goods are received and accepted and the invoice has been reviewed. Correct means the payee, address and amount are correct, and the payment is not a duplicate.

010614 Payment Review. Examination of a transaction after its occurrence. A post-payment review determines if VA’s policies and procedures have been properly followed. The test may be to verify if paid invoices have necessary documentation and approvals. This test verifies internal control procedures and work performed by financial staff.

010615 Monetary Liability. Personal financial liability for fiscal irregularities of Disbursing ,Certifying Officers and Certifying Officials as an incentive to guard against errors and theft by others, and also to protect the government against errors and dishonesty by the officers themselves.

010616 Receipt of Goods or Services. The acknowledgment (usually identified with a signature) that goods ordered have been received or that services have been performed. This acknowledgment is the basis for approval of an invoice.

010617 Segregation of Duties. The assigning to different individuals, the responsibilities for authorizing transactions, recording transactions and maintaining custody of assets. Segregation of duties reduces the opportunities for one person to both perpetrate and conceal errors of fraud and reduces the risk of error, waste, and wrongful acts.

010618 Statistical Sampling. Statistical sampling allows conclusions to be made about (1) the universe of invoices from which the sample was selected, and (2) the procedures in effect used to process all invoices in the universe. Examination of the sample and evaluation of the results permit correction of errors and other deficiencies found in the items sampled and the procedures and controls directly related to the items. Statistical sampling also permits projections as to the quality of all invoices in the universe.

010619 Successive Certification. More than one Certifying Official authorizes an invoice for payment.

0107 RESCISSIONS

- 010701 MP-4, Part 3, VA Controller Policy Voucher Auditing - Foreword
- 010702 MP-4, Part 3, Chapter 1, General
- 010703 MP-4, Part 3, Chapter 2, Examination of Vouchers and Contracts
- 010704 MP-4, Part 3, Chapter 3, Various Vouchers and Special Requirements
- 010705 MP-4, Part 3, Chapter 4, Related Procedures
- 010706 MP-4, Part 3, Chapter 5, Insurance Voucher Auditing
- 010707 MP-4, Part 3, Chapter 6, Statistical Sampling Procedures for Insurance Refunds
- 010708 OF Bulletin 03GC1.05, Prompt Payment Policy Supplement
- 010709 OF Bulletin 01GC1.02, Prompt Payment Policy Update
- 010710 Volume VIII, Ch 1A *Invoice Review and Certification*, dated November 2011

0108 QUESTIONS

Questions concerning these financial policies and procedures should be directed as follows:

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)

0109 REVISIONS

Section	Revision	Office	Date
Overall	Updated the terms and usages of Certifying Officer and Certifying Official throughout policy for consistency purposes	APPS	October 2013
0101 Overview	Updated first paragraph “including the roles and responsibilities of a Certifying Officer and Certifying Official”	APPS	October 2013
010201.02 Invoice Certification	Referred to Certifying Official instead of Certifying Officer throughout section	APPS	October 2013

Section	Revision	Office	Date
010205 Administrations and Staff Offices	Added examples for the types of individuals that perform reviews for Administrations and staff offices; changed reference throughout policy from OLCS to Invoice Payment Processing System (IPPS)	APPS	October 2013
010206 Payment Certification	Moved (B) & (C) to Vol VIII Ch 1; Deleted (D); moved construction payments to (B)	APPS	October 2013
010209 Monetary Liability	Added a new sentence in (A); added reference to “Certifying Officials” throughout section	APPS	October 2013
0103 Authority and References	Added reference and link for 010301 31 U.S.C. 3321, Disbursing Authority in the Executive Branch; re-checked links	APPS	October 2013
0104 Roles and Responsibilities	Revised 010402 to include reference to “Administration CFO, other office CFO;” revised 010403 “Certifying Officer” role	APPS	October 2013
0106 Definitions	010605 revised definition for “Certifying Officer;” added definition for “Certifying Officer and Disbursing Officer”	APPS	October 2013
0107 Rescissions	Added Rescission for current policy Vol VIII Ch 1A	APPS	October 2013
0109 Revisions Table	Added Revisions Table	APPS	October 2013
Appendix A	Updated the name of system: Fee Basis Claims System (FBCS); spelled out GUI – Graphical User Interface; added NFC system that makes employee salary and benefit payments for OIG	APPS	October 2013
Appendix B (A) (1)	Deleted reference to “who uses the Govt travel charge card” – the Prompt Payment Act applies to travel reimbursements, whether or not they use a travel card or not	APPS	October 2013
Appendix C	Updated VHA placeholder– VHA will update appendix subsequent to standardizing its procedures for the material on invoice review of medical services	APPS	October 2013

APPENDIX A: RELEVANT FINANCIAL SYSTEMS

A. The following table outlines VA financial systems used in invoice review, invoice certification and/or issuing payment.

