

Federal Mandate on E-Voicing & Government Contract Compliance

The Office of Management and Budgets (OMB) has issued a memo mandating that all billing and invoicing from government contractors and federal agencies must be electronic. Approximately 12 million invoices still need to make the transition, report two partners in Alston & Bird.

They advise that government contractors and payment service providers should be prepared to implement clear, practical methods of e-payments.

“Pilot programs in the federal government – both pure payment-vendor relationships and added services to banking relationships – are available to facilitate the OMB-directed shift to e-invoicing,” says **Jeff Belkin**, partner and leader of Alston & Bird’s **Government Contracts Group** with expertise in complex government contract compliance issues. “While it is unclear if the shift to e-invoicing will ultimately end in a no-fee electronic payments program, or, a model that requires the government (or its partners) to pay others to facilitate the program, there surely will be many challenges before that final equilibrium is reached.”

“As of July 2015, a mere 40% of invoices were processed using e-invoicing,” says **Tony Balloon**, partner in Alston & Bird’s **Financial Services & Products Group**, who has deep knowledge of the payments industry. “Though the initial transition leading up to the 2018 deadline will be challenging, the adoption of e-invoicing will result in increased efficiency and timely payments for both federal agencies and government contractors.”