



This document is scheduled to be published in the Federal Register on 02/23/2012 and available online at <http://federalregister.gov/a/2012-04216>, and on FDsys.gov

Billing Code: 4810-25-P

DEPARTMENT OF THE TREASURY

48 CFR Chapter 10

RIN 1505-AC41

Department of the Treasury Acquisition Regulation; Internet Payment Platform

AGENCY: Office of the Procurement Executive, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Department of the Treasury is proposing to amend the Department of the Treasury Acquisition Regulation (DTAR) to implement use of the Internet Payment Platform, a centralized electronic invoicing and payment information system, and to change the definition of bureau to reflect the consolidation on July 21, 2011 of the Office of Thrift Supervision with the Office of the Comptroller of the Currency.

DATES: Comment due date: [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER]

ADDRESSES: Treasury invites comments on the topics addressed in this proposed rule.

Comments may be submitted to Treasury by any of the following methods: by submitting electronic comments through the federal government e-rulemaking portal, www.regulations.gov,

by email to ronald.backes@treasury.gov; or by sending paper comments to Department of the Treasury, Office of the Procurement Executive, Attn: Ronald Backes, 1500 Pennsylvania Avenue, NW, Metropolitan Square Room 6N501, Washington, DC 20220.

In general, Treasury will post all comments to www.regulations.gov without change, including any business or personal information provided, such as names, addresses, e-mail addresses, or telephone numbers. Treasury will also make such comments available for public inspection and copying in Treasury's Library, Room 1428, Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220, on official business days between the hours of 10:00 a.m. and 5:00 p.m. Eastern Time. You can make an appointment to inspect comments by telephoning (202) 622-0990. All comments, including attachments and other supporting materials received are part of the public record and subject to public disclosure. You should submit only information that you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: Ronald Backes, Director, Acquisition Management, Office of the Procurement Executive, at (202) 622-5930.

SUPPLEMENTARY INFORMATION:

The Federal Acquisition Regulation (FAR) sets forth the uniform regulation for the procurement of supplies and services by federal departments and agencies (title 48, chapter 1, of the Code of Federal Regulations (CFR)). The Department of the Treasury Acquisition Regulations, which supplement the FAR, are codified at 48 CFR Chapter 10.

On July 5, 2011, the Department announced that it will implement the Internet Payment Platform (IPP) no later than the end of fiscal year 2012; with all new payment requests in

FY2013 processed using the IPP. The Internet Payment Platform (IPP) is a secure web-based electronic invoicing and payment system that processes vendor payment data electronically, either through a web-based portal or electronic submission, and automates the routing and approval workflow within an agency.

The IPP is provided by the Department of the Treasury's Financial Management Service through its fiscal agent, the Federal Reserve Bank of Boston at no cost to vendors or government departments and agencies adopting the platform. The IPP benefits agencies by eliminating the need to file and store paper payment documentation; reducing the time of agency personnel researching and answering payment status questions by providing vendor and department-wide visibility into contract payments.

IPP benefits vendors by reducing time to payment, creating a standard set of electronic data to submit payment requests to the Federal government; reducing costs from having multiple processes and requirements; reducing paper and postage costs, improving cash management by eliminating the time delays associates with submitting and routing paper; and increasing transparency in the payment processes.

The US Treasury will support vendor transition from paper-based payment processes to IPP through a series of webinar and video training on various aspects of the application, including how to view purchase orders, submit invoices, retrieve payment information, set notification preferences, and add users to IPP accounts. The IPP application includes a "Collector User Guide" on vendor landing page. Treasury also operates customer support services email and toll free numbers during business hours, Monday through Friday 8 am - 6:30 pm Eastern Time.

In this proposed rule, the Department would add a new subpart 1032.70—Electronic Submission and Processing of Payment Requests to establish the IPP. This subpart prescribes policies and procedures for electronic submission and processing of payment requests. First, the new subpart sets forth the scope, a definition of “payment request,” and a description of the IPP policy. With limited exceptions, the new provisions would establish that after October 1, 2012, Treasury will require and contractors will submit payment requests electronically. The rule also proposes a waiver of its provisions. Finally, the rule proposes the text of the IPP contract clause.

