



# Audit Report



OIG-22-031

## RESOURCE MANAGEMENT

### Audit of the Department of the Treasury's Use of Cash Discounts

March 23, 2022

Office of Inspector General  
Department of the Treasury

**This Page Intentionally Left Blank**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

March 23, 2022

**INFORMATION MEMORANDUM FOR TREVOR NORRIS  
ACTING ASSISTANT SECRETARY FOR MANAGEMENT**

**TIMOTHY GRIBBEN, COMMISSIONER  
BUREAU OF THE FISCAL SERVICE**

**MICHAEL J. HSU, ACTING COMPTROLLER OF THE CURRENCY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

**LEONARD R. OLIJAR, DIRECTOR  
BUREAU OF ENGRAVING AND PRINTING**

**VENTRIS C. GIBSON, ACTING DIRECTOR  
UNITED STATES MINT**

**HIMAMAULI DAS, ACTING DIRECTOR  
FINANCIAL CRIMES ENFORCEMENT NETWORK**

**MARY RYAN, ADMINISTRATOR  
ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**FROM:** Deborah L. Harker /s/  
Assistant Inspector General for Audit

**SUBJECT:** Audit of the Department of the Treasury's Use of Cash Discounts

I am pleased to transmit the attached audit report, *Audit of the Department of the Treasury's Use of Cash Discounts* (OIG-22-031; dated March 23, 2022). Under a contract monitored by our office, RMA Associates, LLC (RMA), a certified independent public accounting firm, performed an audit of the Department of the Treasury's (Treasury) design and implementation of policies and procedures related to cash discounts, as well as the application of those policies through execution of payments to vendors and contractors made during fiscal year 2020. The contract required RMA to perform the audit in accordance with generally accepted government auditing standards.

In its audit report, RMA found that the Treasury bureaus and offices included in its review, took cash discounts totaling \$89,430.61 for 576 of the 652 transactions where cash discounts were offered during fiscal year 2020. However, the Bureau of the Fiscal Service (Fiscal Service), the Financial Crimes Enforcement Network (FinCEN), the United States Mint (Mint), the Bureau of Engraving and Printing (BEP), and the Office of the Comptroller of the Currency (OCC) did not take cash discounts for the remaining 76

transactions, or 12 percent, resulting in a loss of cost savings of \$22,482.61. RMA also found that FinCEN, the Mint, BEP, and OCC lacked comprehensive policies and procedures for taking cash discounts when processing invoice payments with eligible discounts. Accordingly, to improve the use of cash discounts when offered, RMA recommended the following to the bureaus and offices included in its review.

The Commissioner of the Fiscal Service ensures that Fiscal Service:

1. Maintains adequate controls on internal processes related to payment approvals; and
2. Follows Fiscal Service's standard operating procedures (SOP) and/or guidance relating to cash discounts including, but not limited to, Contracting Officer's Representatives (COR) approving invoices with discounts timely.

The Director of BEP, and the Comptroller of the Currency, ensure that BEP and OCC, respectively:

1. Develop, revise, and/or finalize SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the Treasury Financial Manual (TFM);
2. Maintain adequate controls on internal processes related to payment approvals;
3. Ensure that CORs approve invoices with discounts timely; and
4. Distribute SOPs and/or guidance relating to cash discounts to BEP and OCC management, staff, Contracting Officers (CO), and CORs and provide training, as necessary.

The Director of the Mint ensures that the Mint:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately documented and personnel are instructed to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Encourages vendors to submit their invoices within a reasonable time of the discount period that allows the Mint to take cash discounts when offered;
5. Encourages vendors to use the Invoice Processing Platform (IPP) when submitting their invoices for the processing of payment of invoices with

discounts to be more efficient;

6. Participates in required training, as necessary; and
7. Distributes SOPs and guidance relating to cash discounts to Mint's management, staff, COs, and CORs, and provides training, as necessary.

The Director of FinCEN ensures that FinCEN:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately revised and documented to take full advantage of cash discounts when offered, and when applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Participates in required training, as necessary; and
5. Distributes SOPs and/guidance relating to cash discounts to FinCEN's management, staff, COs, and CORs, including provide training, as necessary.

In connection with the contract, we reviewed RMA's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express an opinion on Treasury's design and implementation of policies and procedures related to cash discounts. RMA is responsible for the attached auditor's report and the conclusions expressed therein. Our review found no instances in which RMA did not comply in all material respects, with generally accepted government auditing standards.

We appreciate the courtesies and cooperation provided to RMA and our staff during the audit. If you have any questions or require further information, please contact me at (202) 486-1420, or a member of your staff may contact Daniel Gerges, Resource Management and Procurement Audit Director, at (202) 270-2766.

---

# Contents

---

**Audit Report**

**Results in Brief.....3**

**Background.....6**

**Audit Results .....10**

**Improvements Needed in Treasury’s Processes Relating to Cash Discounts .....10**

**Recommendations.....13**

**Appendix 1: Objectives, Scope, and Methodology .....17**

**Appendix 2: Schedule of Monetary Benefits.....22**

**Appendix 3: Management Response.....23**

**Appendix 4: Major Contributors to This Report.....29**

**Appendix 5: Report Distribution.....30**

## Abbreviations

ARC	Bureau of the Fiscal Service, Administrative Resource Center
BEP	Bureau of Engraving and Printing
CFR	Code of Federal Regulations
CO	Contracting Officer
COR	Contracting Officer's Representative
DO	Departmental Offices
FAR	Federal Acquisition Regulation
FinCEN	Financial Crimes Enforcement Network
Fiscal Service	Bureau of the Fiscal Service
FPTBU	Funds Put To Better Use
IAA	Interagency agreement
IPP	Invoice Processing Platform
JAMES	Joint Audit Management Enterprise System
Mint	United States Mint
OCC	Office of the Comptroller of the Currency
OIG	Office of Inspector General
PPA	Prompt Payment Act
QRG	Quick Reference Guidance
SOP	standard operating procedures
TFM	Treasury Financial Manual
Treasury	Department of the Treasury
TTB	Alcohol and Tobacco Tax and Trade Bureau

**This Page Intentionally Left Blank**



March 23, 2022

Ms. Deborah L. Harker  
Assistant Inspector General for Audit  
Office of Inspector General

