



National Aeronautics and
Space Administration
Washington, DC 20546

Procurement Information Circular

PIC 14-02

March 31, 2014

CLASS DEVIATION to NFS 1842.803(b)(1)(D) – DEFENSE CONTRACT AUDIT AGENCY (DCAA) POLICY AND PROCEDURE FOR SUBMISSION AND AUDIT OF CONTRACTOR INTERIM VOUCHERS

PURPOSE: This deviation provides authority to deviate from the auditor receipt of voucher requirements at NASA FAR Supplement (NFS) 1842.803(b)(1)(D). This class deviation implements revised DCAA policy and procedures for the submission and pre-payment processing of contractor interim vouchers as delineated in the Department of Defense FAR Supplement (DFARS) 242.803 (b) (B) entitled “Disallowing costs after incurrence, auditor receipt of voucher”, dated August 29, 2012.

BACKGROUND: To ensure that DCAA’s limited resources are applied to the areas and audits of highest risk, the Department of Defense (DOD) in conjunction with DCAA revised the DFARS Part 242.803 (b) (B) to replace the direct submission process for interim vouchers with a risk-based sampling review process. The direct submission process permitted contractors with approved billing systems to directly submit interim vouchers for provisional payment to the disbursing office (i.e. NASA Shared Services Center). As a result of this policy change, the authorization for the direct submission of interim vouchers was withdrawn and all interim vouchers are now required to be submitted to DCAA under the risk based sampling review process via DoD WAWF system except for classified vouchers.

The National Defense Authorization Act for Fiscal Year 2001 (Public Law 106-398) required contractors to submit electronically, and DOD to process electronically, requests for payments under DOD contracts. This mandate required the use of the DOD Wide Area Work Flow (WAWF) system by contractors to submit their interim vouchers electronically. The NASA Office of the Chief Financial Officer and Headquarters Office of Procurement approved the utilization of the DOD WAWF system to replace the current NASA manual invoicing process. The implementation of the DOD WAWF system across NASA would be done in a phased approach.

The DOD WAWF system automatically sends interim vouchers selected under the risk-based sampling review process to DCAA for review. Interim vouchers not selected by DCAA under the risk-based sampling review process are considered to be provisionally approved and are sent directly thru the DOD WAWF system (via NASA Financial System) to the NSSC for payment. All provisionally-approved interim vouchers are subject to a later audit of actual costs incurred.

This deviation implements the process prescribed in DFARS 242.803(b)(B) and related DCAA policy and procedures for the submission and audit of contractor interim vouchers for CPAF, CPIF, CPFF, Cost No Fee, T&M and LOE contracts by removing the authorization for direct submission of interim vouchers by contractors and requiring instead that interim vouchers be submitted via the DOD WAWF system where DCAA will review them based upon a risk-based sampling review process.

GUIDANCE: Effective immediately, NASA contracting officers shall modify the payment clause in current CPAF, CPIF, CPFF, Cost No Fee, T&M and LOE contracts to direct contractors to submit all interim vouchers via the DOD WAWF system except for classified vouchers. To access the DOD WAWF system, the contractor shall be required to have a designated electronic business point of contact in the System for Award Management at <https://www.acquisition.gov> and be registered to use the DOD WAWF at <https://wawf.eb.mil> following the step-by-step procedures for self-registration available at this web site. Contractors can obtain NASA invoice payment information, to include NASA Activity Address Codes, at the NASA Shared Services Center (NSSC) Vendor Payment information web site at <https://www.nssc.nasa.gov/vendorpayment>. Notification to contractors under the NASA e-Invoicing Phase 1 initiative is not necessary.

EFFECTIVE DATE: This PIC is effective as dated and shall remain in effect until it is incorporated into the NASA FAR Supplement or is otherwise rescinded.

PROVISION AND CLAUSE CHANGES: NASA contracting officers shall modify the payment clause in current CPAF, CPIF, CPFF, Cost No Fee, T&M and LOE contracts to notify contractors that they must submit all interim vouchers via the DOD WAWF system except for classified vouchers.

HEADQUARTERS CONTACT: For questions concerning DOD WAWF contact the DoD WAWF Help Desk at 866-618-5998 or Laurese Hale, Headquarters, Office of the Chief Financial Officer (202) 358-0769, email: laurese.h.hale@nasa.gov. For questions concerning this NFS Class Deviation contact Bill Roets, Contract Management Division, (202) 358-4483, email: william.roets-1@nasa.gov.



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1842.803 Disallowing costs after incurrence.

(b) Auditor receipt of vouchers.

(1) NASA has designated the contract auditor as the contracting officer's representative for --

(A) ~~Reviewing~~ **Receiving** vouchers received directly from contractors;

(B) Approving **interim** vouchers, **that were selected using sampling methodologies** for provisional payment and sending them to the disbursing office **after a pre-payment review.**

Interim vouchers not selected for a pre-payment review will be considered to be provisionally approved and will be sent directly to the disbursing office. All provisionally-approved interim vouchers are subject to a later audit of actual costs incurred; and

(C) Reviewing completion/final vouchers and sending them to the designated contracting officer for approval.

~~(D) Authorizing direct submission of interim vouchers for provisional payment to disbursing offices for contractors with approved billing systems.~~

(2)(A) When contract costs are questioned, the auditor shall prepare and send to the cognizant contracting officer NASA Form 456, Notice of Contract Costs Suspended and/or Disapproved.

(B) After coordination with other NASA and federal agency contracting officers administering contracts with the same contractor under which a NASA Form 456 or a DCAA Form 1 has been issued for the same items of cost, the NASA contracting officer shall take one of the following actions:

(a) Assign a notice number and sign the NASA Form 456.

(b) Issue a new NASA Form 456 suspending the costs rather than disapproving them pending resolution of the issues.

(c) Return the unsigned NASA Form 456 to the auditor with a detailed explanation of why the suspension or disapproval is not being signed, and process the contractor's claim for payment.

(C) When more than one NASA contract is affected by a notice, the NASA contracting officer with the largest amount of contract dollars affected is responsible for coordination of the NASA Form 456 with the other contracting officers, including those of other federal agencies, listed in the notice.

(D) An original and three copies (which includes two acknowledgment copies, one each for return to the contracting officer and the auditor) of the NASA Form 456 shall be sent to the contractor by certified mail, return receipt requested; one copy shall be attached to the Standard Form 1034 and each copy of the Standard Form 1034A on which the deduction for the suspension/disapproval is made.

(E)(a) If the amount of the deduction is more than the amount of the public voucher, the installment method of deduction shall be applied to the current and subsequent public vouchers until the amount is fully liquidated. The deductions on any voucher may not exceed the voucher amount to avoid processing of a voucher in a credit amount. Public voucher(s) with zero amounts must be forwarded to the fiscal or financial management office for appropriate action.

(b) If deductions are in excess of contractor claims, recovery may be made through a direct refund from the contractor, in the form of a check payable to NASA, or by a set-off deduction from the voucher(s) submitted by the contractor under any other contract, unless those contracts contain a "no set-off" provision. If a set-off is affected, the voucher(s) from which the deduction is made should be annotated to identify the contract and appropriation affected and the applicable NASA Form 456.