OFFICE OF THE SECRETARY OF DEFENSE

1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

AUG 1 8 2004

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (ACQUISITION, LOGISTICS AND TECHNOLOGY)
ASSISTANT SECRETARY OF THE ARMY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE NAVY (RESEARCH, DEVELOPMENT AND ACQUISITION)
ASSISTANT SECRETARY OF THE NAVY (FINANCIAL MANAGEMENT AND COMPTROLLER)
ASSISTANT SECRETARY OF THE AIR FORCE (ACQUISITION)
ASSISTANT SECRETARY OF THE AIR FORCE (FINANCIAL MANAGEMENT AND COMPTROLLER)
DEPUTY DIRECTOR FOR LOGISTICS OPERATIONS (DLA)
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: Using Wide Area Workflow to Process Vouchers for Cost Reimbursable, Time and Material (T&M), and Labor Hour (L/H) Contracts

The functionality to process certain types of contract financing payments including vouchers under cost reimbursable, Time and Material (T&M) and Labor Hour (L/H) contracts was implemented in Wide Area Workflow (WAWF) in July, 2003. The Defense Contract Audit Agency (DCAA) successfully led a pilot of this technology with numerous vendors to prove this WAWF voucher processing capability. This functionality now allows the Department to deploy WAWF for use with these types of contractual actions. Therefore, DoD Components must immediately update their WAWF deployment plans to include deployment of this functionality in accordance with the direction of the Acting Under Secretary of Defense, Acquisition, Technology and Logistics (AUSD(AT&L) to "transition rapidly to WAWF as a mandatory payment requirement."

The Defense Federal Acquisition Regulation Supplement (DFARS) Section 232.7000 requires contractors to submit payment request in electronic form. WAWF is considered an acceptable electronic form for these transmissions. When the electronic vouchers are processed in WAWF, they may be slightly different than the paper equivalents. DFARS Section 242.803 (Attachment 1) establishes the auditor as the contracting officer's representative for receiving and reviewing interim vouchers, for

FEDERAL RECYCLING PROGRAM PRINTED ON RECYCLED PAPER

authorizing direct submittal of vouchers, and for forwarding final vouchers to the Administrative Contracting Officer (ACO). WAWF electronically routes contractor and auditor information to the auditor, payment office or the ACO, consistent with the DFARS. The voucher, pre or post-audit, can be securely accessed through WAWF. Therefore when a vendor uses WAWF to process vouchers, it fulfills all requirements for distribution.

The Defense Procurement and Acquisition Policy action officer for WAWF Deployment is Lt Col Thomas Snyder, thomas.snyder@osd.mil, 703-614-3883.

JoAnn Boutelle
Deputy Chief Financial Officer
OUSD(C)

Deidre A. Lee
Director, Defense Procurement
and Acquisition Policy
OUSD(AT&L)

Attachment
As stated

Attachment 1

DFARS 242.803 Disallowing costs after incurrence.

(a) *Contracting officer receipt of vouchers.* Contracting officer receipt of vouchers is applicable only for cost-reimbursement contracts with the Canadian Commercial Corporation. See 225.870-5(b) for invoice procedures.

(b) *Auditor receipt of voucher.*

(i) The contract auditor is the authorized representative of the contracting officer for-

(A) Receiving vouchers from contractors;

(B) Approving interim vouchers for provisional payment (this includes approving the fee portion of vouchers in accordance with the contract schedule and administrative contracting officer instructions) and sending them to the disbursing office;

(C) Authorizing direct submission of interim vouchers for provisional payment to the disbursing office for contractors with approved billing systems;

(D) Reviewing completion/final vouchers and sending them to the administrative contracting officer; and

(E) Issuing ◄ DCAA ► Forms 1, Notice of Contract Costs Suspended and/or Disapproved, to deduct costs where allowability is questionable.

(ii) The administrative contracting officer-

(A) Approves all completion/final vouchers and sends them to the disbursing officer; and

(B) May issue or direct the issuance of ◄ DCAA ► Form 1 on any cost when there is reason to believe it should be suspended or disallowed.