

VOLUME 10, CHAPTER 17: “ELECTRONIC SUBMISSIONS AND PROCESSING”**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated September 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Restructured chapter for better flow of information.	Update
1702	Changed title of section from “Electronic Commerce” to “Electronic Submissions and Processing Policy” to accurately describe the process.	Update
170205.A	Changed reference from DoD Instruction 8520.2 to read DoD Instruction 8520.02 Public Key Infrastructure (PKI) and Public Key (PK) Enabling	Update

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CHAPTER 17

ELECTRONIC SUBMISSIONS AND PROCESSING

1701 OVERVIEW

170101. Purpose

This chapter prescribes policy requirements for Department of Defense (DoD) Components and contractors to submit payment requests and claims as directed by [Title 10, United States Code \(USC\), section 2227](#) and [Defense Federal Acquisition Regulation Supplement \(DFARS\), Subpart 232.7002](#). It provides summary information and specifies the primary methods by which electronic claims may be submitted for payment.

170102. System Controls

The Office of Management and Budget (OMB) prescribes policies and standards for executive departments and agencies to follow in developing, operating, maintaining, evaluating, and reporting on financial management systems. Systems managers are responsible for ensuring that system controls are documented, tested, and certified for entitlement systems ([OMB Circular A-127-Revised, "Financial Management Systems"](#)). They must also provide reasonable assurance that the electronic data transmitted is authorized, complete, correct, and secure. Systems managers will ensure the entitlement office periodically performs tests for system compliance in accordance with the original programming design specifications. System testing will include any system's modifications or upgrades. Tests will confirm key processing procedures and controls are working and reliable. **Any deficiencies must be documented.** In the event that the internal controls for electronic processing of payment requests are inadequate or are not operating as intended, the entitlement office will **revert to a manual process** and request **proper** source documents to support payment. Additional information on internal controls is found in [OMB Circular A-123, "Management's Responsibility for Internal Control"](#) and Volume 1, Chapter 1 and Chapter 3.

*1702 ELECTRONIC SUBMISSIONS AND PROCESSING POLICY

170201. Electronic Payment Requests

Title 10 USC 2227 requires **that any claim for payment will be submitted in electronic form** and DoD Components **will** process those payment requests electronically under DoD contracts. Exceptions to submitting payment requests electronically are specified in DFARS 232.7002. The electronically transmitted payment request is treated the same as a paper payment request and must contain identical data elements as a proper paper payment request would, as specified in [Federal Acquisition Regulation \(FAR\) 32.905\(b\) "Content of Invoices"](#) and Volume 10, Chapter 8, Paragraph 080404. Electronically transmitted payment requests returned to the contractor will be returned in the same manner they were received or **in a manner** practical for the entitlement system. The **electronically** transmitted payment request must be accompanied by an electronic message reporting the reason for return. Electronically transmitted invoices are retained in accordance with [Volume 5, Chapter 21](#) and [Volume 10, Chapter 8](#).

170202. Wide Area Workflow (WAWF)

Guidance for processing electronic payment requests, receiving reports, acceptance, and certification functions using WAWF is contained in DFARS 232.7003.

170203. Electronic Receipt and Acceptance Certification

The electronic receipt and acceptance of materials or services are accomplished through WAWF, Enterprise Resource Planning (ERP) systems and third party payment systems with the use of an electronic signature.

170204. Electronic Voucher Certification

Certifying officers who certify electronic vouchers must submit an electronic Department of Defense Form 577 (Appointment/Termination Record-Authorized Signature) as prescribed by Volume 5, Chapter 33.

A. When electronic techniques are used, it is not necessary to also transfer paper documentation to the entitlement office for examination if the data can be obtained using the electronic process. In some situations, the contractor submitting Electronic Data Interchange (EDI) payment requests may be asked to provide paper documentation for validation or audit purposes.

B. Entitlement offices must further ensure that the transmitted data contains the necessary Prompt Payment Act (PPA) information in accordance with FAR 32.905(b) and 5 CFR 1315.9.

170205. Electronic and Digital Signatures

DoD is authorized to use electronic and digital signatures as prescribed by 15 USC 7001 and 15 USC 7021 and in accordance with Volume 5, Chapter 1. Electronic and digital signatures must meet the minimum requirements of Volume 5, Chapter 1, Paragraph 010303.D. The certifying officer will verify the validity of proposed payments to the entitlement office through the use of an electronic signature. The electronic signature must stay linked to the voucher or certificate to which it applies throughout the payment process. The electronic signature must include the certifying official's approval or disapproval, name, and title.

* A. Electronic and digital signatures are used for receipt, acceptance, and certification of payment requests. Electronic signatures are generally processed through a specific automated information system. Digital signatures are generally not dependent upon access to a specific system; they are created in a Public Key Infrastructure (PKI) form. Guidelines for digital signature requirements are prescribed in DoD Instruction 8520.02. Electronic or digital signatures may be used where an authorized signature is required on a paper document.

B. An approved electronic or digital signature adopted by a certifying official must be:

1. Unique to [that person](#);
2. Under [that person's](#) sole control and custody;
3. Linked to the [document](#) so if anything on the document is changed, the electronic or [digital](#) signature is invalidated; and
4. Capable of [being verified by a disbursing officer](#).

170206. Electronic Document Access (EDA)

DoD uses EDA for the centralized repository of all official payment documentation. More information regarding business rules for using the system are contained in the [EDA Manual](#).

170207. System for Award Management (SAM)

Vendors and contractors doing business with the Federal Government must register in [SAM \(FAR 4.11\)](#). Contractors are responsible for keeping all CCR information current. Contractors not providing correct CCR or banking information will not be eligible for Prompt Payment interest, as prescribed by [5 CFR 1315.4](#). The CCR and Electronic Funds Transfer (EFT) will not be used to change the identity of the payee. The payee may only be changed pursuant to a legal process such as an Assignment of Claims, tax levy, surety takeover agreement, Department of Labor levy, or novation. See Volume 10, Chapter 3.

170208. Electronic Funds Transfer (EFT)

All contractor payments shall be made by EFT, as prescribed by [FAR 32.1103](#). Exceptions to making payments via EFT are cited in [31 CFR 208.4](#). The applicable policy and procedures for contract financing and delivery payments to contractors by EFT are found in FAR 32.11. Additional information on EFT can be found in Volume 5, Chapter 24.