Mr. Trevor Norris  
Acting Assistant Secretary for Management

Mr. Timothy Gribben  
Commissioner  
Bureau of the Fiscal Service

Mr. Michael J. Hsu  
Acting Comptroller of the Currency  
Office of the Comptroller of the Currency

Mr. Leonard R. Olijar  
Director  
Bureau of Engraving and Printing

Ms. Ventriss C. Gibson  
Acting Director  
United States Mint

Mr. Himamauli Das  
Acting Director  
Financial Crimes Enforcement Network

Ms. Mary Ryan  
Administrator  
Alcohol and Tobacco Tax and Trade Bureau

RMA Associates, LLC was engaged by the Department of the Treasury (Treasury), Office of Inspector General (OIG) to conduct a performance audit of Treasury's design and implementation of policies and procedures related to cash discounts, as well as the application of those policies through execution of payments to vendors and contractors made during fiscal year 2020. This report presents the results of our audit of the Treasury Departmental Offices (DO)<sup>1</sup> and six Treasury bureaus not including the Internal Revenue Service. In addition to Treasury DO, the six bureaus within the scope<sup>2</sup> of our audit were the Alcohol and Tobacco Tax and Trade Bureau (TTB), Bureau of Engraving and Printing (BEP), Bureau of the Fiscal Service (Fiscal Service), Financial Crimes Enforcement Network (FinCEN), Office of the Comptroller of the Currency (OCC), and United States Mint (Mint).

Our audit objectives were to determine whether Treasury (1) took full advantage of prompt payment cash discount opportunities when offered and (2) complied with applicable laws, regulations, policies, and procedures when processing payment of invoices with discounts. To accomplish these objectives, we determined which bureaus and offices within our sample of those offered discounts recorded cash discounts lost during fiscal year 2020. We identified that the following five bureaus reported not taking cash discounts: Fiscal Service, FinCEN, Mint, BEP, and OCC.<sup>3</sup> We interviewed personnel within OCC, BEP, and Fiscal Service's Administrative Resource Center (ARC)<sup>4</sup> responsible for entering vendors into the financial management system and processing invoice payments.<sup>5</sup> We reviewed the Prompt Payment Act (PPA),<sup>6</sup> the applicable section of the Treasury Financial Manual (TFM),<sup>7</sup> the

---

<sup>1</sup> DO is Treasury's headquarters bureau responsible for providing leadership in economic and financial policy, financial intelligence and enforcement, and general management. The offices within DO are composed of divisions headed by Assistant Secretaries and Under Secretaries who are primarily responsible for policy formulation and overall management of Treasury.

<sup>2</sup> OIG was not included in the scope of this audit due to independence.

<sup>3</sup> We found that TTB and DO, which were included in our scope, did not report any cash discounts lost.

<sup>4</sup> ARC provides federal shared services such as information technology, human resources, financial, or other services to other departments, agencies, and bureaus (the customer). ARC is a federal shared service provider to 25 internal Treasury and 29 external customers.

<sup>5</sup> Interviews only included personnel from ARC, OCC, and BEP. BEP and OCC have personnel that process their respective invoices. ARC, a third party shared service provider, processes invoices for the remainder of Treasury bureaus and offices within our sample.

<sup>6</sup> PPA (Pub. L. 97-177, May 21, 1982, 96 Stat. 85), as amended by the PPA Amendments of 1988 (Pub. L. 100496), Oct. 17, 1988, 102 Stat. 2455).

<sup>7</sup> TFM, Volume 1, Part 4A Chapter 2000, Section 2060, *Prompt Payments to Earn Discounts*.

Federal Acquisition Regulation (FAR),<sup>8</sup> and other relevant Treasury policies and procedures within our audit scope, which covered payments executed during fiscal year 2020. We conducted our audit fieldwork from October 2020 through June 2021, with additional follow-up performed in January 2022. Appendix 1 contains a detailed description of our objectives, scope, and methodology.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Results in Brief

Section 2060 of the TFM, *Prompt Payments to Earn Discounts*, requires that Treasury make every effort to process invoices within the discount period. This applies if the discount is cost effective to the government when a cash discount has been offered for prompt payment. We noted on Treasury's *Cash Discounts Taken and Lost Report*, the bureaus and offices included in our review, took cash discounts totaling \$89,430.61 for 576 of the 652 transactions where cash discounts were offered during fiscal year 2020. However, certain bureaus did not take cash discounts for the remaining 76 transactions, or 12 percent, resulting in a loss of cost savings of \$22,482.61.

Based on our review of *Cash Discount Taken and Lost Reports*, and discussions with personnel from ARC, BEP, and OCC, reasons provided for not taking the cash discounts include: (1) 42 invoices not being approved timely by the Contracting Officer's Representatives (COR) from BEP, OCC, FinCEN, the Mint, and Fiscal Service; and (2) 32 invoices not being received timely by the Mint from vendors who do not use the Invoice Processing Platform (IPP).<sup>9,10</sup> In addition, the Mint did not provide reasons as

---

<sup>8</sup> FAR, Part 52.232-25, *Prompt Payment*.

<sup>9</sup> IPP is a secure, web-based, centralized program through which federal agencies manage the invoicing process for goods and services from purchase order to payment notification.

<sup>10</sup> The invoices were not received timely due to delays in the vendor providing ARC the invoices and/or delays in ARC manually inputting them into IPP.

to why the cash discounts were lost for the two remaining invoices.

We also found that FinCEN, the Mint, BEP, and OCC lacked comprehensive policies and procedures for taking cash discounts when processing invoice payments with eligible discounts. For example, we noted that FinCEN and the Mint, who are serviced by ARC and did not take cash discounts when offered, did not have policies and procedures in place relating to taking cash discounts when offered. In addition, we noted that BEP and OCC policies and procedures did not include requirements to review the *Prompt Pay Reports*. Furthermore, we were advised by personnel from OCC that training related to the cash discount process was not in place. Without documented comprehensive policies and procedures and proper training, there may be an increased risk of cash discounts not being taken, which in turn, may increase the risk of lost savings for the government.

We recommend that the Commissioner of the Fiscal Service ensures that Fiscal Service:

1. Maintains adequate controls on internal processes related to payment approvals; and
2. Follows Fiscal Service's standard operating procedures (SOP) and/or guidance relating to cash discounts including, but not limited to, CORs approving invoices with discounts timely.

