



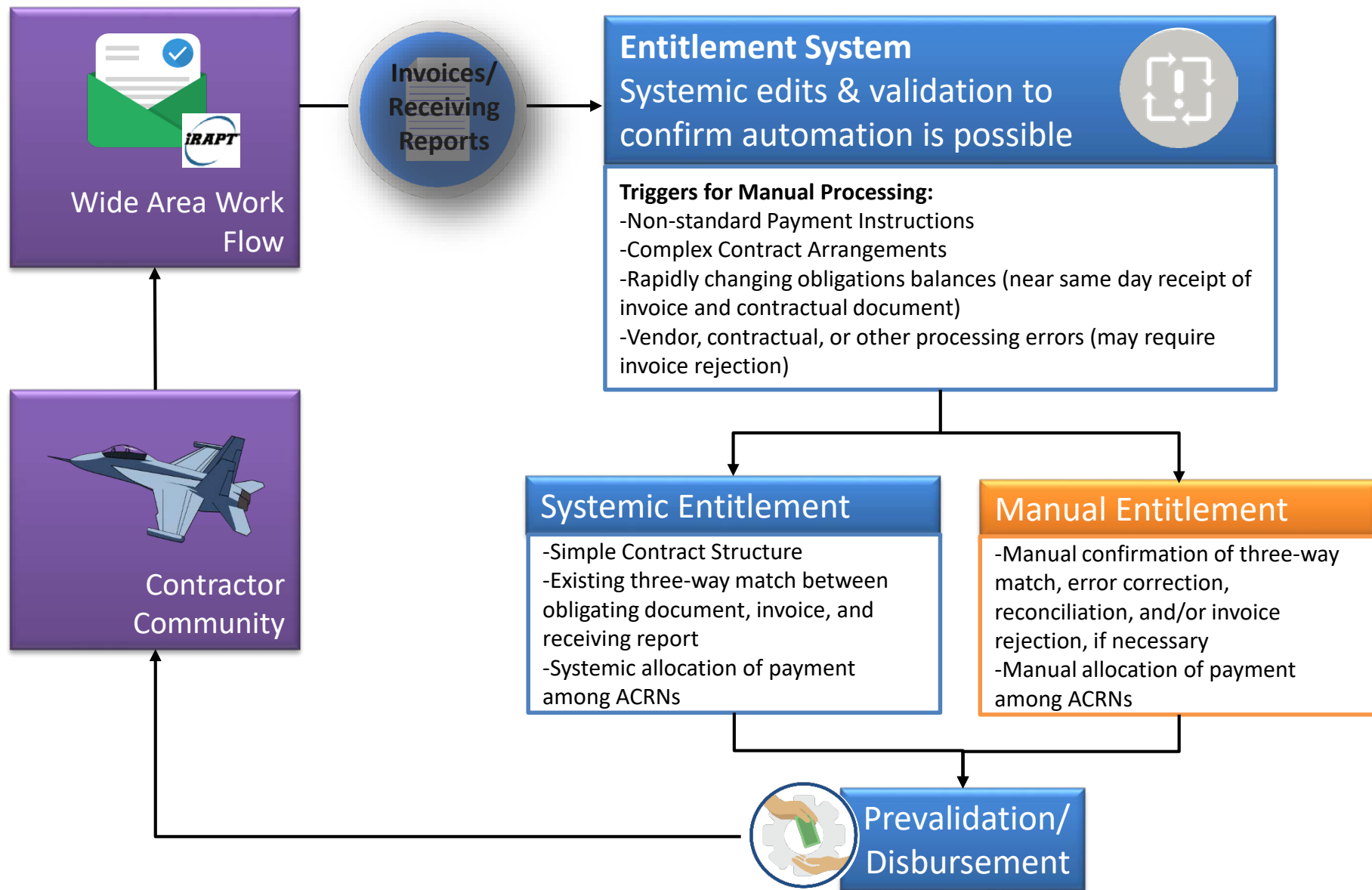
# API Discussion

*Defense Finance and Accounting Service*

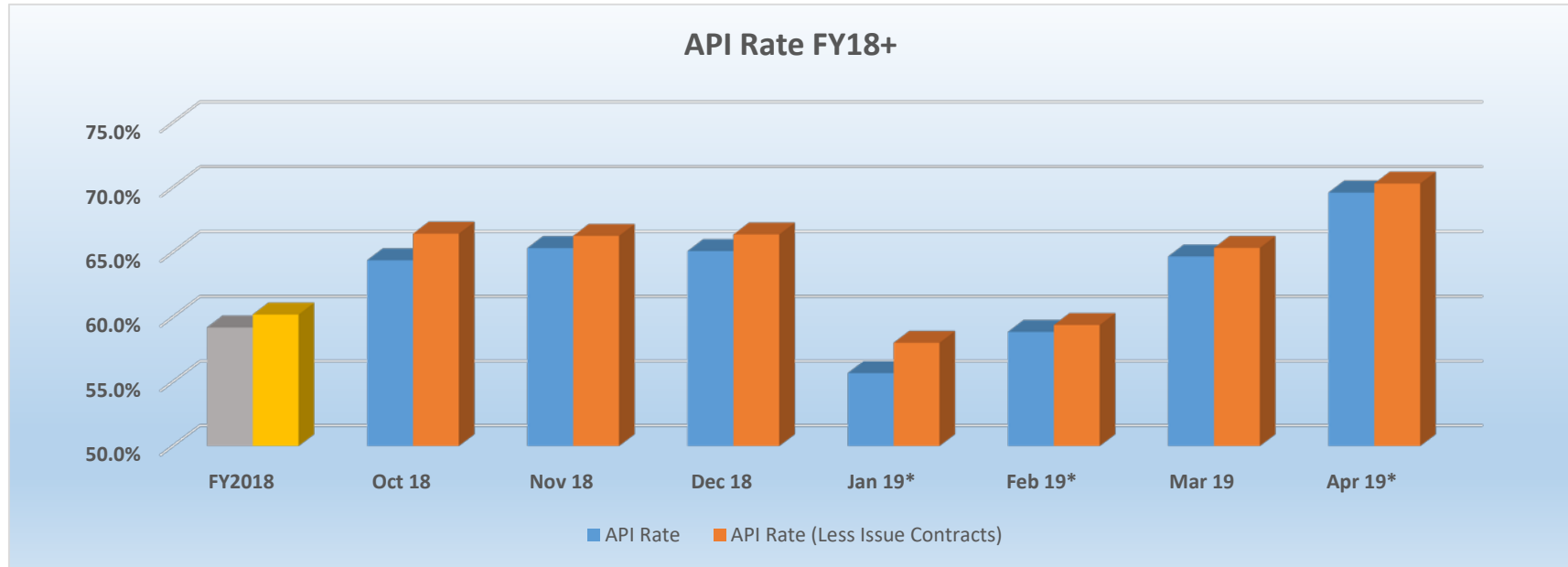
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# MOCAS High-Level Entitlement Processing



# API Percentages



	FY2018	Oct 18	Nov 18	Dec 18	Jan 19*	Feb 19*	Mar 19	Apr 19*
API Rate	59.2%	64.4%	65.3%	65.1%	55.7%	58.9%	64.7%	69.6%
API Rate (Less Issue Contracts)	60.2%	66.4%	66.3%	66.4%	58.0%	59.4%	65.3%	70.3%

