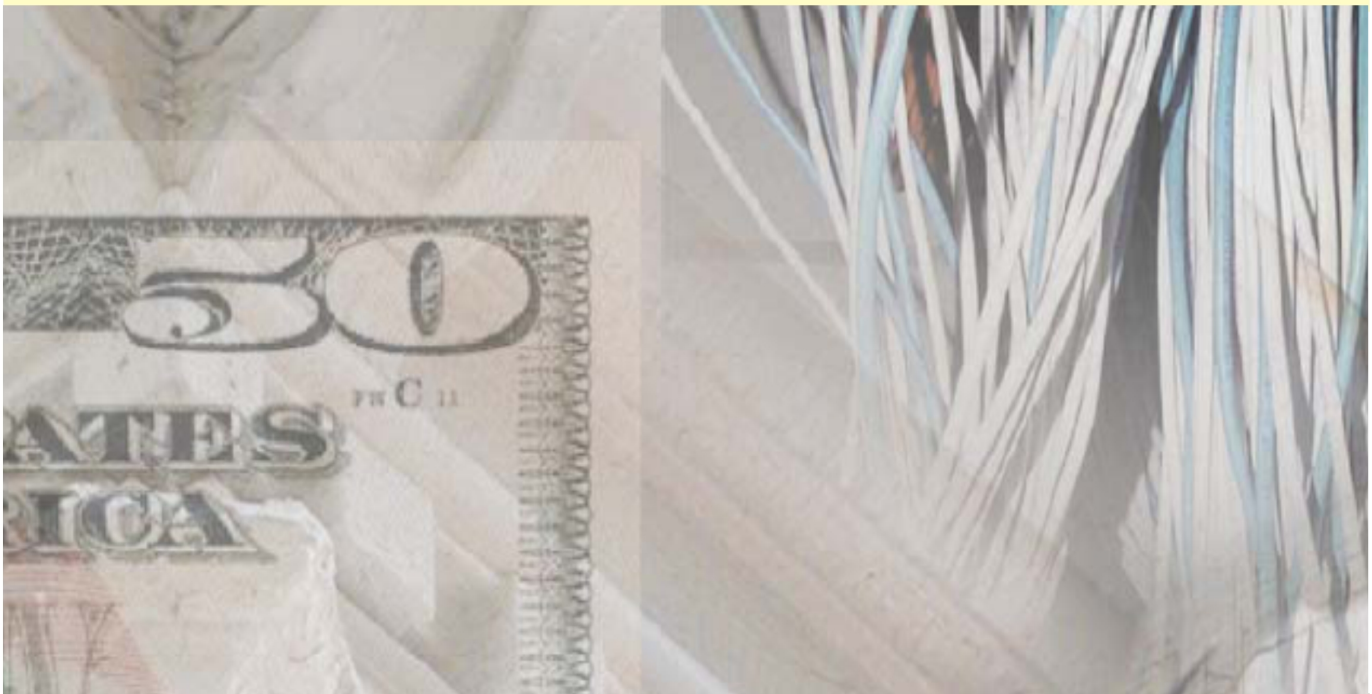




**Financial Systems Integration Office**

**Financial Management Systems  
Standard Business Process  
for U.S. Government Agencies**



**Exposure Draft for  
Standard Business Processes**

**Exposure Draft  
May 2007**

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# Listed Abbreviations

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ACH	Automated Clearing House
ALC	Agency Location Code
BETC	Business Type Event Code
BRM	Business Reference Model
BFELoB	Budget Formulation and Execution Line of Business
CCD	Cash Concentration Disbursement
CCD+	Cash Concentration Disbursement Plus Addendum
CCR	Central Contractor Registry
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CIO	Chief Information Officer
CO	Certifying Officer
CFS	Core Financial System
CFSR	Core Financial System Requirements
CPIC	Capital Planning and Investment Control
CTX	Corporate Trade Exchange
DEO	Data Entry Operator
DUNS	Dun and Bradstreet Number
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance With Treasury
FEA	Federal Enterprise Architecture
FEAF	Federal Enterprise Architecture Framework
FFMIA	Federal Financial Management Improvement Act of 1996
FFMSR	Financial Management Systems Requirements
FISMA	Federal Information Security Management Act of 2002
FMLoB	Financial Management Line of Business
FMS	Financial Management Service
FOMF	Financial Organization Master File
FSIO	Financial Systems Integration Office
GAO	Government Accountability Office
GPRA	Government Performance and Results Act of 1993
ID	Identification
IDD	International Direct Deposit
IPAC	Intra-Governmental Payment and Collection

IPP	Internet Payment Platform
IRM	Information Resource Management
IT	Information Technology
JFMIP	Joint Financial Management Improvement Program
NACHA	National Automated Clearing House Association
NIST	National Institute of Standards and Technology
OCR	Optical Character Recognition
OFFM	Office of Federal Financial Management (OMB)
OMB	Office of Management and Budget
PMA	President's Management Agenda
PMD	Payment Management Disbursing
PO	Purchase Order
PPA	Prompt Payment Act
PPD	Prearranged Payment and Deposit
PPD+	Prearranged Payment and Deposit Plus Addendum
RTN	Routing Transit Number
SFFAS	Statement of Federal Financial Accounting Standards
SPS	Secure Payment System
TAFS	Treasury Appropriation Fund Symbol
TAS	Treasury Account Symbol
TPA	Trading Partner Agreement
TFM	Treasury Financial Manual
USSGL	U.S. Standard General Ledger

# Foreword

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Under Review with the Funds Control Chapter currently  
released as an Exposure Draft

# Introduction

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## **1.1. BACKGROUND**

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## **1.2. PURPOSE AND SCOPE OF THIS DOCUMENT**

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### **1.3.FMLOB BUSINESS PROCESS WITHIN CONTEXT OF CORE REQUIREMENTS**

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## Funds Control Processes

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- 2.2 FUNDS CONTROL ALLOTMENT**
- 2.3 FUNDS CONTROL SUB-ALLOTMENT**
- 2.4 FUNDS CONTROL COMMITMENT**
- 2.5 FUNDS CONTROL OBLIGATION**
- 2.6 FUNDS CONTROL EXPENDITURES**
- 2.7 FUNDS CONTROL DISBURSEMENTS**
- 2.8 FUNDS CONTROL PAYROLL EXPENSE**
- 2.9 FUNDS CONTROL MONITORING CONTROLS**

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# Payment Management Processes

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## 3.0. PAYMENT MANAGEMENT PROCESSES

The Payment Management processes detailed in this chapter are:

- PM 3.1 – Ordering of Goods and Services
- PM 3.2 – Funds Check Prior to Obligation
- PM 3.3 – Receipt and Acceptance of Goods
- PM 3.4 – Receipt and Acceptance of Services
- PM 3.5 – Accounts Payable and Invoicing Processes
- PM 3.6 – Disbursements – Bulk Files (ACH/EFT, PPD, CCD+, CTX, and Checks)
- PM 3.7 – Disbursements – Small Volume and Same or Next Day Payments
- PM 3.8 – Data Objects and Data Elements
- PM 3.9 – Summary Data Objects and Data Elements

Included are key steps in the processes from requisition to payment for commercial contracts and small acquisitions disbursed by Treasury. The steps are depicted in flowcharts. Following each flowchart are descriptions of the steps and related business rules. These steps reflect best practices in an electronic environment, sound internal controls, and compliance with Office of Federal Financial Management (OFFM) Core Financial System Requirements (CFSR).

Excluded from the scope of this chapter are the following:

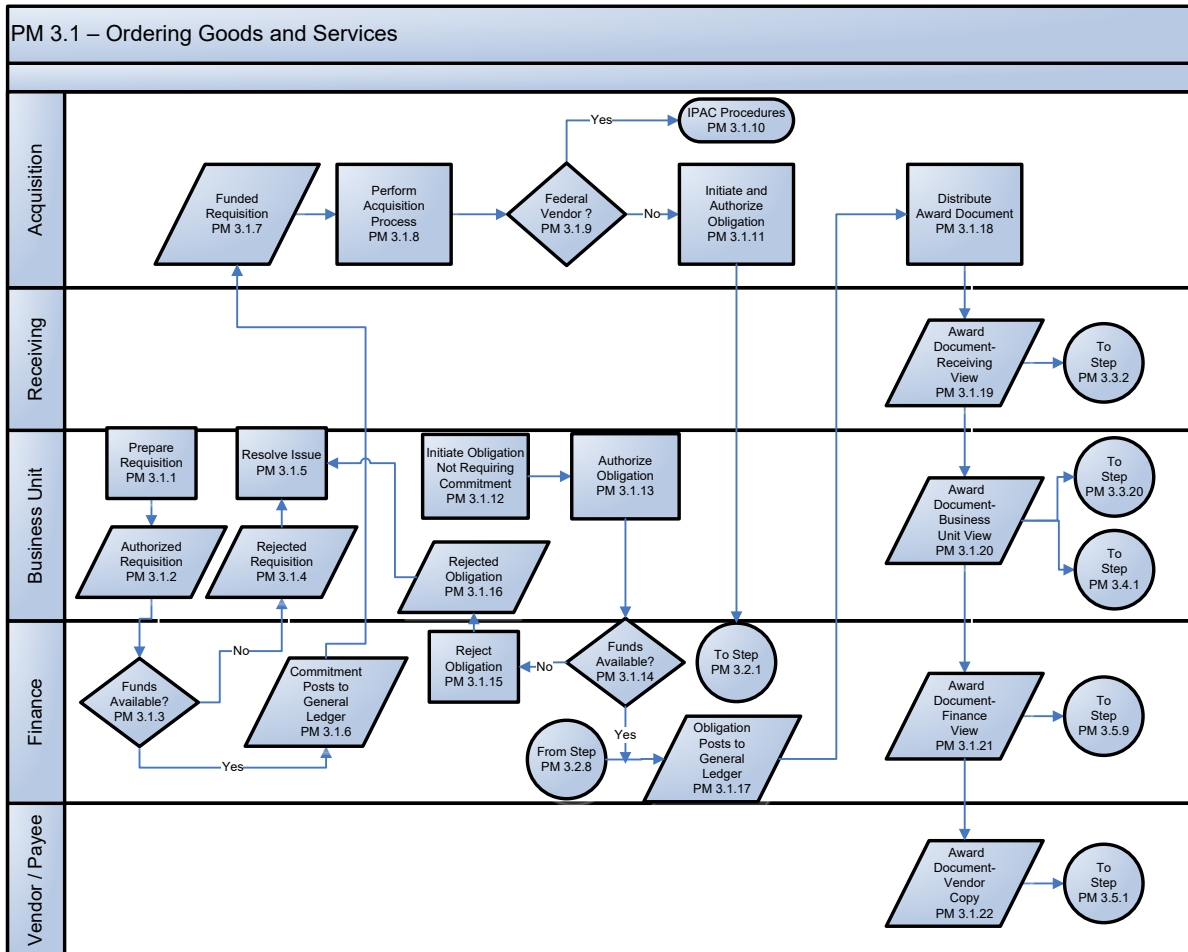
- Payment management processes for payments not disbursed by Treasury
- Policies, procedures, and requirements detailed in authoritative guidance are not repeated in this document
- Acquisition processes
- Processes for maintenance of the Central Contractor Registry
- Intra-Governmental Payment and Collection (IPAC) transactions
- Reimbursable activity
- Travel
- Payroll
- Employee awards
- Credit card payments
- Grants

- Loans
- Cooperative agreements
- Canceled funds
- Foreign currency
- Internal offsets between Accounts Payable and Accounts Receivable.

## 3.1 ORDERING OF GOODS AND SERVICES

This section presents key steps for ordering goods and services that result in outputs to the Accounts Payable and Invoicing processes. Acquisition processes, procedures, and related laws and regulations by which vendors are solicited and selected are excluded from the scope of this chapter.

### *PM 3.1 – Ordering Goods and Services Flowchart*



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Ordering of Goods and Services process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.1.1	Prepare Requisition	Personnel authorized by the Business Unit prepare a requisition for purchase of goods or services.	A requisitioner has been previously designated requisitioning responsibilities by a supervisor, listed with the Acquisition Office as an authorized Requester, and assigned authority within the system to initiate a requisition.	
PM 3.1.2	Authorized Requisition	<p>The Business Unit requisitioner enters required information on the requisition including the following:</p> <ul style="list-style-type: none"> <li>• Suggested or recommended vendors (or a justification for a specific vendor)</li> <li>• When the goods or services are needed</li> <li>• For services, the necessary period of performance</li> <li>• An estimate of the cost to procure the goods or services</li> <li>• An appropriate Common Government-wide Accounting Classification (CGAC) Structure</li> <li>• Point-of-contact information for the Agency official(s) ordering and/or receiving the goods or services.</li> </ul>	<p>The requester signs the form electronically to authorize the request.</p> <p>For certain types of acquisition requests (e.g., property, information technology), the requisition must be authorized by an applicable official.</p> <p>Personnel with funding authority must review the Common Government-wide Accounting Classification (CGAC) Structure.</p> <p>Capital assets need to be identified and classified at the earliest possible stage of the asset life cycle.</p> <p>The Acquisition System maintains a unique identifier label for each requisition and documents the pertinent information associated with each requisition.</p> <p>A manager with funding authority reviews and electronically authorizes commitment of funds for the requisition. This occurs simultaneously with step PM 3.1.3, “Funds Available?”</p>	
PM 3.1.3	Funds Available?	The Core Financial System (CFS) checks whether funding is available to commit funds from applicable budgetary resources.	The system certifies availability of required funding prior to committing budgetary resources.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.1.4	Rejected Requisition	Requisition is rejected due to lack of applicable funding.	The requisitioner is electronically notified that the requisition has been rejected due to lack of available funding.	
PM 3.1.5	Resolve Issue	Business Unit and/or Acquisition will resolve the funding issue.	Designated personnel resolve applicable funding issues in accordance with applicable rules, regulations, and Agency guidelines (e.g. FAR, Agency policies and procedures).	
PM 3.1.6	Commitment Posts to General Ledger	After the requisition is entered into the system and approved by appropriate personnel, a commitment transaction posts to the General Ledger.	<p>A commitment is posted to the General Ledger using the USSGL posting logic provided in the Treasury Financial Manual (TFM).</p> <p>The recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III are:</p> <p>TFM-B302 To record a commitment of unobligated amounts in programs subject to apportionment.</p> <p>TFM-B304 To record a commitment of unobligated balances in programs exempt from apportionment.</p>	
PM 3.1.7	Funded Requisition	The funded requisition is automatically routed to Acquisition.	<p>Acquisition officials who have completed standardized training programs are certified to act as purchasing agents on behalf of the Agency and have been granted access to the Agency Acquisition System.</p> <p>Upon receipt of a requisition, Acquisition reviews it to determine whether it has been appropriately completed and authorized.</p> <p>If the Acquisition official notes errors or omissions in the requisition, it is returned to the Business Unit for corrective action.</p>	



Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.1.8	Perform Acquisition Process	Once the contractor has been chosen, an Acquisition official prepares the award documents (such as contracts, purchase orders, and delivery orders). Although multiple steps comprise this part of the process, such steps are beyond the scope of this document. This flowchart illustrates the origination of commitments, obligations, and applicable award documents that become inputs to the Accounts Payable and Invoicing processes.	Acquisition performs the procurement process in accordance with applicable regulations (e.g., FAR, Agency guidelines).	
PM 3.1.9	Federal Vendor?	The contractor/vendor is identified as either a Federal or Non-Federal Vendor. If Federal, the process moves to step PM 3.1.10, "IPAC Procedures." If Non-Federal, the process moves to step PM 3.1.11, "Initiate and Authorize Obligation."		
PM 3.1.10	IPAC Procedures	Applicable Intra-Governmental Payments and Collection system (IPAC) procedures are performed to process a Federal Vendor transaction.		
PM 3.1.11	Initiate and Authorize Obligation	The Acquisition official prepares an electronic award document and signs it to indicate approval.	<p>Vendor information for the contractor must be loaded from the Central Contractor Registration (CCR) database system and maintained in the CFS. The vendor information maintained in the CFS must include the data elements and definitions used in the CCR database. Required vendor information is documented in Requirement PMA-01 of the OFFM CFSR.</p> <p>A unique obligation number is assigned to the award document record. The number must reference the commitment number.</p> <p>The obligation number, document ID, and CGAC Structure must be included</p>	PMA-01

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>in the obligation data maintained in the General Ledger.</p> <p>As applicable, include third-party payee information in the Agency vendor information database.</p> <p>The CFS must associate vendor and customer records representing the same entity.</p> <p>The CFS must prevent new obligations to inactive or debarred vendors or vendors with expired CCR registrations.</p> <p>An award document must not be distributed to end-users until an obligation is recorded in the General Ledger. Once the Acquisition official electronically prepares and authorizes the award document, funds checks are performed in the General Ledger module to determine whether required funding is available for each line item of the obligation.</p> <p>The requested obligation amounts are subjected to tolerance checks against committed funds.</p>	<p>PMA-02</p> <p>PMA-03</p> <p>PMA-16 PMA-17</p>
PM 3.1.12	Initiate Obligation Not Requiring Commitment	The Business Unit official has a bona fide need for a small acquisition and generates an obligation in the system to record the goods or services ordered.	<p>Vendor information for the contractor must be loaded from the Central Contractor Registration (CCR) database system and maintained in the CFS. The CCR information must include the data elements and definitions used in the CCR. Required vendor information is documented in Requirement PMA-01 of the OFFM CFSR.</p> <p>A unique obligation number is assigned to the obligation document recorded.</p> <p>The obligation number, document ID, and CGAC Structure must be included</p>	PMA-01

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>in the obligation data maintained in the General Ledger.</p> <p>As applicable, include third-party payee information in the Agency vendor information database.</p> <p>The CFS must associate vendor and customer records representing the same entity.</p> <p>The CFS must prevent new obligations to inactive or debarred vendors or vendors with expired CCR registrations.</p> <p>Once the Business Unit official electronically prepares the obligation, funds checks are performed in the General Ledger system to determine whether required funding is available for each line item of the obligation.</p>	<p>PMA-02</p> <p>PMA-03</p> <p>PMA-16 PMA-17</p>
PM 3.1.13	Authorize Obligation	A request for authorization is electronically routed to the appropriate individual within the Business Unit to authorize the obligation.	Another official within the Business Unit must review the obligation to ensure it is an authorized and valid obligation.	
PM 3.1.14	Funds Available?	The CFS checks whether funding is available to obligate funds from applicable budgetary resources.		
PM 3.1.15	Reject Obligation	The obligation is rejected due to lack of available funding.	The originator of the obligation request is electronically notified that the obligation has been rejected due to lack of available funding.	
PM 3.1.16	Rejected Obligation	The rejected obligation is transmitted to the Business Unit. The process proceeds to step PM 3.1.5, "Resolve Issue."		

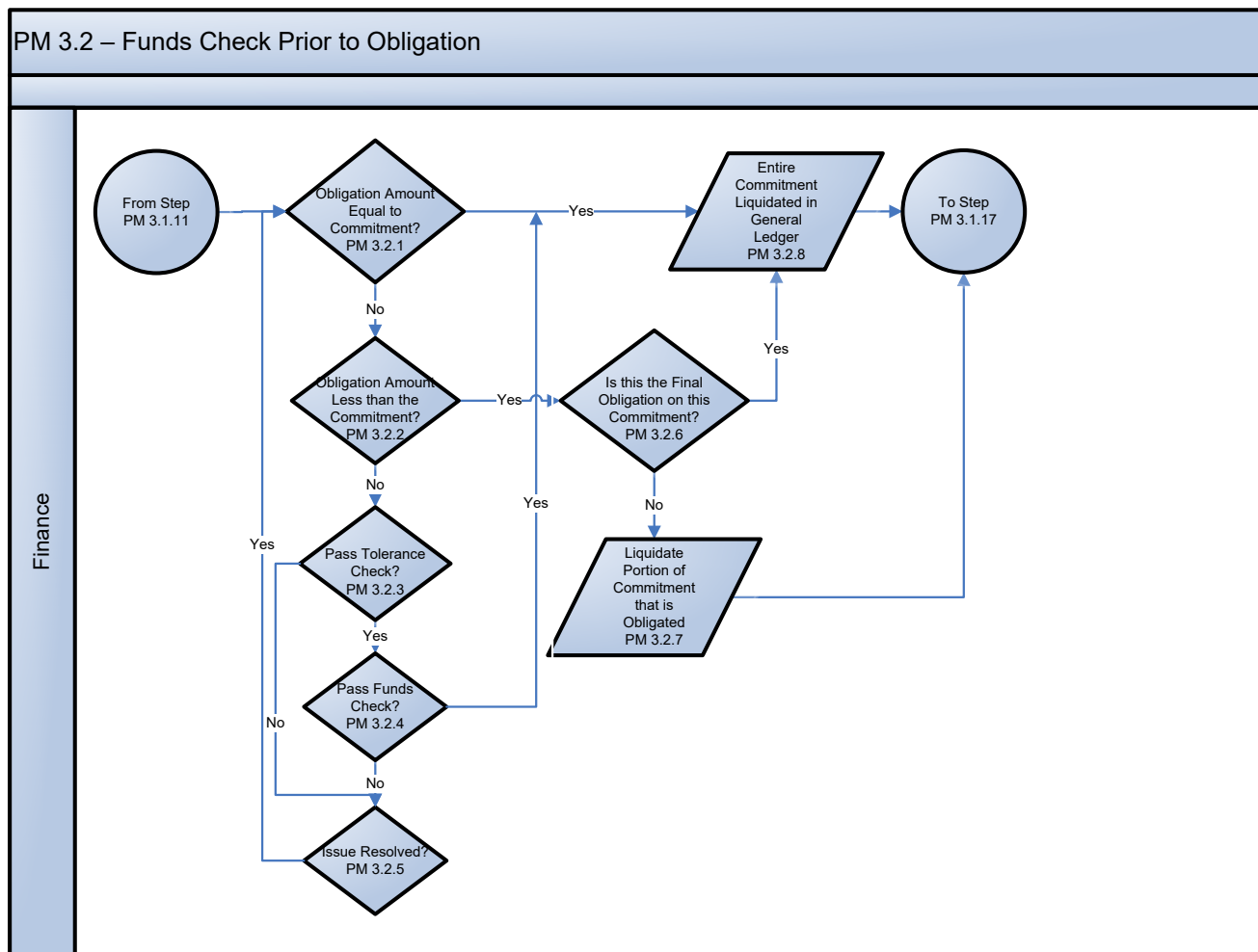
Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.1.17	Obligation Posts to General Ledger	An obligation is posted to the General Ledger.	<p>Once an obligation document passes funding and tolerance checks, it is posted to the General Ledger and the appropriate amount of the commitment is liquidated.</p> <p>The requester in the Business Unit is notified electronically of the obligation.</p> <p>An obligation is posted using USSGL posting logic provided in the Treasury Financial Manual.</p> <p>The recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, are:</p> <p>TFM-B306 To record current-year undelivered orders without an advance.</p> <p>TFM-B308 To record current-year undelivered orders with an advance.</p> <p>TFM-B310 To record a current-year undelivered order without an advance where the commitment is more than the undelivered order for commitments in programs subject to apportionment.</p> <p>TFM-B312 To record a current-year undelivered order without an advance where the commitment is more than the undelivered order for commitments in programs exempt from apportionment.</p> <p>TFM-B314 To record a current-year undelivered order without an advance where the commitment is less than the undelivered order for commitments in programs subject to apportionment.</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			TFM-B316 To record a current-year undelivered order without an advance where the commitment is less than the undelivered order for commitments in programs exempt from apportionment.	
PM 3.1.18	Distribute Award Document	The system-generated award document is distributed through the system to the Receiving, Business Unit, Finance, and vendor areas.	<p>The document should be electronically distributed/made viewable to applicable offices that perform the receipt, acceptance, and invoice processing activities as well as the vendor.</p> <p>The award document copy should include the obligation number, line item information, CGAC Structure, applicable vendor information, and contract terms.</p>	
PM 3.1.19	Award Document-Receiving View	The Receiving View includes information fields applicable to the receipt of goods and/or services.	The CFS must enable access to the Receiving View of the award document to applicable authorized personnel.	
PM 3.1.20	Award Document-Business Unit View	The Business Unit View includes information fields applicable to the receipt and acceptance of goods and/or services.	The CFS must enable access to the Business Unit View of the award document to applicable authorized personnel.	
PM 3.1.21	Award Document-Finance View	The Finance View includes information fields applicable to the Finance functions.	The CFS must enable access to the Finance View of the Award Document to applicable authorized personnel.	
PM 3.1.22	Award Document-Vendor Copy	The vendor copy includes information fields applicable to the vendor's transactions with the Agency.	The vendor copy of the award is sent to the vendor.	

