Contract Pay (MOCAS)
Operations Overview

Joe M. Spring
Accounts Payable Acquisition Directorate
August 2009
Agenda

- MOCAS Organizational Structure
- What is MOCAS?
- MOCAS Magnitude of Operations
- MOCAS Operations at a Glance
- Accounts Payable Process
- Payment Process
- Contract Reconciliation
- Contract Close-Out
- Electronic Document Receipt
- MOCAS Areas of Emphasis
What is MOCAS?

- Integrated system supporting post award contract administration
- Used by:
  - DCMA Contract Administration Offices
  - DFAS Contract Pay
  - Procurement Offices
  - Funding Stations (Prevalidation Business Partners)
- Pays More Complex Contracts
  - High Dollar
  - Multiyear Contracts
  - Multiple Deliverables
- Makes Financing Payments
MOCAS Magnitude of Operations

**MOCAS – FYTD 09**  
(As of June 09)  
✓ 336,819 Active Contracts  
✓ 18,792 Active Contractors  
✓ 792,840 Invoices Processed  
✓ $144.8 Billion Disbursed

**MOCAS – FY 08**  
✓ 339,296 Active Contracts  
✓ 17,893 Active Contractors  
✓ 1,057,061 Invoices Processed  
✓ $180 Billion Disbursed
MOCAS Operations at a Glance

Interest $ Per Million

<table>
<thead>
<tr>
<th></th>
<th>FY 06</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Paid</td>
<td>$52</td>
<td>$51</td>
<td>$56</td>
<td>$73</td>
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</table>

Prompt Pay Act $ Disbursed

<table>
<thead>
<tr>
<th></th>
<th>FY 06</th>
<th>FY 07</th>
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<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Billions</td>
<td>$73</td>
<td>$56</td>
<td>$6.80</td>
<td>$94</td>
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</table>

Interest Paid

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<th>FY 08</th>
<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Millions</td>
<td>$7.64</td>
<td>$7.99</td>
<td>$9.17</td>
<td>$6.80</td>
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</table>

Overage Invoice Percentage

<table>
<thead>
<tr>
<th></th>
<th>FY 06</th>
<th>FY 07</th>
<th>FY 08</th>
<th>FY 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Millions</td>
<td>.98%</td>
<td>1.19%</td>
<td>2.01%</td>
<td>2.13%</td>
</tr>
</tbody>
</table>
Accounts Payable Process - 3 Way Match

Legal Agreement for purchase of good or services.

Vendor Invoice submitted when goods are shipped or services rendered.

Receipt document completed by government official when goods or services are received.

Disbursement voucher created; Electronic Funds transfer to bank account.
Payment Process: Contract Management

EDA

Contract Award

EDI

EDM Contract Input

Establish Contract in MOCAS

Problems?

Hard Copy

Contract Discrepancy (DD 1716)
Payment Process: Invoice Entitlement

Contract

Electronic Invoice
  Commercial DD250
  Financing
  Cost Vouchers

Acceptance (WAWF)

Valid Payment Request

Entitlement
  CLR, Provision File, Master Invoice, Accounts Payable

Prevalidation

Disbursement

Notification to Accounting Station

EFT Payment to Contractor

Research & Reconciliation

Payment Initiated

Verify Obligation

MOCAS System
Payment Process: Current Prevalidation Thresholds

- Thresholds
  - Nov 1, 2006 reduced to $5000
  - Anticipated drop to $2500 in FY 09
  - FY05 and future contract disbursements $0
  - Vendor Pay is currently at $0

- Five Calendar Day Standard
Contract Closeout

Part A
- Over $100K
- Some Firm-Fixed Price
- Cost Contracts

Part B
- Firm-Fixed Price Contracts
- Under $100K

ACO

DFAS

Not Balanced?

Balanced

CAR Section 5
Final PK9

Contract Close-out & Reconciliation Group

Final (Z) Shipment

Final Disbursement

CAR Sect. 2
Interim PK9

Contract Ready for Close-out
Overall EC Receipts

<table>
<thead>
<tr>
<th></th>
<th>Contracts</th>
<th>Modifications</th>
<th>Invoices</th>
<th>Receiving Reports</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall</strong></td>
<td>48%</td>
<td>33%</td>
<td>98%</td>
<td>81%</td>
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</tbody>
</table>

Average Invoice API Rate: Overall: 41.95%