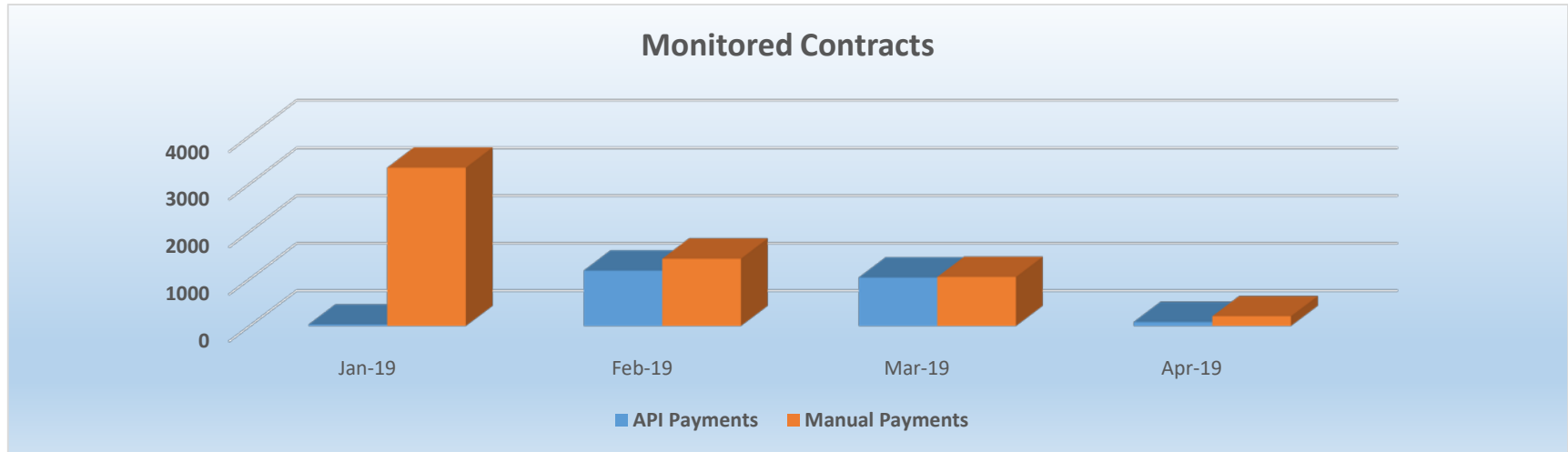
\*January/February 2019- We experienced an abnormal amount of manual invoices that were backlogged causing the API rate to lower substantially.

\*April 2019- Due to these numbers being accessed in April, the API percentage is representative of the first third of the month.

# API Percentages of Monitored Contracts



In an attempt to reduce manual payments, we are tracking particular contracts that are invoicing heavy. Above is the API rates of these contracts.



Date	Payment Count	API Payments	Manual Payments	API %	% Of Total Invoices
Jan-19	3368	30	3338	0.9%	5.1%
Feb-19	2604	1176	1428	45.2%	4.3%
Mar-19	2072	1029	1043	49.7%	3.1%
Apr-19	292	84	208	28.8%	1.8%



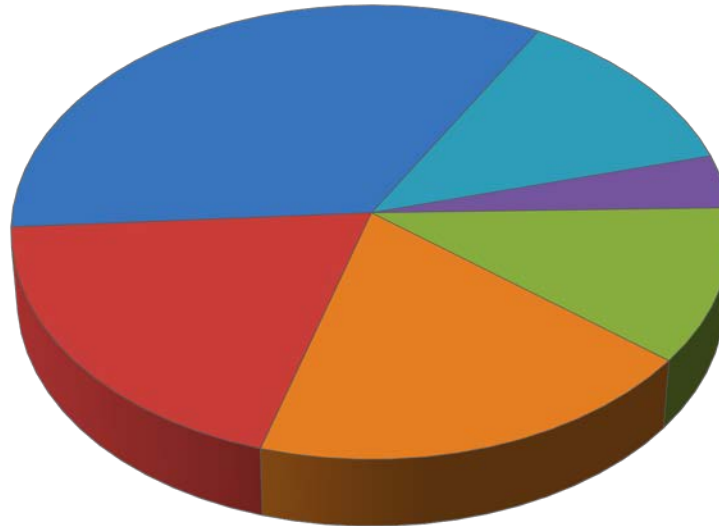
## FY19 MANUAL PROCESSING REASON CODES

### 34.3% MANDATORY REVIEW

- Invoice is associated with a contracts that has been marked in the system as requiring manual entitlement
- Manual entitlement indicators can be added systemically or manually
- **Primary target for improvement**

### 19.4% THREE-WAY MATCH FAILURE (MAAPR-INV \$ NOT EQUAL)

Data mismatches between the invoice, receiving report and/or accounting payable record in MOCAS causes the invoice to need further manual research (i.e. system cannot confirm a “Three-way match”)