This proposed rule would also make nonsubstantive, technical changes to update the DTAR definition of “bureau” and would add “IPP” to the DTAR list of abbreviations.

Regulatory Planning and Review

This rule is not a significant regulatory action as defined in section 3(f) of Executive Order 12866. Therefore a regulatory assessment is not required.

Regulatory Flexibility Act

The Regulatory Flexibility Act (5 U.S.C. chapter 6) generally requires agencies to conduct an initial regulatory flexibility analysis and a final regulatory flexibility analysis of any rule subject to notice and comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.

It is hereby certified that this proposed rule would not have a significant economic impact on a substantial number of small entities. The IPP will benefit vendors by reducing time to payment, creating a standard set of electronic data to submit payment requests to the Federal government; reducing costs associated with adhering to multiple processes and requirements for different federal agencies; reducing paper and postage costs, improving cash management by

eliminating the time delays associated with submitting and routing paper; and increasing transparency in the payment processes. The rule is intended to support the implementation of the IPP to streamline the payment processes associated with government contracts and agreements.

Treasury contracts with more than 4,000 small businesses annually. This rule is expected to impact all small businesses that contract with Treasury. While Treasury anticipates that a significant number of small businesses will be impacted, the economic impact is minimal, and outweighed by the economic benefits of IPP. An initial cost to small businesses in terms of changes to manual, paper-based invoicing processes is expected to be recouped by small businesses within a short-term through more efficient submission and reporting of invoices and payments and more timely payments. No additional reporting or record-keeping requirements for small businesses result from this rule. Staff experienced with the submission of paper-based payment requests will need to learn the process for submitting electronic payment requests. New compliance and reporting requirements are not anticipated, as Government and vendor staff will be able to access data and reports directly through the IPP.

This rule is related to, but not in conflict with, following federal rules:

- 31 CFR Part 208 requires that most federal payments be made electronically, subject to certain waivers established in the rule.
- The Prompt Payment rule at 5 CFR Part 1315 requires vendors to submit Electronic Funds Transfer (EFT) information and a Taxpayer Identification Number (TIN) as part of a proper invoice, unless agency procedures provide otherwise. Late interest penalties do not apply if the vendor has failed to submit this information.
- 48 CFR Parts 13, 15, 32 and 52, addresses the use of EFT for federal contract payments and also provides for the collection of banking information from vendors.

In particular, the FAR EFT rule provides EFT contract clauses that agencies should use in their contracts with government vendors requiring them to receive payments electronically

This rule would be implemented in such a manner to complement these rules.

Accordingly, the undersigned hereby certifies that this rule will not, if promulgated, have a significant economic impact on a substantial number of small entities. Notwithstanding this certification, the Department invites comments from small businesses to concerning the impact of this proposal on small entities.

Paperwork Reduction Act

The information collections contained in this proposed rule have been previously approved by the Office of Management and Budget under the Paperwork Reduction Act (44 U.S.C. 3501, et seq.) and assigned OMB control numbers 1505-0081; 1505-0080; and 1505-0107. Under the Paperwork Reduction Act, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number.

List of Subjects in 48 CFR Chapter 10

Government procurement.

Accordingly, the Department of the Treasury proposes to revise 48 CFR Chapter 10 to read as follows:

CHAPTER 10—DEPARTMENT OF THE TREASURY

1. The authority citation for part 1002 continues to read as follows:

Authority: 41 U.S.C. 418b.

