ePayables: A solution that augments or replaces the accounts payables process such that electronic transactions take place directly between the Government and the supplier. EPayables solutions are typically used with merchants who are traditionally paid by check or EFT or merchants who do not accept charge card payments (e.g., utility companies). Examples include straight-through processing, buyer-initiated payments, supplier-initiated payments, procure to pay, and other card not present solutions.

EPayables under the GSA SmartPay 3 (SP3) master contracts do not include virtual cards, single use accounts, or other products/services presently defined under business lines.

ePayables are about saving administrative costs and simplifying overly burdensome administrative processes.

Because ePayables may only partially run on the “commercial rails” or not at all, there may not be any interchange generated and therefore low or no refunds are expected from these solutions.

Not every ePayable category has proven industry case studies to support the entire process at this time. Given the 13-year period of performance for SP3 and the innovative solutions being developed by industry in this area, Center for Charge Card Management (CCCM) determined that only Supplier Initiated Payments (SIP) solutions showed promise for Government use near-term, given current market conditions and commercial offerings and thereby included it in SP3 as a Tier 1 product/service offering. Buyer Initiated Payments (BIP) and Straight-Through Processing (STP) are still in development commercially and, as such, are included in SP3 as Tier 2 products/services offerings for long-range implementation.

EPayables – Refunds and GSA Contract Access Fee (CAF)

Refunds for Tier 1 ePayables – Supplier Initiated Payments (SIP) are found in each business line under each master contract awarded. Refunds in the master contract are the minimum required refund based on either sales volume spend or cents per transaction, as ordered by the Agency.

Refunds for Tier 2 ePayables – Buyer Initiated Payments (BIP) and ePayables – Straight-Through Processing (STP) are found in each business line if awarded under each master contract. Contractors may or may not have these Tier 2 products and services as part of their master contract. If so, they will be based on awarded pricing for the specific product and/or service.

For transactions processed under ePayables contract line item numbers (CLINs), the Contractor shall remit and deduct the GSA Contract Access Fee (CAF) in the amount of 2 basis points of gross refunds or 6 cents per transaction, when ePayables are ordered at the agency/organization task order level.

(References: GSA SmartPay 3 (SP3) RFP, Sections B.3.2, B.4, C.1, C.3.1.1, and C.3.1.2 for info.)
ePayables
What Makes Them Different?

SP3 includes three major categories of separately-priced ePayables products / services:

1. ePayable - Supplier-Initiated Payments (SIP)

   **Tier 1** These solutions use processes for electronically connecting suppliers (or other merchants) to the Government’s supply chain and/or back-end payment systems. They include the means to accept agency/organization payment files used for disbursement against designated accounts(s) for these transactions.

   **STEP 1:**
   Supplier enrolls through GSA SmartPay Contractor Bank program

   **STEP 2:**
   Supplier invoices agency

   **STEP 3:**
   GSA SmartPay Contractor Bank prepares invoice for agency submission

   **STEP 4:**
   Agency approves invoice through existing accounts payable (AP) System

   **STEP 5:**
   Transaction processed through GSA SmartPay Contractor Bank

   **STEP 6:**
   Payment remitted to supplier

   **STEP 7:**
   Agency notified through integrated EAS

   **STEP 8:**
   Transaction reconciled
These solutions are capable of automated payment transaction processing where the purchasing organization sends the payment file directly to the Contractor’s acquiring institution with the networks, in turn, processing payments automatically on behalf of the Contractor. Solutions could be capable of deposit of funds directly into the Contractor’s bank account.
ePayables - Buyer-Initiated Payments (BIP)

Tier 2

These solutions are capable of utilizing a type of transaction that requires no action by the supplier and no point-of-sale terminals or other hardware/software required to receive payment.

Step 2:
GSA SmartPay Contractor Bank Initiates Payments to Suppliers

Step 1:
Agency Orders Goods and Services as Usual

Step 3:
Agency Pays Consolidated Statement and Leverages Enhanced Data

For Questions about ePayables, Contact the GSA SmartPay Program Support Team at gsa_smartpay@gsa.gov or 703-605-2808