QPA STAT

OCFO • OCP • OCTO • DGS • DHCF • CFSA • OSSE
Problem:
• Limited transparency into District-wide end to end invoice tracking and reporting data
• Manual tracking; potential payment delays; diverse processes

Objective:
• Identify and enact a plan for all Executive agencies to track and report on Quick Payment Act compliance

Key Questions:
• What is the Quick Payment Act?*
• What is the vendor payment process?
• What does the QPA data tell us?
• What is the enterprise wide solution?

*See appendix for additional information on the Quick Payment Act
**Payment Process**

**QPA Clock Starts**

- Invoice Date
- Submission of Invoice to OCFO or Agency (manual) *
- Program Review of Invoice
- Agency Certification of Proper Invoice
- Submission to OCFO
- OCFO Approval of Payment
- Payment of Invoice

**QPA Clock Ends**

- 30 CALENDAR DAYS

---

**Indicates date fields currently tracked.** *There may be lag between logged submission and actual submission; manual process.*

**Indicates date fields necessary for tracking QPA; all fields will be captured by e-invoicing module to PASS.*

---

**Median Days to Payment: All Invoices**

**Agency / OCFO Review**

**OCFO Approved to Payment**

**Agency Receipt to Payment**

---

**Target**

**Calendar Days**

**Month of Payment**

---

**Includes all DM cluster agencies, OCFO, and OCA**
QPA Compliance: % Paid Within 30 Days and Total Invoice Volume

*Invoices are counted by a distinct count of current doc no
**Direct vouchers and cancelled payments are excluded
QPA Compliance: % Paid Within 30 Days and Total Invoice Volume

*Invoices are counted by a distinct count of current doc no
**Direct vouchers and cancelled payments are excluded
QPA Compliance: % Paid Within 30 Days and Total Invoice Volume

*Invoices are counted by a distinct count of current doc no

**Direct vouchers and cancelled payments are excluded
DGS Internal QPA Tracking (3/16-2/17)

*DGS internal tracking data; combination of SOAR and Accounts Payable log

**Appendix slide depicting the volume and percent of DGS invoices returned

***Due to data entry errors, January 2017 tracking data is unavailable
E-invoicing Project Timeline: Key Milestones

Project Charter approved (10/12/16)

Business requirements document approval (9/7/16)

Design complete (3/30/17)

Demo (5/2/17)

QA Testing (7/21/17)

Development complete (5/23/17)

OCFO policy / procedure updates (10/24/17)

Phase II go live* (10/27/17 – 4/26/18)

OCTO pilot (8/2/17 – 10/24/17)

Phase III go live** (4/27/18 – 9/28/18)

E-invoicing PASS module build out complete

E-invoicing will allow for the electronic exchange of invoices between vendors and the District. Additional information in the appendix.

*Phase II: DCRA, DISB, DFHV, DOES, OCP, DGS, OAG, DDOT, DYRS, DDS, OUC, OSSE-DOT, DCPS, OCFO

**Phase III: All remaining District agencies
Challenges

- Limited transparency into District-wide end to end invoice tracking and reporting data
  - Limited standardization, at the agency level, for tracking and reporting
  - Tracking that is currently done is not entirely automated
    - Combination of systems and manual logs
- Invoice submission date is manually input; missing visibility into when an invoice crosses the threshold to the District
- Unable to isolate agency program review and OCFO review time across the District
- Multiple entry points for invoice submission, e.g. OCFO, agency program, and multiple means for submission, e.g. email, online portal (DGS), hard copy
- Complexities and process challenges associated with receiving services vs. good (widgets)
- Lack of District-wide, standardized invoice processing nomenclature
Recommendations

1. Increased regular QPA data sharing between OCFO, OCA, and agencies
2. OCA participation in E-Invoicing project
3. Integration of QPA data into Mayor’s Dashboard; stakeholders to determine appropriate measures to track
4. Adherence to District-wide service levels/review times for each step in the payment process; share w/stakeholders through training, guidance, etc.
5. Leverage technology:
   a) Implementation of E-invoicing PASS module; ensure module is adaptable to all agencies; increase OCTO/OCFO outreach to agency program staff
   b) Require electronic submission of invoices from vendors
6. Standardization of invoice processing nomenclature, definitions, etc.
   a) Develop culture through trainings, guidance, etc.
7. Boilerplate contract payment clauses to ensure vendors are properly submitting invoices
8. Updates to District’s Contract Administrator course w/focus on CA’s role in ensuring timely vendor payment
Appendix
QPA Requirements

The Basics:
The QPA requires payment of vendors for goods and services within 30 days of the receipt of a proper invoice by the designated payment officer

OR

The District is subject to a 1% per month interest penalty

More Details:
- “Proper invoice” means an invoice which contains or is accompanied by substantiating documentation required by regulation or contract
- “Designated payment officer” is agency/program staff responsible for: 1. Determining whether invoice is proper and, 2. Notifying a business (in writing) of invoice defects; must occur within 15 days after invoice receipt

Importance of 3-way Matching Principle
- Match of valid purchase order, agency program receipt of good or services, and vendor invoice
Detailed Vendor Payment Process

Vendor submits invoice → OCFO receives invoice → OCFO to forward invoice to program within 5 days

Program staff notify vendor of defects and request revised invoice. QPA clock restarts upon submission of revised invoice.

Vendor notified of invoice defects → Agency/program review → Goods/services received by District

Program to determine if invoice is proper within 10 days

An invoice does not need to be submitted for an agency to receive in PASS; in practice agencies are waiting until invoice submission.

Vendor notified of invoice defects → Proper invoice? → Agency requests payment

QPA clock starts

Agency requests payment → Goods/services received in PASS

QPA clock ends

OCFO creates payment voucher (PASS) → Payment approved (PASS) → Payment issued (SOAR)

8 days to create and approve → 7 days to issue payment
What is E-invoicing? Key Features? Benefits?

- E-invoicing will allow for the electronic exchange of invoices between vendors and the District

- Keys features of PASS module:
  1. Public facing invoice submission portal
  2. Processing time dashboards, including automated reminders for users to address items pending their review
  3. Customizable approval workflows (agency and program level)
  4. Public facing payment information; will allow vendors to view their business history w/the District

- Benefits:
  1. Streamlined invoicing processes
     a) Automated 3-way match
     b) Staff and vendors will be able to easily locate and track an invoice through the entire payment process
  2. QPA monitoring and compliance
  3. Reporting functionality

- Note, vendors will need to be established in PASS to leverage the new module
EASI Pay system launched in Oct. ’15
Full population of vendors in April ’16

*DGS EASI pay data*
DHCF: Medicaid Claims

*Data is from DHCF MMIS system

**14 specialties are included in All Specialties category
Direct vouchers and cancelled payments are excluded.
**Direct vouchers and cancelled payments are excluded**
OCFO: Transaction Amount

**Direct vouchers and cancelled payments are excluded**
CFSA: Transaction Amount

**Direct vouchers and cancelled payments are excluded**
**Direct vouchers and cancelled payments are excluded**
OCP: Transaction Amount

**Direct vouchers and cancelled payments are excluded**
**Direct vouchers and cancelled payments are excluded**