## 3.2 FUNDS CHECK PRIOR TO OBLIGATION

The following flowchart provides the steps taken to perform a funds check prior to obligation of funds. Section PM 3.2 applies to contractual acquisitions for which commitments and obligations are required. Included are steps to compare an obligation request to an underlying commitment, assess availability of funds, and liquidate commitments at the time of obligation.

### *PM 3.2 – Funds Check Prior to Obligation Flowchart*



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Funds Check Prior to Obligation process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.2.1	Obligation Amount Equal to Commitment?	The amount of the prospective obligation is compared to the amount of the applicable commitment.	Once the CFS determines a commitment exists related to this obligation, it determines if the obligation amount equals the commitment amount.	
PM 3.2.2	Obligation Amount Less than the Commitment?	The amount of the prospective obligation is compared to the amount of the applicable commitment.	If the obligation amount is not equal to the commitment amount, determine if the obligation amount requested is less than the commitment posted in the CFS.	
PM 3.2.3	Pass Tolerance Check?	The amount by which an obligation exceeds a commitment is compared to predetermined tolerance levels for quantities and prices of goods or services.	Agencies should determine tolerance levels for prices and quantities of goods or services that can be processed with no further approval.	
PM 3.2.4	Pass Funds Check?	The amount that an obligation exceeds a commitment amount, but is within tolerance is checked to determine whether sufficient funds are available for the amount by which the obligation exceeds the commitment.	<p>The CFS must ensure sufficient applicable funding is available prior to allowing the obligation to post.</p> <p>The amount by which the obligation exceeds the commitment (while within a preset tolerance level) is funded directly from available budgetary resources. An additional commitment of funds is not required prior to posting the additional amount of the obligation.</p>	
PM 3.2.5	Issue Resolved?	If the amount of the obligation request exceeds the tolerance level for commitment posted in the CFS and/or funds are not available, research must be performed to identify and resolve the funding issue.	The CFS should route the funding issues to applicable authorized personnel who will either discontinue the transaction or make funds available.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.2.6	Is this the Final Obligation on this Commitment?	Determine if this is the last obligation to be made on this commitment. If yes, the process moves to step PM 3.2.8 “Entire Commitment Liquidated in General Ledger.”	The CFS should check whether funds will remain on the commitment after the obligation is made and whether the requester has indicated in the system that remaining funds should be de-committed.	
PM 3.2.7	Liquidate Portion of Commitment that is Obligated	The portion of the commitment applicable to the obligation is liquidated.	<p>The CFS must liquidate the commitment using USSGL posting logic documented in the current TFM:</p> <p>The Agency reverses the following previously recommended ( PM 3.1.6, “Commitment Posts to General Ledger”) transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III:</p> <p>TFM- B302 To record a commitment of unobligated amounts in programs subject to apportionment.</p> <p>TFM-B304 To record a commitment of unobligated balances in programs exempt from apportionment.</p>	
PM 3.2.8	Entire Commitment Liquidated in General Ledger	If the obligation and commitment are equal, the entire commitment is liquidated in the General Ledger.	<p>If the obligation has been identified as the final one to be made on the commitment, the remaining amount of the commitment is liquidated in the General Ledger.</p> <p>The Agency must develop and implement procedures for appropriate personnel to de-obligate obligations that will not be used.</p> <p>The Agency reverses the following previously recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III:</p>	

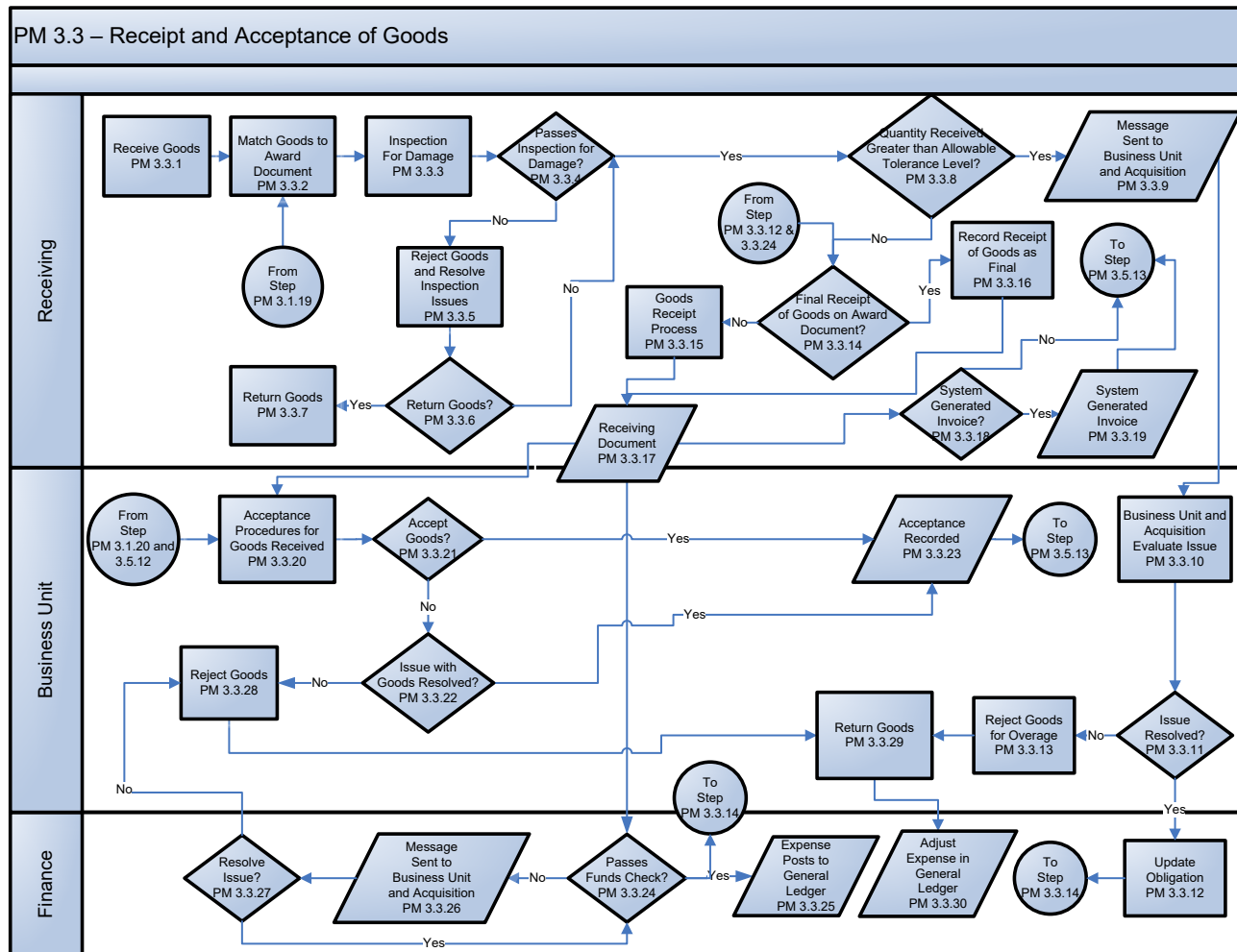


Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>TFM-B302 To record a commitment of unobligated amounts in programs subject to apportionment.</p> <p>TFM-B304 To record a commitment of unobligated balances in programs exempt from apportionment.</p>	

# 3.3 RECEIPT AND ACCEPTANCE OF GOODS

The following flowchart provides the steps related to the processes for receipt and acceptance of goods. The steps contained in flowchart PM 3.3 describe procedures necessary for the inspection, acceptance, and recording of receipt and return of goods.

**PM 3.3 – Receipt and Acceptance of Goods Flowchart**



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Receipt and Acceptance of Goods process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.3.1	Receive Goods	In the case of physical goods, goods are received at a designated Receiving area.	<p>Goods must be delivered according to delivery information on the award document. Agency procedures should call for rejecting delivery of goods brought to locations other than the appropriate Receiving site.</p> <p>The Receiving personnel must record information including the Receiving official, dates of delivery, quantity/amount received, vendor ID number and name, ship to locations.</p> <p>Receiving of goods may occur at the receiving dock or in the Business Unit.</p>	
PM 3.3.2	Match Goods to Award Document	When goods are received, Receiving personnel match the items to the award document. Any discrepancies or damages are noted electronically.	<p>Access to the Receiving system must be restricted to authorized personnel.</p> <p>The Receiving personnel must record full or partial receipt and/or acceptance of goods by document line, including partial quantities on each line item.</p> <p>Goods must be recorded in the Agency Asset Management system.</p>	PMB-01
PM 3.3.3	Inspection for Damage	Inspection of the goods for damage is done once the goods are received and matched to the award document.	Inspection for damage should be performed at the time of delivery by applicable Receiving personnel.	
PM 3.3.4	Passes Inspection for Damage?	Confirm that the goods are free of visible damage and note that the goods pass inspection.	Receiving personnel assess visible damage to goods in accordance with applicable rules and regulations (e.g., FAR, Agency guidelines).	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.3.5	Reject Goods and Resolve Inspection Issues	<p>If the goods are determined to be damaged, return the damaged goods to the appropriate originator.</p> <p>Inspection issues with the goods must be resolved, if applicable.</p>	<p>Return of goods is recorded in the Agency Asset Management system.</p> <p>Partial receipt of goods would result in only part of the goods being rejected.</p>	
PM 3.3.6	Return Goods?	<p>If the goods are determined to be damaged and repair or replacement of parts is not appropriate, all or a portion of the goods should be returned.</p>	<p>The return of goods must be within the contract terms.</p> <p>In accordance with the contract terms, replacement components or parts may be obtained from the vendor to correct the issue.</p>	
PM 3.3.7	Return Goods	<p>All or a portion of the goods are returned to the originator as applicable under the terms of the contract.</p>	<p>The return of goods must be within contract terms.</p>	
PM 3.3.8	Quantity Received Greater than Allowable Tolerance Level?	<p>If the quantity received exceeds the quantity ordered, the excess is compared to an allowable tolerance level.</p> <p>If the quantity received is within the allowable tolerance level, the process continues to step PM 3.3.14, “Final Receipt of Goods on Award Document?” If the quantity received exceeds the allowable tolerance level, the process goes to step PM 3.3.9 “Message Sent to Business Unit and Acquisition.”</p>	<p>The Agency sets tolerance levels in accordance with Agency policies and guidelines.</p>	
PM 3.3.9	Message Sent to Business Unit and Acquisition	<p>If the quantity received exceeds the allowable tolerance level in step PM 3.3.8, “Quantity Received Greater than Allowable Tolerance Level,” a message is sent to the appropriate personnel in the Business</p>	<p>The Agency designates appropriate personnel responsible for review and authorization of quantities and amounts in excess of allowable tolerance levels in accordance with rules and regulations (e.g., FAR, Agency policies and procedures).</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
		Unit and/or Acquisition.		
PM 3.3.10	Business Unit and Acquisition Evaluate Issue	Appropriate personnel determine whether the excess quantity of goods should be kept and funding is modified as appropriate.	Designated personnel determine whether an excess quantity of goods will be approved and funded in accordance with rules and regulations (e.g., FAR, Agency policies and procedures).	
PM 3.3.11	Issue Resolved?	Based on the review performed in step PM 3.3.10, "Business Unit and Acquisition Evaluate Issue," if the excess quantity of goods is not to be kept the process goes to step PM 3.3.13, "Reject Goods for Overage".  If the excess quantity of goods is to be kept, the process goes to step PM 3.3.12, "Update Obligation."	If designated personnel determine an excess of quantity of goods is to be rejected, the goods are rejected in accordance with rules and regulations (e.g., FAR, Agency policies and procedures).	
PM 3.3.12	Update Obligation	If the issue was resolved (yes) in the "Issue Resolved?" step PM 3.3.11, "Issue Resolved," then the obligation is modified to reflect revised quantities and/or amounts.	FAR and Agency guidelines are followed for the modification of the obligation.	
PM 3.3.13	Reject Goods for Overage	If the appropriate personnel in the Business Unit and/or acquisition determine the excess quantity of goods should not be kept, the process proceeds to step, PM 3.3.29, "Return Goods."	If designated personnel determine an excess of quantity of goods is to be rejected, the goods are rejected in accordance with rules and regulations and procedures (e.g., FAR, Agency policies).	
PM 3.3.14	Final Receipt of Goods on Award Document?	Determine if this is the final receipt of goods for this award document.	Personnel designated to perform acceptance procedures for receipt of goods indicate in the CFS whether this is the final receipt of goods for the award document.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.3.15	Goods Receipt Process	Goods are processed for receipt.	Policies and procedures must comply with FAR. The receipt and acceptance of goods must be performed within the contract terms.	
PM 3.3.16	Record Receipt of Goods as Final	If the receipt of goods represents the final outstanding obligation on the award document, it is recorded as the final receipt of goods.	Appropriate procedures should be performed to reconcile the award document to documentation of goods received.	
PM 3.3.17	Receiving Document	Receiving personnel enter receiving data to the applicable system to create a receiving document. The system accesses and populates applicable fields of the receiving document with information from the award document.	<p>The receiving document becomes available to the Business Unit. The Receiving system electronically notifies the requester/end user in the Business Unit that goods have been received.</p> <p>The receiving document becomes available to CFS to be matched with the invoice and award document information.</p> <p>Final document notice is sent to the Agency procurement system.</p> <p>As described in step PM 3.3.25, "Expense Posts to General Ledger", the General Ledger is updated to record a proprietary expense and budgetary expenditure for delivered goods. Applicable obligations, advances, or prepaid expense balances are liquidated.</p>	
PM 3.3.18	System Generated Invoice?	For applicable transactions for receipt of goods for which a vendor invoice is not required for payment, an invoice is created within the CFS.	<p>Award documents should indicate whether a vendor invoice is required for payment. (The vendor invoice may be required by Finance prior to payment but is not required as part of the Receiving process. Rather, it may be made available to applicable personnel in the Business Unit for informational purposes.)</p> <p>In the event a vendor invoice is not required, the CFS should create an</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			internal invoice based on vendor, obligating, and receiving information.	
PM 3.3.19	System Generated Invoice	A system generated invoice is created within the CFS.		
PM 3.3.20	Acceptance Procedures for Goods Received	The Business Unit or person with authority to certify acceptance of goods inspects the goods. This person reviews the electronic Receiving document and is responsible for validating goods are in compliance with contractual requirements.	<p>The following additional information must be captured in the CFS:</p> <ul style="list-style-type: none"> <li>Acceptance official</li> <li>Delivery dates</li> <li>Acceptance/rejection dates</li> <li>Quantity/amount accepted/rejected</li> <li>Vendor ID number and name</li> <li>Ship to locations.</li> </ul> <p>Depending on contractual terms and FAR guidelines, “constructive receipt” may apply to certain goods. Under this scenario, acceptance procedures may not be required as the goods are considered “accepted” after an applicable amount of time.</p> <p>The receipt and acceptance of goods must be done within the contract terms.</p>	PMB-05
PM 3.3.21	Accept Goods?	If the certifier accepts all or a portion of the goods received, the applicable quantities of line items from the award document are accepted. The electronic documentation of acceptance is available to the Finance area.	<p>If a required invoice has yet to be received in Finance, certification of receipt and acceptance of goods is stored in the system pending receipt of the invoice.</p> <p>Resolve inspection issues, if applicable.</p>	
PM 3.3.22	Issue with Goods Resolved?	The issue with the goods is either resolved and moves to step PM 3.3.23, “Acceptance Recorded,” or is not resolved and proceeds	In accordance with rules and regulations (e.g., Agency policies and procedures, FAR), designated officials review applicable issues related to goods and determine steps	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
		to step PM 3.3.28 “Reject Goods .”	to be taken to resolve these issues.	
PM 3.3.23	Acceptance Recorded	Personnel document acceptance for goods that have been received.	Appropriate personnel should be authorized for documenting acceptance of goods.	
PM 3.3.24	Passes Funds Check?	<p>The amount that a receiving document exceeds an obligation is subjected to an edit check to determine whether sufficient funds are available for the additional funding.</p> <p>If funds are available (yes), the process goes to step PM 3.3.25, “Expense Posts to the General Ledger.” If funds are not available (no), notification is sent to Business Unit and Acquisition to resolve the issue.</p>	The CFS must ensure sufficient applicable funding is available prior to allowing an expense to post to the General Ledger.	
PM 3.3.25	Expense Posts to General Ledger	The General Ledger is posted to record a proprietary expense and budgetary expenditure for received goods. Applicable advances or prepaid expense balances are liquidated.	<p>Expenses are reviewed periodically by supervisory personnel in the Finance area. Appropriate personnel should follow-up on items for which receipt and/or acceptance are missing.</p> <p>The recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, are:</p> <p>TFM-B402 To record the delivery of goods or services and accrue a liability.</p> <p>TFM-B404 To record the delivery of goods and services in the same year the order was placed and</p>	PMB-02  PMB-03



