



**Federal Financial
Management
System
Requirements**

Office of Federal Financial Management

Core Financial System Requirements

**EXPOSURE
DRAFT**

**OFFM - NO - 0105
February 2005**

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Acronyms

ACC	Accounting Classification Code
ACE	Accounting Classification Element
ACH	Automated Clearing House
ACR	Agency Confirmation Report
ALC	Agency Location Code
ANSI	American National Standards Institute
API	Application Program Interface
ATB	Adjusted Trial Balance
BETC	Business Event Type Code
BPA	Blanket Purchase Agreement
CCD	Cash Concentration or Disbursement
CCD+	Cash Concentration or Disbursement Plus Addendum
CCR	Central Contractor Registration
CFO	Chief Financial Officer
CFOC	Chief Financial Officers Council
CFR	Code of Federal Regulations
CMIA	Cash Management Improvement Act
COTR	Contracting Office(r) Technical Representative
COTS	Commercial Off-the-Shelf
CTX	Corporate Trade Exchange
DBA	Doing Business As
DCIA	Debt Collection Improvement Act of 1996
DMA	Document Management Alliance
DO	Disbursing Office(r)
DOJ	Department of Justice
DT/DV	Deposit Ticket/Deposit Voucher
DUNS	Data Universal Numbering System
ECS	Electronic Certification System
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
FACTS I	Federal Agencies Centralized Trial Balance System I
FACTS II	Federal Agencies Centralized Trial Balance System II
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FFMIA	Federal Financial Management Improvement Act of 1996
FFMSR	Federal Financial Management System Requirements
FMFIA	Federal Managers' Financial Integrity Act of 1982
FMS	Department of the Treasury Financial Management Service
FOB	Freight On Board
FTE	Full-Time Equivalent
GAO	General Accounting Office

GMRA	Government Management Reform Act of 1994
GOALS	Government Online Accounting Link System
GPRA	Government Performance and Results Act of 1993
GFRS	Governmentwide Financial Report System
GSA	General Services Administration
GWA	Governmentwide Accounting
IAE	Integrated Acquisition Environment
IAS	Information Access System (GOALS II)
IDD	International Direct Deposit
IGTE	Intra-governmental Transaction Exchange
IPAC	Intra-governmental Payment and Collection System
IRS	Internal Revenue Service
IT	Information Technology
MAPI-WF	Messaging API-Workflow
MTS	Metric Tracking System
MVS	Multiple Virtual System
NACHA	National Automated Clearing House Association
NIST	National Institute of Standards and Technology
ODA/ODIF	Open Document Architecture/Open Document Interface Format
ODMA	Open Document Management Architecture
OFFM	Office of Federal Financial Management
OMB	Office of Management and Budget
OPAC	Online Payment and Collection System
OS	Operating System
PDF	Portable Document Format
PKI	Private Key Infrastructure
PPD	Prearranged Payment and Deposit
PPD+	Prearranged Payment and Deposit Plus Addendum
RFC	Regional Finance Center
RTN	Routing Transit Number
SCS	Secure Payment System
SFFAS	Statements of Federal Financial Accounting Standards
SGML	Standard Generalized Markup Language
TAFS	Treasury Appropriation Fund Symbol
TAS	Treasury Account Symbol
TCP/IP	Transmission Control Protocol/Internet Protocol
TFM	Treasury Financial Manual
TIN	Taxpayer Identification Number
TROR	Treasury Report on Receivables
U.S.C.	United States Code
U.S. SGL	U.S. Standard General Ledger
VIM	Vendor Independent Messaging
VPN	Virtual Private Network
WFMC	Workflow Management Coalition
XML	Extensible Markup Language

Introduction

This document is part of a series of publications entitled *Federal Financial Management System Requirements (FFMSR)*. FFMSR specifies the mandatory functional and technical requirements that agency financial management systems must meet in order to be considered compliant with Federal standards as mandated by the Federal Financial Management Improvement Act (FFMIA).

