

Accounts Payable Workshop

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Finance and Accounting
13 May 2009



Agenda

- ✓ **Overview & Statistics**
- ✓ **Tax Identification Number & W-9**
- ✓ **Electronic Data Interchange (EDI)**
- ✓ **Supplier Requirements (Terms & Conditions)**
- ✓ **Invoice Submission**
- ✓ **Prompt Payment Act (PPA)**
- ✓ **Proper Invoices**



Agenda (Continued)

- ✓ **Most Common Payment Issues**
- ✓ **AAFES Corporate Card**
- ✓ **Post Audit**
- ✓ **On Line Vendor Internet Inquiry**
- ✓ **Future of AAFES AP**
- ✓ **Information on the Web**
- ✓ **Open Discussion**



Fiscal Year Statistics (2008 vs. 2007)

✓ Total number of invoices processed

→ 5.7M in 2008 vs. 5.8M in 2007

→ 476K monthly in 2008 vs. 481K monthly in 2007

✓ Total dollars paid

→ \$7.9B in 2008 vs. \$8.0B in 2007

→ \$660M monthly in 2008 vs. \$667M monthly in 2007



Fiscal Year Statistics (2008 vs. 2007)

✓ **Electronic invoices (EDI)**

→ 3.6M (63%) in 2008 vs. 3.7M in 2007 (64%)

✓ **Manual invoices (Non-EDI)**

→ 2.1M (37%) in 2008 vs. 2.1M (36%) in 2007

→ Manual invoices are as much as 5x likely to need resolution by AAFES personnel prior to payment than electronic invoices



Tax Identification Number – W9

- ✓ **W-9 must be submitted by vendor *before* AAFES will activate a payment vendor code**
- ✓ **Be sure name and address appear the same on the W-9 as the information on file at the IRS**
- ✓ **AP does online TIN verification on IRS web site before activating payment vendor codes**



EDI Options and FEDI

✓ **EDI / FEDI Invoicing options**

- ➔ AAFES Supplier Requirements Agreement 03-01, May 2008 Section 4b
- ➔ FEDI (Financial EDI) – Electronic Payment Authorization Form is available at the following address
 - http://www.aafes.com/edi/EDI_Page.htm
 - Fax number – fax the completed form to: (214) 465-2339

✓ **Address:**

<http://www.aafes.com/pa/selling/supply2.pdf>



EDI Invoicing

- ✓ For information on EDI Invoicing and all EDI transaction sets, select the “Electronic Data Interchange” link on the AAFES home page, and select one of the following links from the various header tabs

- [EDI CONTACT LIST](#)
- [AAFES LISTINGS](#)
- [COMMUNICATION SPECIFICATIONS](#)
- [AAFES ROUTING](#)
- [EC/EDI FORMS](#)
- [CROSSDOCK VIDEO](#)
- [TMS USER GUIDE FOR VENDOR INTERFACE](#)
- [DATA SYNCHRONIZATION](#)



AAFES Supplier Requirements

- ✓ **Agreement 03-01, May 2008, Section 1**
 - ➔ See interest on balance dues (Paragraph 4.b)
 - ➔ Interest will be calculated as a rate of prime plus 1%
 - ➔ See AAFES policy on retention of discounts and allowances (Paragraph 4.c)
 - ➔ See notification period for non-receipt of returned merchandise (Paragraph 4.f)



AAFES Supplier Requirements

- ✓ **Agreement 03-01, May 2008, Section 3**
 - ➔ See criteria for proper invoice (Paragraph 1.a)
 - ➔ Invoices that do not meet the definition of proper invoice may be returned unpaid with description of the error(s)
 - ➔ Payment clock for net and discount period will not begin until a proper invoice is returned with a new invoice date

<http://www.aafes.com/pa/selling/supply2.pdf>



AAFES Terms & Conditions

- ✓ **For Expense, Supplies, and Equipment – Sep 2008, Section 1**
 - ➔ See proper ratification process (Paragraph 2.c).
AAFES is not obligated to abide by contractual changes that do not follow these procedures