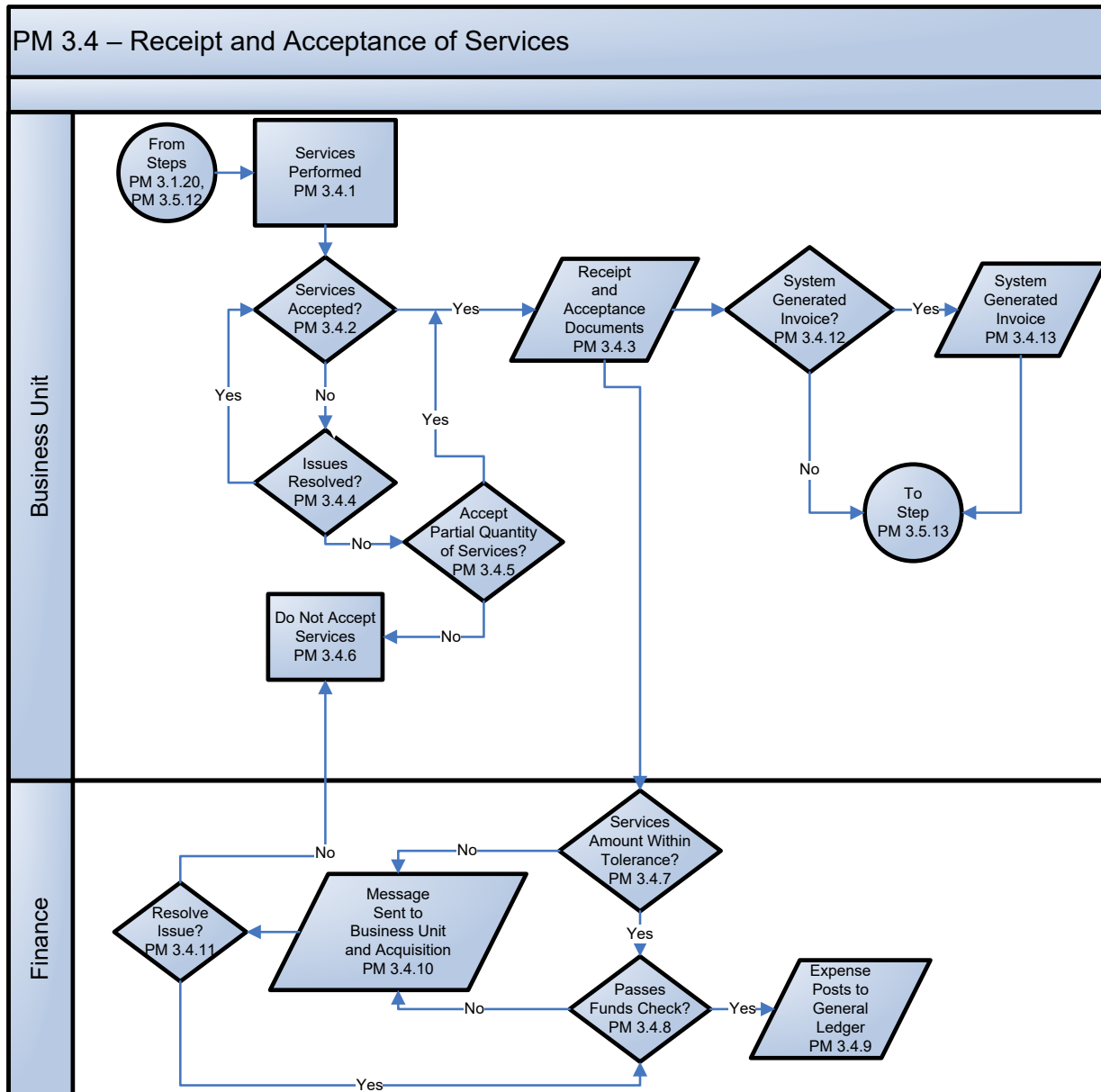
Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>accrue a liability. The current-year expended authority is less than the original obligation.</p> <p>TFM-B406 To record the delivery of goods and services in the same year the order was placed and accrue a liability. The current-year expended authority is more than the original obligation.</p> <p>TFM-B408 To reclassify payable schedules for disbursements to “in-transit” until the payment schedule is confirmed.</p> <p>TFM-B410 To record the delivery of goods or services for construction.</p> <p>TFM-B412 To record an obligation and Accounts Payable in an unexpired appropriation for a valid bill related to a canceled appropriation.</p> <p>TFM-B416 To record the collecting Agency estimated accrued tax refunds payable and related interest.</p> <p>TFM-B418 To record the accrual of interest expenses incurred, not yet paid.</p>	
PM 3.3.26	Message Sent to Business Unit and Acquisition	If the funds check edit fails, a message is sent to Business Unit and Acquisition for notification to resolve the issue.	The message should be initiated electronically once a transaction fails step PM 3.3.24, “Passes Funds Check?”	
PM 3.3.27	Resolve Issue?	Business Unit and/or Acquisition will resolve the funding issue. If the issue is resolved (yes), the process moves to step PM 3.3.24, “Passes Funds Check?” If “yes,” the process moves to step PM 3.3.14, “Final	Designated personnel resolve applicable funding issues in accordance with applicable rules, regulations, and Agency guidelines (e.g. FAR, Agency policies and procedures).	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
		<p>Receipt of Goods on Award Document?”</p> <p>If issue is not resolved (no), then the process moves to step PM 3.3.28, “Reject Goods.”</p>		
PM 3.3.28	Reject Goods	The certifier of acceptance electronically records the items being rejected and the expenses recorded at the time of receipt of goods are adjusted accordingly (step PM 3.3.30, “Adjust Expense in General Ledger”).	If goods or services are deemed unacceptable, an Acquisition official is notified to administer the process of resolving the applicable issue in accordance with FAR and/or Agency guidelines.	
PM 3.3.29	Return Goods	Return goods to the appropriate originator.	Return of goods must be appropriately recorded in the Agency Asset Management system.	
PM 3.3.30	Adjust Expense in General Ledger	For goods being rejected, expenses recorded at the time of receipt of goods are adjusted accordingly.	Based on the specific financial event, the expense is adjusted in accordance with the current TFM, Volume I, Part 2, Supplement, USSGL, Section III.	

## 3.4 RECEIPT AND ACCEPTANCE OF SERVICES

The following flowchart depicts the steps for the Payment Management process for the receipt and acceptance of services. Steps include receipt and acceptance of services and related actions in the Business Unit and Finance functional areas.

### *PM 3.4 – Receipt and Acceptance of Services Flowchart*



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Acceptance of Services process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.4.1	Services Performed	Services are performed on behalf of the applicable Business Unit.	<p>Authorized officials in the Business Unit and/or Acquisition monitor services for compliance with contractual agreements.</p> <p>Receipt of services should be documented in the CFS by the time the invoice for the services is received.</p>	
PM 3.4.2	Services Accepted?	Authorized officials in the Business Unit access an electronic award document and vendor invoice for services provided. The authorized official in the Business Unit is electronically notified by Finance of the receipt of an invoice for services.	<p>Depending on contractual terms and FAR guidelines, “constructive receipt” may apply to certain goods. Under this scenario, acceptance procedures may not be required as the services are considered “accepted” after an applicable amount of time.</p> <p>The receipt and acceptance of services must be performed within the contract terms.</p>	
PM 3.4.3	Receipt and Acceptance Documents	Based on appropriate monitoring of vendor performance, the authorizing official electronically performs receipt and acceptance of services.	<p>The Receiving personnel must record full or partial receipt and/or acceptance of goods by document line, including partial quantities on each line item.</p> <p>Supervisory review and authorization is documented.</p> <p>Acceptance data must be captured including acceptance official, dates services were provided/accepted, quantity/amount provided, date and quantity/amount of services rejected, vendor ID number, and name.</p>	<p>PMB-01</p> <p>PMB-05</p>
PM 3.4.4	Issues Resolved?	Appropriate notifications to Business Unit, Acquisition, and Finance personnel are transmitted and appropriate actions are taken to resolve the issue. If appropriate	Issues must be evaluated and resolved within the guidelines and requirements of applicable laws and regulations, including the Prompt Payment Act and FAR.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
		<p>actions are taken and appropriate personnel determine the billing issue is resolved, the process returns to step PM 3.4.2, “Services Accepted?” for acceptance of services to be re-evaluated and accepted as applicable.</p> <p>The authorized official may decline to accept services due to concerns that contractual criteria have not been met. The process moves to step PM 3.4.6, “Do Not Accept Services.”</p>		
PM 3.4.5	Accept Partial Quantity of Services?	<p>If the services are not accepted in step PM 3.4.2, “Services Accepted,” and the issues are not resolved in PM 3.4.4, “Issues Resolved?” it must be determined if there is partial acceptance of the services.</p> <p>If there is partial acceptance (yes), then the process moves to step PM 3.4.3, “Receipt and Acceptance Documents,” for the portion of services accepted.</p> <p>If there is not a partial acceptance (no), then the process moves to step PM 3.4.6 “Do Not Accept Services.”</p>	<p>Partial receipt (measurement of quality of services) of services is possible for certain types of services and can be governed by the “Service Level Agreement” (SLA) for acceptance of services and possible “partial” receipt of services.</p> <p>Partial receipt and acceptance of services may result from variances from contractual terms.(e.g., rate discrepancy, contracted quantity of services (hours) received).</p> <p>If a proper invoice or proper documentation per the contract is received and not accepted, the invoice is returned within seven days in order to comply with the Prompt Payment Act.</p>	
PM 3.4.6	Do Not Accept Services	<p>The certifier of acceptance electronically records the service items being rejected.</p> <p>The invoice is returned to the originator, and a new invoice will be requested to be sent from the vendor.</p>	<p>If services are to be rejected, it must be done in accordance with applicable award documents, the FAR, and Agency guidance.</p> <p>The invoice must be rejected within seven days under the Prompt Payment Act. The Business Unit must submit to Finance a receipt and acceptance</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			document indicating that the quality/quantity of the services billed was deficient in order to reject an invoice.	
PM 3.4.7	Services Amount Within Tolerance?	If the quantity of hours or hourly rate of services received exceeds the quantity ordered, the excess is compared to an allowable tolerance level. If the quantity received is within the allowable tolerance level, the process continues to step PM 3.4.8, "Passes Funds Check?"	Agencies should determine tolerance levels for prices and quantities of items that can be processed without further approval.	
PM 3.4.8	Passes Funds Check?	<p>The amount that the services received exceed an obligation is subjected to an edit check to determine whether sufficient funds are available for the additional funding.</p> <p>If funds are available (yes), the process goes to step PM 3.4.9, "Expense Posts to General Ledger." If funds are not available (no), notification is sent to the Business Unit to resolve the issue.</p>	The CFS must ensure sufficient applicable funding is available prior to allowing an expense to post to the General Ledger.	
PM 3.4.9	Expense Posts to General Ledger	Based on receipt of the services, the General Ledger is updated to record a proprietary expense and budgetary expenditure for the delivered services.	<p>The expense entries are posted using the USSGL posting logic provided in the Treasury Financial Manual.</p> <p>The recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, are:</p> <p>TFM-B402 To record the delivery of goods or services and accrue a liability.</p> <p>TFM-B404 To record the delivery of goods and services in the same year the order was placed and</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>accrue a liability. The current-year expended authority is less than the original obligation.</p> <p>TFM-B406 To record the delivery of goods and services in the same year the order was placed and accrue a liability. The current-year expended authority is more than the original obligation.</p> <p>TFM-B408 To reclassify payable schedules for disbursements to “in-transit” until the payment schedule is confirmed.</p> <p>TFM-B410 To record the delivery of goods or services for construction.</p> <p>TFM-B412 To record an obligation and accounts payable in an unexpired appropriation for a valid bill related to a canceled appropriation.</p> <p>TFM-B416 To record the collecting Agency’s estimated accrued tax refunds payable and related interest.</p> <p>TFM-B418 To record the accrual of interest expenses incurred, not yet paid.</p>	
PM 3.4.10	Message Sent to Business Unit and Acquisition	If the quantity of services received exceeds the allowable tolerance level in step PM 3.4.7, “Services Amount Within Tolerance?,” a message is sent to the appropriate personnel in the Business Unit.	The message should be initiated electronically once a transaction fails step PM 3.4.8, “Passes Funds Check?”	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.4.11	Resolve Issue?	<p>The Business Unit will resolve the funding issue. If the issue is resolved (yes), the process moves to step PM 3.4.8, “Passes Funds Check?,” again, and if the edit check passes, the process moves to step PM 3.4.9, “Expense Posts to General Ledger.”</p> <p>If issue is not resolved (no), then the process moves to step PM 3.4.6, “Do Not Accept Services.”</p>	Issues must be evaluated and resolved within the guidelines and requirements of applicable laws and regulations, including the Prompt Payment Act and FAR.	
PM 3.4.12	System-Generated Invoice?	For applicable transactions for receipt of goods for which a vendor invoice is not required for payment, an invoice is created within the CFS.	<p>Award documents should indicate whether a vendor invoice is required for payment. (The vendor invoice may be required by Finance prior to payment but is not required as part of the Receiving process. Rather, it may be made available to applicable personnel in the Business Unit for informational purposes.)</p> <p>In the event a vendor invoice is not required, the CFS should create an internal invoice based on vendor, obligating, receiving, and acceptance information.</p> <p>Acceptance is electronically routed back to step PM 3.5.17, “Matching Criteria Met?” to be matched with the invoice and award document.</p>	
PM 3.4.13	System-Generated Invoice	The CFS generates an internal invoice based on data elements from the award document, vendor file, and receipt of services.	Acceptance is electronically routed back to step PM 3.5.13, “Matching Criteria Met?,” to be matched with the invoice and award document.	



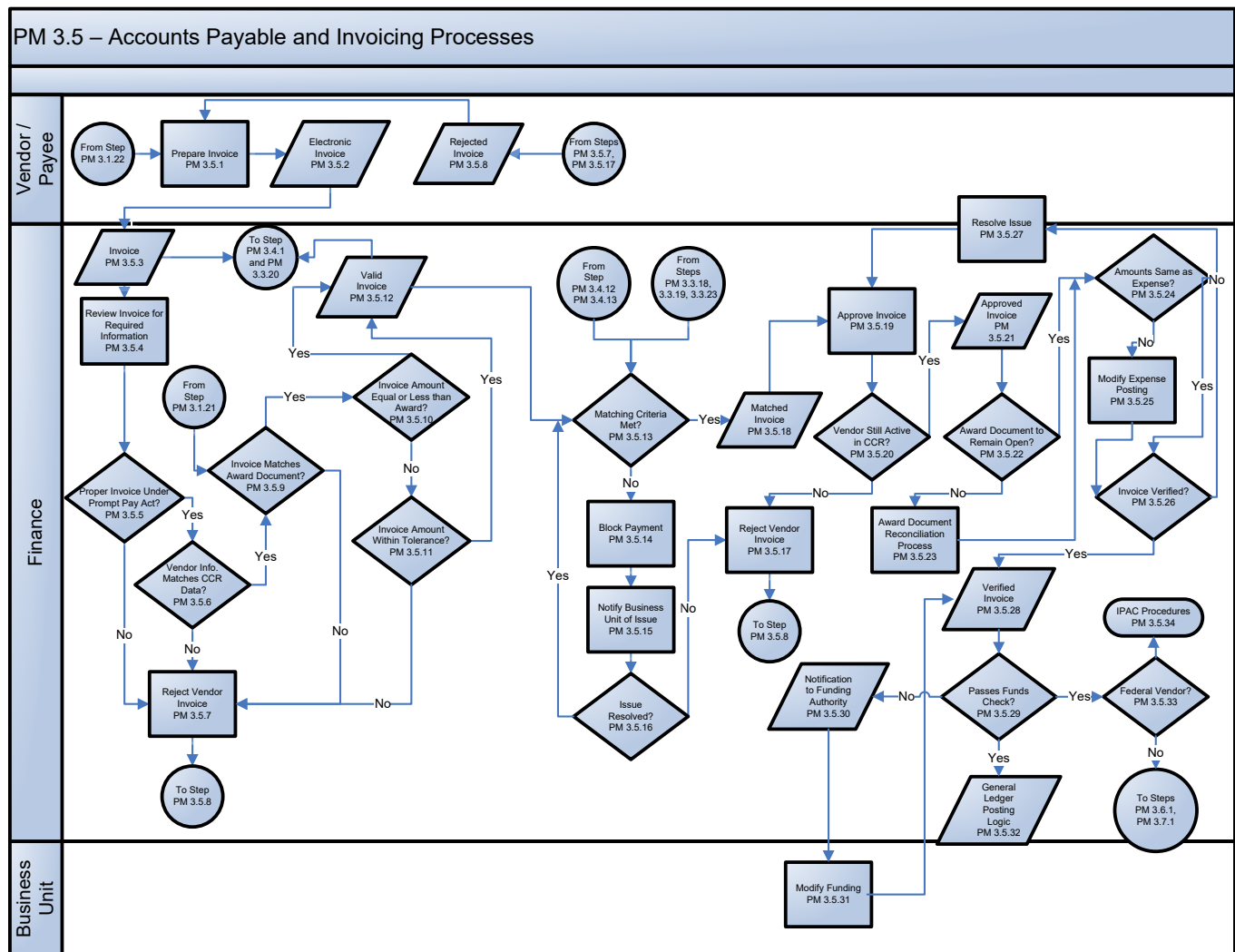
## **3.5 ACCOUNTS PAYABLE AND INVOICING PROCESSES**

The following flowchart provides the steps related to the accounts payable and invoicing processes. The steps contained in flowchart PM 3.5 describe procedures necessary to prepare an invoice and match supporting documentation with an award document. Further, related accounting entries and the steps to ensure proper approval and verification of an invoice are contained within this chapter.

This section is based on the assumption that under best business practices, invoices should be submitted electronically. Agencies should implement procedures to automate the invoice submission process. Treasury's Internet Payment Platform (IPP) is an example of a system that enables electronic submission of invoices.

In cases where an agency must continue to accept paper invoices, electronic tools can be used to improve the efficiency of invoice processing. Examples include digital imaging and Optical Character Recognition (OCR).

## PM 3.5 – Accounts Payable and Invoicing Process Flowchart



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Accounts Payable and Invoicing Processes steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.5.1	Prepare Invoice	The vendor prepares and submits to the Agency an invoice for goods and/or services.	<p>The invoice date should be entered into the system in accordance with Prompt Payment Act requirements.</p> <p>The payment due date and the date on which interest will begin to accrue if a payment is late must be determined in accordance with Prompt Payment Act requirements.</p>	
PM 3.5.2	Electronic Invoice	<p>Under best business practices, invoices are submitted electronically.</p> <p>In the case of paper invoices, invoices are distributed to appropriate Finance personnel.</p>	The CFS must provide automated functionality for capturing invoice data as defined in PMC-01, PMC-02, and PMC-03 of the OFFM CFS requirements.	PMC-01 PMC-02 PMC-03
PM 3.5.3	Invoice	Invoices are received in Finance (should be via electronic transmission).	Invoices are entered into the Agency's Accounts Payable system.	
PM 3.5.4	Review Invoice for Required Information	System edit checks are performed.	Automated system edit checks should verify that each invoice includes the required information under the Prompt Payment Act.	
PM 3.5.5	Proper Invoice Under Prompt Pay Act?	Automated edit checks determine that information fields required under the Prompt Pay Act are populated.	Agency procedures must enable the return of improper invoices within the required number of days as required under the Prompt Payment Act.	
PM 3.5.6	Vendor Info. Matches CCR Data?	System edit checks verify that vendor information matches the vendor file based on the latest vendor database update.	<p>CCR vendor updates must be imported to update the Agency vendor file for key information including vendor status, vendor name, and banking information.</p> <p>The CFS must prevent CCR vendor data from being changed by the</p>	PMA-04

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			Agency for those vendors required to register in the CCR.	
PM 3.5.7	Reject Vendor Invoice	If the invoice fails Prompt Pay information requirements or cannot be matched to a valid obligation, it is rejected and returned to the vendor.	<p>The Agency must document the reason for return of an improper invoice by assigning a reason code and related description of the missing or incorrect invoice information.</p> <p>The Agency must provide the vendor a system-generated notice of return of an improper invoice, including information detailed in PMC-22.</p>	<p>PMC-19 PMC-21</p> <p>PMC-22</p>
PM 3.5.8	Rejected Invoice	A rejected invoice is returned to the vendor for correction or other appropriate action in order for the vendor to prepare a proper invoice.	<p>Agency procedures must enable the return of invoices in compliance with the Prompt Payment Act.</p> <p>Vendors are required to prepare invoices in accordance with the FAR and Agency guidelines.</p>	
PM 3.5.9	Invoice Matches Award Document?	Finance determines that system edit checks have validated the consistency of information on the invoice with the relevant award document (i.e., order number, product description, quantity, vendor name, address, and date).	<p>Automated edit checks should verify an invoice is originated by an approved vendor. System edit checks verify that vendor information on the invoice matches the information for the approved vendor in the system. Vendor information is set up during the acquisition process through interface with the CCR vendor database.</p> <p>For CCR vendors, the CFS must validate the active status and DUNS number indicated on the invoice.</p> <p>The CFS must process each vendor invoice through edit criteria designed to identify duplicate vendor invoices. Edit criteria is described in PMC-04 and should be developed based on appropriate</p>	<p>PMC-06</p> <p>PMC-04 PMC-05</p>

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			Agency-defined criteria. Criteria may include Agency identifier, vendor number, vendor account number, vendor TIN, vendor invoice number, invoice date, invoice amount, referenced obligation document number, or DUNS number. An exception report must be generated and reviewed by a supervisory official.	
PM 3.5.10	Invoice Amount Equal or Less than Award?	If the invoice amount is within the amount of the quantities and amount of the award document, it continues to step PM 3.5.12, "Valid Invoice," of the flowchart.	The CFS must incorporate edit checks to facilitate this comparison of quantities and amounts by document lines and totals.	
PM 3.5.11	Invoice Amount within Tolerance?	<p>The amount by which an invoice amount exceeds an obligation is compared to allowable tolerance levels for which an additional obligation document is not required.</p> <p>If the invoice fails edit checks because of the invoice amount (due to shipping and/or other charges) and the difference is within preset tolerance levels (yes), the process moves to step PM 3.5.12, "Valid Invoice."</p> <p>If the funding need exceeds the tolerance limits (no), the process moves to step PM 3.5.7, "Reject Vendor Invoice."</p>	<p>Agencies should determine tolerance levels for prices, quantities of items, and applicable amounts (e.g. freight tolerance) for which further approval is not required.</p> <p>The system should record additional shipping and other charges to adjust the payment amount if they are authorized and within tolerance.</p> <p>In cases where the funding need exceeds the tolerance limits, policies or business practices may allow officials with funding authority to be notified to consider obligating more funds (rather than rejecting the invoice).</p>	PMC-13
PM 3.5.12	Valid Invoice	Once the invoice passes the edit checks in step PM 3.5.10, "Invoice Amount Equal or Less than Award?," the invoice is considered a valid invoice. The invoice continues to step PM 3.5.13,	Valid invoice must be populated with applicable data elements.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
		"Matching Criteria Met?"		
PM 3.5.13	Matching Criteria Met?	The invoice must be matched to required documentation for the applicable acquisition.	Finance must match invoices to appropriate obligations, receiving reports, and acceptance information by document line item and quantity.  The CFS must process invoices for payment of partial quantities received.	PMC-08  PMC-09
PM 3.5.14	Block Payment	If Matching Criteria are not met, the invoice is blocked from payment.	The CFS must block from payment any invoice for which matching criteria are not met or lacking required approvals and/or verifications.	
PM 3.5.15	Notify Business Unit of Issue	Once an invoice has been received and the system lacks evidence of receipt of goods and/or acceptance, the system notifies applicable Business Unit personnel of the need for required documentation. In the case of services, the invoice copy is electronically forwarded to the Business Unit for review.	The CFS should automatically identify and notify applicable personnel of open requirements related to pending invoices.  Applicable personnel take appropriate actions within Prompt Payment Act requirements.	
PM 3.5.16	Issue Resolved?	A "yes" decision leads to PM 3.5.13, "Matching Criteria Met?" A "no" decision leads to PM 3.5.17, "Reject Vendor Invoice."	Finance determines whether the issue is resolved in accordance with applicable regulations (e.g., FAR, Agency guidelines).	
PM 3.5.17	Reject Vendor Invoice	The invoice is rejected and returned to the vendor if key vendor information does not match the vendor file.	If the vendor no longer appears on the official Agency vendor file, the invoice is rejected. The FAR requires a vendor to be active in CCR prior to making contractual agreements or payments.  The Agency must capture reason codes and related descriptions for improper invoices.	PMC-21

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>Ensure that the vendor invoice is marked with the date it is returned. This will stop the accrual of interest on the date the invoice is rejected and marked “returned.”</p> <p>Vendor may be contacted as applicable, but such communication should not delay compliance with the Prompt Payment Act.</p>	
PM 3.5.18	Matched Invoice	Applicable document information is compared and matched depending on the applicable criteria for a two-way, three-way, or four-way matching process.	<p>The Agency must define and implement criteria for types of invoices for which two-way matching is sufficient (obligation and invoice or obligation and receipt).</p> <p>The Agency must define and implement criteria for types of invoices for which three-way matching is sufficient (invoice, obligation, simultaneous receipt, and acceptance).</p> <p>The Agency must define and implement criteria for types of invoices for which four-way matching is required (invoice, obligation, receipt, and acceptance).</p> <p>Agency policies and procedures and system edits should require a receiving report for predefined types of goods (e.g., machinery, equipment). Such goods can be identified systematically based on applicable data fields within the CGAC Structure used for the transaction (e.g., object class).</p> <p>Agency policies and procedures should require certification of receipt and acceptance from the Business Unit for predefined types of purchases of goods and services.</p>	PMC-08

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			<p>System edit checks must validate invoice dates for products delivered or services performed are within the period of performance dates on the referenced obligation.</p> <p>System edit checks must validate that the invoice dates that products were delivered or services were performed are dates for which the products/services have been received and accepted. This activity serves to prevent the processing of invoices with unmatched dates and the duplicate processing of invoices with matched dates. An exception report should be generated for supervisory review.</p> <p>Expenses are posted to the general ledger once receiving report information is entered into the CFS. The posting records proprietary expense and a budgetary expenditure as a delivered order.</p> <p>Expenses should be reviewed periodically by a supervisor in the Finance area. An exception report is generated for items for which acceptance are missing. Finance personnel follow up on the items with Business Unit personnel.</p>	<p>PMC-10</p> <p>PMC-11</p>
PM 3.5.19	Approve Invoice	Finance personnel review the status of the invoices in the CFS.	Finance personnel review electronic evidence of the existence and matching of the award document or contract, invoice, documents of receipt, and acceptance, as applicable, to determine that the goods or services billed were in fact ordered and received and to determine all system edits have been met prior to approving the invoice.	



Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.5.20	Vendor Still Active in CCR?	System edit checks verify that vendor information matches the vendor file based on the latest vendor database update.	<p>CCR vendor updates must be imported to update the Agency vendor file for key information including vendor status, vendor name, banking information.</p> <p>CFS vendor data must be regularly updated with changes to CCR data. Vendor file fields must accommodate CCR data. The CFS must prevent CCR vendor data from being changed by the Agency for those vendors required to register in the CCR.</p>	
PM 3.5.21	Approved Invoice	Finance performs electronic approval of the electronically matched invoice.	Automated edit checks are completed without exception prior to electronic approval of the electronically matched invoice.	
PM 3.5.22	Award Document to Remain Open?	If the invoice fulfills remaining line items on the award document, the award document is closed out, preventing further payment activity.	<p>The CFS must process invoices for payment of partial quantities received and accepted.</p> <p>The CFS must record an invoice as “partial” or “final” payment on the referenced obligation.</p> <p>Acquisition is notified when final payment has occurred on an obligation to facilitate the update of acquisition documents.</p>	PMC-09
PM 3.5.23	Award Document Reconciliation Process	Documentation of contract performance is reconciled to supporting documentation prior to close-out.	Any applicable line items on the remaining undelivered order are de-obligated.	
PM 3.5.24	Amounts Same as Expense?	In the case of goods and/or services received, the system checks whether the amount of the invoice is the same as the amount expensed at the time of receipt of goods and/or services.	The CFS must check for differences between recorded expenses and approved invoice amounts.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.5.25	Modify Expense Posting	The CFS determines the amount by which expense postings must be modified to equal the amount of the Approved Invoice.	The expense posting should be modified consistent with the additional shipping and other charges authorized at step PM 3.5.11, "Invoice Amount Within Tolerance?"	
PM 3.5.26	Invoice Verified?	Finance personnel review electronic evidence of the existence and matching of the award document or contract, invoice, documentation of receipt, and acceptance, as applicable, to verify that the goods or services billed were in fact ordered and received and to verify all system edits have been met to allow approval of the invoice.	<p>The invoice should be subjected to second level approval by supervisory personnel.</p> <p>Agencies should define procedures for manual review of certain invoices as part of internal control activities.</p>	
PM 3.5.27	Resolve Issue	The approver may send the invoice back in the process. Appropriate notifications to personnel are made and actions taken to resolve the issue. Once the issue is resolved, the invoice is routed back to step PM 3.5.19, "Approve Invoice," for the invoice to be approved.	The CFS should enable routing of the invoice issue to applicable managerial personnel.	
PM 3.5.28	Verified Invoice	An authorized approver reviews all documents for completeness and accuracy. The output is a Verified Invoice package that includes all documents reviewed by the authorized approver. Upon approval, the invoice is warehoused for payment.	Documentation of the invoice, award document, receipt, evidence of inspection (physical goods), and acceptance are required for an invoice to be valid for payment.	
PM 3.5.29	Passes Funds Check?	The amount of an invoice is subjected to a check to determine whether sufficient funds are available for the payment.	The CFS must ensure sufficient applicable funding is available prior to allowing an invoice to be paid.	

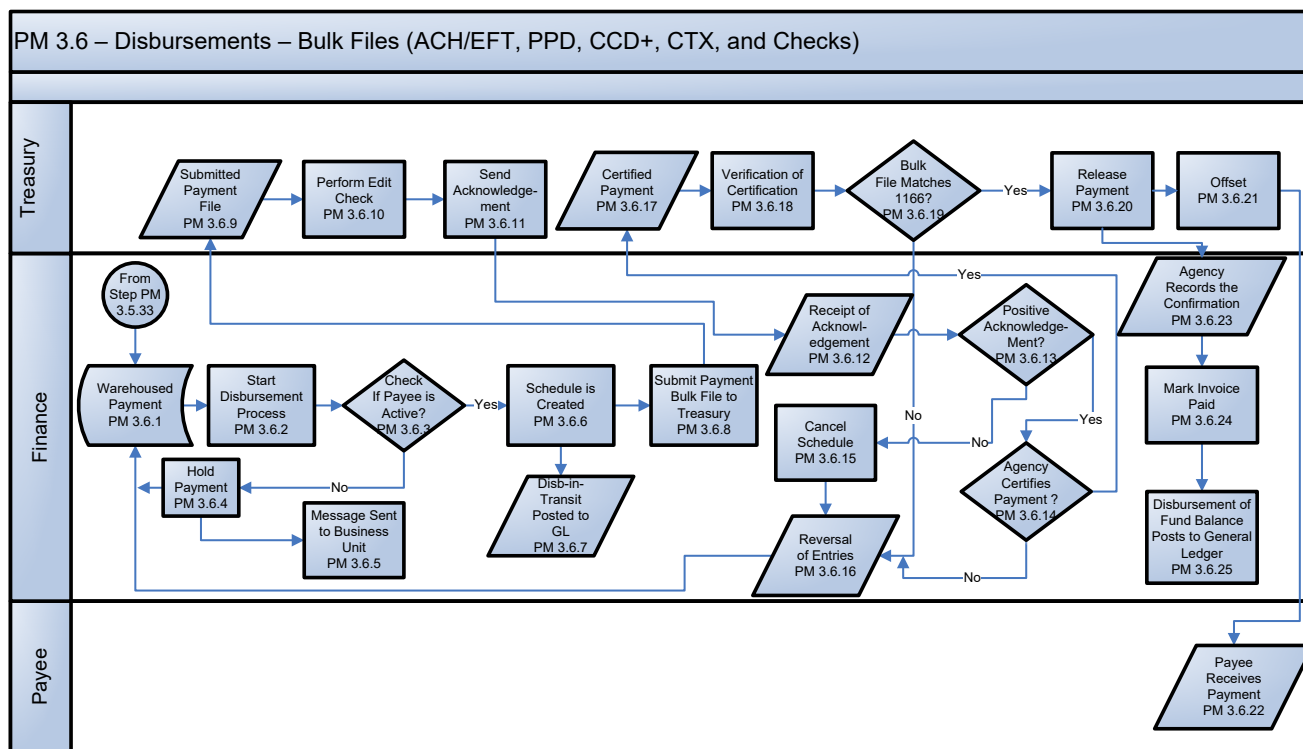
Step ID	Step Name	Step Description	Business Rules	OFFM Req.
PM 3.5.30	Notification to Funding Authority	The appropriate funding officials are notified so required funding can be authorized.	Appropriate funding officials are notified in accordance with applicable rules and regulations (e.g., Agency guidance, OMB Circulars, FAR).	
PM 3.5.31	Modify Funding	Funding authorities identify and reprogram funds as applicable to fund the full amount of the obligation.	Funding authorities fund the obligation in accordance with applicable rules and regulations (e.g., Agency guidance, OMB Circulars).	
PM 3.5.32	General Ledger Posting Logic	<p>The system performs a series of logical steps before posting the appropriate entries to the General Ledger.</p> <p>The system performs edits against the entries to determine the CGAC Structure is valid, quantity and unit price are within tolerance levels, and sufficient funds are available for payments.</p> <p>After the entries pass validation edits and funds check, the applicable entries are posted.</p>	<p>In cases where the award document is closed out, entries to liquidate any remaining obligations are recorded.</p> <p>Where the expense is modified, the appropriate expense adjustment is recorded.</p> <p>The entry to record the accounts payable for the verified invoice is recorded.</p> <p>The recommended transaction codes from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, are:</p> <p>TFM-B402 To record the delivery of goods or services and accrue a liability.</p> <p>TFM-B404 To record the delivery of goods and services in the same year the order was placed and accrue a liability. The current-year expended authority is less than the original obligation.</p> <p>TFM-B406 To record the delivery of goods and services in the same year the order was placed and accrue a liability. The current-year expended authority is more than the original obligation.</p> <p>If the verified invoice passes</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req.
			required edit checks, it moves forward to the “Federal Vendor?” decision step.	
PM 3.5.33	Federal Vendor?	<p>If the payee is a Federal Vendor, the process moves to step PM 3.5.34, “IPAC Procedures.”</p> <p>If the vendor is not Federal, the process moves to PM 3.6.1 or PM 3.7.1 for disbursement from the Treasury.</p>	If the payee is a Federal Vendor, Finance performs IPAC procedures in accordance with an approved Trading Partner Agreement and Treasury guidelines.	
PM 3.5.34	IPAC Procedures	Federal Vendors are paid through the IPAC system. These procedures are to be described in a future Business Process release.	If the payee is a Federal Vendor, Finance performs IPAC procedures in accordance with an approved Trading Partner Agreement and Treasury guidelines.	

### 3.6 DISBURSEMENTS – BULK FILES (ACH/EFT, PPD, CCD+, CTX, AND CHECKS)

The following flowchart includes the steps for the disbursement of Bulk Files within the Payment Management Function. These steps depict the actions performed from the point at which a Bulk File payment is warehoused through payment to a vendor. Key steps include submitting a bulk file to Treasury, certification of payments to be disbursed, and disbursement.

#### PM 3.6 – Disbursements – Bulk Files (ACH/EFT, PPD, CCD+, CTX and Checks) Flowchart



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Disbursement – Bulk Files (ACH/EFT, PPD, CCD+, CTX, and Checks) process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.6.1	Warehoused Payment	Upon certification of invoices, the payment is warehoused awaiting scheduled payment in accordance with contract terms. These payments are queued based on due date for compliance with the Prompt Payment Act. A Preliminary Payment Register and Batch Report are run, and the data is reviewed by the certifying official to ensure the information is accurate and complete.	<p>The certifying official matches the data on each invoice, the interest report, and the batch report for accuracy.</p> <p>The certifying official reviews the following attributes in connection with this reconciliation: invoice number, award document, PO number, payee address, Payee tax ID, bank account number, and payment amount.</p> <p>The certifying official must verify the Treasury Account Symbol and Business Event Type Code (TAS/BETC) of the scheduled payment as applicable.</p> <p>The Agency must calculate the due date of Payee payments in accordance with 5 CFR 1315 (OMB Circular A-125, Prompt Payment) key factors (e.g., commodity type, contract terms, invoice receipt).</p> <p>The Agency must select and process warehoused invoices for manual payment (if applicable).</p>	<p>PMD-01</p> <p>PMD-17</p>
PM 3.6.2	Start Disbursement Process	When all the data is correct, the certifying official confirms the payment batch and generates a Final Payment Register report. The certifying official then creates and prints an SPS 1166 Voucher and Schedule of Payments report.	<p>The Agency shall comply with the Prompt Payment Act.</p> <p>The Agency must capture the Treasury Account Symbol and Business Event Type Code (TAS/BETC) of the scheduled payments as applicable.</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
		<p>(Depending on the Agency, this action may be automated.)</p> <p>The track payment clock of the system tracks a scheduled payment, including discount or prompt payment interest, according to the projected payment date.</p>	The Payee is a person, corporation, or other public or private entity that is authorized to receive a Federal payment from an Agency.	
PM 3.6.3	Check if Payee is Active?	<p>If the Payee is active (yes) in the CCR system, the process proceeds to step PM 3.6.6, "Schedule is Created."</p> <p>If the Payee is inactive (no), then proceed to step PM 3.6.4, "Hold Payment."</p>	<p>The Agency must comply with the Prompt Payment Act.</p> <p>The file must be submitted to Treasury on the day it is created.</p> <p>The Agency must generate payment schedule totals by TAS on each payment file. In addition, they must combine payment files with multiple ALCs into single files for transmission to Treasury with summary totals by ALC and TAS for the entire file for certification purposes.</p>	
PM 3.6.4	Hold Payment	The payment is put on "hold" and the process reverts back to step PM 3.6.1, "Warehoused Payment," to recalculate the due date.	Payments placed on hold must be handled in accordance with PPA requirements.	
PM 3.6.5	Message Sent to Business Unit	A message is sent to the Business Unit that the payment has been put on "hold."	Business Unit personnel shall be designated for notification of held payments.	
PM 3.6.6	Schedule is Created	A payment schedule is created.	The payment schedule shall be created to include applicable attributes required by the TFM and Agency guidance.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.6.7	Disbursements-in-Transit Posted to General Ledger	Disbursements-in-Transit is posted to the General Ledger when the schedule is created.	<p>The Agency must generate payment schedule totals by TAS on each payment file. In addition, they must combine payment files with multiple ALCs into singles files for transmission to Treasury with summary totals by ALC and TAS for the entire file for certification purposes.</p> <p>Agencies record the Disbursements-in-Transit General Ledger entries by the time the payment is certified. If the certification is not certified, then the Disbursements-in-Transit entry must be reversed.</p> <p>The recommended transaction code from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, is:</p> <p>TFM-B408 To reclassify payable schedules for disbursements to “in-transit” until the payment schedule is confirmed.</p>	PMD-15
PM 3.6.8	Submit Payment Bulk File to Treasury	The Agency transmits an electronic (Bulk) payment file (EFT/ACH or Check) to Treasury. The payment information entered is reviewed for accuracy by a certifying official and then submitted to Treasury for pre-edit of the file to determine if the file can be processed.	The Agency must comply with the Prompt Payment Act.	
PM 3.6.9	Submitted Payment File	The electronic payment submission is received by Treasury and subjected to pre-edit procedures.	Agencies shall format payment files to comply with current Treasury data attributes and requirements for formats.	



Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.6.10	Perform Edit Check	Edit check is performed on the schedule.	Agencies shall format payment files to comply with current Treasury data attributes and formats.	
PM 3.6.11	Send Acknowledgement	Treasury performs a review and pre-edit of the bulk payment file submitted by the Agency. If the file is accepted for processing, Treasury generates a file control number that is sent as part of the acknowledgement to the Agency.	The Agency must confirm with Treasury that the file was submitted successfully.	
PM 3.6.12	Receipt of Acknowledgement	Notification is received by the Agency from Treasury acknowledging that the file can be processed by Treasury. A control number is assigned to the bulk payment file.	The Agency includes the control number in their submission of the corresponding SPS 1166 schedule voucher.	
PM 3.6.13	Positive Acknowledgement?	If positive acknowledgement is received (yes), proceed to "Agency Certifies Payment?" If "no," then the process moves to step PM 3.6.15, "Cancel Schedule."		
PM 3.6.14	Agency Certifies Payment?	If the payment is certified (yes), the process moves to step PM 3.6.17, "Certified Payment." If the payment is not certified (no), the process will move to step PM 3.6.16, "Reversal of Entries."	<p>The Agency must comply with Title 31 U.S.C. 3528 for responsibilities of CO (Certifying Officer).</p> <p>The process of certification is as follows: Upon receipt of the system acknowledgement from Treasury, the Agency Data Entry Operator (DEO) accesses SPS and completes the SPS 1166 with the following: total amount of the file, the total number of payment records, the ALC and the appropriation number (TAS/BETC), the payment date and the schedule number(s), and the control number of the bulk file.</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
			After the DEO enters the SPS 1166 data in SPS, the Agency Certifying Officer (CO) verifies the entries and then certifies the schedule or schedules of payments in SPS.	
PM 3.6.15	Cancel Schedule	If positive acknowledgement is not received, then the payment schedule is canceled.	The Agency shall institute and follow procedures for canceling of payment schedules.	
PM 3.6.16	Reversal of Entries	If positive acknowledgement is not received in step PM 3.6.13, "Positive Acknowledgement?," the schedule is canceled and the Disbursement-in-Transit entries are reversed. Similarly, if the Agency declines to certify payment in step PM 3.6.14 (no), "Agency Certifies Payment?," the entries are reversed and the process reverts back to step PM 3.6.1, "Warehoused Payment."	The Agency will implement procedures for timely determination of positive versus negative acknowledgement.	
PM 3.6.17	Certified Payment	<p>Payment has been certified and is forwarded to the verification process for the Bulk File Match with the SPS 1166.</p> <p>The step PM 3.6.17, "Certified Payment," occurs simultaneously with the step PM 3.6.23, "Agency Records the Confirmation."</p>	An Agency can notify Treasury within one day to cancel payment of a previously certified payment.	
PM 3.6.18	Verification of Certification	Treasury receives the certified payment file from the Agency and verifies the SPS 1166 certification against the bulk payment files.	<p>The Agency must comply with Title 31, Chapter 33, Subchapter II (a), U.S.C. 3325.</p> <p>The SPS system automatically verifies the CO and Agency Location Code (ALC) prior to the time of certification. If the CO and ALC are not properly</p>	

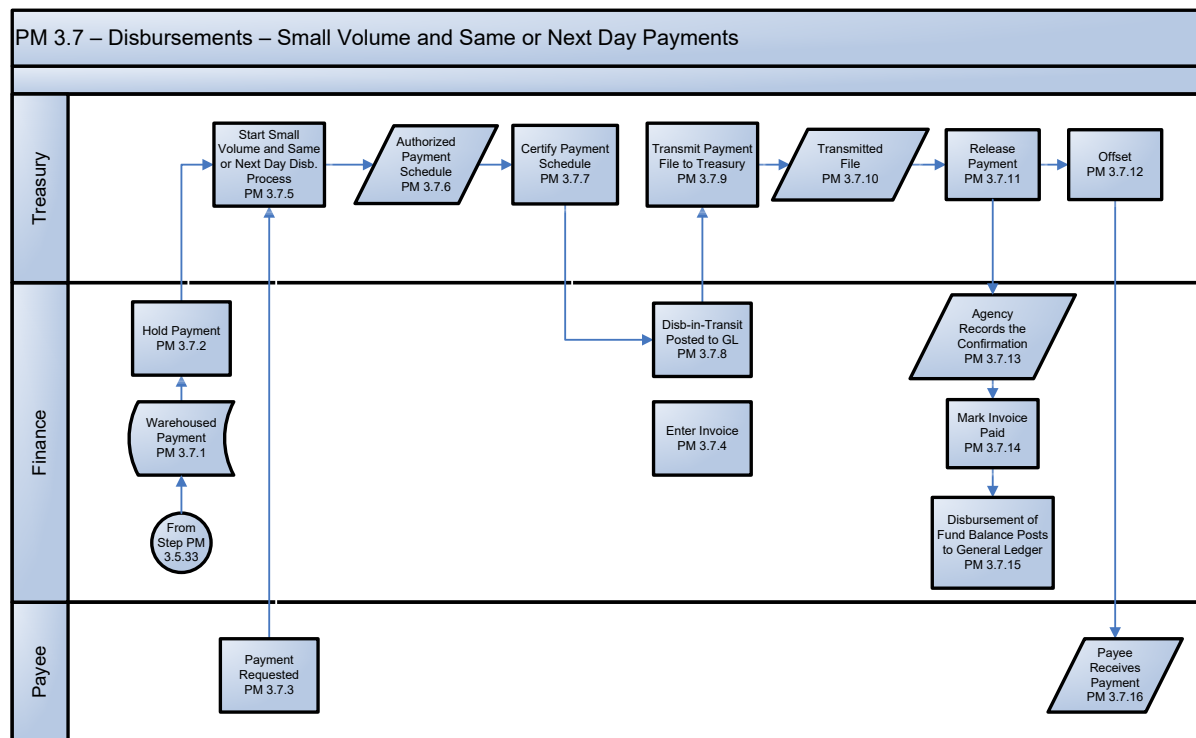
Step ID	Step Name	Step Description	Business Rules	OFFM Req
			linked, the CO cannot certify the payment schedule, only view it.	
PM 3.6.19	Bulk File Matches 1166?	Treasury verifies integrity of certified payment information for completed matches between the payment amount, schedule number(s), and item count. If the payment file and SPS 1166 do not match, then the file and certification are rejected.		
PM 3.6.20	Release Payment	<p>If the certified payment information in the payment (Check or EFT/ACH) and the bulk file match, then the payments are released for disbursement.</p> <p>Treasury posts confirmation of disbursement for Agency access.</p>		
PM 3.6.21	Offset	After receipt, acceptance, and issuing of payment number, but prior to releasing the payments to the Payee, Treasury sends the payment files through the Treasury Offset Program.	<p>The Agency must follow Treasury guidance and applicable procedures for the “Treasury Offset” programs.</p> <p>Payments that are identified as being associated with Payee debt to the Federal government will receive a full or partial offset (a process that is transparent to the originating Agency, which has already been charged in full by Treasury).</p>	
PM 3.6.22	Payee Receives Payment	Fedwire payments are sent to the Federal Reserve Bank (FRB) of New York and Electronic Funds Transfers are sent to the appropriate FRB. Checks are mailed through the Postal Service to the Payee.	Fund transfers are sent to the appropriate FRB.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.6.23	Agency Records the Confirmation	Electronic confirmation is made available to the Agency from Treasury acknowledging disbursement of the certified payment schedule.	The Agency receives this confirmation, which triggers changing the status of the Disbursements-in-Transit to a Disbursement in the General Ledger.	
PM 3.6.24	Mark Invoice Paid	General Ledger impact is recorded based on system-generated disbursement confirmation.	The Agency marks the invoice and/or line items paid in the CFS, which occurs simultaneously with step PM 3.6.25, "Disbursement of Fund Balance Posts to General Ledger."	
PM 3.6.25	Disbursement of Fund Balance Posts to General Ledger	Once disbursed, the Paid Disbursement Voucher supports updating of the General Ledger and the Fund Balance with Treasury (FBWT).	<p>The Agency will record the USSGL prescribed General Ledger entries for the payment of accounts payable, disbursements-in-transit, advances, and prepaid expenses, as applicable.</p> <p>The recommended transaction code from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, for posting a disbursement is:</p> <p>TFM-B110 To record a confirmed disbursement schedule.</p>	PMD-39

## 3.7 DISBURSEMENTS – SMALL VOLUME AND SAME OR NEXT DAY PAYMENTS

The following flowchart provides the steps performed for Payment Management Disbursement – Small Volume and Next or Same Day Payments relating to the submission of the small volume payments file to Treasury, certification of payment, release of payment and the confirmation of disbursement.

