

# PROMPT PAYMENT ACT

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In 2002, VA processed more than 5.2 million invoices representing over \$9.8 billion, subject to the Prompt Payment Act. Nearly 97 percent of these invoices were paid on time. The number of invoices processed increased by over 600,000, or 14 percent from last year. At the same time, the dollar value of invoices processed increased by over \$1.3 billion, or 15 percent. In 2002, interest penalties paid were \$1.4 million, 24 percent lower than last year's (\$1.8 million).

During 2002, the Department aggressively used the governmentwide commercial purchase card program. Over 2.7 million transactions were processed, representing over \$1.5 billion in purchases. The electronic billing and payment process for centrally billed card accounts earned over \$15.9 million in credit card rebates for VA.

VA's Prime Vendor Payment System automates payments under a nationwide prime vendor centralized purchasing contract. In 2002, the Prime Vendor System was used by 126 VA medical centers with 452,913 transactions processed electronically, which totaled over \$2.8 billion.

VA's Travel Management Centers (TMC) serve veterans and employees who travel frequently.

The billings are transmitted electronically from each TMC, and payment is sent daily through the Department of the Treasury's Electronic Certification System. In 2002, the travel management program processed 116,391 transactions and disbursed payments of more than \$17 million. It also earned \$203,397 in rebates.

VA's Financial Services Center (FSC) staff continued to provide vendor payment history on the Internet. The application stores 90 days of information on invoices. There are currently 1,260 vendors using the Vendor Inquiry System Internet download procedures to assist them with payment identification.

The FSC continued to improve the Intranet online invoice certification process, which allows invoices to be certified electronically and sent for payment. VA's Online Invoice Certification System provides certifying officials e-mail notification from the FSC of any invoice requiring payment certification. Through Intranet access, the certifying official can view, certify, and forward the invoice to the FSC for payment processing. The processing time is reduced to hours rather than days. During 2003, the FSC plans to complete implementation and provide all customers access to the system.