

Veterans Affairs Center Makes Move to Electronic Invoicing

Second largest federal agency embraces efficiency, security of e-invoicing under new contract with OB10, A&T Systems

By Editorial Staff

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The **U.S. Department of Veterans Affairs Financial Services Center (VAFSC)** is leaving paper invoices behind and moving to electronic invoicing under a new contract with **A&T Systems** and **OB10**, the two companies announced today.

The VAFSC, the second largest federal agency, operates in a shared services environment, with a central site located in Austin, Texas, that processes invoices for the nationwide network of Veterans Health Administration hospitals and other field facilities. Currently, the VAFSC processes over one million invoices annually.

"The VAFSC is always interested in taking steps that enable it to perform its mission better and more efficiently," said VAFSC Director Rod Wood. "We are looking to eliminate invoice errors, reduce or eliminate late payment penalties, and make our accounts payable process a model for other federal agencies."

OB10 operates an e-invoicing network, and A&T Systems is a provider of technology and other solutions to the federal government. Jointly, they will enroll VAFSC suppliers on the OB10 network, allowing invoice submission to the VAFSC in any electronic format. The network also provides data mapping and translation services, and it presents the VAFSC with the invoice in the center's desired format.

The OB10 global e-invoicing network, which has members in 70 countries and across six continents, allows suppliers to submit invoices in any electronic format, from enterprise resource planning (ERP) systems such as SAP and Oracle all the way down to small-business QuickBooks-generated invoices. Its ability to translate these invoices and present them to the buyer company in its preferred format is key to achieving high rates of supplier compliance, OB10 said.

Eliminating Paperwork

In going electronic, the VAFSC will be looking to gain efficiencies in its invoice handling, as it is expected to require less staff time to open mail and deal with the mountain of paper involved with nearly 17,000 invoices arriving each week.

In addition, the center expect to improve security, as the OB10 network operates in an electronic environment that helps eliminate the security and privacy issues inherent with paper invoice processing.

The electronic delivery also eliminates manual errors that occur as VAFSC staffers type paper invoice data into its payment system. The OB10 solution provides "instant invoice delivery," which will help VAFSC comply with prompt payment guidelines that assess interest penalties when payments are not completed within certain time periods.

E-invoicing is also a "green" technology that yields environmental benefits thanks to its elimination of paper. If half of the VAFSC's paper invoices were replaced by e-invoices, 175 trees would be saved, as well as 30,000 kilowatts of electricity and 438 pounds of air pollutants involved in paper manufacturing, along with 24 cubic yards of eventual landfill space, OB10 estimated.

Improving Government Efficiency

OB10 and A&T Systems will work to convert 70 percent of the VAFSC annual invoice total, received from the 2,700 highest-volume vendors, from paper to electronic within 12 months, and Peter Watson, senior vice president of OB10, believes his company can meet that goal. "The fact that [suppliers] can submit invoices in any format makes it easier for them to make the transition, and our supplier conversion teams work closely with them to overcome any challenges," Watson said.

Fred Sanders, vice president of strategic relationships for A&T Systems, said that when A&T and OB10 began closely working together a year ago, he knew that the e-invoicing solution would appeal to A&T Systems' clients in the federal government.

"E-invoicing is the wave of the future and is a great addition to the range of solutions that A&T Systems offers to government agencies," Sanders said. "It is all about making government operate more efficiently and effectively, and we anticipate that more agencies, at all levels of government, will be making the e-invoicing migration before long."

As a Franchise Fund operating under the Government Management and Reform Act of 1994, the VAFSC can also provide electronic invoicing services to other federal departments and agencies.