- ✓ **Address:**
<http://www.aafes.com/pa/selling/termscon.pdf>



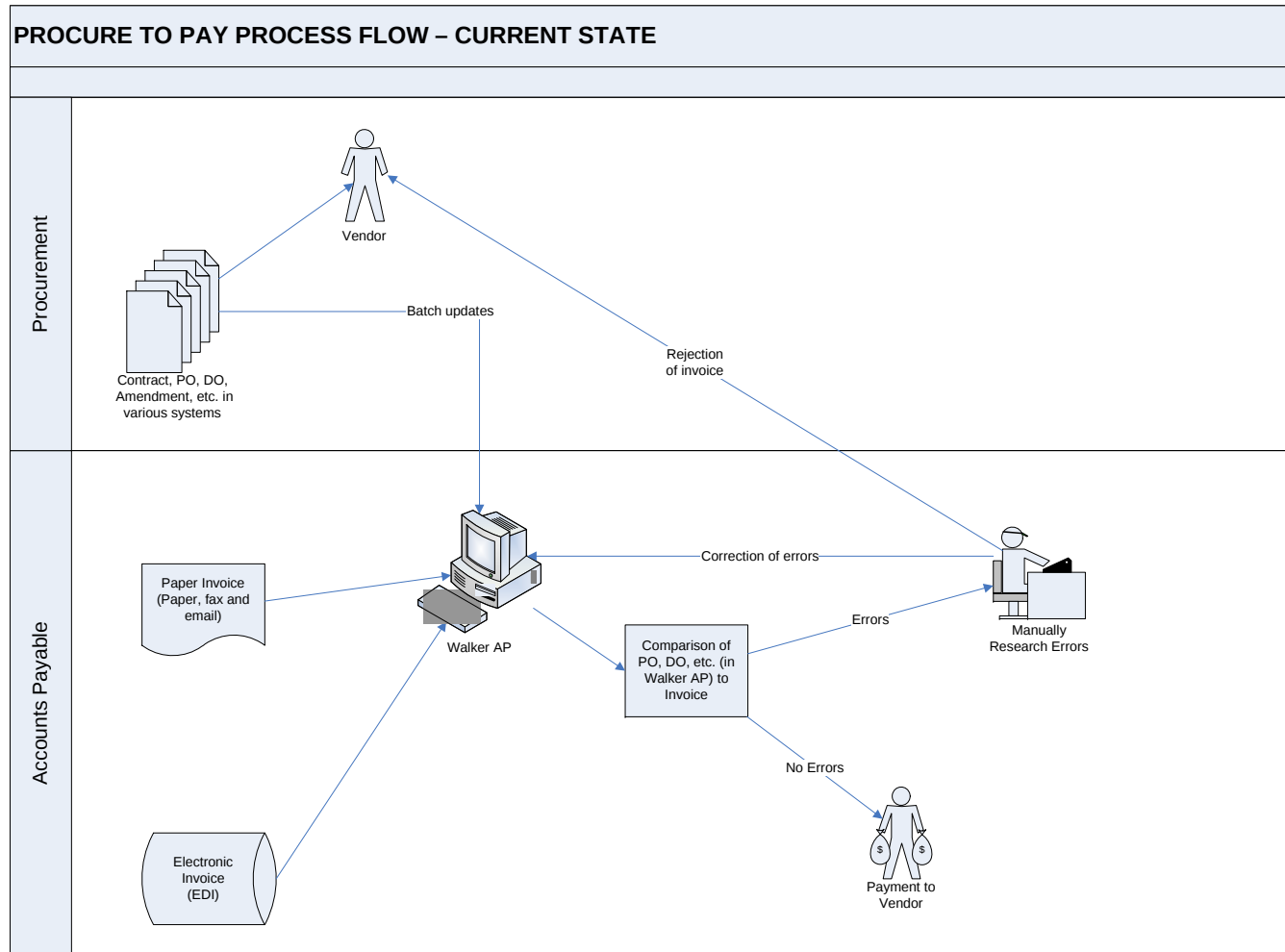
Invoice Submission Preference

- ✓ EDI (electronic invoice)
- ✓ Web portal (electronic invoice)—available with new workflow system
- ✓ Facsimile (manual invoice)
- ✓ Email (manual invoice)
- ✓ Mail (manual invoice)

