

## **ATTACHMENT G7**

### **DIRECT PROCUREMENT METHOD (DPM) THIRD PARTY PAYMENT SYSTEM (TPPS)**

#### **A. INTRODUCTION**

This attachment describes the DPM Electronic Bill Payment (EBP) Figure G7-1 guidelines and procedures for electronic bill payment processes using the Web-Enabled Transportation Operational Personal Property Standard System (eTOPS). These processes use the Department of Defense (DoD) TPPS as a payment tool to reimburse DPM contractors for services rendered; provide information visibility for stakeholders; improve the Defense Finance and Accounting Service (DFAS) and Finance Center (FINCEN) payment and collection process; and reduce paper documentation. This payment process uses the Contractor Self Invoicing methodology requiring the contractor to enter invoicing data through the TPPS user interface. Invoices are complete when the DPM contractor has provided the Personal Property Shipping Office (PPSO) with the weight tickets and supporting documentation. When the contractor enters their invoices using the TPPS user interface a corresponding government order is automatically created. Each item will be placed in an approval required status pending Notice of Completion (NOC) and the PPSO approval action. TPPS then processes a payment to the DPM contractor, normally within 72 hours. Invoice audit trail, payment tracking and transaction visibility is achieved. The TPPS maintains a funding Chart of Account (COA) sourced by the DFAS Transportation Global Edit Table-Revised (TGET-R) and uses the table to retrieve, validate, and edit Lines of Accounting (LOA) containing orders processed by the PPSO. There is no data feed from eTOPS. PPSOs are required to transcribe information from orders into the applicable transportation system.

#### **B. SCOPE**

These procedures apply to all the Services' and Coast Guard's PPSOs and participating commercial contractors. In order to participate in the Defense Personal Property Program, DPM contractors must have an active contract that lists the TPPS contractor as the payer (box 18) and have a trading partner agreement on file with the DoD TPPS provider. All Schedule I, II and III services provided on a DPM service order are part of these procedures.

#### **C. THE DPM ELECTRONIC PAYMENT PROCESS**

The DPM contractor enters invoice data using the TPPS user interface throughout the month. At the end of the billing cycle, the TPPS electronically generates monthly summary invoices, which show all payments to the DPM contractors made by the TPPS provider on behalf of the DoD and credits to the DoD. The monthly summary statement is made available for online viewing and certification by the PPSO Certifying Officer (CO). The monthly summary statement certification triggers the TPPS to send a copy of the Electronic Data Interchange (EDI) data feed to the DFAS. The DFAS pre-validates the certification and processes the monthly summary statement for payment (reimbursement) back to the TPPS provider. All invoices entered by the DPM contractor automatically go into "Approval Required" status for PPSO review. The PPSO can dispute the DPM contractor's invoice by assigning a "Hold" status to the invoice and providing reason(s). When an invoice is placed in a "Hold" status, the DPM contractor is notified via the TPPS. Negotiation and resolution between the DPM contractor and the PPSO must be achieved for all "Hold" status invoices before they are approved in the TPPS. The prompt payment interest (PPI) "clock" begins when the DPM contractor successfully submits the Notice of Service Completion (NOSC) in the TPPS. The "clock" stops during the dispute "Hold" status process as well as for rejected invoices.

1. [Process 1 – Establishing Accounting Data:](#)

The DPM EBP process requires that the LOA be added to the invoice. The Funds Manager (FM) creates the obligation in the travel order issuing entity's accounting system to obligate funds to cover all related expenses to be incurred by the traveler per the order. The obligation file is transmitted to the DFAS on a routine basis. FM is required to update DFAS via TGET-R when travel orders are established. The TPPS maintains LOA COA sourced by the data contained in the DFAS TGET-R repository. If the LOA is not located in the COA, the PPSO will enter the LOA information from the order and the invoice will align under the manual section on the monthly summary statement.

2. [Process 2 – Initial Cost Estimates:](#)

Estimated shipment costs will not be calculated/used within the DPM electronic payment process.