We recommend that the Director of BEP and the Comptroller of the Currency ensure that BEP and OCC, respectively:

1. Develop, revise, and/or finalize SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintain adequate controls on internal processes related to payment approvals;
3. Ensure that CORs approve invoices with discounts timely; and
4. Distribute SOPs and/or guidance relating to cash discounts to BEP and OCC management, staff, Contracting Officers (CO), and CORs and provide training, as necessary.

We recommend that the Director of the Mint ensures that the Mint:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately documented and personnel are instructed to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Encourages vendors to submit their invoices within a reasonable time of the discount period that allows the Mint to take cash discounts when offered;
5. Encourages vendors to use IPP when submitting their invoices for the processing of payment of invoices with discounts to be more efficient;
6. Participates in required training, as necessary; and
7. Distributes SOPs and guidance relating to cash discounts to Mint's management, staff, COs, and CORs, and provides training, as necessary.

We recommend that the Director of FinCEN ensures that FinCEN:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately revised and documented to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Participates in required training, as necessary; and
5. Distributes SOPs and/guidance relating to cash discounts to FinCEN's management, staff, COs, and CORs, and provides

training, as necessary.

As part of our reporting process, we provided a draft of this report to the Acting Assistant Secretary for Management and the respective bureau heads to obtain management's views and comments. TTB and DO did not have findings or recommendations; and therefore, management did not provide comments to the draft report. The remaining five bureaus concurred with the recommendations. OCC, BEP, and Mint management provided formal management response letters, which are included, in their entirety, in appendix 3 of this report. Fiscal Service and FinCEN management provided written concurrence via email. All management responses are summarized in the recommendations section of this report.

Management's responses and planned corrective actions meet the intent of our recommendations. Management will need to record the estimated date for completing its planned corrective actions as well as the actual date of completed corrective actions in the Joint Audit Management Enterprise System (JAMES), Treasury's audit recommendation tracking system.

## **Background**

Treasury is the executive agency responsible for promoting economic prosperity and ensuring the financial security of the United States. Treasury is composed of DO, which is the department's headquarters bureau that provides leadership in economic and financial policy, financial intelligence and enforcement, and general management; and the following seven bureaus: TTB, BEP, Fiscal Service, FinCEN, OCC, Mint, and the Internal Revenue Service. The bureaus make up 98 percent of Treasury's work force and are responsible for carrying out specific operations assigned to the department. For example, BEP designs and manufactures U.S. currency, securities, and other official certificates and awards, while OCC charters, regulates, and supervises national banks to ensure a safe, sound, and competitive banking system that supports the citizens, communities, and economy of the United States. In addition, Fiscal Service promotes the financial integrity and operational efficiency of the U.S. government through exceptional accounting, financing, collections, payments, and shared services.

Fiscal Service ARC is an accounts payable shared service provider for the majority of Treasury's bureaus and DO, except for OCC and BEP. ARC's mission is to aid in improving overall governmental effectiveness by delivering responsive and cost-effective administrative support to its customers, which include 25 internal Treasury and 29 external customers. ARC has interagency agreements (IAA) with its customers, which describe the responsibilities of both parties involved.

For example, as part of its accounting services, ARC is responsible for examining and processing vendor and other employee payments, which includes, but is not limited to, the following tasks: (1) administering the IPP system; (2) answering vendor and COR questions regarding IPP; (2) performing voucher examination and rejecting invoices not deemed proper; (3) submitting proper invoices in IPP for approval for vendors not using IPP; (4) calculating discounts, when appropriate; (5) sending invoice delinquency lists to customers weekly; (6) informing customers of document preparation and submission requirements; and (7) providing invoice approver training to its customers. Treasury's Fiscal Service website<sup>11</sup> provides federal agencies and Treasury bureaus general information on prompt payment and cash discounts, frequently asked questions, and links to several resources.

The IAAs also describe the responsibilities of the customers, including, but not limited to, the following: (1) preparing and submitting necessary obligations to support payments; (2) reviewing, certifying, and validating requests for payments; (3) providing accurate received and acceptance dates for goods and services; (4) reviewing all attachments submitted by vendors in IPP; (5) maintaining adequate controls on internal processes related to payment approvals; and (6) attending mandatory IPP training.

Under the PPA<sup>12</sup> rule, federal agencies may take an offered discount by the vendor if it is economically justified and if the agency has accepted goods or services. According to Section 2060, *Prompt Payments to Earn Discounts*, of the TFM, Treasury is required to make every effort to process invoices within the discount period, if the discount is cost effective to the government,

---

<sup>11</sup> <https://www.fiscal.treasury.gov/prompt-payment/index.html>

<sup>12</sup> PPA was enacted to require federal agencies to pay their bills on a timely basis, to pay interest penalties when payments are made late, and to take discounts only when payments are made by the discount date.

when a cash discount has been offered for prompt payment. In addition, Treasury should take discounts only on those invoices that can be paid within the specified discount period.

According to Office of Management and Budget guidance on payment discounts,<sup>13</sup> an agency may be offered a discount by a business vendor from an amount due under contract for either property received, or service rendered in exchange for a payment made within a specified time. The discount period is calculated from the date placed by the vendor on the proper invoice.<sup>14</sup> If the invoice date is not provided by the vendor, the discount period will begin on the date a proper invoice is actually received and dated by the designated agency office. If the federal agency takes the discount, payment is due in accordance with the discount terms, which varies by vendor. For example, discount terms may include a 5 percent discount if payment is remitted within 10 days; and a 2 percent discount if payment is remitted within 11 to 15 days after receipt of a proper invoice. If a federal agency does not take the discount or a discount is not offered, full payment is due within 30 days of the proper invoice receipt date. After 30 days, the agency shall pay an interest penalty on the unpaid remaining amount.

#### Treasury's Prompt Payment Processes for Cash Discounts

Treasury bureaus and offices rely on accounts payable teams and their financial management systems<sup>15</sup> to process invoices timely. For bureaus and offices that rely on ARC, the Secure Payment System Certifying Officer assists with tracking invoices as they are received and sets the invoice due date to validate those payments that are made prior to 30 days from the receipt of the invoice.

---

<sup>13</sup> 5 CFR §1315.7(a) *Economically Justified Discounts*

<sup>14</sup> According to 5 CFR §1315.9 (b), *Require Documentation*, a proper invoice includes correct information such as: (i) name of vendor, (ii) invoice date, (iii) government contract number or authorization for delivery of goods or services, (iv) vendor invoice number, account number, and/or other identifying number agreed to by contract, (v) description, price and quantity of goods and services rendered, (vi) shipping and payment terms, (vii) taxpayer Identifying Number, (viii) banking information, (ix) contact name, title and telephone number and (x) other substantiating documentation or information required by the contract.