2. Section 1002.101 is revised to read as follows:

1002.101 Definitions.

Bureau means any one of the following Treasury organizations:

- (1) Alcohol and Tobacco Tax and Trade Bureau (TTB);
- (2) Bureau of Engraving & Printing (BEP);
- (3) Bureau of Public Debt (BPD);
- (4) Departmental Offices (DO);
- (5) Financial Crimes Enforcement Network (FinCEN);
- (6) Financial Management Service (FMS);
- (7) Office of the Inspector General (OIG);
- (8) Internal Revenue Service (IRS);
- (9) Office of the Comptroller of the Currency (OCC);
- (10) Special Inspector General for the Troubled Asset Relief Program (SIGTARP);
- (11) Treasury Inspector General for Tax Administration (TIGTA); or
- (12) United States Mint.

3. Section 1002.70 is revised by adding the following abbreviation in alphabetical order to read as follows:

1002.70 Abbreviations.

* * * * *

IPP Internet Payment Platform

* * * * *

4. Add subpart 1032.70 to read as follows:

**SUBPART 1032.70—ELECTRONIC SUBMISSION AND PROCESSING OF PAYMENT
REQUESTS**

1032.7000 Scope of subpart.

1032.7001 Definitions.

1032.7002 Policy.

1032.7003 Contract clause.

1032.7000 Scope of subpart.

This subpart prescribes policies and procedures for electronic submission and processing of payment requests.

1032.7001 Definitions.

“Payment request,” as used in this subpart, is defined in the clause at 1052.232-7003, Electronic Submission of Payment Requests.

1032.7002 Policy.

(a) Contracts awarded after October 1, 2012, shall require the electronic submission of payment requests, except for—

- (1) Purchases paid for with a Government-wide commercial purchase card;

(2) Classified contracts or purchases when electronic submission and processing of payment requests could compromise classified information or national security;

(b) Where a contract otherwise requires the electronic submission of invoices, the Contracting Officer may authorize alternate procedures only if the Contracting Officer makes a written determination that:

(1) The Department of the Treasury is unable to receive electronic payment requests or provide acceptance electronically;

(2) The contractor has demonstrated that electronic submission would be unduly burdensome;
or

(3) The contractor is in the process of transitioning to electronic submission of payment requests, but needs additional time to complete such transition. Authorizations granted on this basis must specify a date by which the contractor will transition to electronic submission

(c) Except as provided in paragraph (a) and (b), Treasury officials shall process electronic payment submissions through the Treasury Internet Payment Platform or successor system.

(d) If the requirement for electronic submission of payment requests is waived under paragraph (a)(2) or paragraph (b), the contract or alternate payment authorization, as applicable, shall specify the form and method of payment request submission.

1032.7003 Contract clause.

Except as provided in 1032.7002(a), use the clause at 1052.232-7003, Electronic Submission of Payment Requests—Internet Payment Platform, in solicitations issued and contracts awarded after October 1, 2011.

5. Add section 1052.232-7003 to read as follows:

1052.232-7003 Electronic Submission of Payment Requests.

As prescribed in 1032.7003, use the following clause:

ELECTRONIC SUBMISSION OF PAYMENT REQUESTS (DATE TBD)

(a) *Definitions.* As used in this clause—

(1) “Payment request” means a bill, voucher, invoice, or request for contract financing payment with associated supporting documentation. The payment request must comply with the requirements identified in FAR 32.905(b), "Payment documentation and process" and the applicable Payment clause included in this contract.

(b) Except as provided in paragraph (c) of this clause, the Contractor shall submit payment requests electronically using the Internet Payment Platform (IPP). Information regarding IPP is available on the Internet at www.ipp.gov. Assistance with enrollment can be obtained by contacting the IPP Production Helpdesk via email ippgroup@bos.frb.org or phone (866) 973-3131.

(c) The Contractor may submit payment requests using other than IPP only when the Contracting Officer authorizes alternate procedures in writing.

(d) If alternate payment procedures are authorized, the Contractor shall include a copy of the Contracting Officer's written authorization with each payment request.

(End of clause)

DATED: _February 15, 2012_____

Thomas A. Sharpe, Jr.
Senior Procurement Executive, Office of the Procurement Executive

[FR Doc. 2012-4216 Filed 02/22/2012 at 8:45 am; Publication Date: 02/23/2012]