OMB Circular A-127, *Financial Management Systems*, sets forth general policies for federal financial management systems. Each agency is required to establish and maintain a single integrated financial management system. Each agency must have an ongoing financial systems improvement planning process and perform periodic reviews of its financial system capabilities. In addition, each agency must maintain financial management system components that comply with uniform Federal accounting concepts and standards promulgated by the Federal Accounting Standards Advisory Board (FASAB) in its Statements of Federal Financial Accounting Standards (SFFAS), which constitute generally accepted accounting principles for the Federal Government.

Establishing governmentwide system requirements promotes a common understanding among private- and public-sector financial managers and agency program managers regarding Core system functional and technical capabilities. Such requirements serve as a tool for the oversight agencies to evaluate systems. They help justify agency system improvements or replacements. They also help organize the private-sector market by communicating mandatory functionality that commercial software must provide to Federal agencies and identifying value-added features desired by Federal agencies.

The next section of this document sets forth the framework for the establishment and maintenance of an integrated Federal financial management system. The Core specific financial system requirements are presented in detail in the functional and technical requirements sections that follow. These requirements, which are reviewed and updated periodically, incorporate the latest changes in laws and regulations governing Federal financial systems, such as the Intra-governmental Payment and Collection System (IPAC) and Central Contractor Registration (CCR). Appendices provide references, a glossary, a summary of external reporting requirements, and requirements drafting guidelines.

This document is being distributed as an exposure draft to solicit comments on the latest functional and technical requirements. Once it is republished, agencies and vendors will need to address the final version of all mandatory Core requirements when planning for new financial system acquisitions and development. (This paragraph will be omitted in the final publication.)

Federal Financial Management Framework

The *Framework for Federal Financial Management Systems* document describes the basic elements of a model for integrating financial management systems in the Federal Government. It provides a foundation for all systems included in the FFMSR. The Framework was republished in April 2004. This updated document description does the following:

- Explains how Federal financial management supports Federal agencies and the mission of government as an inherent component of the delivery of all Federal programs
- Sets forth financial management performance goals, outcomes, and desired capabilities and characteristics that future systems must be designed to meet
- Describes financial management functions, information flows, and systems that support the Federal agencies in carrying out programs
- Describes the agency and central agency roles
- Links financial management to program performance and describes how it supports budget and performance integration
- Presents the business needs, performance goals, and information architecture that drive financial system requirements.

Federal Financial Management System Requirements (FFMSR) Model

The current model comprises the Framework, Core, Managerial Cost Accounting, and 13 subsidiary financial or mixed systems. Such systems must be able to provide consistent, standardized information for program managers, financial managers, agency executives, and oversight organizations, and must meet Federal statutes, regulations, and standards. Illustration 1 provides a view of the current financial management applications described by the FFMSR series. The system functions and technical requirement groupings that comprise the Core application are reflected later in Illustrations 2 and 3.

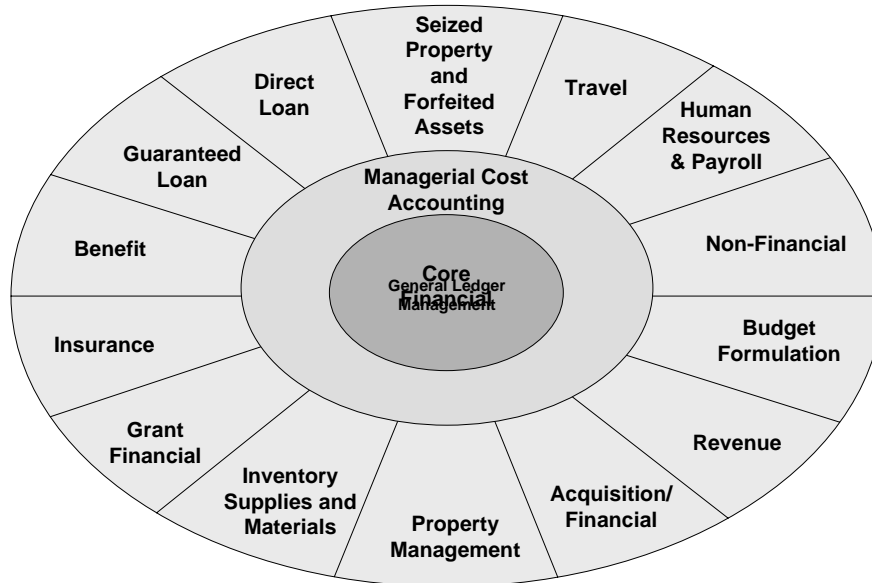


Illustration 1: FFMSR Components

Framework Goals

The following financial management system performance goals, outlined in the Framework document, are applicable to all financial management systems. All financial management systems **must** do the following:

