

AP Business Benefits

Better internal controls: Invoice matching is no longer a manual process, invoice matching is now performed systematically. Invoice documents are also being systematically validated against vendor master data.

Improve tracking auditing capabilities: The scanning and storing of paper invoices and backup documentation as attachments provides a complete audit trail within FBMS. Contract holdbacks are now tracked at the invoice level improving financial statement reporting.

Increased data integrity and reduced double entry of data in multiple systems: Referencing invoices account assignments are defaulted from the purchasing documents reducing the chance of data entry errors.

**Overview**

The Accounts Payable (AP) component of the Financial and Business Management System (FBMS) manages the payment of DOI liabilities in compliance with Generally Accepted Accounting Principles. The AP process begins with the receipt of the vendor invoice and ends with the processing of the payment confirmation from Treasury.

AP covers the processing of Inter-Agency Payments and Collections (IPAC) invoices, the recording of vendor invoices and payments, and 1099 reporting. Invoices can be received as paper invoices mailed from a vendor, interfaced daily to FBMS from the e-Invoicing system, or loaded via batch interface from other federal agencies. Separate payment files are created per Agency Location Code (ALC) and per payment method—such as Travel, ACH, IPP, checks, and no-check payments (IPAC and ASAP). IPAC payments are processed manually by each bureau's central finance office. Payment confirmations are a centralized, automated process. 1099-Misc forms are prepared by NBC for bureaus that have deployed FBMS; NBC prints and mails the 1099s, corrects reporting errors, and reports the 1099 file electronically to the IRS.

Key Features

- **Storing Attachments:** OpenText functionality is used for storing scanned invoices as attachments to invoices. Invoices are centrally received and scanned by the AP Document Content Manager (or other designated staff member). This improved internal control helps reduce the personal liability risk to certifying officers and improves the audit process.
- **Automated Workflow:** Automated workflow is triggered to notify the appropriate Receiving Official to enter a Goods Receipt (GR)/Service Entry Sheet (SES). After creating the GR/SES, a workflow message is sent to the AP Tech to post the Document in FBMS. Invoice approval workflow is triggered by posting any referencing vendor invoice. Workflow facilitates tracking the invoice matching and approval processes.
- **AP Invoice Processing (Non PO Invoice):** Invoices without a Purchase Order (PO) are used to pay for items such as utility bills and emergency payments. IPAC invoices for Networx, GSA Leased Vehicles, and Aviation Management Directorate charges are posted through interfaces using non-referencing invoices.
- **AP Vendor Credit Memos:** FBMS is used to enter credits that are offset by payments. Credit memos may be initiated by vendors sending an actual credit invoice to a bureau. They may also be initiated by the AP end-user due to an overpayment. Vendor overpayments or credits that are not to be offset by an invoice are referred to Accounts Receivable for billing.
- **Invoice Posting:** Once an invoice is posted in FBMS, the AP, GL, and FM modules are updated in real time and the proprietary and budgetary ledger entries are posted. Invoices posted into FBMS are available for Certifying Officer approval and for submission to Treasury after the Certifying Officer releases the statistical sampling payment block.
- **Invoice Verification:** For referencing invoices FBMS automatically compares the invoice, purchase order and receiving document and will not post the invoice until the correct information is obtained. The Invoice Verification Process improves internal controls and reduces the chance of overpayment.
- **IPAC invoices:** FBMS is used for recording detailed invoices that support IPAC transactions. These invoices may or may not reference a PO. Transaction files can be downloaded from the Treasury GOALS system that contain charges/payments recorded against that bureau's ALC.
- **Internet Payment Platform:** The Internet Payment Platform is the e-Invoicing solution for FBMS. Vendors can enter invoices in IPP and those invoices are interfaced, edited, and automatically created in FBMS. IPP reduces the possibility of data entry errors and reduces the time from vendor invoice creation to posting the invoice in the payment warehouse. Backup documentation from the vendor to support invoice data, such as timesheets for labor contracts, can be attached in IPP and are available in FBMS during invoice approval and certification.
- **Certification and information to Treasury:** NBC performs a single payment run each night. This process selects all payments available, therefore, eliminating the requirement to have separate runs for Treasury and bank card payments. The Payment Warehouse Report is available for managing invoices in the payment warehouse. The report displays error messages for all invoices that are blocked for payment as well as invoices that are eligible for discounts or will incur interest charges.

Please visit the FBMS website for further information: <http://www.myinterior.doi.net/fbms/>