### *PM 3.7 Disbursements – Small Volume and Same or Next Day Payments Flowchart*



See Appendix C – Business Process Flowcharts, Symbols, and Definitions for an enlarged version of the flowchart.

The Payment Management Disbursements – Small Volume and Same or Next Day Payments process steps are described as follows:

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.7.1	Warehoused Payment	Upon certification of invoices, the payment is warehoused awaiting scheduled payment in accordance with contract terms. These payments are queued based on due date for compliance with the Prompt Payment Act. A Preliminary Payment Register and Batch Report are run and the data is reviewed by the certifying official to ensure the information is accurate and complete.	<p>The Agency must comply with the Prompt Payment Act.</p> <p>Internal control steps should be in place to supplement automated controls when manual processing of payment schedules is performed.</p> <p>The certifying official must verify the TAS/BETC of the schedule payment as applicable.</p>	
PM 3.7.2	Hold Payment	Warehoused small volume same or next day payments are placed on hold.	<p>Warehoused payments that are going to use the small volume or next day payment process should be placed on hold in the system to keep them from being selected in the automated process.</p> <p>Agency should send notification to Finance that the payment has been put on “hold.”</p>	
PM 3.7.3	Payment Requested	The Payee makes a request of the Agency for a payment that does not already exist in the system.		
PM 3.7.4	Enter Invoice	An invoice is entered in the system by Finance to record the information related to the payment request for items that did not come through the normal invoice process.	<p>The Finance official makes sure the payment is not a duplicate request.</p> <p>Under best business practices, invoices should be submitted electronically.</p> <p>If the invoice has not been</p>	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
			entered into the system, the invoice will be entered and manually “approved for payment” and “marked as paid.”	
PM 3.7.5	Start Small Volume and Same or Next Day Disbursement Process	After the DEO enters the payment data into SPS, the CO verifies the entries and then certifies the schedule(s) for payment. Once the CO certifies the schedule(s), it is submitted to SPS. This can be done through a small volume upload process or by manually entering each payment.	<p>The Agency must comply with the Prompt Payment Act.</p> <p>Agencies must follow the applicable SPS User Guide, Treasury Green Book, and current TFM guidance.</p> <p>The certifying official must verify the TAS/BETC.</p> <p>Agencies may enter up to 60 payment records per schedule.</p> <p>The Agency must capture TAS information on payment records, up to 10 per schedule for a Non-Government-wide Accounting (Non-GWA) reporting Agency and up to 100 TAS/BETCs for a GWA reporting Agency.</p>	<p>PMD-02 PMD-03</p> <p>PMD-31</p>
PM 3.7.6	Authorized Payment Schedule	A document is generated to support the entry into SPS for the payment. This document will be used to record the Disbursements-in-Transit entries into the system.		

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.7.7	Certify Payment Schedule	The Agency DEO accesses SPS and uploads payment records or enters the payment records online into the Treasury Type 'A' SPS 1166 schedule voucher function. The 1166 schedule must contain the following: total amount of the schedule, the total number of payment records, the ALC and the appropriation number (TAS BETC), the payment date, and the schedule number.	<p>Agency will comply with Title 31 U.S.C. 3528.</p> <p>The DEO uploads payment records or enters the payment records online into SPS and records the ALC and the appropriation number (TAS/BETC).</p>	
PM 3.7.8	Disbursements-in-Transit Posted to General Ledger.	General Ledger impact is recorded to recognize Disbursements-in-Transit.	<p>The SPS schedule information is used to record the Disbursements-in-Transit.</p> <p>General Ledger entries must comply with posting logic documented in the USSGL of the TFM.</p> <p>The recommended transaction code from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, is:</p> <p>TFM-B408 To reclassify payable schedules for disbursements to "in-transit" until the payment schedule is confirmed.</p>	
PM 3.7.9	Transmit Payment File to Treasury	After the DEO enters the payment data into SPS, the CO verifies the entries and then certifies the schedule(s) for payment. Once the CO certifies the schedule, it is automatically transmitted to Treasury.	Agencies must follow applicable SPS User Guide, Treasury Green Book, and TFM guidance.	



Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.7.10	Transmitted File	The transmitted file that is sent to Treasury contains the information needed for issuing the payment.		
PM 3.7.11	Release Payment	<p>The SPS system automatically verifies the propriety of the CO and the Agency ALC and schedule number.</p> <p>If the Agency has used a duplicate schedule number and ALC, or the ALC and CO are not linked and active in SPS, then the schedule will be rejected. The summary total for amounts and items must also be accurate.</p>	<p>The Agency must schedule and disburse U.S. dollar payments (Treasury 1166) through the Treasury's SPS, containing up to the limit of 60 payments per schedule (for non-summary schedules).</p> <p>Agencies will comply with Title 31, Chapter 33, Subchapter II (a), U.S.C. 3325.</p> <p>The SPS system automatically verifies the CO and Agency Location Code (ALC) prior to the time of certification. If the CO and ALC are not properly linked, the CO cannot certify the payment schedule, only view it.</p>	PMD-30
PM 3.7.12	Offset	Payments that are identified as relating to Payees in debt to the Federal Government are assessed a full or partial offset.	The Agency must follow Treasury guidance and applicable procedures for the "Treasury Offset" programs.	
PM 3.7.13	Agency Records the Confirmation	Electronic confirmation is made available to the Agency from Treasury acknowledging disbursement of the certified payment schedule.	The Agency receives this confirmation, which triggers changing the status of the Disbursements-in-Transit to a Disbursement in the General Ledger.	

Step ID	Step Name	Step Description	Business Rules	OFFM Req
PM 3.7.14	Mark Invoice Paid	General Ledger impact is recorded based on system-generated disbursement confirmation.	The Agency marks the invoice and/or line items paid in the CFS, which occurs simultaneously with step PM 3.7.15, "Disbursement of Fund Balance Posts to General Ledger."	
PM 3.7.15	Disbursement of Fund Balance Posts to the General Ledger	Once disbursed, the Paid Disbursement Voucher supports updating of the General Ledger and the Fund Balance with Treasury (FBWT).	<p>The Agency will record the USSGL prescribed General Ledger entries for the payment of advances and prepaid expenses.</p> <p>The recommended transaction code from the current TFM, Volume I, Part 2, Supplement, USSGL, Section III, for posting a disbursement is:</p> <p>TFM-B110 To record a confirmed disbursement schedule.</p>	PMD-39
PM 3.7.16	Payee Receives Payment	Fedwire payments are sent to the Federal Reserve Bank (FRB) of New York and Electronic Funds Transfers are sent to the appropriate FRB. Checks are mailed through the Postal Service to the Payee.	Funds Transfers are sent to the appropriate FRB.	

## 3.8 DATA OBJECTS AND DATA ELEMENTS

The data elements contained in sections 3.8 and 3.9 are considered to be a draft collection of business elements that will be, at a minimum, required in all payment processing systems. This information will continue to be refined and structured over the next several months. Additional documentation, developed according to consensus procedures and industry standards, encompassing rules, guidelines, and data characteristics will be provided. This effort will include, but is not limited to, UML model representations, a data dictionary/registry of data elements, and an XML Schema model for the exchange of data. Supporting documentation to assist in the implementation and understanding of the normative artifacts will also be developed and distributed. This effort will be closely coordinated with Treasury's Financial Management Service to ensure consistency and interoperability with the payment and government-wide accounting systems.

Six key data objects and related data elements for the Payment Management Processes are identified and documented in the six tables in this section. The data objects are Requisition Document, Obligation Document, Receiving Document, Acceptance Document, Invoice Document, and Disbursed Payment. Each applicable data element is identified as Required, Display, or Optional. A "Required" data element is a field that must be included in the data object record. A "Display" data element should be made available from another data source for viewing by a user. An "Optional" data element may be made available to Agency users as needed.

**Requisition Data Objects and Data Elements** - The requisition data object includes: PM 3.1.1 – Prepare Requisition, PM 3.1.2 – Authorized Requisition, PM 3.1.4 – Rejected Requisition, and PM 3.1.7 – Funded Requisition.

Requisition				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Agency Part Description	Display	Line Item	Vendor System / Acquisition	Part description assigned by the Vendor and recorded in the agency's Acquisition System.
Agency Part ID	Display	Line Item	Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	Optional	Header	Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Delivery Contact Email	Required	Header	Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	Required	Header	Acquisition System	Contact name information for delivery.
Delivery Contact Phone	Required	Header	Acquisition System	Contact phone number for delivery.
Document Approval Date	Required	Header	Core Financial System	Date document was approved in the Core Financial system.
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.
Document Date	Required	Header	Core Financial System	Official date of the document in the system.
Line Item Number	Required	Line Item	Core Financial System	Current document number on each line contained in the document.

Requisition				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Line Item Status	Required	Line Item	Core Financial System	Status code of each line contained in the document.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Status Date	Required	Header	Core Financial System	Date in the system relating to the current status code.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
Item Description	Required	Line Item	Requisition Document / Acquisition System	Description of the item.
Item Quantity	Required	Line Item	Acquisition System / Core Financial System	Number of units.
Item Type	Required	Line Item	Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	Required	Line Item	Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Level Currency	Required	Line Item	Core Financial System	Agency pre-defined currency codes or default code.
Line Unit Price	Required	Line Item	Vendor / Acquisition System	Unit price of an item on each line of the document.
Place of Inspection	Required	Line Item	Acquisition System	Location of inspection of the goods or services received.
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Ordered	Required	Line Item	Acquisition System	Quantity of the units of measure ordered for the line item.
Receipt Method	Required	Line Item	Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.

Requisition				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Period of Performance End Date	Required	Line Item	Acquisition System	End date of the service.
Period of Performance Start Date	Required	Line Item	Acquisition System	Start date of the service.
Ship to Contact	Required	Line Item	Acquisition System/ Core Financial System	Contact name of the entity receiving the shipment from a supplier.
Ship to Location Code	Required	Line Item	Acquisition System / Core Financial System	Location code of the receiving entity assigned by the agency.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	Required	Line Item	Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	Required	Line Item	Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Unit of Measure	Required	Line Item	Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Number	Optional	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.

**Obligation Data Objects and Data Elements** — The obligation data object includes: PM 3.1.11 – Initiate and Authorize Obligation, PM 3.1.12 – Initiate Obligation Not Requiring Commitment, PM 3.1.13 – Authorize Obligation, PM 3.1.15 – Reject Obligation, and PM 3.2 – Funds Check Prior to Obligation.

Obligation				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Agency Part ID	Display	Line Item	Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
Buyer Contact	Optional	Header	Acquisition system	Contact information of the buyer.
Buyer Name	Optional	Header	Acquisition System	Name of buyer resource associated with obligating document.
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	Optional	Header	Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Currency	Required	Header	Core Financial System	Default set to U.S. Dollar.
Delivery Contact Email	Required	Header	Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	Required	Header	Acquisition System	Contact name information for delivery.
Delivery Contact Phone	Required	Header	Acquisition System	Contact phone number for delivery.
Document Approval	Required	Header	Core Financial System	Date document was approved in the Core Financial system.

Obligation				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Date				
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.
Document Date	Required	Header	Core Financial System	Official date of the document in the system.
Line Item Number	Required	Line Item	Core Financial System	Current document number on each line contained in the document.
Line Item Status	Required	Line Item	Core Financial System	Status code of each line contained in the document.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Status Date	Required	Header	Core Financial System	Date in the system relating to the current status code.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
Freight Allowed	Optional	Header	Acquisition system / Core Financial System	Freight charges allowed by line item on the requisition document.
Freight Charges	Optional	Header	Acquisition System / Core Financial System	Total freight charges based on payment terms.
Item Description	Required	Line Item	Requisition Document / Acquisition System	Description of the item.
Item Quantity	Required	Line Item	Acquisition System / Core Financial System	Number of units.
Item Type	Required	Line Item	Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	Required	Line Item	Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Level Currency	Required	Line Item	Core Financial System	Agency pre-defined currency codes or default code.



Obligation				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Line Unit Price	Required	Line Item	Vendor / Acquisition System	Unit price of an item on each line of the document.
Modification Number	Required	Header	Core Financial System	Modification number is the latest change order number made to the obligation document.
Obligation Amount	Required	Header	Acquisition System	Total amount of the award document.
Obligation End Date	Required	Header	Acquisition System	The end date stated on the award document.
Obligation NTE Amount	Required	Header	Acquisition System	The total dollar Not to Exceed (NTE) amount based on the award document.
Obligation Number	Required	Header	Core Financial System	The originating obligation document number and the release and modification numbers.
Obligation Total	Display	Header	Core Financial System	Total of all line items on the obligating document.
Place of Inspection	Required	Line Item	Acquisition System	Location of inspection of the goods or services received.
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Invoiced	Display	Line Item	Acquisition System/ Core Financial System	Quantity of the units of measure ordered already invoiced.
Quantity Ordered	Required	Line Item	Acquisition System	Quantity of the units of measure ordered for the line item.
Receipt Method	Required	Line Item	Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.
Reference Document Line Status	Required	Line Item	Acquisition system / Core Financial System	Agency defined status codes for changes made to document.
Release Number	Required	Header	Core Financial System	Part of the obligation document number.
Period of Performance End Date	Required	Line Item	Acquisition System	End date of the service.

Obligation				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Period of Performance Start Date	Required	Line Item	Acquisition System	Start date of the service.
Ship to Contact	Required	Line Item	Acquisition System/ Core Financial System	Contact name of the entity receiving the shipment from a supplier.
Ship to Location Code	Required	Line Item	Acquisition System / Core Financial System	Location code of the receiving entity assigned by the agency.
Ship to Location Description	Required	Line Item	Acquisition System / Core Financial System	Shipping location description used for informational purposes.
Source System Document Number	Required	Header	Acquisition system / Core Financial System	Document number assigned from the source system.
Source System Document Type	Required	Header	Acquisition system / Core Financial System	Obligating document type assigned from the source system.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	Required	Line Item	Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	Required	Line Item	Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Total Amount	Display	Header	Core Financial System	Total amount of all line items on the document.
Unit of Measure	Required	Line Item	Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.

Obligation				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Number	Display	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.

**Receiving Data Objects and Data Elements** – The receiving data object includes: PM 3.3.3 – Inspection for Damage, PM 3.3.5 – Reject Goods and Resolve Inspection Issues, PM 3.3.7 – Return Goods, PM 3.3.14 – Final Receipt of Goods on Award Document?, PM 3.3.15 – Goods Receipt Process, PM 3.3.16 – Record Receipt of Goods as Final, and PM 3.3.17 – Receiving Document

RECEIVING				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Agency Part Description	Display	Line Item	Vendor System / Acquisition	Part description assigned by the Vendor and recorded in the agency's Acquisition System.
Agency Part ID	Display	Line Item	Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	Optional	Header	Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Delivery Contact Email	Required	Header	Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	Required	Header	Acquisition System	Contact name information for delivery.
Delivery Contact Phone	Required	Header	Acquisition System	Contact phone number for delivery.
Document Approval Date	Required	Header	Core Financial System	Date document was approved in the Core Financial system.
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.
Document Date	Required	Header	Core Financial System	Official date of the document in the system.

RECEIVING				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Line Item Number	Required	Line Item	Core Financial System	Current document number on each line contained in the document.
Line Item Status	Required	Line Item	Core Financial System	Status code of each line contained in the document.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
Item Description	Required	Line Item	Requisition Document / Acquisition System	Description of the item.
Item Quantity	Required	Line Item	Acquisition System / Core Financial System	Number of units.
Item Type	Required	Line Item	Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	Required	Line Item	Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Unit Price	Required	Line Item	Vendor / Acquisition System	Unit price of an item on each line of the document.
Modification Number	Required	Header	Core Financial System	Modification number is the latest change order number made to the obligation document.
Obligation Number	Required	Header	Core Financial System	The originating obligation document number and the release and modification numbers.
Place of Inspection	Required	Line Item	Acquisition System	Location of inspection of the goods or services received.
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Accepted	Display	Line Item	Core Financial System	Number of units accepted.

RECEIVING				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Quantity Invoiced	Display	Line Item	Acquisition System/ Core Financial System	Quantity of the units of measure ordered already invoiced.
Quantity Ordered	Required	Line Item	Acquisition System	Quantity of the units of measure ordered for the line item.
Quantity Received	Display	Line Item	Core Financial System	Number of units received.
Quantity Rejected	Display	Line Item	Core Financial System	Number of units rejected.
Receipt Method	Display	Line Item	Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.
Reference Document Line Status	Required	Line Item	Acquisition system / Core Financial System	Agency defined status codes for changes made to document.
Release Number	Required	Header	Core Financial System	Part of the obligation document number.
Period of Performance End Date	Required	Line Item	Acquisition System	End date of the service.
Period of Performance Start Date	Required	Line Item	Acquisition System	Start date of the service.
Ship to Contact	Required	Line Item	Acquisition System/ Core Financial System	Contact name of the entity receiving the shipment from a supplier.
Ship to Location Code	Required	Line Item	Acquisition System / Core Financial System	Location code of the receiving entity assigned by the agency.
Ship to Location Description	Required	Line Item	Acquisition System / Core Financial System	Shipping location description used for informational purposes.
Source System Document Number	Required	Header	Acquisition system / Core Financial System	Document number assigned from the source system.

RECEIVING				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Source System Document Type	Required	Header	Acquisition system / Core Financial System	Obligating document type assigned from the source system.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	Required	Line Item	Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	Required	Line Item	Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Unit of Measure	Required	Line Item	Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Number	Display	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.

**Acceptance Data Objects and Data Elements** — The acceptance data object includes: PM 3.3.20 – Acceptance Procedures for Goods Received, PM 3.3.21 – Accept Goods?, PM 3.3.22 – Issue with Goods Resolved?, PM 3.3.23 – Acceptance Recorded, PM 3.3.28 – Reject Goods, PM 3.3.29 – Return Goods, PM 3.4.2 – Services Accepted?, PM 3.4.3 – Receipt and Acceptance Documents, PM 3.4.5 – Accept Partial Quantity of Services?, and PM 3.4.6 – Do Not Accept Services.

ACCEPTANCE				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Acceptance	Required	Line Item	Acquisition System	Official acceptance of the goods or services.
Agency Part Description	Display	Line Item	Vendor System / Acquisition	Part description assigned by the Vendor and recorded in the agency's Acquisition System.
Agency Part ID	Display	Line Item	Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	Optional	Header	Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Delivery Contact Email	Required	Header	Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	Required	Header	Acquisition System	Contact name information for delivery.
Delivery Contact Phone	Required	Header	Acquisition System	Contact phone number for delivery.
Document Approval Date	Required	Header	Core Financial System	Date document was approved in the Core Financial system.