System	Administration or Staff Office	Description
Benefits Delivery Network (BDN)	VBA	Used for accounting and payment of certain educational, compensation, and pension benefits.
Centralized Administrative Accounting Transaction System (CAATS)	VBA and NCA	Used by VBA for invoicing, accounting and issuing payment. Used by NCA for administrative accounting functions.
“Corporate” and the five BETA test stations: Waco, Indianapolis, Newark, Roanoke and Seattle) CWINRS	VBA (Vocational Rehabilitation and Employment Division)	An automated case management system used to track and manage caseloads and program costs.
e-Gov Travel System	All	Used for travel authorizations and expense reports (payments).
Financial Management System (FMS)	All	Used for goods and services and some benefit payments.
Insurance General Ledger System (IGLS)	VBA	Used by VBA for accounting and payment of insurance claims.
Integrated Funds Distribution, Control Point Activity, Accounting, and Procurement (IFCAP)	VACO, VHA and other select offices	Part of the Veterans Health Information Systems and Technology Architecture (VISTA) system used for accounting, budget, purchase card, or procurement.
Loan Guarantee Programs: VA Loan Electronic Reporting Interface (VALERI)	VBA	Used to monitor servicing loans, generate loss mitigation recommendations, review adequacy of services, review non-routine claims and incentives, and conduct post audits. VALERI and FMS interface to upload payment certification and bill of collection certification data to FMS and download vendor file updates, payment status details and cash receipts to VALERI.

System	Administration or Staff Office	Description
Centralized Property Tracking System (CPTS)	All Staff Offices and Administrations, except VBA field offices	A web based property tracking and oversight system. CPTS provides support for property contract or oversight activities and is used to review and process property contractor invoices for payment.
Invoice Payment Processing System (IPPS)	FSC (online certification system)	Used for invoice certification.
Station Inquiry System (SIS)	VBA	Used to search for vendor information, payment history, etc.
VETSNET	VHA	Used for accounting and payment of compensation, pension, and education claims and recurring payments.
VISTA Fee Application Software	VHA	Used for authorization and payment of non-VA medical care claims.
Fee Basis Claims System (FBCS)		Used for graphical user interface (GUI) interface to Vista Fee Application Software.

B. The following systems are operated by other agencies but used by VA to review, certify, and/or issue a payment.

System	Administration or Staff Office	Description
Department of Defense, Defense Finance and Accounting Service (DFAS)	Defense Civilian Pay System (DCPS)	Used in conjunction with VA HR and Payroll systems for employee salary and benefit payments.
Department of State (DOS)	DOS Financial System	Used by Manila for foreign payments. The VA Manila Office posts payments manually into VA's FMS to record transactions.
Department of Health and Human Services	Health and Human Services, Payment Management System (HHS/PMS)	Used for approval and issuance of grant payments.
U.S. Department of Agriculture (USDA) National Finance Center	USDA Payroll and Processing System	Used in conjunction with VA HR and Payroll systems for employee salary and benefit payments.

APPENDIX B: ADDITIONAL VA GUIDANCE FOR PROMPT PAYMENT ACT

A. TYPES OF PAYMENTS. The Prompt Payment Act applies to payments incurred as the result of a procurement contract. A procurement contract means any enforceable agreement, rental and lease agreement, purchase order, delivery order, requirements-type (open-ended) service contract, or blanket purchase agreement between VA and a vendor. A vendor means any person, organization, or business concern engaged in a profession, trade, or business and any not-for-profit entity operating as a vendor, including State and local governments and foreign entities, but excluding Federal entities.

The Act does not apply to contract financing payments, payments related to emergencies and Commodity Credit Corporation payments. A contract financing payment means an authorized disbursement of monies prior to acceptance of goods or services including advance payments, progress payments based on cost, progress payments (other than under construction contracts) based on a percentage or stage of completion, payments on performance-based contracts and interim payments on cost-type contracts. Contract financing payments do not include invoice payments, payments for partial deliveries, or lease and rental payments.

1. VA payments subject to Prompt Payment Act. Examples include:

- Payments to State, local governments and vendors for goods and services authorized by a contract;
- Loan guaranty invoices for expenses associated with foreclosure, management, repair, sale of the acquired properties and certain expenses associated with specially adapted housing grants;
- Travel reimbursement to VA employees for official Government travel;
- Payments to community nursing homes and contract hospitalization;
- Progress payments on construction and architectural contracts;
- Utility payments for which State, local or foreign authorities do not impose late payment fees; and
- Payments for meat, meat food products, fish, fresh eggs, dairy products and other perishable agricultural commodities.

2. VA payments exempt from Prompt Payment Act. Examples include:

- Payments to other Federal entities;

- Payments to beneficiaries, survivors, including travel reimbursements;
- Payments to individuals for personal services not covered by a contract;
- Advance payments, contract financing, progress payments (other than construction and architectural contracts);
- Utility payments for which State, local or foreign authorities impose late payment fees;
- Claims for payments of Civilian Health and Medical Program administered by VA (CHAMPVA);
- Payments for medical and dental services which fall under non-VA care and are not covered in a contract or sharing agreement;
- Payments for non-VA care pharmacy; and
- Payments of loan guaranty claims and property acquisitions.

APPENDIX C: REVIEW OF MEDICAL SERVICES INVOICES

NOTE: This Appendix will be a placeholder until such time as VHA standardizes its procedures for the material on invoice reviews of medical services. For additional information, forward medical services inquiries to the VHA Policy shared inbox at VHA CFO Accounting Policy (10A3A).

