The Administrative Resource Center
Streamlines Invoicing with Electronic System

The Administrative Resource Center (ARC) is a full-service federal financial management shared service provider. Housed within the U.S. Department of the Treasury, ARC delivers cost-effective administrative support to most Treasury bureaus as well as a number of other federal agencies.

ARC understands first-hand the ongoing pressure to reduce costs to its customers by increasing its operational efficiency. Finding a less burdensome way to process the 43,000 invoices that ARC's customers receive each year was one key opportunity to achieve these goals.

Swimming in Paper

Before adopting the Invoice Processing Platform (IPP), ARC relied on a paper and electronic filing system to process an invoice, which required multiple communications with vendors, approvers and accounting technicians. When a vendor delivered an invoice by mail, an ARC accounting technician would scan the invoice to create an electronic record.

IPP Fast Facts

Agency: Administrative Resource Center

Invoices Processed Per Year: 43,000

Year Adopted IPP: 2009

Key Results:

- Streamlined invoice approvals with an automated workflow.
- Estimated 50 percent cost savings once all requested system changes are complete.

If an invoice passed several manual validations and was deemed valid, the technician would complete one part of an approval form in an Excel spreadsheet. He or she would then e-mail the Excel form and the scanned invoice to the designated approver. Upon receiving the documents, the approver would complete the other part of the form, save it and return it via e-mail to ARC. After manually entering all of the information from the completed Excel form and invoice into ARC's Oracle Federal Financials accounting system, the accounting technician would print and file the hard copies.

Dana Strecker, Central Accounting Branch Manager for ARC, describes the manual invoicing process as extremely time-consuming. "It took multiple steps to process a single invoice," Strecker explains, "and even more steps to follow up when vendor mistakes occurred. Plus, our vendors had no way of tracking when payments could be expected. So we really were missing out on a lot of opportunities to save time and manage costs."

Debra Carder, Director of ARC's Accounting Services Division, learned about IPP when looking for a workflow application. "To be truly effective in our job, we needed a system that would provide a workflow—a program that enabled us to route invoices to the correct approver as soon as invoices arrived," Carder says. "However, it was the ability for vendors to submit their invoices electronically through a government-wide web portal that set IPP apart from our other alternatives."

Enrolling in IPP

As with any new process, ARC's adoption of IPP involved some initial work, such as creating interfaces to and from its business systems and adjusting to a paperless process.

One important enhancement is the increased focus on testing by the Federal Reserve Bank of Boston (FRB Boston). ARC tests every new release for normal transactions and new functionality. ARC has noticed that FRB Boston's emphasis on testing has resulted in greater success for its own testing. Strecker and Yvette Dunbar, Accounts Payable Branch Manager at ARC, both praise the support they've received from IPP throughout their multi-year relationship.

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>
> – Yvette Dunbar, Accounts Payable Branch Manager at ARC

"Whenever we've had an issue with the system, the IPP support team has responded quickly," Dunbar explains. "The people at IPP are very open to receiving feedback and work very hard to implement improvements. It's nice to have such open lines of communication."

Dunbar and Strecker also greatly value IPP's ease of use, especially for vendors serving ARC's federal agency customers, who can monitor invoices at every stage of processing, and for invoice approvers, who can now do their jobs in a single system without using an Excel spreadsheet.

Tracking Results

ARC already has experienced efficiencies since going live with IPP in 2009. Dunbar also estimates ARC will realize a 50 percent efficiency improvement once ARC is able to implement IPP's latest functionality and FRB Boston can build additional features into IPP.

Looking Ahead

By the end of June 2012, all of ARC's accounting customers will use IPP for invoice routing and approval. All of ARC's Treasury customers will be in compliance with the Treasury Department mandate to use IPP for vendor submission of invoices by Oct. 1, 2012. ARC's non-Treasury customers have not yet required vendor submission of invoices via IPP, but they will benefit from the Treasury mandate, as ARC will encourage and train vendors in the proper submission of IPP invoices. For invoices not submitted to IPP by vendors, ARC will still achieve savings by using the routing and approval functionality.

In the future, ARC would like to see increased vendor and agency participation in IPP so everyone in the federal government can process invoices the same way. Dunbar also would like IPP to provide more value-added services for customers, such as an analysis of invoice trends.