

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE
WASHINGTON, DC

FSIS DIRECTIVE

3410.4
Revision 1

11/5/13

PROMPT PAYMENT OF BILLS

I. PURPOSE

This directive provides policies and procedures for the prompt payment for property or services received by FSIS. FSIS is revising this directive to update the responsibilities for the program area offices and to clarify the process that the Agency uses to process payment for property or services received.

II. CANCELLATION

FSIS Directive 3410.4, Prompt Payment of Bills, dated 12/29/82.

III. BACKGROUND

In accordance with [31 U.S.C. Chapter 39](#), the Prompt Payment Act, Federal agencies are required to pay their bills within 30 days after a proper invoice for the amount due is received if a specific payment date is not established. Agencies are to pay interest penalties when payments are late and to take discounts only when payments are made within the discount period. [OMB Circular A-125](#), Prompt Payment, and [Departmental Regulation 2120-001](#), Cash Management, provide policies and procedures for implementing the Prompt Payment Act. These policies and procedures are expected to result in timely payments, better business relationships with suppliers, and reduced costs to the Government for goods and services.

IV. POLICY

FSIS complies with requirements and follows procedures set forth by the United States Department of Agriculture and the Treasury Financial Manual, Volume I. FSIS expedites the processing of documents to ensure payment of bills when due, takes advantage of discounts whenever economically justified in accordance with Treasury Departmental Regulations, and avoids interest penalties.

V. RESPONSIBILITIES

A. The requisitioning office is to ensure that all goods or services received conform to the terms of the contract and the detailed requirements referred to in [FSIS Directive 2100.1](#), *Procurement of Supplies, Equipment, and Services*

B. The approving office is to immediately authorize payment for properly billed invoices received directly from vendors (refer to paragraph VII. A. for required information on invoices). The approving office is to use the Invoice Processing Platform Web site (www.ipp.gov) to electronically route invoices to the Financial Services Center (FSC) for receipt in the Integrated Acquisition System. The invoice is then electronically routed to Controller Operations Division (COD) for final processing for payment.

C. The Office of Administrative Services (OAS, Office of Management) is to ensure that all contracts conform to this directive and [FSIS Directive 2100.1](#) before granting procurement approval. In addition, OAS is to respond to contractor disputes or claims.

D. The Contract Officer Representatives and the Financial Management Division (FMD, Office of Chief Financial Officer) are to ensure that all invoices conform to this directive before issuing payment approval. FMD is to also:

1. Require prompt payment approval from FSIS approving officers; and
2. Expedite processing of all invoices to ensure payment by the due date.

E. COD is to process all payments for FSIS and add interest penalties to the cost of the procurements to which they relate.

VI. CONTRACTS

All contracts are to have the following payment information:

1. Payment due date;
2. Separate payment dates if partial payment is provided for partial executions or deliveries;
3. Title, phone number, and complete mailing address of responsible official of the business concern and the designated payment office; and
4. Where necessary, a stated inspection period after delivery for Federal acceptance of property or services.

VII. INVOICES AND DUE DATE FOR PAYMENT OF INVOICES

A. Invoices are to have the following payment information:

1. Name of the business concern and invoice date;
2. Contract number or other authorization for delivery of property or services;
3. Description, price, and quantity of property or services delivered;
4. Shipping and payment terms;
5. Other substantiating documentation or information as required by the contract; and
6. Name (where practical), title, phone number, and complete mailing address of responsible official to whom payment is to be sent.

B. The National Finance Center ensures that invoices are paid as close as possible to, but not later than, the 30 days after receipt of a proper invoice, except:

1. When a specific payment date is provided in the contract; or
2. When a time discount is taken, payment will be made as close as possible to, but not later than, the discount date. Discounts are taken whenever economically justified in accordance with Treasury Department regulations.

VIII. INTEREST PAYMENTS

A. An interest penalty is paid automatically by the COD when all the conditions listed below exist. Interest penalties are to be paid from funds available for the administration or operation of the program for which the penalty was incurred:

1. There is a contract or purchase order with a business concern;
2. FSIS has accepted the property or service, and there is no disagreement over quantity, quality, or other contract provision;
3. FSIS has received an invoice (except where no invoice is required, as in periodic lease payments) and found the invoice to be proper; and
4. Payment is made to the business concern:
 - a. More than 15 days after the due date; or
 - b. FSIS takes a discount after the discount period expired and failed to correct the underpayment within 15 days of the expiration of the discount period.

IX. QUESTIONS

Refer questions regarding this notice through supervisory channels.



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