### 12.5% NON API PAYMENT TERMS (Special 9 ACRN)

Contractual payment terms related to the invoice prevent systemic processing (instructions are PGI12: “Other”)

### 3.8% PAYMENT TERMS UNDEFINED (NON API PGI CLAUSE)

Contractual payment terms are undefined within the system and require manual research to determine and entitle

### 11.0% FUNDING IMBALANCE (LINE TRANS GREATER THAN CLR)

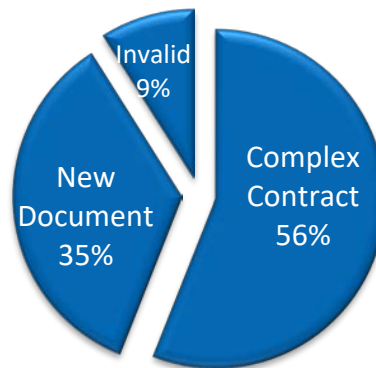
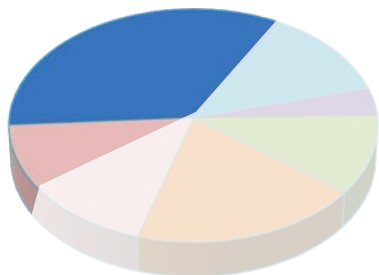
Insufficient funds exist at the line of accounting level to cover invoice value

### 18.9% OTHER

# Initial Root Cause Analysis



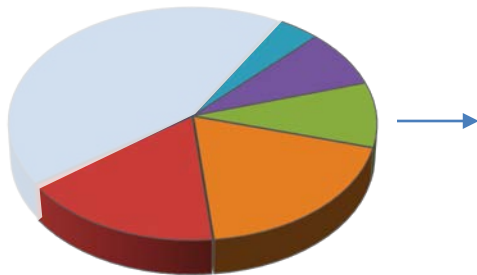
## 34.3% Mandatory Review



Sources, Root Causes and Corrective Action					
Complex Contractual Instrument		New Document		Invalid	
56%	82,020 Invoices	35%	52,609 Invoices	9%	13,323 Invoices
<b>Root Cause:</b> Complex contractual arrangements. Majority (69K) associated with Mixed-Type Contracts.		<b>Root Cause:</b> Systemically added to ensure invoices are processed against up-to-date contractual information.		<b>Root Cause:</b> Procedures to remove invalid indicators are not occurring frequently/constantly enough.	
<b>Corrective Action:</b> Risk based approach developed based on contract structure (financing, payment instructions), set-up, and dollar value. <b>Implemented 9/2018</b>		<b>Corrective Action:</b> Risk based approach developed based on dollar value and electronic posting indicators. <b>Implemented 9/2018.</b>		<b>Corrective Action:</b> Daily review procedures. <b>Implemented 8/2018.</b>	
<b>Expected Result:</b> Additional 20K invoices will process electronically increasing API rate by 2%.		<b>Expected Result:</b> Additional 6.2K invoices will process electronically increasing API rate by .5%.		<b>Corrective Action Expected Result:</b> Additional 13K invoices will process electronically increasing API rates by 1%.	



# Initial Root Cause Analysis Cont.



<i>Root Cause Analysis</i>			
<b>THREE-WAY MATCH FAILURE</b>	<b>FUNDING IMBALANCE</b>	<b>PAYMENT TERMS UNDEFINED</b>	<b>NON API PGI CLAUSE</b>
<b>19.4%</b>	<b>11%</b>	<b>3.8%</b>	<b>12.5%</b>
<b>Primary Root Cause:</b> Frequent contract modification. Complex contract structure.	<b>Primary Root Cause:</b> Contract is improperly set up in MOCAS.	<b>Primary Root Cause:</b> Legacy Contracts issued before payment term standardization.	<b>Primary Root Cause:</b> Contracting officer has chosen non-automated payment terms.

## ■ ELIN Automation Project

- ✓ Reduces three-way match failures. ELIN input has been partially automated making the process 1,000% more efficient

## ■ Opportunity

- ✓ Reduction in number of modifications (price/quantity changes)
- ✓ Reduction in use of PGI OTHER
- ✓ Closure/continuance of older contracts

# Questions