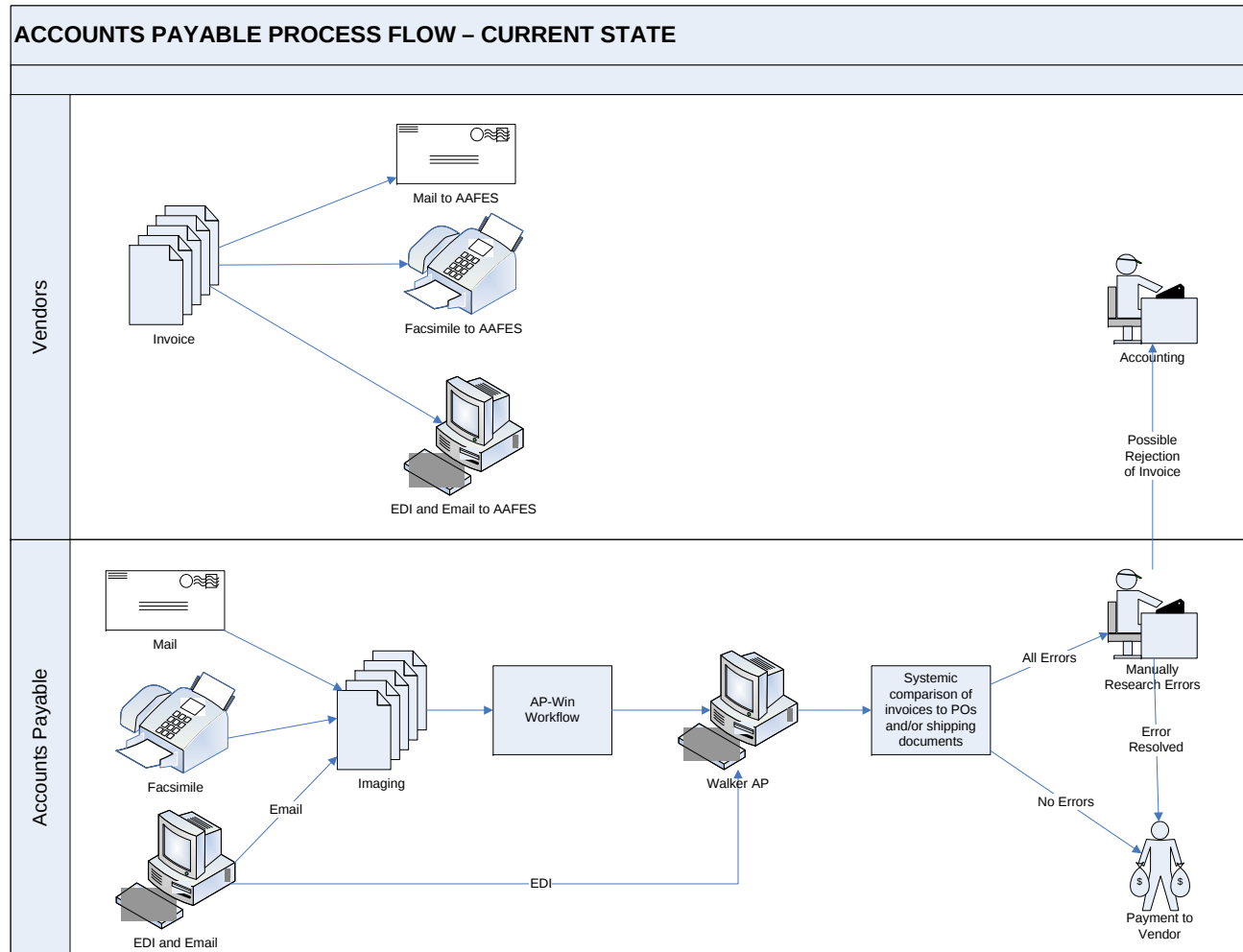
AAFES' goal is to increase electronic invoice submission and decrease manual invoice submission



Invoice Submission Process Flow



Invoice Submission Process Flow



Prompt Payment Act

- ✓ Federal regulation on timely payment of vendor's invoices
- ✓ For net terms the payment start date is the invoice received date
- ✓ For discount terms the start date is the invoice date
- ✓ Payment is considered made on the date placed on the check or date received by the bank for ACH payments
- ✓ <http://www.fms.treas.gov/prompt/>



What Constitutes a Proper Invoice?

- ✓ Invoice number—unique and non-duplicated
- ✓ Invoice date—cannot be earlier than PO ship/deliver date nor can it be future dated
- ✓ Purchase order number, if applicable
- ✓ AAFES assigned vendor number
- ✓ Remit to address
- ✓ Contracted terms (shipping, payment and discount terms)



What Constitutes a Proper Invoice?

- ✓ Item cost, UPC and quantity shipped/delivered
- ✓ Contractor name and telephone number (manual invoice only)
- ✓ Currency code
- ✓ Allowances figured in the same manner as PO
- ✓ Packing, palletizing and crating charges stated separately, if applicable



Improper Invoice Facts

- ✓ **Improper invoices will be returned unpaid**
 - Payment clock for net terms of resubmitted proper invoices is **not** based on the original invoice date
 - Resubmitted proper invoices will be assigned a new date for PPA compliance



Most Common Payment Issues

✓ Out of tolerance invoices (invoice exceeds PO amounts)

- ➔ A Purchase Order can be a contract; making a shipment based on a PO is accepting the offer
- ➔ Please remember to review all PO's for discrepancies including price and or quantity
- ➔ If an error is found please contact the Buyer and ask that the PO be amended
- ➔ Discrepancies between the PO and invoice will result in payment delays