ACCEPTANCE				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.
Document Date	Required	Header	Core Financial System	Official date of the document in the system.
Line Item Number	Required	Line Item	Core Financial System	Current document number on each line contained in the document.
Line Item Status	Required	Line Item	Core Financial System	Status code of each line contained in the document.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
Item Description	Required	Line Item	Requisition Document / Acquisition System	Description of the item.
Item Quantity	Required	Line Item	Acquisition System / Core Financial System	Number of units.
Item Type	Required	Line Item	Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	Required	Line Item	Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Unit Price	Required	Line Item	Vendor / Acquisition System	Unit price of an item on each line of the document.
Modification Number	Required	Header	Core Financial System	Modification number is the latest change order number made to the obligation document.
Obligation Number	Required	Header	Core Financial System	The originating obligation document number and the release and modification numbers.
Place of Inspection	Required	Line Item	Acquisition System	Location of inspection of the goods or services received.

ACCEPTANCE				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Accepted	Display	Line Item	Core Financial System	Number of units accepted.
Quantity Invoiced	Display	Line Item	Acquisition System/ Core Financial System	Quantity of the units of measure ordered already invoiced.
Quantity Ordered	Required	Line Item	Acquisition System	Quantity of the units of measure ordered for the line item.
Quantity Received	Display	Line Item	Core Financial System	Number of units received.
Quantity Rejected	Display	Line Item	Core Financial System	Number of units rejected.
Receipt Method	Display	Line Item	Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.
Reference Document Line Status	Required	Line Item	Acquisition system / Core Financial System	Agency defined status codes for changes made to document.
Release Number	Required	Header	Core Financial System	Part of the obligation document number.
Period of Performance End Date	Required	Line Item	Acquisition System	End date of the service.
Period of Performance Start Date	Required	Line Item	Acquisition System	Start date of the service.
Ship to Contact	Required	Line Item	Acquisition System/ Core Financial System	Contact name of the entity receiving the shipment from a supplier.
Ship to Location Code	Required	Line Item	Acquisition System / Core Financial System	Location code of the receiving entity assigned by the agency.
Ship to Location Description	Required	Line Item	Acquisition System / Core Financial System	Shipping location description used for informational purposes.

## ACCEPTANCE

Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Source System Document Number	Required	Header	Acquisition system / Core Financial System	Document number assigned from the source system.
Source System Document Type	Required	Header	Acquisition system / Core Financial System	Obligating document type assigned from the source system.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	Required	Line Item	Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	Required	Line Item	Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Unit of Measure	Required	Line Item	Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Number	Display	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.

**Invoice Data Objects and Data Elements** — The invoice data object includes: PM 3.5.1 – Prepare Invoice, PM 3.5.2 – Electronic Invoice, PM 3.5.3 – Invoice, PM 3.5.4 – Review Invoice for Required Information, PM 3.5.5 – Proper Invoice Under Prompt Pay Act?, PM 3.5.7 – Reject Vendor Invoice, PM 3.5.9 – Invoice Matches Award Document?, PM 3.5.12 – Valid Invoice, PM 3.5.21 – Approved Invoice, PM 3.5.26 – Invoice Verified?, and PM 3.5.28 – Verified Invoice.

Invoice				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Agency Part Description	Display	Line Item	Vendor System / Acquisition	Part description assigned by the Vendor and recorded in the agency's Acquisition System.
Agency Part ID	Display	Line Item	Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
Check Number	Required	Header	Treasury	The serial number of the check issued to a vendor or payee.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	Optional	Header	Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Currency	Required	Header	Core Financial System	Default set to U.S. Dollar.
Delivery Contact Email	Required	Header	Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	Required	Header	Acquisition System	Contact name information for delivery.
Delivery Contact Phone	Required	Header	Acquisition System	Contact phone number for delivery.

Invoice				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Discount Days	Required	Header	Vendor / Acquisition System	Number of days in which the discount may be taken on the invoice.
Discount Indicator	Required	Header	Vendor / Acquisition System	The applicable payment discount as a percentage or as a value that can be applied to the invoice.
Discount Value	Required	Header	Vendor / Acquisition System	The discount stated as an amount or percentage.
Document Approval Date	Required	Header	Core Financial System	Date document was approved in the Core Financial system.
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.
Document Date	Required	Header	Core Financial System	Official date of the document in the system.
Line Item Number	Required	Line Item	Core Financial System	Current document number on each line contained in the document.
Line Item Status	Required	Line Item	Core Financial System	Status code of each line contained in the document.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
FOB Terms	Required	Line Item	Acquisition System	The Freight on Board (FOB) shipping terms stated on the invoice.
Freight Charges	Optional	Header	Acquisition System / Core Financial System	Total freight charges based on payment terms.
Invoice Received Date	Required	Line Item	Core Financial System	The date the invoice was stamped as received.
Item Description	Required	Line Item	Requisition Document / Acquisition System	Description of the item.
Item Quantity	Required	Line Item	Acquisition System / Core Financial System	Number of units.

Invoice				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Item Type	Required	Line Item	Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	Required	Line Item	Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Level Currency	Required	Line Item	Core Financial System	Agency pre-defined currency codes or default code.
Line Unit Price	Required	Line Item	Vendor / Acquisition System	Unit price of an item on each line of the document.
Modification Number	Required	Header	Core Financial System	Modification number is the latest change order number made to the obligation document.
Obligation Number	Required	Header	Core Financial System	The originating obligation document number and the release and modification numbers.
Payment Net Days	Required	Header	Vendor / Acquisition System	The number of days in which a discount can be taken on the invoice.
Place of Inspection	Required	Line Item	Acquisition System	Location of inspection of the goods or services received.
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Accepted	Display	Line Item	Core Financial System	Number of units accepted.
Quantity Ordered	Required	Line Item	Acquisition System	Quantity of the units of measure ordered for the line item.
Quantity Received	Display	Line Item	Core Financial System	Number of units received.
Quantity Rejected	Display	Line Item	Core Financial System	Number of units rejected.
Quantity Shipped	Display	Line Item	Vendor/ or Acquisition System/Vendor	Number of units shipped.
Receipt Method	Display	Line Item	Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.

Invoice				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Reference Document Line Status	Required	Line Item	Acquisition system / Core Financial System	Agency defined status codes for changes made to document.
Release Number	Required	Header	Core Financial System	Part of the obligation document number.
Period of Performance End Date	Required	Line Item	Acquisition System	End date of the service.
Period of Performance Start Date	Required	Line Item	Acquisition System	Start date of the service.
Ship to Location Description	Required	Line Item	Acquisition System / Core Financial System	Shipping location description used for informational purposes.
Source System Document Number	Required	Header	Acquisition system / Core Financial System	Document number assigned from the source system.
Source System Document Type	Required	Header	Acquisition system / Core Financial System	Obligating document type assigned from the source system.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	Required	Line Item	Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	Required	Line Item	Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Total Amount	Display	Header	Core Financial System	Total amount of all line items on the document.
Unit of Measure	Required	Line Item	Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.

Invoice				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Invoice Number	Required	Line Item	Vendor / Core Financial System	Invoice number originated by the Vendor System.
Vendor Number	Display	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.
Withholding	Required	Line Item	Core Financial System	Required withholding for applicable invoices as required by the IRS.



**Disbursed Payment Data Objects and Data Elements** – The disbursed payment data object includes: PM 3.6.6 – Schedule is Created, PM 3.6.8 – Submit Payment Bulk File Treasury, PM 3.6.9 – Submitted Payment File, PM 3.6.10 – Perform Edit Check, PM 3.6.11 – Send Acknowledgement, PM 3.6.12 – Receipt of Acknowledgement, PM 3.6.17 – Certified Payment, and PM 3.6.18 – Verification of Certification. In addition, PM 3.6.20 – Release Payment, PM 3.6.22 – Payee Receives Payment, PM 3.6.23 – Agency Records Confirmation, PM 3.7.7 – Certified Payment Schedule, PM 3.7.9 – Transmit Payment File to Treasury, PM 3.7.11 – Release Payment, PM 3.7.13 – Agency Records the Confirmation, PM 3.7.14 – Mark Invoice Paid, and PM 3.7.16 – Payee Receives Payment.

Disbursed Payment				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
CGAC Information	Required	Line Item	Core Financial System	Common Government-wide Accounting Classification Structure.
Check Number	Required	Header	Treasury	The serial number of the check issued to a vendor or payee.
City	Display	Header	Vendor Master File	Vendor city stored in the agency CCR database.
Company Name	Display	Header	Vendor Master File	Vendor name stored in the agency CCR database.
Confirmation Date	Required	Header	Treasury	The date the check was issued to a vendor or payee.
Country Code	Display	Header	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Currency	Required	Header	Core Financial System	Default set to U.S. Dollar.
Discount Days	Required	Header	Vendor / Acquisition System	Number of days in which the discount may be taken on the invoice.
Discount Indicator	Required	Header	Vendor / Acquisition System	The applicable payment discount as a percentage or as a value that can be applied to the invoice.
Discount Value	Required	Header	Vendor / Acquisition System	The discount stated as an amount or percentage.
Document Approval Status Flag	Required	Header	Core Financial System	Status for approval of the document.

Disbursed Payment				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Document Date	Required	Header	Core Financial System	Official date of the document in the system.
Document Status Code	Display	Header	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Type	Required	Header	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
DUNS	Required	Header	Vendor Master File	The number assigned to a business based on the Dun and Bradstreet Universal Numbering system (DUNS).
DUNS + Four	Optional	Header	Vendor Master File	The number assigned to a business based on the Dun and Bradstreet Universal Numbering system (DUNS). Used for multiple EFT remittance locations.
Line Level Currency	Required	Line Item	Core Financial System	Agency pre-defined currency codes or default code.
Net Payment	Display	Header	Core Financial System	Total amount of all line items on invoice net of discounts.
Payment Net Days	Required	Header	Vendor / Acquisition System	The number of days in which a discount can be taken on the invoice.
Zip Code	Display	Header	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
State / Province Code	Display	Header	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	Display	Header	Vendor Master File	Location of Vendor business.
Street Address 2	Display	Header	Vendor Master File	Location of Vendor business.
Tax Payer ID Number	Required	Header	Vendor Master File	The 9-digit Tax Identification Number assigned to non-government vendor's.
Total Amount	Display	Header	Core Financial System	Total amount of all line items on the document.

Disbursed Payment				
Data Element Field Name	Display Required Optional	Document Level Name	Source	Description
Trace Number	Required	Header	Treasury	The number assigned to identify each ACH item by the issuing Government Disbursement Office.
User ID	Required	Header	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Invoice Number	Required	Line Item	Vendor / Core Financial System	Invoice number originated by the Vendor System.
Vendor Number	Display	Header	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.
Vendor Site ID	Required	Header	Vendor Master File	The site identification code assigned to each vendor's address site in the agency's vendor database.

## 3.9 SUMMARY DATA OBJECTS AND DATA ELEMENTS

The following table displays all of the data objects and elements for Payment Management. Each row contains the disposition of the data element for that data object column as “D” for Display, “R” for Required and “O” for Optional.

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Acceptance				R			Acquisition System	Official acceptance of the goods or services.
Agency Part Description	D		D	D	D		Vendor System / Acquisition	Part description assigned by the Vendor and recorded in the agency's Acquisition System.
Agency Part ID	D	D	D	D	D		Acquisition System / Core Financial System	Identification code assigned to a part in the agency's Acquisition System.
Buyer Contact		O					Acquisition system	Contact information of the buyer.
Buyer Name		O					Acquisition System	Name of buyer resource associated with obligating document.
CGAC Information	R	R	R	R	R	R	Core Financial System	Common Government-wide Accounting Classification Structure.
Check Number					R	R	Treasury	The serial number of the check issued to a vendor or payee.
City	D	D	D	D	D	D	Vendor Master File	Vendor city stored in the agency CCR database.
Comments	O	O	O	O	O		Core Financial System	Comments associated to obligation document header in agency's Core financial system.
Company Name	D	D	D	D	D	D	Vendor Master File	Vendor name stored in the agency CCR database.
Confirmation Date						R	Treasury	The date the check was issued to a vendor or payee.
Country Code	D	D	D	D	D	D	Vendor Master File	The 3-character country code found in the ISO3166 standard.
Currency		R			R	R	Core Financial System	Default set to U.S. Dollar.

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Delivery Contact Email	R	R	R	R	R		Acquisition System	Contact e-mail number for delivery.
Delivery Contact Name	R	R	R	R	R		Acquisition System	Contact name information for delivery.
Delivery Contact Phone	R	R	R	R	R		Acquisition System	Contact phone number for delivery.
Discount Days					R	R	Vendor / Acquisition System	Number of days in which the discount may be taken on the invoice.
Discount Indicator					R	R	Vendor / Acquisition System	The applicable payment discount as a percentage or as a value that can be applied to the invoice.
Discount Value					R	R	Vendor / Acquisition System	The discount stated as an amount or percentage.
Document Approval Date	R	R	R	R	R		Core Financial System	Date document was approved in the Core Financial system.
Document Approval Status Flag	R	R	R	R	R	R	Core Financial System	Status for approval of the document.
Document Date	R	R	R	R	R	R	Core Financial System	Official date of the document in the system.
Line Item Number	R	R	R	R	R		Core Financial System	Current document number on each line contained in the document.
Line Item Status	R	R	R	R	R		Core Financial System	Status code of each line contained in the document.
Document Status Code	D	D	D	D	D	D	Core Financial System	Status of the document as: Open, Closed, or Hold.
Document Status Date	R	R					Core Financial System	Date in the system relating to the current status code.
Document Type	R	R	R	R	R	R	Core Financial System	Obligation designated type (i.e. Property, Award or Travel).
DUNS						R	Vendor Master File	The number assigned to a business based on the Dun and Bradstreet Universal Numbering system (DUNS).

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
DUNS + Four						O	Vendor Master File	The number assigned to a business based on the Dun and Bradstreet Universal Numbering system (DUNS). Used for multiple EFT remittance locations.
FOB Terms					R		Acquisition System	The Freight on Board (FOB) shipping terms stated on the invoice.
Freight Allowed		O					Acquisition system / Core Financial System	Freight charges allowed by line item on the requisition document.
Freight Charges		O			O		Acquisition System / Core Financial System	Total freight charges based on payment terms.
Invoice Received Date					R		Core Financial System	The date the invoice was stamped as received.
Item Description	R	R	R	R	R		Requisition Document / Acquisition System	Description of the item.
Item Quantity	R	R	R	R	R		Acquisition System / Core Financial System	Number of units.
Item Type	R	R	R	R	R		Acquisition System / Core Financial System	Code that identifies transaction class (e.g., goods, services, 1099 withholding, discounts, travel, penalties, retainage).
Line Amount	R	R	R	R	R		Vendor / Acquisition System	Total of the unit price multiplied by the quantity.
Line Level Currency	R	R			R	R	Core Financial System	Agency pre-defined currency codes or default code.
Line Unit Price	R	R	R	R	R		Vendor / Acquisition System	Unit price of an item on each line of the document.
Modification Number		R	R	R	R		Core Financial System	Modification number is the latest change order number made to the obligation document.

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Net Payment						D	Core Financial System	Total amount of all line items on invoice net of discounts.
Obligation Amount		R					Acquisition System	Total amount of the award document.
Obligation End Date		R					Acquisition System	The end date stated on the award document.
Obligation NTE Amount		R					Acquisition System	The total dollar Not to Exceed (NTE) amount based on the award document.
Obligation Number		R	R	R	R		Core Financial System	The originating obligation document number and the release and modification numbers.
Obligation Total		D					Core Financial System	Total of all line items on the obligating document.
Payment Net Days					R	R	Vendor / Acquisition System	The number of days in which a discount can be taken on the invoice.
Place of Inspection	R	R	R	R	R		Acquisition System	Location of inspection of the goods or services received.
Zip Code	D	D	D	D	D	D	Vendor Master File	The Zip Code for a USA state or province found in the National Zip and Postal Office Directory, Publication 65.
Quantity Accepted			D	D	D		Core Financial System	Number of units accepted.
Quantity Invoiced		D	D	D			Acquisition System/ Core Financial System	Quantity of the units of measure ordered already invoiced.
Quantity Ordered	R	R	R	R	R		Acquisition System	Quantity of the units of measure ordered for the line item.
Quantity Received			D	D	D		Core Financial System	Number of units received.
Quantity Rejected			D	D	D		Core Financial System	Number of units rejected.
Quantity Shipped					D		Vendor/ or Acquisition System/Vendor	Number of units shipped.

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Receipt Method	R	R	D	D	D		Acquisition System / Core Financial System	Values for receipt are: Q=Quantity or A=Amount.
Reference Document Line Status		R	R	R	R		Acquisition system / Core Financial System	Agency defined status codes for changes made to document.
Release Number		R	R	R	R		Core Financial System	Part of the obligation document number.
Schedule Number							Core Financial System	The number assigned to a voucher or schedule of payments by the agency.
Period of Performance End Date	R	R	R	R	R		Acquisition System	End date of the service.
Period of Performance Start Date	R	R	R	R	R		Acquisition System	Start date of the service.
Ship to Contact	R	R	R	R			Acquisition System/ Core Financial System	Contact name of the entity receiving the shipment from a supplier.
Ship to Location Code	R	R	R	R			Acquisition System / Core Financial System	Location code of the receiving entity assigned by the agency.
Ship to Location Description		R	R	R	R		Acquisition System / Core Financial System	Shipping location description used for informational purposes.
Source System Document Number		R	R	R	R		Acquisition system / Core Financial System	Document number assigned from the source system.



Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Source System Document Type		R	R	R	R		Acquisition system / Core Financial System	Obligating document type assigned from the source system.
State / Province Code	D	D	D	D	D	D	Vendor Master File	The 2-character USA state or possession or Canadian Province.
Street Address 1	D	D	D	D	D	D	Vendor Master File	Location of Vendor business.
Street Address 2	D	D	D	D	D	D	Vendor Master File	Location of Vendor business.
Supplier Catalog ID	R	R	R	R	R		Vendor/ or Acquisition System/Vendor	The identification code assigned to the supplier's catalog.
Supplier Item ID	R	R	R	R	R		Vendor / or Acquisition System/Vendor	Identification code assigned to an item in a supplier's catalog.
Tax Payer ID Number						R	Vendor Master File	The 9-digit Tax Identification Number assigned to non-government vendor's.
Total Amount		D			D	D	Core Financial System	Total amount of all line items on the document.
Trace Number						R	Treasury	The number assigned to identify each ACH item by the issuing Government Disbursement Office.
Unit of Measure	R	R	R	R	R		Acquisition system / Core Financial System	Unit of Measure Code from agency's ERP system.
User ID	R	R	R	R	R	R	Core Financial System	Identification code assigned to users of the agency's Core financial system.
Vendor Invoice Number					R	R	Vendor / Core Financial System	Invoice number originated by the Vendor System.
Vendor Number	O	D	D	D	D	D	Vendor Master File	An identification number assigned to each vendor in the agency's vendor database.

Data Element Field Name	REQUISITION	OBLIGATION	RECEIVING	ACCEPTANCE	INVOICE	DISBURSED PAYMENT	Source	Description
Vendor Site ID						R	Vendor Master File	The site identification code assigned to each vendor's address site in the agency's vendor database.
Withholding					R		Core Financial System	Required withholding for applicable invoices as required by the IRS.

# Receivables Management Processes

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To Be Provided for Insert at a Future Date

# Reports Management Processes

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To Be Provided for Insert at a Future Date

## **Appendix A - Approach**

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Under Review with the Funds Control Chapter current released  
as an Exposure Draft

## **Appendix B - Contributors**

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Under Review with the Funds Control Chapter currently released for Exposure Draft and to be updated with each subsequent release

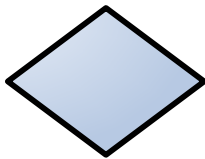
## Appendix C – Business Process Flowcharts, Symbols, and Definitions

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### Flowchart Symbols Defined:



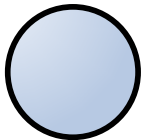
Process – This symbol represents a process or action step.



Decision – This symbol indicates a question or branch in the process flow.



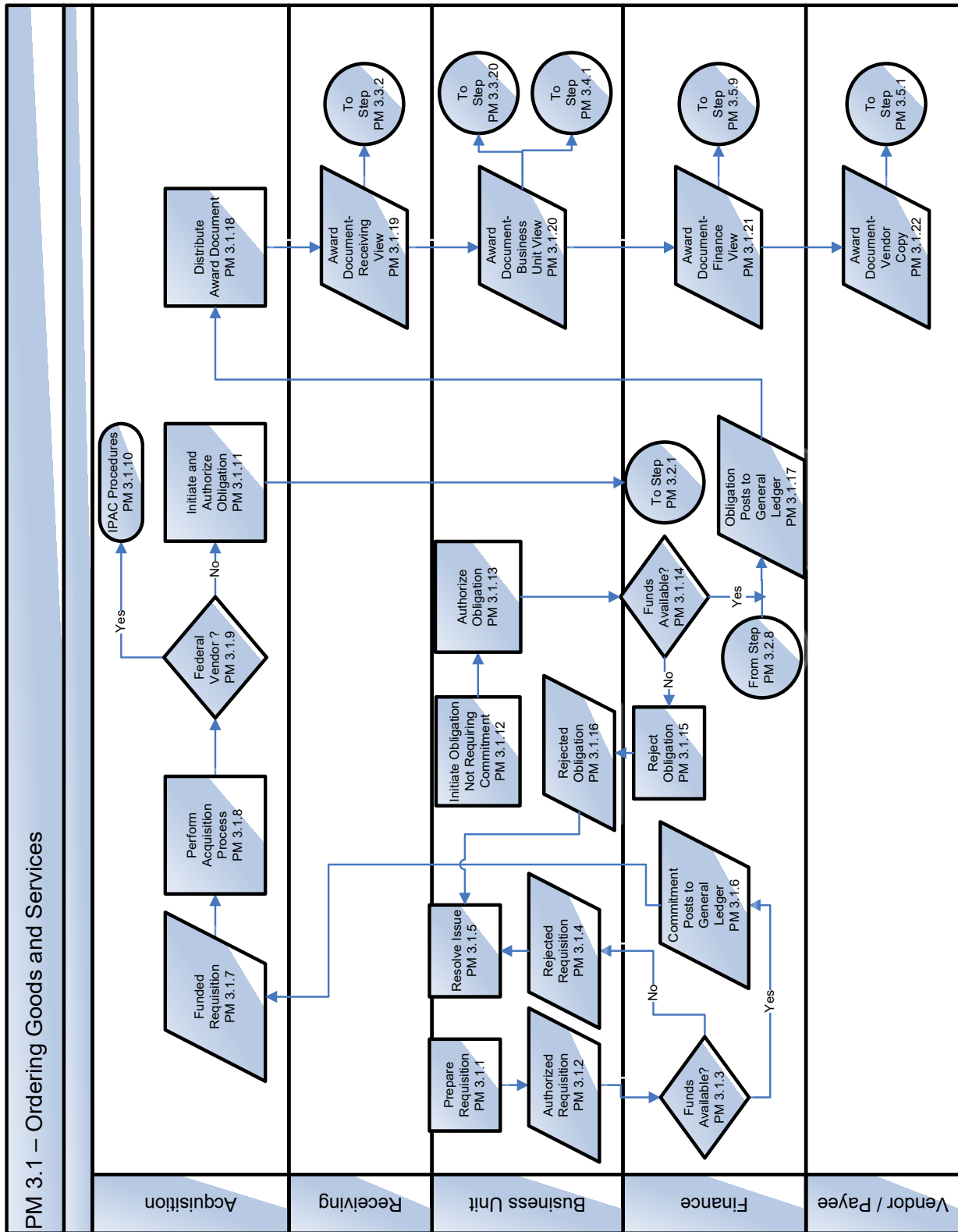
Data – This symbol represents electronic input to and/or outputs from a process.