<sup>15</sup> ARC's current financial management system is Oracle Federal Financials. OCC and BEP utilize their stand-alone Oracle Commercial Business systems to process transactions. Specifically, OCC's current financial management system is Oracle PeopleSoft (\$SMART); and BEP's current financial management system is Oracle E-Business Suite.



Generally, bureaus that rely on ARC use three methods for receiving and monitoring the status of supplier invoices. The preferred method, due to efficiencies in processing, is to have invoices submitted directly by the vendor via IPP. As the administrator of IPP, ARC reviews vouchers and rejects invoices not deemed proper. Proper invoices are then routed to the customer COR or approver designated on the purchase order to review, certify, and validate the request for payment.

The second method is for invoices to be submitted directly by the vendor to ARC to be manually processed and input into IPP. ARC has controls in place to log invoices into IPP with the date received and to ensure invoices are forwarded to the bureau or agency for review and approval. In addition, ARC has monitoring controls in place to ensure that invoices are returned to ARC to be processed in accordance with the PPA.

The third method, which is rarely utilized, occurs when the invoice is sent directly by the vendor to the bureau or office. The bureau must then set their own controls to ensure the invoices are stamped with the date received, reviewed, and submitted to ARC for processing. Bureaus are responsible for ensuring that invoices are submitted in time to receive discounts, if applicable, and to pay the invoices.

For OCC and BEP, the invoice process to earn cash discounts starts with receipt of the vendor invoice by the accounts payable technician who obtains the COR's approval and inputs the relevant invoice data, including the receipt and invoice date, into their respective Oracle Commercial Business systems. Once that data is entered, the specific purchase order for that vendor is identified by the system (invoice/purchase order match), at which time the discount information should be entered, and the date of payment confirmed. A second accounts payable technician performs a review, and if any errors are noted, the vendor invoice is returned to the original technician for correction. Once errors or comments are addressed, the second technician marks the vendor invoice as verified and places it in the payment pending file.

*Prompt Pay Reports* are populated monthly from Oracle Federal Financials for ARC. ARC provides each of its customers the reports for their review and monthly reporting. Furthermore, the *Prompt Pay Reports* document the bureaus and offices that are paying their invoices timely. In an effort to seek future cash discounts,

bureaus and offices are given the opportunity to perform an end of the month review of the reports to identify vendors that have offered cash discounts in the prior month; however, reviews by management and staff are not required.

Additionally, bureaus and offices prepare *Cash Discount Taken and Lost Reports*, which document each of the cash discounts reported in the system as taken or lost. If a cash discount was lost, the bureaus and offices, who utilize ARC, are required by ARC's Quick Reference Guidance (QRG), *Assigning Interest and Discount Lost Reason Codes*, to report the justification as to why the opportunity was not taken.

The *Prompt Payment Reports* and *Cash Discount Taken and Lost Reports* are populated in a different format from Oracle Commercial Business for OCC and BEP and include the transaction types that are eligible for cash discounts. OCC and BEP did not have specific requirements outlined in their policies and procedures to document justifications for cash discounts lost.

## **Audit Results**

### **Improvements Needed in Treasury's Processes Relating to Cash Discounts**

#### Certain Treasury Bureaus Did Not Take Cash Discounts when Offered

During fiscal year 2020, the total reported amount of cash discounts offered by vendors to Treasury bureaus and offices within our scope, was \$111,913.22 for 652 transactions. As shown in Table 1 below, we noted that Treasury bureaus and offices took cash discounts for 576 out of 652 transactions, or 88 percent, which totaled \$89,430.61. All 576 cash discounts taken were made timely within the discount period in accordance with PPA and Office of Management and Budget guidance. We also noted that TTB and DO took all the discounts offered. However, we noted that for 76 out of the 652 transactions, or 12 percent, totaling \$22,482.61, five Treasury bureaus did not take the cash discounts offered; specifically, Fiscal Service, FinCEN, Mint, BEP, and OCC.

Based on our review of the *Cash Discount Taken and Lost Reports*, and discussions with personnel from ARC, BEP, and OCC, reasons provided for not taking the cash discounts include: (1) 42 invoices not being approved timely by the COR from BEP, OCC, FinCEN,

the Mint, and Fiscal Service; and (2) 32 invoices not being received timely by the Mint from the vendors who do not use IPP.<sup>16</sup> In addition, the Mint did not provide reasons as to why the cash discounts were lost for the two remaining invoices.

**Table 1. Fiscal Year 2020 Percentage Utilization of Cash Discount Opportunities**

Bureau	# of Cash Discounts Offered	Dollar Value of Cash Discounts Offered	# of Cash Discounts Taken	Dollar Value of Cash Discounts Lost	% Utilization of Cash Discounts by Opportunities	% Utilization of Cash Discounts by Dollars (Taken/Offered)
The Alcohol and Tobacco Tax and Trade Bureau	20	\$920.25	20	-	100.0%	100.0%
The Bureau of the Fiscal Service	35	\$26,629.84	30	\$2,758.21	85.7%	89.6%
The Financial Crimes Enforcement Network	40	\$61,626.99	32	\$13,808.60	80.0%	77.6%
The United States Mint	464	\$15,616.12	409	\$5,282.89	88.1%	66.2%
The Bureau of Engraving and Printing	50	\$2,303.00	44	\$253.95	88.0%	89.0%
The Office of the Comptroller of the Currency	42	\$3,883.36	40	\$378.96	95.2%	90.2%
Treasury Departmental Offices	1	\$933.66	1	-	100.0%	100.0%
	652	\$111,913.22	576	\$22,482.61	88.3%	79.9%

Source: RMA Associates, LLC analysis of total cash discount opportunities

Per the TFM, federal agencies should make every effort when a discount has been offered to process invoices within the discount period. Specifically, TFM, section 2060 – *Prompt Payments to Earn Discounts*, states:

*When a cash discount has been offered for prompt payment, [agencies] should make every effort to process the invoice within the discount period, if the discount is cost effective to the government. Process the invoice according to the specific terms on which the discount has been offered by the contractor or supplier.*

We found that Treasury lost cost savings, totaling \$22,482.61, which could have been used more efficiently if the cash discounts were taken when offered. Assuming the same cost savings for future years, we included the definition of “funds be put to better use,” a projected amount of lost discounts over the next 3 years, and the basis for the projected amount to be reported in Treasury’s Joint Audit Management Enterprise System in appendix 2.