Most Common Payment Issues

✓ Do not ship based on verbal agreements

- ➔ Must have a PO/DO amendment to preclude out of tolerance invoices and payment delays

✓ Illegible Invoices

- ➔ Colored paper or shaded areas on paper invoice may result in an illegible image



Most Common Payment Issues

- ✓ **Invoice references incorrect PO number or PO number missing**
- ✓ **Payment address/location changes not submitted timely**
 - ➔ In writing
 - ➔ On company letterhead
 - ➔ Signed by the appropriate official
- ✓ **Mergers and acquisitions**



Most Common Payment Issues

- ✓ **Matching of invoices and chargebacks to proper invoice numbers and credit memos**
- ✓ **For VMI vendors invoices commonly come in before the Purchase Order**
- ✓ **Invoice date is earlier than ship date on PO**
- ✓ **Discount days are equal to or greater than net days**



Most Common Vendor Related Discrepancies

- ✓ **Incorrect PO number submitted**
 - PO not on file
 - Vendor code mismatch (PO vs. invoice)
- ✓ **Duplicate invoice number transmissions**
- ✓ **For VMI vendors only**
 - PO transmission must precede invoice transmission ***by at least one day***
 - UPC codes listed on PO must be in AAFES' IMF



Most Common Vendor Related Discrepancies

- ✓ **Vendor declines the chargeback yet keeps the merchandise**
- ✓ **Pricing issues**
- ✓ **Length of time to receive RA number from the vendor**
- ✓ **Data requirements**



AAFES Corporate Card

- ✓ Customized Wells Fargo Bank multi-functional MasterCard program
- ✓ Implemented at the end of 1995
- ✓ Authorized payment method when specified in contract
- ✓ For small dollar expense purchases and Travel expenses
- ✓ Not authorized for resalable items
- ✓ Not for project related expenses or fixed assets



Internal Post Audit

- ✓ **Combination of AP / LG / TPM**
- ✓ **Current year transactions + specified time period**
- ✓ **Audit findings by department**
 - ➔ AP processes chargebacks
 - ➔ LG processes claims
 - ➔ TPM processes claims
- ✓ **POC to dispute audit finding is dependent on the auditing department (AP, LG or TPM)**



Third Party Post Audit

- ✓ Primary post audit firm is PRG Schultz
- ✓ Secondary post audit firm is Connolly Consulting
- ✓ POC to dispute audit finding is the auditor contact noted on the claim memo, not AAFES AP
- ✓ If needed, AAFES AP will function as the liaison between the vendor representatives and the post audit firm; AAFES AP will not work the issues to resolution

AAFES Liaison / POC (Jennifer Glenn)

glennjen@aafes.com

- ✓ AAFES contracting officer / buyer has the final decision on claims and disputes



Online Vendor Internet Inquiry

- ✓ **Payment and remittance information is available via the Partners website**
→ <http://partners.aafes.com>
- ✓ **CCV's (chargeback vouchers) can be accessed on the Vendor Internet Inquiry and opened to see the detail**
- ✓ **Inquired information is downloadable**



Online Vendor Internet Inquiry

AAFES Exchange Partners On-Line - Login Page - Microsoft Internet Explorer provided by AAFES IE 6 SP1 build 1.1

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media

Address <https://partners.aafes.com> Go Links

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Welcome to the Exchange Partners On-Line Information Site.

Please feel free to review the following files:

- [Retek Presentation](#)
- [Vendor Information Day Slideshow](#)
- [ALA DFW Chapter Holiday Luncheon Slideshow](#)
- [Vendor Symposium \(20 May 05\)](#)

Enter the USERNAME and PASSWORD you previously created.
If this is your first visit to our website, please click on Register Now.

Username:

Password:

(passwords are case sensitive)

[Forget](#) your password?

or [Register Now](#)

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Local intranet



Online Vendor Internet Inquiry

Vendor Invoice Inquiry System - Microsoft Internet Explorer provided by AAFES IE 6 SP1 build 1.1

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Address <https://timon.aafes.com/vendor/intro.asp> Go Links

My Search Failed to retrieve buttons from My Search. Retry

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Welcome [redacted] to the Vendor Invoice Inquiry site.

This site is provided to allow our vendors to determine payment status of invoices and/or to provide a point of contact when personal attention is required. This site will allow search for invoices by Invoice number, PO number, Check number, Due date and You can search for a single invoice or use the range option.

NOTE: The system is updated daily between 12:30 a.m. and 3:30 a.m. CST, Monday through Friday and will not be available during this time. Also, the inquiry system will not be available Saturdays and Sundays.