Connector – This symbol indicates a jump from one point to another in a process flow.

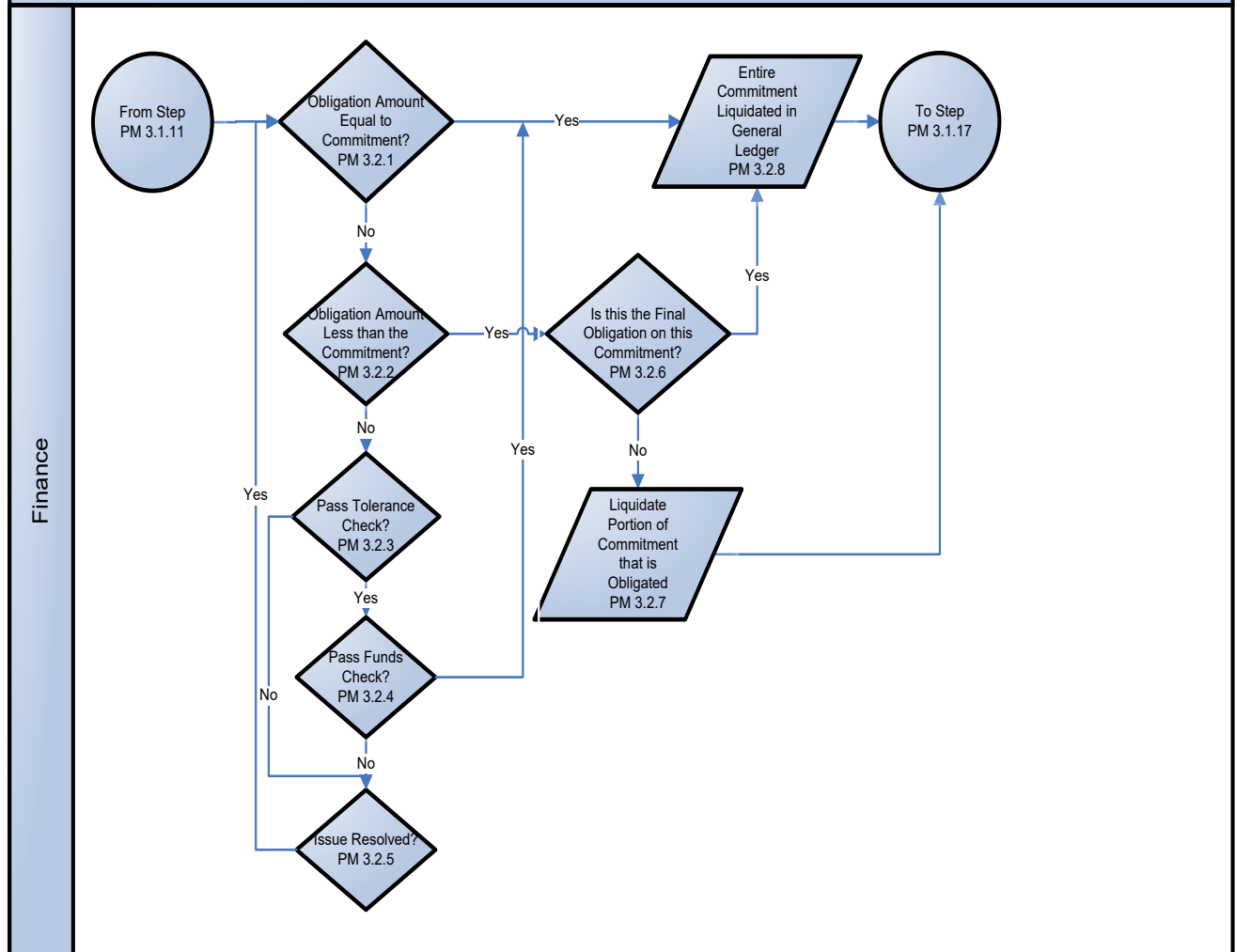


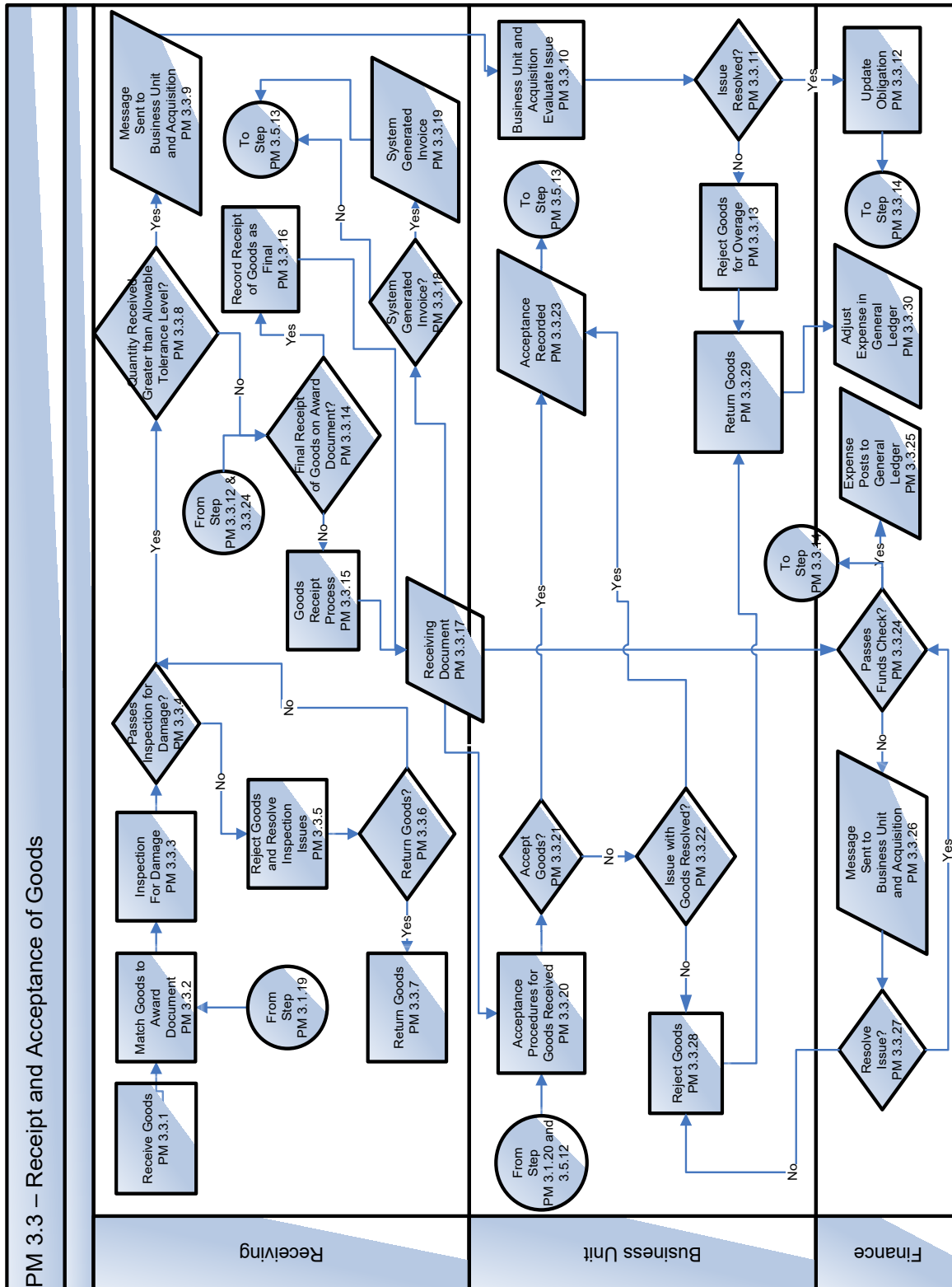
Terminator – This symbol indicates that the current process flow is ending at this point and is part of a separate process flow.



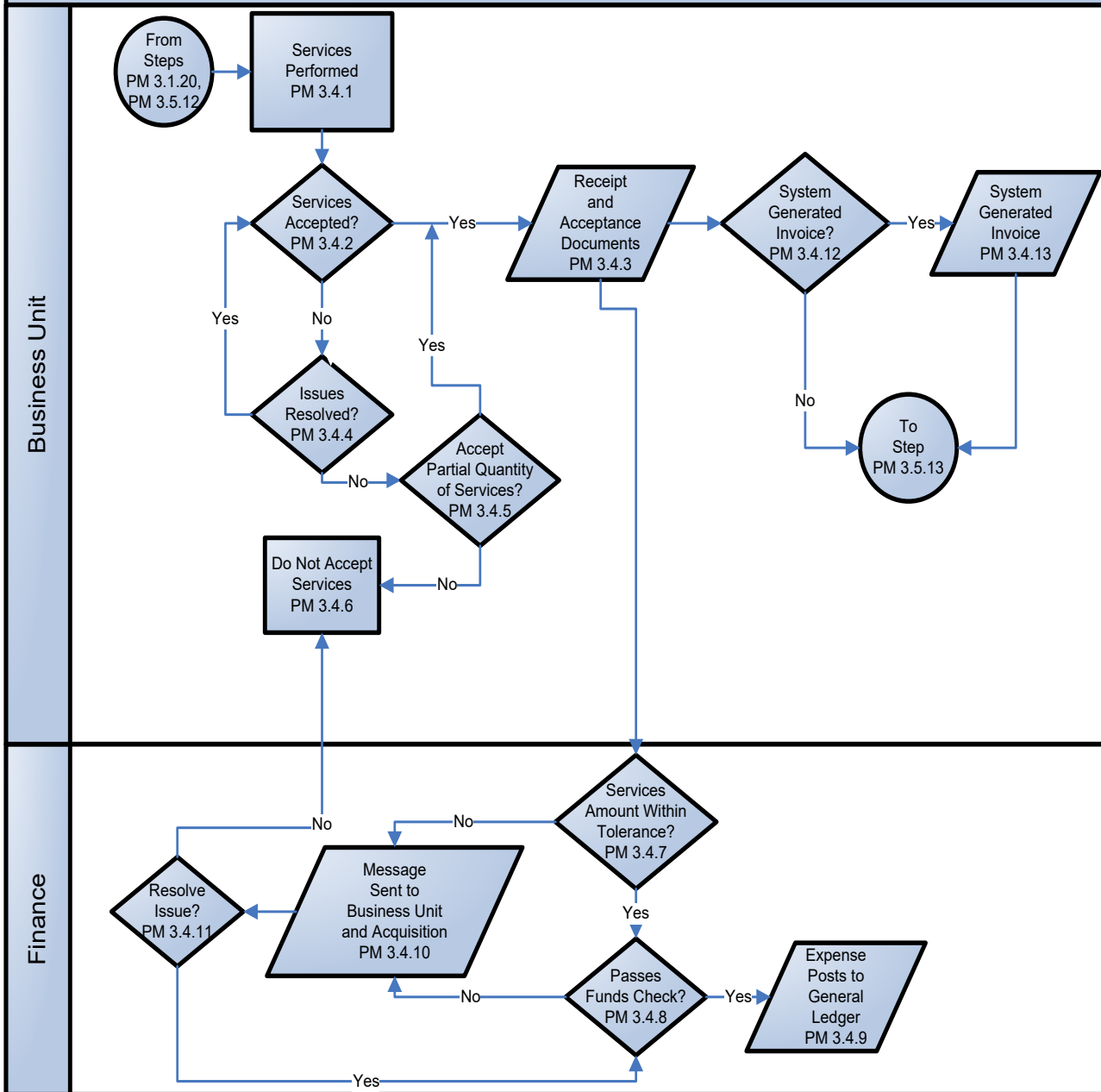


## PM 3.2 – Funds Check Prior to Obligation

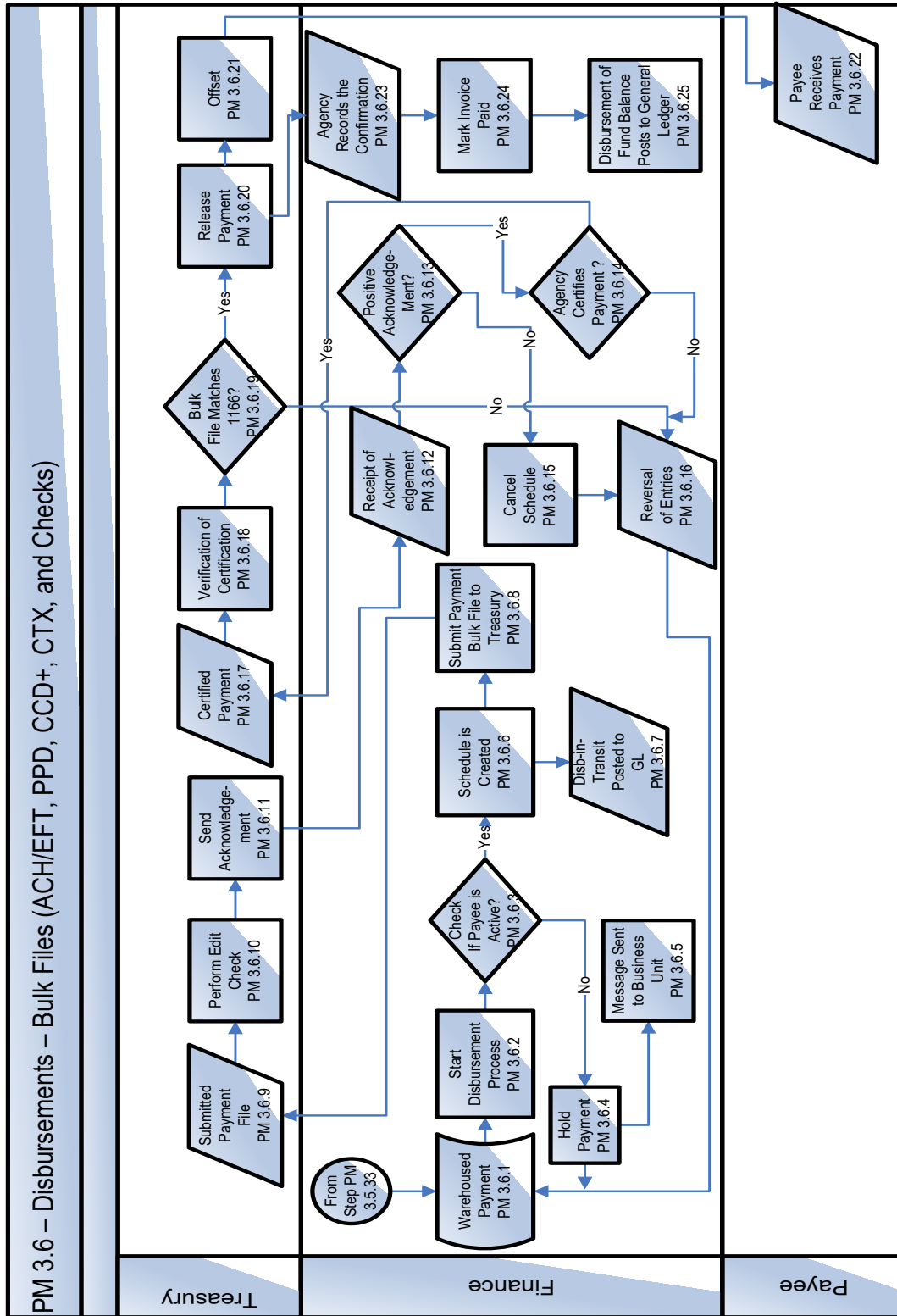


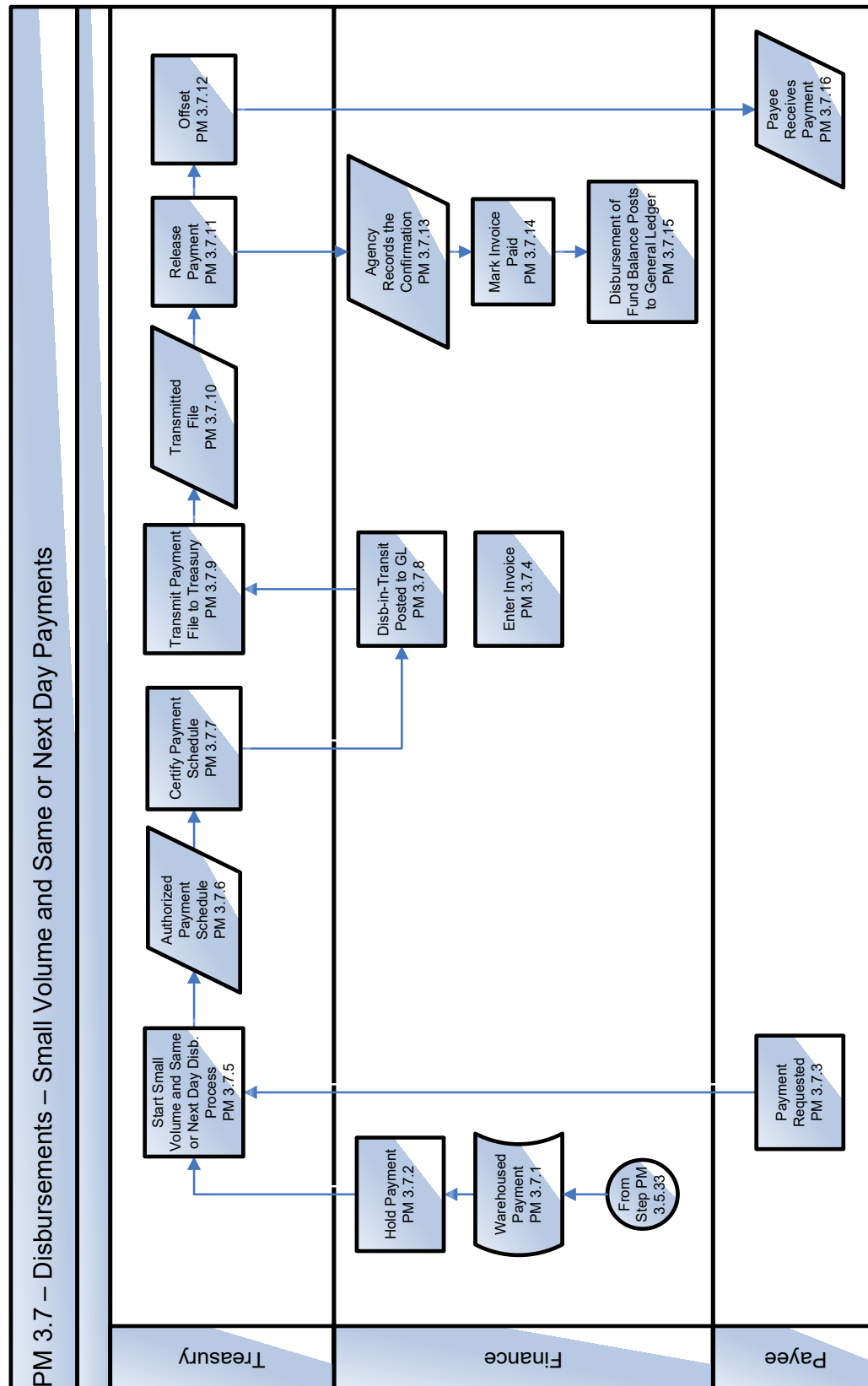


## PM 3.4 – Receipt and Acceptance of Services



**PM 3.5 – Accounts Payable and Invoicing Processes**





# Glossary

Term	Definition	Source <sup>1</sup>
Accounting Classification	A subset of the Agency financial information classification. The accounting classification structure provides a means for categorizing financial information along several dimensions as needed to support financial management and reporting functions. The data elements an Agency includes in its accounting classification structure will depend in part on the implementation strategy for the USSGL, data aggregation requirements for preparation of financial statements under the CFO Act, appropriation structure, and other reporting and management needs of the Agency.	FSIO Financial System Requirements; Multiple sources
Agency	The term “Agency” means any executive department, military department, government corporation, government-controlled corporation, other establishment in the executive branch of the Federal Government, or any independent regulatory Agency. Within the Executive Office of the President, the term includes only OMB and the Office of Administration.	OMB Circular A-130, Transmittal Memorandum #4, <i>Management of Federal Information Resources</i> (11/28/2000)
Allotment	A subdivision of an apportionment made by an Agency.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)
Apportionment	A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, program, activities, projects, objects, or any combinations of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an Agency into allotments, suballotments, and allocations.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)
Appropriation	A provision of law (not necessarily an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)

<sup>1</sup> Sources are provided if available, otherwise the term definition was developed for clarification of terminology.