3. [Process 3 – Global Exchange \(GEX\) Validates and Translates EDI 858:](#)

An EDI 858 is not used for this DPM electronic payment process.

4. [Process 4 – DPM Contractor Invoices created in TPPS:](#)

Upon completion of services, the DPM contractor submits an invoice for services rendered and the NOSC in TPPS using one of two available methods:

- a. Through an EDI 859 transaction set (the EDI 859 is a generic electronic interface for shipment information).
- b. Manually through the TPPS User Interface. This can be accomplished by creating an invoice using information contained in the DPM service order.

5. [Process 5 – Approval Required in TPPS:](#)

The DPM contractor enters the invoice through the TPPS user interface, and a matching Government Order is automatically created using details from the invoice. The Services' maximum price threshold will be set at \$0, triggering a manual PPSO "Approval Required" status for all DPM invoices. The PPSO will have 3 Government Business Days (GBD) to approve, dispute, or deny DPM Invoices. Once the DPM contractor has entered the NOSC and the PPSO has approved the item, the TPPS provider will pay the DPM contractor.

6. [Process 6 – Audit Exception Process in the TPPS:](#)

Invoices will not be assigned an "Audit Exception" status in the DPM payment process.

7. [Process 7 – TPPS Summary Invoice Generation and Certification:](#)

At the end of the DPM TPPS billing cycle, the monthly summary invoice listing all payments with corresponding accounting information made by the TPPS provider on behalf of the DoD to the DPM contractor is generated. The monthly summary invoice will also include DoD credits. The PPSO COs can access the monthly summary invoice online for review and certification. The PPSO COs will review the individual transactions presented on the monthly summary invoice and confirm the validity of accounting information used and the accuracy of costs. The monthly summary invoice may reflect two different sections for accounting data, an "electronic" (FA2-compliant) and a "manual" (text LOA) listing. If there is a manual listing on the PPSO's monthly summary invoice, the PPSO CO will print a hard-copy monthly summary invoice validating the text LOAs by signing and sending the report to the DFAS/FINCEN payment center using [Table G7-1](#). The PPSO CO must certify the monthly summary invoice within 5 GBDs of the monthly summary invoice being made available in the TPPS. The TPPS provides a separate PPSO account for processing all DPM charges. The monthly summary invoice billing cycle will be on the 9th calendar day of each month or first business day thereafter.

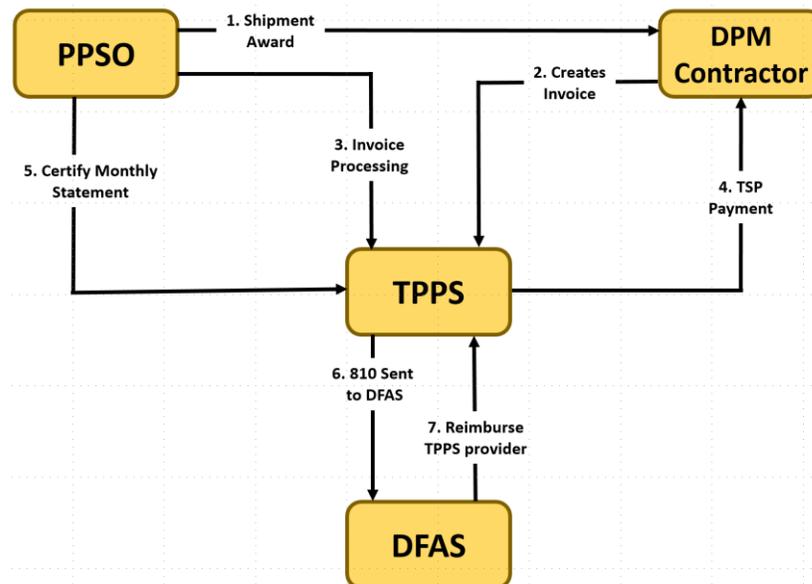
8. Process 8 – Reconciliation and Obligation Adjustment:

Reconciliation and Obligation Adjustment are not included under DPM TPPS electronic payment process.