Please indicate action desired:

- INVOICE STATUS INQUIRY
- REIMBURSEMENT STATUS INQUIRY
- CHARGE CREDIT VOUCHER STATUS INQUIRY
- PERSONAL POINT OF CONTACT
 - Vendors with Europe address
 - Vendors with Pacific address
 - All other vendors
- RECONCILIATION TIPS
- RETURN TO VENDOR LOGON

Local intranet



Online Vendor Internet Inquiry

AAFES - Vendor Invoice Inquiry - Microsoft Internet Explorer provided by AAFES IE 6 SP1 Build 1.2

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Address <https://timon.aafes.com/vendor/ByDate.asp> Go Links

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Vendor Name: Vendor Number:

Search by Invoice Search by PO **Search by Date** Search by Check

Search by Paid Date: Jan 12 2007 to Jan 12 2007 Search
Invoices with remarks only - ☐ Clear

Search by Due Date: Jan 12 2007 to Apr 12 2007 Search

[Go Back To Home](#)

Done Local intranet

**** Inquire payment history by specific invoice, purchase order number, check number or search future due dates**



Online Vendor Internet Inquiry

AAFES - Vendor Invoice Inquiry - Microsoft Internet Explorer provided by AAFES IE 6 SP1 Build 1.2

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Address <https://timon.aafes.com/vendor/vendor.asp> Go Links

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Vendor Name: [REDACTED] Vendor Number: [REDACTED]

Click on the  symbol to view the CCV Report.

[Click here to view this data in Excel](#)
12 Invoice(s) Found!

Invoice Number	PO Number	Check Number	Check/Due Date	Curr. Type	Mdse. Cost	Discount	Net Inv. Cost	PPA
WWCCV0000534400	6300261787		JAN 16 2007	USD	-184.70	0.00	-184.70	0.00
0090434213	0005441061		JAN 25 2007	USD	1,871.40	0.00	1,871.40	0.00
0090447486	0005441061		JAN 29 2007	USD	50,459.76	0.00	50,459.76	0.00
0090482266	0005441061		JAN 29 2007	USD	833.70	0.00	833.70	0.00
0090512610	0005450314		JAN 31 2007	USD	15,990.44	0.00	15,990.44	0.00
0090516275	0005441061		JAN 31 2007	USD	4,945.50	0.00	4,945.50	0.00
0090556744	0005512067		FEB 5 2007	USD	31,734.00	0.00	31,734.00	0.00
0090536006	0005450315		FEB 6 2007	USD	25,845.58	0.00	25,845.58	0.00
0090575513	0005441061		FEB 6 2007	USD	914.70	0.00	914.70	0.00
0090575668	0005512067		FEB 6 2007	USD	10,578.00	0.00	10,578.00	0.00
0090616973	0005558146		FEB 12 2007	USD	30,529.80	0.00	30,529.80	0.00
0090616976	0005568734		FEB 12 2007	USD	105,780.00	0.00	105,780.00	0.00
Total Screen Amount:					279,298.18	0.00	279,298.18	0.00

NOTE: If the due date has passed and no check number is listed then this is an indicator that your payment has been withheld for

Start | Microsoft Office | AAFES ... | AP-WI... | 1:AP... | Inbox ... | 14 Re... | AP-WI... | Vendor... | Micros... | AAFES ... | 11:45 AM

Pay analysis by future due dates



Online Vendor Internet Inquiry

AAFES - Vendor Invoice Inquiry - Microsoft Internet Explorer provided by AAFES IE 6 SP1 build 1.1

File Edit View Favorites Tools Help

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Address <https://timon.aafes.com/vendor/CCVSelect.asp> Go Links

My Search Failed to retrieve buttons from My Search. Retry

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Vendor Name: [Redacted] Vendor Number: [Redacted]

Click on the  symbol to view the CCV Report.

Results: 23 documents found

PO Number	CCV Number	CCV Date
 [Redacted]	WWACV092008512	30 Mar 2004
 ZO47083*	WWCCV0000362844	16 Mar 2004
 LG00036743	WWCCV0000333138	04 Sep 2003
 7093962503	WWCCV0000324755	11 Jul 2003
 7094022707	WWCCV0000323200	01 Jul 2003
 7093962779	WWCCV0000307794	31 Mar 2003
 7093962779	WWCCV0000304172	11 Mar 2003
 7093962503	WWCCV0000294640	17 Jan 2003
 7093922553	WWCCV0000291501	31 Dec 2002
 N	WWACV014014129	17 Dec 2002
 6900051656	WWCCV0000287978	05 Dec 2002
 9400051602	WWCCV0000272136	19 Aug 2002
 6200000245	WWCCV0000263243	21 Jun 2002
 6410280510	WWCCV0000260390	31 May 2002
 6960001583	WWCCV0000259485	28 May 2002
 N	WWACV017011794	03 Apr 2002