Term	Definition	Source <sup>1</sup>
Budget	The Budget of the United States Government setting forth the President's comprehensive financial plan for allocating resources. The Government uses the budget system to allocate resources among its major functions and individual programs. The budget process has three main phases: formulation, congressional action on the budget, and execution.	FASAB Statement of Federal Financial Accounting Standards No. 24
Budget Authority	The authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collections.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)
Budget Execution	Includes Funds Control and provides features to record, distribute, and control budget authority and spending in accordance with the provisions of OMB Circular A-11, Part 4, and Instructions on Budget Execution. Budget execution provides the ability to track the effects of financial events on the sources and uses of budgetary resources authorized by the President and Congress. Its primary purpose is to ensure that spending does not exceed funds appropriated or authorized.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06),
Budget Formulation	During this phase of the budget cycle, the Executive Branch prepares the President's budget. OMB and the Federal agencies begin preparing the next budget almost as soon as the President has sent the last one to Congress. OMB officially starts the process by sending planning guidance to Executive Branch agencies in the Spring. The President completes this phase by sending the budget to Congress on the first Monday in February, as specified in law, although occasionally Presidents have sent it later for various reasons.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)



Term	Definition	Source <sup>1</sup>
Core Financial System	<p>A core financial management system supports both the key financial management business processes of an Agency as well as the financial aspects of non-financial management business processes, (e.g., Acquisitions, Budget Planning, Payroll, Property, Grants, and Travel). Financial management business processes of an Agency are defined as:</p> <ul style="list-style-type: none"> <li>• Budget and Finance</li> <li>• Accounting</li> <li>• Collections and Receivables</li> <li>• Payments</li> <li>• Assets and Liabilities</li> <li>• Reporting and Information</li> </ul> <p>The above processes are further defined in the Office of Federal Financial Management (OFFM) Core Financial Systems Requirements.</p>	OMB Circular A-127, <i>Financial Management Systems</i> (Draft)
Disbursements	Amounts paid out by Federal agencies during the fiscal year. This term is used interchangeably with the term outlay.	TFM, Supplement to Volume I, <i>Fund Balance with Treasury Reconciliation Procedures</i> (10/4/2002)
Document Line	Document line represents contract or subcontract line items on a commitment obligation or payment document.	
Enterprise Architecture	A strategic information asset base that defines the business, information necessary to operate the business, technologies necessary to support the business operations, and transitional processes for implementing new technologies in response to the changing needs of the business.	Federal Enterprise Architecture Framework, V.1.1, Federal CIO Council, September 1999

Term	Definition	Source <sup>1</sup>
Federal Enterprise Architecture	To facilitate efforts to transform the Federal Government to one that is citizen-centered, results-oriented, and market-based, the Office of Management and Budget (OMB) is developing the Federal Enterprise Architecture (FEA), a business-based framework for Government-wide improvement. The FEA is being constructed through a collection of interrelated “reference models” designed to facilitate cross-agency analysis and the identification of duplicative investments, gaps, and opportunities for collaboration within and across Federal Agencies.	Federal Enterprise Architecture Program Management Office
Federal Enterprise Architecture Business Reference Model (BRM)	The BRM is a function-driven framework for describing the Lines of Business and internal functions performed by the Federal Government independent of the agencies that perform them. The BRM serves as the business layer of the Federal Enterprise Architecture (FEA). It provides a foundation on which the applications, data, and technology layers of the FEA are developed. Agency Capital Asset Plans (Exhibit 300s) will be mapped against this framework to identify opportunities for cross-agency collaboration and potential system redundancies.	OMB Circular A-11, <i>Preparing, Executing, and Submitting the Budget</i>
Federal Enterprise Architecture Framework	The Federal Enterprise Architecture Framework (FEAF) provides an organized structure and a collection of common terms by which Federal segments can integrate their respective architectures into the Federal Enterprise Architecture.	Federal Enterprise Architecture Framework, V.1.1, Federal CIO Council, September 1999
Federal Payment	Any payment made by an Agency. The term includes, but is not limited to: (1) Federal wage, salary, and retirement payments; (2) vendor and expense reimbursement payments; (3) benefit payments; and (4) miscellaneous payments including, but not limited to, interagency payments, grants, loans, fees, principal, interest, and other payments related to United States marketable and nonmarketable securities, overpayment reimbursements, and payments under Federal insurance or guarantee programs for loans.	Treasury Green Book
Financial Accounting	A branch of accounting. The most noteworthy interpretations or classifications are those about which data pertain to the past and which pertain to the future. In other words, financial accounting is largely concerned with assigning the value of past transactions to appropriate time periods.	FASAB, SFFAS No. 1: <i>Objectives of Federal Financial Reporting</i>

Term	Definition	Source <sup>1</sup>
Financial Event	Any occurrence having financial consequences to the Federal Government related to the receipt of appropriations or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; or other reportable financial activities.	OMB Circular A-127, <i>Financial Management Systems</i> (07/23/1993)
Financial Management Systems	Financial systems and the financial portions of mixed systems necessary to support financial management, including manual or automated processes, procedures, controls, hardware, software, and support personnel. Financial systems include an information system, comprised of one or more applications, that is used for (1) collecting, processing, maintaining, transmitting or reporting data about financial events; (2) supporting financial or budgeting activities; (3) accumulating and reporting cost information; or (4) supporting the preparation of financial statements.	Federal Financial Management Improvement Act (FFMIA), OMB Circular A-127, <i>Financial Management Systems</i> (07/23/1993)
Financial System	A financial system supports the financial management business processes required in an Agency to track financial events to provide financial information that is significant to the financial management of the Agency and is used for the preparation of Agency financial statements. A financial system encompasses both automated and manual processes, procedures, internal controls, and a data repository and may include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements to record financial events. These core applications directly support the financial management business processes of an Agency.	OMB Circular A-127, <i>Financial Management Systems</i> (Draft)
Information Security	The protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide: (1) integrity, which means guarding against improper information modification or destruction, and includes ensuring information nonrepudiation and authenticity; (2) confidentiality, which means preserving authorized restrictions on access and disclosure, including means for protecting personal privacy and proprietary information; and (3) availability, which means ensuring timely and reliable access to and use of information.	Federal Information Security Management Act of 2002

Term	Definition	Source <sup>1</sup>
Information System	A discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)
Information Technology	Any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the Agency.	FAR 2.101
Internal Control	A subset of management controls are the internal controls used to assure that there is prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets.	OMB Circular A-123, <i>Management's Responsibility for Internal Control</i> (Effective beginning with Fiscal Year 2006) (Revised 12/21/2004)
Intra-Governmental Payment and Collections	Intra-Governmental Payment and Collection (IPAC) System is comprised of three interrelated subsystems: (1) The IPAC application that processes Intra-Governmental Federal funds transfers between agencies, (2) The Retirement and Insurance Transfer System (RITS) that processes retirement and health insurance payments by Federal agencies to the Office of Personnel Management (OPM), and (3) the Treasury Receivable Accounting and Collection System (TRACS) that processes check disbursement data returned to Federal agencies for which Treasury has disbursing authority.	Treasury Financial Manual

Term	Definition	Source <sup>1</sup>
Management Controls	<p>Management controls are the organization, policies, and procedures used by agencies to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with Agency mission; (3) programs and resources are protected from waste, fraud, and mismanagement; (4) laws and regulations are followed; and (5) reliable and timely information is obtained, maintained, reported, and used for decision making.</p> <p>Management controls, in the broadest sense, include the plan of organization, methods, and procedures adopted by management to ensure that its goals are met. Management controls include processes for planning, organizing, directing, and controlling program operations.</p>	OMB Circular A-123, <i>Management's Responsibility for Internal Control</i> (Effective beginning with Fiscal Year 2006) (Revised 12/21/2004)
Managerial Cost Accounting	Managerial cost accounting should be a fundamental part of the financial management system and, to the extent practicable, should be integrated with other parts of the system. Managerial costing should use a basis of accounting, recognition, and measurement appropriate for the intended purpose. Cost information developed for different purposes should be drawn from a common data source, and output reports should be reconcilable to each other	FASAB, SFFAS No. 4: <i>Managerial Cost Accounting Standards and Concepts</i>
Outlay	Outlay means a payment to liquidate an obligation (other than the repayment of debt principal). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt. Outlays are the measure of Government spending.	OMB Circular A-11, <i>Preparation, Submission and Execution of the Budget</i> (6/30/06)
Payee	A person, corporation, or other public or private entity that is authorized to receive a Federal payment from an agency.	
Payment	A government disbursement of monies to any payee, including vendors, employees, private citizens, state, or local and foreign governments in accordance with Contract terms. The payment management function consists of the following processes: payee information maintenance, payment warehousing, payment execution, and payment confirmation and follow-up.	Treasury Financial Manual

Term	Definition	Source <sup>1</sup>
Program	Generally defined as an organized set of activities directed toward a common purpose or goal, undertaken or proposed by an Agency in order to carry out its responsibilities. In practice, however, the term has many uses and thus does not have a well-defined, standard meaning in the legislative process. It is used to describe an Agency's mission, programs, functions, activities, services, projects, and processes.	<i>A Glossary of Terms Used in the Federal Budget Process</i> (GAO 09/2005)
Shared Services	Shared services is a bringing together of functions that are frequently duplicated across component agencies, and delivering these services more efficiently and with a customer service orientation. It is the focus on the customer service aspect of the process that distinguishes the shared services model from the concept of consolidation. The focus is on the customers because they demand the best quality, timely, accurate, and reliable product(s) attainable. Sharing services leads to the elimination of redundancies. The concurrent redesign of accounting processes, organizations, and supporting systems leads to radical improvements in time, cost, quality, and user satisfaction in regard to the service provided.	
Single Integrated Financial Management System	A unified set of financial systems and the financial portions of mixed systems (e.g., Acquisition) encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls, and data necessary to carry out financial management functions, manage the financial operations of the Agency, and report on the Agency's financial status to central agencies, Congress, and the public.	OMB Circular A-127, <i>Financial Management Systems</i> (07/23/1993)
Treasury Financial Manual	The manual issued by the Financial Management Service containing procedures to be observed by all agencies, Federal Reserve Banks, and financial institutions with respect to payments, collections, central accounting, financial reporting, and other government-wide fiscal responsibilities of the Treasury.	Green Book, Glossary
United States Standard General Ledger (USSGL)	A uniform list of accounts that support transactions that standardizes Federal Agency accounting and supports the preparation of standard external reports. The U.S. Government Standard General Ledger Chart of Accounts (1) provides control over all financial transactions and resource balances, (2) satisfies basic reporting requirements of OMB and Treasury, and (3) integrates proprietary and budgetary accounting.	Treasury Financial Manual, Volume I

Term	Definition	Source <sup>1</sup>
USSGL Account:	An account within the uniform chart of accounts used by Federal agencies to record budgetary and proprietary accounting transactions.	Volume I, U.S. Government Standard General Ledger (Uniform Chart of Accounts 08/2006)

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# Laws and Regulations

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## **Federal Statutes:**

### *Appropriations Law*

Fundamental, long-standing statutes deal with the appropriation of monies to agencies from Congress, including the appropriate use and control of these monies. These statutes deal with the purpose, amount, and time of appropriations, as well as the availability of the associated monies. The following summary provides specific citations to these statutes, their common names, and their requirements.

### *Federal Managers' Financial Integrity Act of 1982*

The Federal Managers' Financial Integrity Act (FMFIA) of 1982 amended the Accounting and Auditing Act of 1950 to require ongoing evaluations and reports of the adequacy of the systems of internal accounting and administrative control of each executive Agency. FMFIA is comprised of two parts. OMB Circular A-123, *Management's Responsibility for Internal Control* (Effective beginning with Fiscal Year 2006) (Revised 12/21/2004), is the primary vehicle for implementing FMFIA in the executive branch and describes internal control requirements. Agencies are also required to report annually on whether the Agency accounting system complies with OMB A-127.

The FMFIA requires Agency heads to establish controls that reasonably ensure:

- Obligations and costs are in compliance with applicable law
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation
- Revenues and expenditures are properly recorded and accounted for.

(OMB revised Circular A-123 in 1995 to incorporate ideas from subsequent management legislation, such as the Chief Financial Officers Act.) The circular provides guidance on improving the accountability and effectiveness of federal programs and operations by establishing and reporting on management controls.

### *Chief Financial Officers Act of 1990 and Government Management Reform Act of 1994*

The Chief Financial Officers Act of 1990 laid the foundation for significant financial management reform in the Federal Government. The Act emphasizes strong financial leadership, improved systems of accounting, financial management and internal control, and reliable financial information. A key element of the Act is the requirement for Federal agencies to produce audited financial statements. The Government Management Reform Act (GMRA) expanded financial statement audit coverage to include Department-wide and Government-wide audited financial statements.

The CFO Act mandates three actions:

- Strong financial management leadership: The CFO Act established, in OMB, the Deputy Director for Management and the Office of Federal Financial Management, and created chief financial officer positions in major agencies to provide financial management direction.
- Enhanced financial management systems: The CFO Act mandates that Agency CFOs develop and maintain Agency financial management systems that comply with applicable accounting principles, standards, and requirements; internal control standards; and requirements of OMB and Treasury; and



- Improved financial information: By requiring Agency CFOs to maintain systems that report cost information, integrate accounting and budgeting, and systematically measure performance, the CFO Act emphasizes improved reliability and usefulness of Agency financial information. Most importantly, the CFO Act requires that financial statements be prepared and audited.

#### *Government Performance and Results Act of 1993*

The Government Performance and Results Act (GPRA) of 1993 holds Federal agencies accountable for achieving program results and requires them to identify missions, set goals, measure performance, and report on their accomplishments.

Under GPRA, each federal Agency must develop and submit a multiyear strategic plan, which contains the Agency's mission statements and long-term strategic goals. Agencies must also submit annual performance plans, which include performance goals linked to the budget and indicators of how performance will be measured. Annual performance reports, also required under the Act, provide information on the extent to which the Agency met its annual performance goals.

#### *Federal Financial Management Improvement Act of 1996*

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires agencies to implement and maintain systems that substantially comply with (1) Federal accounting standards, (2) the United States Government Standard General Ledger (USSGL) at the transaction level, and (3) Federal financial management systems requirements. In addition, the FFMIA requires agencies' auditors to report whether Agency systems comply with FFMIA's systems requirements. Agencies that determine their systems do not substantially comply must develop and submit remediation plans to OMB.

To comply with Federal financial management system requirements, OMB implementation guidance requires that systems meet the Circular A-127 requirements, JFMIP's Federal Financial Management Systems Requirements, and Circular A-130, Appendix III.

#### *Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996*

The Debt Collection Improvement Act (DCIA) is an extension of the Debt Collection Act. The purpose of these Acts is to require proper collection of debts, to authorize the compromise or suspension of some debts, and to authorize the use of certain collection tools that are available in the private sector. The use of electronic payment and offset methods is required.

#### *Federal Information Security Management Act (FISMA) of 2002 (Public Law 107-347, Title III)*

The FISMA reiterates security requirements contained in existing OMB policies and in Federal laws such as the Computer Security Act of 1987, the Paper Reduction Act of 1995, and Clinger-Cohen Act of 1996. The Act mandates that Federal agencies implement an information security program and designate a senior information security officer. FISMA also established evaluation and reporting requirements that requires each Agency to report any significant deficiencies and an information security policy, procedure, or practice. If relating to financial management systems as a lack of substantial compliance with FFMIA.

#### *Reports Consolidation Act of 2000*

This Act gives OMB the authority to combine financial reports to the President and Congress that contains performance and accountability information.

### *Clinger-Cohen Act (CCA) – The Information Technology Management Reform Act of 1996*

This Act provides that the Government information technology shop be operated exactly as an efficient and profitable business would be operated. Acquisition, planning, and management of technology must be treated as a “capital investment.” While the law is complex, all consumers of hardware and software in the Department should be aware of the Chief Information Officer’s leadership in implementing this statute.

#### **Regulatory Guidance:**

*OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/06), Preparation, Submission and Execution of the Budget (6/30/06), Preparing, Submitting, and Executing the Budget (Revised 7/25/2003)*

OMB made major revisions to A-11 that merged the budget formulation and execution guidance to reinforce the requirement for agencies to integrate budget and performance and to improve the quality of their financial information. In addition, A-11 contains new guidance on managing physical and financial assets.

*OMB Circular A-25, User Charges*

The Circular:

- Establishes Federal policy regarding fees assessed for Government services and for sale or use of Government goods or resources
- Provides information on the scope and types of activities subject to user charges and on the basis upon which user charges are to be set
- Provides guidance for Agency implementation of charges and the disposition of collections.

*OMB Circular A-123, Management’s Responsibility for Internal Control (Effective beginning with Fiscal Year 2006) (Revised 12/21/2004), Management Accountability and Control (or Successor Documents) (6/21/1995)*

This Circular, which is the primary OMB guidance for FMFIA, is described in the section that relates to that act.

*Prompt Payment Final Rule (Formerly OMB Circular A-125, Prompt Payment) (9/29/1999)*

The Final Rule, the primary OMB guidance for PPA, is described in the section related to the specific act.

*OMB Circular A-127, Financial Management Systems (07/23/1993), Financial Management Systems (or Successor Documents) (7/23/1993)*

This circular augments FFMIA by specifically mandating that Federal agencies implement integrated core accounting and financial management systems. To be fully integrated, the system must address:

- Standard data classification (both data and format)
- Common processes for handling similar accounting events
- Consistent internal control mechanisms
- Elimination of duplicate transaction entry.

Circular A-127 also prescribes policies and standards for agencies to follow in developing, operating, evaluating, and reporting on financial management systems generally. It incorporates, by reference,

Circulars A-123 and A-130, as well as all federal financial management systems requirements published by JFMIP.

*OMB Circular A-129, Managing Federal Credit Programs (11/2000)*

This Circular prescribes policies and procedures for justifying, designing, and managing Federal credit programs, and for collecting non-tax receivables. It sets principles for designing credit programs, including:

- Preparation and review of legislation and regulations
- Budgeting for the costs of credit programs and minimizing unintended costs to the Government
- Improving the efficiency and effectiveness of Federal credit programs.

Circular A-129 also sets standards for extending credit, managing lenders participating in Government guaranteed loan programs, servicing credit and non-tax receivables, and collecting delinquent debt.

*OMB Circular A-130, Management of Federal Information Resources (11/28/2000)*

OMB re-issued Circular A-130 in revised form in December 2000 as Transmittal Memorandum No. 4. The expanded version of A-130 provides guidance on the Paperwork Reduction Act, the Clinger-Cohen Act, the CFO Act, and others. This includes the requirement for all electronic systems, including financial management systems, to have a defined association with the Agency's enterprise architecture.

The Circular provides specific guidance on collecting and managing information and records management, including:

- Electronic information collection
- Provision of information to the public
- Information dissemination systems
- Information safeguards.

It further mandates agencies to establish a capital planning and investment control process (CPIC) that links information technology investments to improved mission performance. The CPIC also establishes the links among Agency processes including strategic planning, IT planning, enterprise architecture integration, performance planning, financial management planning pursuant to the Chief Financial Officers Act of 1990, and budget formulation and execution. Specifically, sections of A-130 cover these four areas:

- ***Capital planning and investment control*** processes must be followed and documented by all agencies. These processes, stemming from Clinger-Cohen, must integrate IRM strategic and performance plans, financial management plans, the Agency's IT enterprise architecture, and its budget. The Agency's process for capital planning and investment control should include an IRM strategic plan, an IT capital plan, and an IT investment portfolio as described in OMB Circular A-11, *Preparation, Submission and Execution of the Budget* (6/30/06), *Preparation, Submission and Execution of the Budget* (6/30/06), the annual budget circular.
- ***Enterprise architecture*** framework and planning processes require an Agency to document (and submit to OMB its current and target IT architecture and related support strategies, transition roadmaps, and IT and security standards, as well as a summary of the information services used throughout the Agency. The enterprise architecture framework anticipated by A-130 is driven by

the business needs of the Agency and is composed of layers complying with the Federal Enterprise Architecture Framework (FEAF) developed by the CIO Council.<sup>2</sup>

- ***Ensuring security in information systems*** is accomplished by explicitly incorporating security into the enterprise architecture and life-cycle planning for systems, and ensuring that security supports the Agency's business operations. The Agency's security plan must comply with the procedures and policies outlined in Appendix III to A-130, *Security of Federal Automated Information Resources*; the Federal Information Security Management Act (Public Law 107-347); Title III; and guidance provided by the National Institute of Standards and Technology (NIST). Independent advice and comment on the security plan must be solicited prior to the plan's implementation.
- ***Information technology acquisition*** requires the use of adequate competition in contracting, allocating risk between the government and the contractor, and maximizing the return on investment. Major information systems should be structured into useful segments with narrow scope and brief duration. Off-the-shelf software should be used unless analysis clearly documents other approaches are more effective.

#### *Statements of Federal Financial Accounting Standards*

The FASAB was created in 1990 to develop and recommend Statements of Federal Financial Accounting Standards (SFFASs) for use by the Federal Government. The growing body of SFFAS issued by FASAB is considered to be Generally Accepted Accounting Principles for Federal Government entities.

The accounting standards that have resulted from FASAB's work are central to effectively meeting financial management improvement goals of the CFO Act and other legislation. In particular, FASAB's standards for managerial cost accounting, as described in SFFAS 4, are a primary source of guidance. This and other FASAB standards foster financial information and reporting that is understandable, relevant, and reliable concerning the financial position, activities, and results of operations for the Federal Government and its departments and agencies. Furthermore, the standards prescribe accounting systems and internal control that help demonstrate that federal programs are conducted in compliance with laws and regulations.

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<sup>2</sup> The FEAF layers describe and link business processes, information flows, applications, data descriptions and relationships, and technology infrastructure.