#### Certain Treasury Bureaus Lacked Comprehensive Policies and Procedures Relating to Cash Discounts

We found that FinCEN, the Mint, OCC, and BEP lacked comprehensive policies and procedures for taking cash discounts when processing invoice payments with eligible discounts. We

<sup>16</sup> The delays in the Mint receiving the invoices resulted from delays in the vendor providing ARC the invoices and/or delays in ARC manually inputting the invoices into IPP.

noted that FinCEN and the Mint, who are serviced by ARC and did not take cash discounts when offered, did not have policies and procedures in place relating to taking cash discounts. When asked, Mint management did not provide a reason as to the lack of policies and procedures; and a FinCEN official stated that she believes the bureau follows Treasury guidance.

Furthermore, BEP's and OCC's policies and procedures did not have certain requirements relating to taking cash discounts. For example, BEP and OCC policies and procedures did not include requirements to document justifications for not taking cash discounts. Another example is that BEP and OCC policies and procedures did not include requirements to review the *Prompt Pay Reports*. This review is to identify vendors that have offered cash discount opportunities during the month that the *Prompt Pay Report* covers, in order to seek future cash discounts. Although we were told by BEP management that they review the report, the policies and procedures do not require it.

The Government Accountability Office's *Standards for Internal Control in the Federal Government*, states:

*Management documents in policies for each unit its responsibility for an operational process's objectives and related risks, and control activity design, implementation, and operating effectiveness. Each unit, with guidance from management, determines the policies necessary to operate the process based on the objectives and related risks for the operational process. Each unit also documents policies in the appropriate level of detail to allow management to effectively monitor the control activity.*

*Those in key roles for the unit may further define policies through day-to-day procedures, depending on the rate of change in the operating environment and complexity of the operational process. Procedures may include the timing of when a control activity occurs and any follow-up corrective actions to be performed by competent personnel if deficiencies are identified. Management communicates to personnel the policies and procedures so that personnel can implement the control activities for their assigned responsibilities.*

*Management periodically reviews policies, procedures, and related control activities for continued relevance and effectiveness in achieving the entity's objectives or addressing related risks. If there is a significant change in an entity's process, management reviews this process in a timely manner after the change to determine that the control activities are designed and implemented appropriately.<sup>17</sup>*

Furthermore, we were advised by management and personnel from OCC that training related to the processing of cash discounts was not in place. Without adequate training, there may be a lack of the knowledge of the proper policies and procedures related to the processing of cash discounts. According to 5 U.S.C. §4103, Establishment of Training Programs, (a):

*In order to assist in achieving an agency's mission and performance goals by improving employee and organizational performance, the head of each agency, in conformity with this chapter, shall establish, operate, maintain, and evaluate a program or programs, and a plan or plans thereunder, for the training of employees in or under the agency by, in, and through Government facilities and non-Government facilities...*

With all this said, it is essential that, FinCEN, the Mint, OCC, and BEP develop, revise, and finalize their policies and procedures for processing cash discounts and provide training to their customers, management, and staff, as necessary. Without documented comprehensive policies and procedures and proper training, there may be an increased risk of cash discounts not being taken, which in turn, may increase the risk of loss of cost savings to the government.

## **Recommendations**

We recommend that the Commissioner of the Fiscal Service ensures that Fiscal Service:

1. Maintains adequate controls on internal processes related to payment approvals; and

---

<sup>17</sup> Government Accountability Office, *Standards for Internal Control in the Federal Government, Principle 12 – Implement Control Activities* (GAO-14-704G, September 2014), 12.03, 12.04 and 12.05.

2. Follows Fiscal Service's SOPs and/or guidance relating to cash discounts including, but not limited to, CORs approving invoices with discounts timely.

We recommend that the Director of BEP and the Comptroller of the Currency ensure that BEP and OCC, respectively:

1. Develop, revise, and/or finalize SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintain adequate controls on internal processes related to payment approvals;
3. Ensure that CORs approve invoices with discounts timely; and
4. Distribute SOPs and/or guidance relating to cash discounts to BEP and OCC management, staff, COs, and CORs and provide training, as necessary.

We recommend that the Director of the Mint ensures that the Mint:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately documented and personnel are instructed to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Encourages vendors to submit their invoices within a reasonable time of the discount period that allows the Mint to take cash discounts when offered;
5. Encourages vendors to use IPP when submitting their invoices for the processing of payment of invoices with discounts to be more efficient;
6. Participates in required training, as necessary; and
7. Distributes SOPs and guidance relating to cash discounts to Mint's management, staff, COs, and CORs, and provides training, as necessary.

We recommend that the Director of FinCEN ensures that FinCEN:

1. Develops, revises, and/or finalizes SOPs for taking cash discounts to ensure the process is adequately revised and documented to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;
2. Maintains adequate controls on internal processes related to payment approvals;
3. Ensures that CORs approve invoices with discounts timely;
4. Participates in required training, as necessary ; and
5. Distributes SOPs and/guidance relating to cash discounts to FinCEN's management, staff, COs, and CORs, and provides training, as necessary.

### **Management Response**

Management concurs with our recommendations. TTB and DO did not have findings or recommendations; and therefore, management did not provide comments to the draft report. The remaining five bureaus concurred with the recommendations. OCC, BEP, and Mint management provided formal management response letters, which are included, in their entirety, in appendix 3 of this report. Fiscal Service and FinCEN management provided written concurrence via email.

OCC management stated that OCC has effective controls supporting its process to take advantage of prompt payment cash discount opportunities when offered. However, OCC will take the steps in an effort to improve the agency's outlined planned corrective actions to improve the agency's percent utilization rate of cash discount opportunities. Specifically, OCC plans to update its IPP Administration financial policies and procedures document and communicate the importance of timely invoice review and approval to agency CORs and COs. OCC management also stated that the planned corrective actions are expected to be implemented by the end of calendar year 2022.

