



4.13 Contracts and Purchase Orders-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system for purchase of **services**. At the option of the Contracting Officer, a receipt document may be required to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that services have been received and accepted. Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, **and** requires receipt documents to be recorded in the financial system for purchase of **goods**. Approval of the invoice by the program office indicates authority to pay after the receipt document has been recorded.

AP enters the invoice for into the financial system, referencing the UDO and receipt ticket (if applicable) previously established in the financial system. Program offices (PO) approve the invoice for payment.

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

Examples

Example: UDO established in the financial system. Goods are received and a receipt ticket is established in the financial system. AP receives the invoice, logs the receipt date/time, and sends to PO for approval. PO approves invoice and identifies UDO and receipt ticket reference and returns to AP. AP approves invoice referencing UDO and receipt ticket and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

Sources

- Source:** AP BPR Recommendation 4.3.2 Contracts
Document ID: Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)
Publication Date: August 28, 2007
- Source:** AP BPR Recommendation 4.3.11 Purchase Orders
Document ID: Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)
Publication Date: August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.2.1.1 Contracts and Purchase Orders
Document ID: Department of Commerce AP BPR Phase II Results Documentation (AP_BPR_Results_Final_v1.5.doc)
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4. **Source:** AP BPR 4.2.2.1 Standardize Purchase Orders and Contracts – Matching
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