Local intranet

Select File Folder



Online Vendor Internet Inquiry

AAFES - Vendor Invoice Inquiry - Microsoft Internet Explorer provided by AAFES IE 6 SP1 build 1.1

File Edit View Favorites Tools Help

Back Forward Stop Search Favorites Media Print

Address <https://timon.aafes.com/vendor/ccvreport.asp?InvNum=WWCCV0000432531&SrchType=1&InvNum1=WWCCV0000432531&InvNum2=8&RemFlag=> Go Links

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CV ARMY AND AIR FORCE EXCHANGE SERVICE CHECK NBR:
DUE AAFES CHARGE VOUCHER

VENDOR NUMBER: [REDACTED]

PURCHASE ORDER: PC0089504

CCV NUMBER : WWCCV0000432531
CCV DATE : 13/04/05 DD/MM/YY

REF INVOICE:
REF DATE :
RETURN AUTH:

=====

ITEM DESCRIPTION	QUANTITY	UNIT COST	EXT COST
DEDUCTION FOR CLAIM PC00008950	1.00	18,600.00	18,600.00
MERCHANDISE TOTAL:			18,600.00
FREIGHT AMOUNT:			0.00
ADMIN FEE:			0.00
DISCOUNT AMOUNT:<			0.00>
TOTAL USD DUE AAFES			18,600.00

=====

COMMENTS:
DEDUCTION FOR CLAIM PC000089504 REF:CM#5071908 SD-CO-OP - SCARLETT GONZALEZ

=====

FACILITY NUMBER: 3729000000
FACILITY ADD: SD-M4 CO-OP ADV BRANCH
3911 S WALTON WALKER BL
DALLAS TX 0000000000

Go Back

Done Local intranet

Comments/Remarks



Online Vendor Internet Inquiry

AAFES - Vendor Invoice Inquiry - Microsoft Internet Explorer provided by AAFES IE 6 SP1 build 1.1

File Edit View Favorites Tools Help

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Address <https://timon.aafes.com/vendor/contacts.asp?Loc=CON> Go Links

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POINT OF CONTACTS

Below is the AAFES Associate that is assigned to your account:

NAME:	Vera Felans
TELEPHONE NUMBER:	(972)277-7987
WORK HOURS:	6:00-2:30 CST
WORK DAYS:	Mon - Fri

• **Have your AAFES Vendor Code and documents available.**

[Go Back To Home](#)

Done Local intranet



Future of AAFES AP - Prodagio

- ✓ **New Electronic Workflow system will:**
 - ➔ Take automatic action on improper invoices according to detailed business rules
 - ➔ Receive invoices through many methods and convert into an electronic record
 - ➔ Manage vendor correspondence
 - ➔ Vendor Self Service (VSS)



Future of AAFES AP - VSS

- ✓ **Invoice entry through the web**
 - ➔ PO flip
 - ➔ Upload invoices in varying formats (XML, CSV, XLS, PDF)
 - ➔ Directly enter invoice via web form
 - ➔ Correct invoice errors and resubmit online

- ✓ **Expanded vendor tools**
 - ➔ Invoices will be visible throughout the entire payment process (submission through payment)
 - ➔ Reports (payment history and projections, vendor statements, PO status, KPM's, etc.)



Future of AAFES AP - VSS

- ✓ **Improved correspondence**
 - ➔ Threads can be created regarding errors
 - ➔ Centralized message center to vendors
- ✓ **Backup documentation is viewable and downloadable (CCV, post audit, remittance detail, etc.)**
- ✓ **Assists vendor with their cash flow forecasts**
- ✓ **Vendor controls their contact information**



Future of AAFES AP - VSS

✓ **User authentication**

Welcome Submit Invoice Invoice Status **Administration**

Manage Users & Roles

Users [Export](#) [Select Columns](#) [Search](#) [Create New](#)

Last name	First name	Login	Email	
Update Admin, IBM ✕				
Login ibm_admin				
Email ibm_admin@ibm.com				
First name IBM				
Last name Admin				
Receives Email Notifications? - select -				
Roles admin				
Update Cancel				
Lane	John	ibm_user1	user1@ibm.com	Edit Delete
IBM	User2	ibm_user2	user2@ibm.com	Edit Delete

3 Found



Future of AAFES AP - VSS

✓ Invoice Status Tab



Welcome, IBM Admin [Logout](#)