Mint management stated that the Mint concurs with the findings and recommendations, and outlined planned corrective actions to be taken to address the recommendations. Specifically,

management stated that the Mint will: (1) revise the Prompt Payment Program Statement to include language directing federal entities to make every effort to process the invoice with cash discounts offered within the discount period; (2) review/test the payment approval process to ensure there are no gaps in the controls, and that they are working as intended; (3) during the next quarterly COR training, emphasize the importance of timely approval of all invoices and communication with vendors about submitting invoices within a reasonable time of the discount period; (4) research the process of having 3- and 4-way match invoices input into IPP; (5) ensure Mint personnel responsible for invoice processing attend training regarding cash discounts; and (6) ensure all SOPs and guidance regarding cash discounts are provided to Mint management, staff, COs, and CORs.

BEP management stated BEP concurs with the recommendations and will take appropriate action to implement them. FinCEN management stated that FinCEN concurs with the findings and is working to implement the recommended corrective actions. In addition, Fiscal Service management stated Fiscal Service will maintain adequate controls on internal processes related to payment approvals and follow guidance related to cash discounts.

### **Auditor Evaluation**

Management's responses and planned corrective actions meet the intent of our recommendations. Management will need to record the estimated date for completing its planned corrective actions as well as the actual date of completed corrective actions in JAMES, Treasury's audit recommendation tracking system.

\* \* \* \* \*

We appreciate the courtesies and cooperation provided to our staff during the audit. Thank you for the opportunity to serve your organization. We are happy to discuss the report. You may contact me at (571) 429-6598 or Debra Thomas, Audit Manager, at (571) 429-6600. Major contributors to this report are listed in appendix 4, and a distribution list for this report is provided as appendix 5.

Reza Mahbod /s/  
RMA Associates, LLC



## **Appendix 1: Objectives, Scope, and Methodology**

---

Our audit objectives were to determine and assess whether the Department of the Treasury (Treasury): (1) took full advantage of prompt payment cash discount opportunities when offered and (2) complied with applicable laws, regulations, policies, and procedures when processing payment of invoices with discounts. The scope of our audit covered payments executed during fiscal year 2020 by the following Treasury bureaus and offices:

- **Treasury Departmental Offices (DO)** – DO are primarily responsible for the formulation of policy and management of Treasury as a whole.
- **Six (6) Treasury bureaus included in our audit:**
  1. Alcohol and Tobacco Tax and Trade Bureau
  2. Bureau of Engraving and Printing
  3. Bureau of the Fiscal Service
  4. Financial Crimes Enforcement Network
  5. Office of the Comptroller of the Currency
  6. United States Mint

The applicable criteria on which our audit findings and conclusions are based include:

- United States Government Accountability Office (GAO-14-704G) *Standards for Internal Control in the Federal Government, September 10, 2014*
- Prompt Payment Act (PPA), *May 21, 1982*
- Treasury Financial Manual, Volume 1, Part 4A Chapter 2000, Section 2060, *Prompt Payments to Earn Discounts, May 8, 2020*
- Federal Acquisition Regulation, Part 52.232-25, *Prompt Payment, January 2017*
- Office of Management and Budget, Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control, July 15, 2016*, and
- Other relevant Treasury policies, procedures, and instructions concerning financial management.

To accomplish these objectives, we performed the following activities during audit fieldwork conducted from October 2020 through June 2021, with additional follow-up performed in January 2022:

- Inquired about and examined Treasury’s policies and procedures for: (1) vendor procurement under the Federal Acquisition Regulation, (2) vendor contract management, (3) vendor payments and disbursements, and (4) financial reporting;
- Performed walkthroughs and examined records and control activities with the Treasury accounts payable team that utilizes the Administrative Resource Center (ARC) and its Invoice Processing Platform. Walkthroughs included activities over the initiation, authorization, processing, recording, and reporting of vendor disbursement transactions and events;
- Reviewed interagency agreements between ARC and the customers it services within our scope;
- Inquired about how invoices with cash discounts were handled and whether staff and COs received training on seeking out discounts when identifying vendors and entering cash discounts into Oracle systems;
- Inquired whether staff received training on entering cash discounts and invoices into the bureaus’ accounts payable systems;
- Developed sampling plans of accounting records and transactions, obtained the supporting documentation, and tested the transactions, as follows:
  - Obtained a statistical sample size of 18 from the population of cash discounts taken for fiscal year 2020, which totaled 576, excluding Office of Inspector General (OIG) transactions to perform compliance testing. The sample size was determined using the statistical method of probability proportional to size sampling with a confidence level of 96 percent, and a tolerable error rate of 3 percent.
  - Obtained a statistical sample size of 4 from the population of 78 cash discounts lost during fiscal year 2020.<sup>18</sup> The sample size was determined using the

---

<sup>18</sup> Two of the total 78 invoices in the population were duplicate; therefore, the number of cash discounts lost was 76.

statistical method of probability proportional to size sampling with a confidence level of 96 percent, and a tolerable error rate of 3 percent.

- Obtained a statistical sample size of 31 from the population of 35,904 (excluding OIG) transactions of Treasury consolidated expense, obligation, and disbursement-related transactions from the trial balances and *Prompt Pay Reports* during fiscal year 2020. The sample size was determined using the statistical method of probability proportional to size sampling with a confidence level of 96 percent, and a tolerable error rate of 3 percent.
- For fiscal year 2020, we assessed the reliability of the data from Treasury in accordance with the Government Accountability Office Guide, *Assessing Data Reliability*, December 2019 by examining the Statement on Standards for Attestation Engagements Number 18, *Report on the Bureau of the Fiscal Service's Description of Administrative Resource Center's Financial Management Services and the Suitability of the Design and Operating Effectiveness of its Controls for the Period July 1, 2019 to June 30, 2020*, to determine if any material weaknesses were discovered by the independent auditors related to the design and operating effectiveness of ARC's controls; as well as by reviewing the fiscal year 2020 financial statement audit of Treasury.

As a result of the SSAE 18, and financial statement audit reviews, we did not identify any internal control, operational or noncompliance issues related to prompt payments, and Treasury's use of cash discounts. In addition, the financial statement audit did not disclose any issues with data integrity and reliability. Therefore, we are also relying on those results to support the low risk assessment related to data reliability and integrity.

