



U.S. Department of Agriculture Reaps the Benefits of Electronic Invoicing

Founded in 1862, the United States Department of Agriculture (USDA) provides leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management.

The Paper Flood

USDA saw opportunities to streamline its invoice processing and achieve cost savings by implementing the Invoice Processing Platform (IPP). Karren Alexander, associate director of the Controller Operations Division, Office of the Chief Financial Officer (OCFO), recalls the challenges of a heavily paper-driven and resource intensive process.

“Prior to Hurricane Katrina, all our invoices were mailed to the USDA office in New Orleans. That was after traveling a path from our decentralized offices across the United States, including Alaska, Hawaii and Puerto Rico via mail, fax or email.”

After Katrina, USDA directed invoices to St. Louis. There, a new process involved scanning invoices into an electronic content management (ECM) system, manually indexing, matching to the appropriate purchase order and receipt documents in the acquisition system, and uploading to USDA’s core financial system to process payments.

“We really didn’t resolve our paper-based problem,” Alexander explains. “Invoices still wound up in someone’s inbox, whether electronic or an inbox on their desk. There was no transparency into the status of our invoices.”

Planting the Seed

USDA partnered with the U.S. Department of the Treasury’s Bureau of the Fiscal Service to complete a 14-month, phased implementation of IPP. IPP is Treasury’s electronic invoicing centralized service, designed to more effectively manage federal government vendor invoicing from purchase order through payment notification.

“We decided it was time to make a difference and modernize our business process,” Alexander says. “We knew that our reduced discretionary spending would not support a paper-driven (invoicing) process.”

IPP Fast Facts

Agency: U.S. Department of Agriculture

Invoices Processed in FY 2014: 81,965

Year Adopted IPP: 2012

Key Results:

- Streamlined invoice processing
- Increased efficiency
- Reduced costs
- Increased transparency in invoice processing

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– Karren Alexander, Associate Director,
Controller Operations Division, Office of
the Chief Financial Officer at USDA

Harvesting the Crop

With IPP, vendors now create, submit, and track invoices and payments online, and USDA can easily route, approve, or reject invoices electronically. IPP’s workflow increases efficiency and provides transparency into the status of an invoice.

Additionally, USDA has improved Prompt Payment Act compliance, decreased interest penalties, and reduced volume of payment and Treasury offset-related inquiries. In fact, invoices are automatically escalated to a supervisor based on the Prompt Pay code.

USDA has deployed IPP to more than 6,000 users and 23,000 vendors, and IPP is now the required vehicle for submitting and approving invoices.

USDA currently processes more than 38,000 purchase orders, nearly 82,000 invoices, and over 222,000 payment notifications through IPP annually.

Implementation of this single, electronic, invoice submission process has helped unify business processes across all USDA agencies.

About the Invoice Processing Platform

The Invoice Processing Platform (IPP) is a U.S. Treasury service that more efficiently manages government invoicing from purchase order (PO) through payment notification, at no charge to federal agencies and their vendors.

Why adopt IPP?

It saves time and money. With more efficient invoice processing, federal agencies can avoid Prompt Payment penalties while automating invoice receipt, validation and approval workflows. Vendors can manage their receivables more easily using one service to transact with multiple agencies.

It improves financial management. IPP manages government invoices with increased controls and supports paperwork reduction initiatives. In addition to reducing overbilling, IPP partners with Treasury’s Do Not Pay business center to help prevent, reduce and stop improper payments.

It makes it easier for vendors to do business with the government. IPP supports agency business rules and complements agencies’ existing systems. It also provides a consolidated view of all transaction data - from PO to payment - in one place.

Image courtesy of USDA Natural Resources Conservation Service.