Navigation tabs: Welcome, Submit Invoice, **Invoice Status**, Administration

Filter tabs: Last 30 Days, Last 60 Days, Last 90 Days, Last 120 Days, **All Invoices**

Invoices [Filter](#) [Export](#) [Select Columns](#) [Search](#)

Invoice number	Po number	Invoice date	Invoice amount	Vendor ID	Vendor name	Invoice state	
12325	po-12325	Aug 29, 2008 08:42 PM	30000.0	IBM	IBM	Pending	Details
12326	po-12326	Aug 29, 2008 09:35 PM	3000.0	IBM	IBM	Pending	Details

2 Found



Future of AAFES AP - VSS

✓ **New Invoice Submission and Viewing Tab**

Welcome **Submit Invoice** Invoice Status Administration

Submit Invoice Import Invoice Spreadsheets Flip Purchase Orders **View Newly Created Invoices**

Draft Invoices  [Export](#)  [Select Columns](#)  [Search](#)

Invoice number	Po number	Invoice date	Invoice amount	Vendor ID	Vendor name	Invoice state	
abc-123	13455	Oct 03, 2008	23.0	IBM	IBM	Pending	View Delete Details
-	-	Oct 03, 2008	-	IBM	IBM	Pending	View Delete Details
-	-	Oct 03, 2008	-	IBM	IBM	Pending	View Delete Details
40000108.0	31415.0	Apr 28, 2007	506.16	IBM	IBM	Pending	View Delete Details

4 Found



Future of AAFES AP - VSS

✓ Submit Invoice Tab: Uploading Pre-Existing Invoice Files

Submit Invoice	Import Invoice Spreadsheets	View Newly Cl
Submit Invoice File		
Invoice Number		
PO Number		
Invoice Amount		
Terms Net Days		
Terms Discount Days		
Terms Discount %		
Select File to Import		Browse...
Create		



Future of AAFES AP - VSS

- ✓ **Import Invoice Spreadsheets Tab: Uploading EXCEL Invoice Templates**

Submit Invoice **Import Invoice Spreadsheets**

Import Excel Spreadsheet
.....

Filename

 [Download Excel invoice template file](#)



Future of AAFES AP - VSS

✓ Data Fields for PO Flipping

Flip PO # 45682

Cost Summary

Subtotal:	\$133.02
Shipping and subtotal:	\$133.02
Tax Cost:	\$0.00
Total:	\$133.02

Terms Discount Days

15

Terms Discount %

0.020

Terms Net Days

30

Tax Rate %

Shipping Cost

Order Date

2007-01-01 00:00:00

Purchase Order Line Items

Add to Invoice?	Stock Number	Description	Quantity	Unit Of Measure	Unit Price
☒					
☒	121922A	Static-free wristbar	5	ea	7.99
☒	34567	CPU Thermal Paste	3	tube	2.49
☒	34778A	SATA Cable 3"	10	ea	8.56

Flip PO to Invoice

Cancel



Future of AAFES AP - VSS

✓ Invoice Lists: Available Columns for Export or View

Last 30 Days | Last 60 Days | Last 90 Days | Last 120 Days | All Invoices

Invoices Filter Export Select Columns Search

Select Columns To View

Invoice number ☒	Po number ☒	Invoice date ☒
Invoice amount ☒	Vendor ID ☒	Vendor name ☒
Invoice state ☒		

Columns to Export

☒ Invoice number	☒ Po number
☒ Invoice date	☒ Invoice amount
☒ Vendor ID	☒ Vendor name
☒ Invoice state	

Options

☐ Omit Header	☐ Delimiter
☐ This Page	☒ All Pages
☐ PDF	☒ CSV

Filter by Column

Invoice State

Invoice number	Po number	Invoice date	Invoice amount	Vendor ID	Vendor name	Invoice state	
12329	po-12329	Sep 09, 2008 07:29 PM	123.0	DELL	DELL	Pending	Details
12330	po-12330	Sep 09, 2008 08:31 PM	23.0	VAN	VAN	Pending	Details
12331	po-12330	Sep 09, 2008 08:32 PM	34.0	VAN	VAN	Pending	Details



Prodagio Implementation

- ✓ Phase 1A - Prodagio will start posting transactions to Walker System
- Projected implementation date: 2nd Qtr 2009
- ✓ Phase 1B - Prodagio accepts reoccurring invoices - Projected
implementation date: 3rd Qtr 2009
- ✓ Phase 1C - Vendor Self Service (VSS) - Search for invoice status and
information, as well as, to correct submission errors - Projected
implementation 4th Qtr 2009
- ✓ Phases (2 & 3) – Include EDI invoices, 2 and 3-way line matching in
Prodagio and also the processing of CCVs - Projected
Implementation date to be determined.