- We also examined the fiscal year 2020 *Prompt Pay Reports* of the Treasury's bureaus and offices and tied the transactions listed in the bureaus' *Prompt Pay Reports* to the detailed trial balance for Treasury for fiscal year 2020. In addition, for the DO offices that advised us that cash discounts were not applicable to them (Government

Sponsored Enterprise, International Monetary Fund, International Monetary Fund Vouchers, and Exchange Stabilization Fund). We tested a statistical sample of 39 payments out of a population of 130 transactions. The sample size was determined using the statistical method of probability proportional to size sampling with a confidence level of 96 percent, and a tolerable error rate of 10 percent.

The population for this sample was much smaller than the other populations; therefore, to achieve a comparable sample size we increased the tolerable error rate from 3 percent to 10 percent. Our sample size was determined to be 39 payments, with 23 selected due to their high value and 16 selected from the remainder of the population. These samples were selected to test if the sampled payments included any transactions that should have been subject to the PPA but were not recorded in the *Prompt Pay Reports* and noted no exceptions.

- We assessed internal controls through inquiries about the internal control process related to cash discounts for all of Treasury's bureaus and DO within our scope. For bureaus and offices supported by ARC, we evaluated the (1) Information and Communication component, and the underlying principles of using relevant, quality information to support the internal control function, in our review and analysis of the Invoice Processing Platform; (2) Control Environment component, and the principles related to establishing structures, reporting lines, authorities and responsibilities, and holding people accountable; (3) Risk Assessment component, and the related principles to specify appropriate objectives, identify and analyze changes and identify and analyze risks; (4) Control Activities component and the principles of selecting and developing control activities that mitigate risks, and deploying control activities through policies and procedures; and (5) Monitoring component and the principles of communicating internal control deficiencies and performing ongoing and periodic evaluations of internal control.

These components and principles were evaluated as part of our analysis of the Accounting Processing controls and the Procurement Processing controls. We concluded that

multiple edit checks are in place to prevent data entry errors and transmission errors from one system to another. In addition, the consistent application of Prompt Payment terms appears to be in place, specifically the start time of payment, which is when an invoice is received. We noted that the ARC and Oracle systems have procedures to prioritize invoices with discount opportunities over other invoices when escalated (with the normal process being first-in first-out) to accommodate their greater time sensitivity.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix 2: Schedule of Monetary Benefits

---

A “recommendation that funds be put to better use (FPTBU)” is a recommendation that funds could be used more efficiently if management took actions to implement and complete the recommendation including: (1) a reduction in outlays, (2) a de-obligation of funds from programs or operations, (3) a cost not incurred by implementing recommended improvements related to operations, (4) avoidance of an unnecessary expenditure noted in pre-award reviews of contract agreements, or (5) any other savings which is specifically identified. The following FPTBU will be recorded in Treasury’s Joint Audit Management Enterprise System. The amount will also be included in the Office of Inspector General semiannual report to Congress.

<u>Recommendation</u>	<u>FPTBU</u>
Develop, revise, and/or finalize standard operating procedures for taking cash discounts to ensure the process is documented and personnel are instructed to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM.	\$67,447.83

The FPTBU listed above represents the estimated monetary benefits Treasury will be able to receive over a 3-year period if it adequately revises and documents its cash discount process to take full advantage of discount opportunities when offered. The estimate is based on the calculation of the \$22,482.61 lost cost savings identified during the audit multiplied by a 3-year period.

## Appendix 3: Management Response

---



Office of the Comptroller of the Currency

Washington, DC 20219

March 18, 2022

Ms. Deborah L. Harker  
Assistant Inspector General for Audit  
Office of Inspector General  
Department of the Treasury  
Washington, DC 20220

Dear Ms. Harker:

Thank you for providing the Office of the Comptroller of the Currency (OCC) an opportunity to review the draft report titled *Resource Management: Audit of the Department of the Treasury's Use of Cash Discounts* issued by the Treasury Office of Inspector General (TOIG). As described in the report, the audit was performed on behalf of TOIG by the public accounting firm, RMA Associates, LLC (RMA). The audit report included four recommendations directed to the OCC (excerpted below).

*"We recommend the Comptroller of the Currency ensure that OCC:*

- 1. Develop, revise, and/or finalize SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM;*
- 2. Maintain adequate controls on internal processes related to payment approvals;*
- 3. Ensure that CORs approve invoices with discounts timely; and*
- 4. Distribute SOPs and/or guidance relating to cash discounts to BEP and OCC management, staff, COs, and CORs and provide training, as necessary."*

As previously communicated to TOIG and RMA, the OCC has effective controls supporting its process to take advantage of prompt payment cash discount opportunities when offered. However, the OCC will take the steps described below in an effort to improve the agency's 95.2% utilization rate of cash discount opportunities cited in the report.

To address the audit recommendations cited above, the OCC will update its Invoice Processing Platform Administration financial policies and procedures document and communicate the importance of timely invoice review and approval to agency Contracting Officer's Representatives and Contracting Officers. The planned corrective actions are expected to be implemented by the end of calendar year 2022.

If you need additional information, please contact Harold Barnshaw, Director for Accounting at (202) 649-7345.

Sincerely,

Calliope K.  
Murphy

Digitally signed by Calliope  
K. Murphy  
Date: 2022.03.18 08:40:52  
-04'00'

Kathy K. Murphy  
Senior Deputy Comptroller for Management and Chief Financial Officer





DEPARTMENT OF THE TREASURY  
BUREAU OF ENGRAVING AND PRINTING  
WASHINGTON, D.C. 20228

March 22, 2022

Deborah L. Harker  
Assistant Inspector General for Audit  
Office of the Inspector General  
U.S. Department of the Treasury

Dear Ms. Harker:

We have reviewed The Department of the Treasury, Office of Inspector General's (OIG) draft audit report entitled "Audit of the Department of the Treasury's Use of Cash Discounts." We appreciate the effort that went into this audit and the creation of this report.

Overall, we concur with the recommendations in the report (listed below for reference) and will take appropriate action to implement them.

"We recommend the Director of BEP and the Comptroller of the Currency ensure BEP and OCC, respectively:

1. Develop, revise, and/or finalize SOPs for taking full advantage of cash discounts when offered and applicable, as required by Section 2060 of the TFM,
2. Maintain adequate controls on internal processes related to payment approvals,
3. Ensure that CORs approve invoices with discounts timely; and
4. Distribute SOPs and/or guidance relating to cash discounts to BEP and OCC management, staff, Contracting Officers (CO), and CORs and provide training, as necessary."

We appreciate the opportunity to respond to the formal draft report.

