The Deputy Secretary of Transportation
WASHINGTON, D.C. 20590

March 15, 2012

MEMORANDUM TO: Heads of Operating Administrations
OST Secretarial Offices
General Counsel
Senior Procurement Executive
Chief Financial Officers
OST Administrative Officers
Chief Acquisition Officers

FROM: John D. Porcari

SUBJECT: Electronic Invoicing Initiative—Implementation for Grants

The U.S. Department of Transportation has embarked on a multi-year Financial Systems Modernization (FSM) effort to update our financial systems, processes, and reporting. The first component of the FSM project is to implement electronic invoicing across the Department. As an initial phase, this initiative will focus on grants. Eventually, our long-term plan envisions a transition to electronic invoicing for all of the Department's vendor payments. Beginning this year for selected grant programs, this initiative will eliminate paper invoice submissions by allowing grantees to submit their invoices for payment through an online portal. In the coming months as this system is rolled out in stages, we will need the cooperation of program, financial management, and procurement officials to ensure that this implementation is successful.

The Department has selected Oracle's iSupplier application as the new grant program invoice processing system that will be integrated into the Department's accounting system, Delphi. With this new system, Delphi will have an automated grant program invoice review and approval process. This feature will improve funds control; allow for the review and approval of payment requests electronically and in real-time; and decrease the volume of payment requests mailed, faxed, or e-mailed by grantees.

The first phase of our deployment of this system begins this spring with a roll out to part of the Department's grantee community. We will begin with Federal Aviation Administration grantees and those grantees who are currently submitting paper invoices. Eventually, with some exceptions, we expect most grant programs to transition from using current legacy systems to the new Department-wide electronic invoicing system. Each Operating Administration (OA) is working with the Department's Chief Financial Officer to formulate a path for this transition. We anticipate that this new approach will result in substantial administrative savings by replacing labor intensive processes with an efficient automated system.

Additional information regarding this deployment, including schedules and training opportunities, will be distributed to the OA grants community and the Financial Management Business Council on an ongoing basis. Your support for this program is essential to meeting the Department's goal of financial modernization. Should you have any questions regarding the FSM project or the electronic invoicing initiative, please contact Chris Bertram, Assistant Secretary for Budget and Programs, and Chief Financial Officer, or Dave Rivait, our Deputy Chief Financial Officer.