Information on the Web

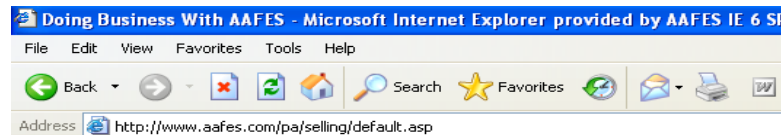
- ✓ **For information on doing business with AAFES, go to the AAFES home page**

➔ <http://www.aafes.com>

➔ Click the “[Doing Business with AAFES](#)” banner/link



Information on the Web



- ✓ FAQ
- ✓ Supplier.faq@aafes.com

AAFES *Doing Business*
WITH AAFES

SEARCH

Getting Started Accounts Payable Advertising Policy Catalog / Internet Claims & Deductions Contact Us DSD EDI / GDS
FAQs Logistics MCSS Non-Traditional Business Product Recalls / Alerts Project Retek / Oracle Retail Quality Assurance Supplier Diversity

The Army and Air Force Exchange Service (AAFES) is headquartered in Dallas, Texas and oversees a global organization of over 12,000 facilities world wide. These include Main Exchanges, Military Clothing Stores, Movie Theaters, Vending Centers, Personal Services, Concessions and Class Six (Package Beverage) stores. AAFES not only touches the lives of active duty military, National Guard members, Reservists and Retirees, it is a military organization with a two-fold mission:

- To provide quality merchandise and services to soldiers, airmen and their families wherever they're stationed around the world.
- To generate reasonable earnings to support Army and Air Force morale, welfare and recreation (MWR) programs.

New Vendors are encouraged to download the [Suppliers Handbook](#), which is found on the [Getting Started](#) tab.

The AAFES [MISSION](#) has remained essentially unchanged since a Military Exchange Service was established in July 1895. AAFES is in business to serve Soldiers, Airman and their families around the world. For over 100 years, AAFES has been dedicated to adding to the quality of life of our customers and serving as partner with the Army, Air Force and the MWR Community.

AAFES Policy is to cooperate to the fullest extent with all suppliers and manufacturers while maintaining the highest ethical business standards. AAFES is a staunch supporter of [diverse suppliers](#). Determining factors for procuring merchandise from suppliers are quality products, competitive prices, on time delivery and customer demand.

! ATTENTION VENDORS/SUPPLIERS

Please take a [brief survey](#) to update your contact information to ensure you receive email communications from AAFES.



Information on the Web

Doing Business With AAFES: Supplier Frequently Asked Questions (FAQs) - Responses - Microsoft Internet Explorer provided by AAF

http://www.aafes.com/pa/selling/Supplier-FAQs-Responses_Page.htm#PO_Process_Questions

File Edit View Favorites Tools Help

Google G Go Bookmarks 0 blocked Check AutoLink AutoFill Send to Settings

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Future Technology Logistics Non-Traditional Business Product Recalls / Alerts Quality Assurance Supplier Diversity

Supplier Frequently Asked Questions (FAQs) - Responses

FA Questions:

As a lead into the responses below, I believe it is helpful to present some statistics. In the first 9 months of Fiscal Year 06, AAFES AP has processed and paid an average of 518,120 invoices each month. Additionally, we have cleared an average of 18,000 items from various discrepancy queues. This is the number of items cleared, not the total that is in discrepancy. That is a metric we can not currently track, but we will track this with the new system. This information is provided to help understand some of the answers below.

1. Why do we still have invoices that are from six months to two years old that have yet to be resolved?

There could be a number of reasons why an invoice is unresolved over time. Any delay is undoubtedly linked to a discrepancy on either the supplier side (invoice) or AAFES (the PO). AAFES AP will route invoices with discrepancies to the party causing the discrepancy and follow up for the proper resolution. For example, if the invoice is in error, AAFES AP will return it to the supplier for corrective action and submission of a corrected invoice. When the corrected invoice is submitted, and it passes all edits, the payment clock begins and the invoice is scheduled and paid according to terms. If the PO is in error, AAFES AP routes that informational internally to the respective buyer for PO amendment action. As the buyer accomplishes the amendment, the invoice is re-processed and scheduled for payment according to the original invoice received date (invoice date for discounts). In some cases, the buyer indicates that the PO is correct and the invoice is incorrect and payment is made according to the existing PO. In those instances, AAFES considers the issue resolved but the supplier may not. If there is a discrepancy on either the supplier or the buyer side, and no correction is made, the invoice will not be further processed. AAFES AP attempt to follow up on the discrepancy queues, but it is a manual process in the middle of otherwise highly mechanized processing.

Local intranet 100%



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