Sincerely,

Leonard R. Olijar  
Director

Leonard R.  
Olijar

Digitally signed by Leonard R.  
Olijar  
Date: 2022.03.22 08:24:28 -0400

cc: Patricia Greiner, Deputy Director (Chief Administrative Officer), BEP  
Charlene Williams, Deputy Director (Chief Operating Officer), BEP  
Steven A. Fisher, Associate Director (Chief Financial Officer), BEP  
Randall Burleson, Chief Procurement Officer, BEP  
Claire Chen, Chief, Office of Financial Management, BEP  
Adam Veney, Chief, Office of Compliance, BEP



DEPARTMENT OF THE TREASURY  
UNITED STATES MINT  
WASHINGTON, D.C. 20220

MEMORANDUM FOR DEBORAH L. HARKER  
ASSISTANT INSPECTOR GENERAL FOR AUDIT  
DEPARTMENT OF THE TREASURY

FROM: Ventris C. Gibson  
Deputy Director  
United States Mint

SUBJECT: Management Response to Office of Inspector General Draft Report,  
*Audit of the Department of the Treasury's Use of Cash Discounts*

**BACKGROUND**

On October 16, 2020, the Department of the Treasury's Office of Inspector General (OIG) initiated an *Audit of the Department of Treasury's Use of Cash Discounts* to include the United States Mint (Mint). The objectives of the Audit were to determine whether Treasury a) takes full advantage of prompt payment cash-discount opportunities when offered, and b) complies with applicable laws, regulations, policies, and procedures when processing payment of invoices with discounts.

Thank you for providing us with an opportunity to review the draft findings and recommendations.

**ANALYSIS**

The Mint has reviewed the attached draft report and concurs with the draft findings and recommendations.

**MANAGEMENT RESPONSE TO FINDINGS AND RECOMMENDATIONS:**

**Recommendation 1:** Develops, revises, and/or finalizes standard operating procedures (SOPs) for taking cash discounts to ensure the process is adequately documented and personnel are instructed to take full advantage of cash discounts when offered and applicable, as required by Section 2060 of the Treasury Financial Manual.

**Management Response:** The Mint will revise the Prompt Payment Program Statement to include language directing that when a cash discount has been offered for prompt payment, federal entities should make every effort to process the invoice within the discount period, if the discount is cost effective to the government.

**Recommendation 2:** Maintains adequate controls on internal processes related to payment approvals.

**Management Response:** The Mint has comprehensive controls around payment approvals. During the FY 2022 OMB Circular A-123 assessment, Headquarters (HQ) Accounting will review/test the payment approval process to ensure there are no gaps in the controls, and they are

working as intended.

**Recommendation 3:** Ensures CORs approve invoices with discounts timely.

**Management Response:** HQ Procurement sends out a Procurement Tip of the Month to all CORs to timely approve invoices and to take advantage of discounts as applicable. During the next quarterly COR training, the Mint will emphasize the importance of timely approval of all invoices.

**Recommendation 4:** Encourages vendors to submit their invoices within a reasonable time of the discount period that allows the Mint to take cash discounts when offered.

**Management Response:** HQ Procurement ensures CORs communicate with vendors to submit invoices within a reasonable timeframe. Also, in the next COR training, the Mint will emphasize to all CORs the importance of communicating with vendors about submitting invoices within a reasonable time of the discount period.

**Recommendation 5:** Encourages vendors to use Invoice Processing Platform (IPP) when submitting their invoices for the processing of payment of invoices with discounts to be more efficient.

**Management Response:** HQ Procurement ensures CORs communicate to vendors to use IPP when submitting their invoices for processing. The Mint also will research the process of having 3- and 4-way match invoices input into IPP.

**Recommendation 6:** Participate in training provided by the Administrative Resource Center (ARC), as necessary.

**Management Response:** The Mint will ensure Mint personnel responsible for invoice processing attend the ARC training regarding to cash discounts.

**Recommendation 7:** Distributes SOPs and guidance relating to cash discounts to Mint's management, staff, Contracting Officers (COs), and CORs, and provides training, as necessary.

**Management Response:** The Mint will ensure all SOPs and guidance regarding cash discounts are provided to Mint Management, staff, COs, and CORs. The Mint will continue to provide ongoing training to Mint Management, staff, COs, and CORs.

## **SUMMARY**

The Mint greatly appreciates the OIG providing us the opportunity to respond to your draft findings and recommendations. Your recommendations will assist the Mint in improving our operations and achieving our mission of connecting America through coins.

## **Appendix 4: Major Contributors to This Report**

---

Reza Mahbod, Partner  
Mike Fredrickson, Partner  
Debra Thomas, Audit Manager  
Holly Donley, Audit Manager  
Tariq Mojadidi, Senior Auditor  
Charles Henley, Senior Auditor  
Allison Cheatham, Staff Auditor  
Emma Thompson, Staff Auditor

## **Appendix 5: Report Distribution**

---

### **Department of the Treasury**

Secretary of the Treasury  
Deputy Secretary  
Assistant Secretary for Management  
Office of Strategic Planning and Performance Improvement  
Office of the Deputy Chief Financial Officer, Risk and Control  
Group

### **Bureau of the Fiscal Service**

Commissioner  
Director, Financial Management Division  
Office of Inspector General Liaison

### **Bureau of Engraving and Printing**

Director

### **United States Mint**

Director

### **Financial Crimes Enforcement Network**

Director

### **Alcohol and Tobacco Tax and Trade Bureau**

Administrator

### **Office of Management and Budget**

Office of Inspector General Budget Examiner

### **U.S. Senate**

Chairman and Ranking Member  
Committee on Finance

Chairman and Ranking Member  
Committee on Banking, Housing, and Urban Affairs

**U.S. House of Representatives**

Chairman and Ranking Member  
Committee on Financial Services

Chairman and Ranking Member  
Committee on Oversight and Reform

Chairman and Ranking Member  
Subcommittee on National Security, International Development,  
and Monetary Policy

**This Page Intentionally Left Blank**





## **REPORT WASTE, FRAUD, AND ABUSE**

Submit a complaint regarding Treasury OIG Treasury Programs and Operations using our online form: <https://oig.treasury.gov/report-fraud-waste-and-abuse>

## **TREASURY OIG WEBSITE**

Access Treasury OIG reports and other information online: <https://oig.treasury.gov/>