9. Process 9 – The DFAS/Payment Center Approval and Processing of Payment to TPPS Provider:

Normally within 24 hours after monthly summary invoice certification, the TPPS creates an EDI 810 invoice for each Accounting Installation Number (AIN), also known as an FSN, using the electronic accounting data on the monthly summary invoice. The EDI 810 is an electronic invoice that conforms to industry electronic data interchange standards. The TPPS sends the EDI 810 to the GEX. The GEX translates the EDI 810s into UDF 810s and sends them to the respective Entitlement System. Using the invoice information (i.e. EDI 810, UDF 810) that was provided through the interface, the DFAS pre-validates payments by confirming the existence and accuracy of the LOA and confirming sufficient funds were obligated. There is no tolerance level within the validation process. If insufficient funds were obligated, by any amount, it can cause delays to the payment process and potential subsequent prompt payment interest. Once validation is successful, the DFAS pays TPPS provider via an Electronic Funds Transfer.

10. Process 10 – DPM TPPS Electronic Payment Process Flow:



**Figure G7-1. DPM EBP Process Flow**

- a. Shipment Awarded/Services Requested: The PPSO orders Schedule I, II and III DPM services using the DPM service order.
- b. DPM Contractor Creates Invoice: The invoice is manually entered into TPPS through the user interface.
- c. PPSO Processes Invoice: TPPS automatically assigns an “Approval Required” status to the DPM invoice created by the DPM contractor. The PPSO validates the entire invoice and approves it for payment. As part of the validation process, the PPSO must review applicable Evidence of Services Rendered documentation from the DPM contractor for all invoices as follows:
  - (1) Schedule I: Weight tickets, inventories, weighted bill of lading, approved accessorial service requests, and any other supporting documentation.

- (2) Schedule II: DD Form 1840 or Notification of Loss or Damage At Delivery, approved accessorial service requests, and any other supporting documents.
- (3) Schedule III: Weight tickets, inventories, approved accessorial service requests, and any other supporting documents.
- d. **TSP Payment:** The DPM contractor cannot be paid until the NOSC and PPSO approval (either automatic or manual) are received. The DPM contractor is paid (within 24-48 hours) after the PPSO approves the invoice for payment, removes an invoice from hold status, or resolves an eBill.
- e. **Monthly Statement:** The monthly statement will cycle on the 9th of each month or first business day thereafter.
- f. **EDI 810 sent to DFAS:** The electronic summary invoice must be certified and arrive via EDI 810 at the DFAS/FINCEN payment center by 5 GBDs following receipt of the summary invoice. This is to ensure the payment center has sufficient time to disburse the amount owed to the bank.
- g. **Government Payment Made to TPPS Provider:** DFAS reviews/reconciles invoice and makes payment to the TPPS Provider.

**11. DPM Contract Inclusions:**

- a. DFAR Clause 48 CFR 252.232-7003, paragraph (c) (2) applies and must be included in each contract. Contract payments will be made via the DoD-approved electronic third party payment system and associated processes outlined in Defense Transportation Regulation, Part IV, Attachment G7.
- b. **SF 1449 Block 18a:** Shall contain the following:

18a. PAYMENT WILL BE MADE BY CODE	
“The Third Party Payment System. See payment details in DTR attachment G7”	

**Table G7-1. DFAS Financial Payment Centers**

Service	Payment Center	Phone Number	Fax
Army	DFAS - Indianapolis, IN	317-212-2464	317-212-2397
Air Force	DFAS - Limestone, ME	207-328-1605	207-328-1699 or 207-328-1873 (w/cover page)
Navy	DFAS - Indianapolis, IN	317-212-7814	317-212-3956
Marine Corps	DFAS - Columbus, OH	614-693-0953	866-217-6523
Coast Guard (for non-Coast Guard shipment)	DFAS - Indianapolis, IN	317-212-2464	317-212-2397
Coast Guard (for Coast Guard Shipments)	FINCEN, VA	757-523-6898	757-366-6501