- Demonstrate compliance with accounting standards and requirements
- Provide timely, reliable, and complete financial management information for decision making at all levels of government
- Meet downstream information and reporting requirements with transaction processing data linked to transaction engines
- Accept standard information integration and electronic data to and from other internal, governmentwide, or private-sector processing environments
- Provide for “one-time” data entry and reuse of transaction data to support downstream integration, interfacing, or business and reporting requirements
- Build security, internal controls, and accountability into processes and provide an audit trail
- Be modular in design and built with reusability as an objective
- Meet the needs for greater transparency and ready sharing of information
- Scale to meet internal and external operational, reporting, and information requirements for both small and large entities.

Requirements Guidelines

Financial management system development and implementation efforts shall seek cost-effective and efficient solutions as required by OMB Circular A-130, *Management of Federal Information Resources*. Agencies are required to use commercial off-the-shelf (COTS) software to reduce costs, improve the efficiency and effectiveness of financial system improvement projects, and reduce the risks inherent in developing and implementing a new system. However, the agency has the ultimate responsibility for implementing sound financial management practices and systems.

Applicability

Each requirement is prioritized as being mandatory or value-added.

- **Mandatory.** Mandatory requirements describe what the system must do and consist of the minimum acceptable functionality necessary to establish a system or are based on Federal laws, regulations, and governmentwide consensus. Mandatory requirements are those against which agency heads evaluate their systems to determine substantial compliance with systems under FFMIA. These requirements apply to existing systems and new systems that are planned or are under development.
- **Value-added.** Value-added requirements describe features or characteristics that may consist of any combination of the following: use state-of-the-art technology, employ preferred or best business practices, or meet the special management needs of an individual agency. “Value-added,” “optional,” and other similar terminology may be used to describe this category of requirements. Agencies should consider value-added features when judging system options. The need for these value-added features in agency systems is left to the discretion of each agency head.

Within this document, mandatory Core financial system requirements are indicated by the word “must” and value-added system requirements are identified by the words “may” or “should.”

Management Controls

Core financial systems must operate with appropriate management controls to ensure the accuracy of data entry, completeness and consistency of transaction processing, and reporting, as stated in OMB Circular A-123. This document specifies system requirements necessary for implementing basic management controls by functional area. Ultimately, each agency is responsible for implementing and using controls to ensure that the Core financial system operates in a secure and effective manner.

Management control related requirements (for example, input edits) are intended to be automated by the software application. In addition, this document incorporates global security controls that preclude the need to qualify requirements text with references to authorized users.

Requirements Testing

The Government tests commercial software functionality against the Core system requirements contained in this document for the purpose of qualifying such software for acquisition by Federal agencies. This test is also available to agencies that provide financial system support to other

agencies as part of a cross-servicing arrangement. The testing of software used for cross-servicing is voluntary at this time.

Requirements Interpretation

The requirements listed in this document address system functionality (i.e., programmed capabilities and features) that a qualified system must deliver. As a rule, requirements are written from the perspective of the system as the “actor” responsible for performing specified functions.

Unless otherwise stated within a specific requirement’s text, the Core system must provide functionality automatically. For example, in the case where a requirement specifies “record an obligation” the system is expected to automatically generate and post the necessary GL transactions without user intervention.

Key words that affect how agencies are to interpret requirements are defined in the Glossary and in Appendix D—Requirement Drafting Guidelines.

Core Financial System Requirements Overview

Federal agencies collectively control and disburse over \$2 trillion in appropriated funds annually. Financial and program managers throughout government are fiscally responsible for these resources and for the program results they achieve. To do their jobs, they need ready access to detailed financial information essential to formulating agency budgets, monitoring program operations, and reporting performance as maintained in a proper and reliable financial management system. Such systems must support or enhance the following:

- *Accountability*, by providing accurate information needed to inform taxpayers, Congress, and agency personnel in terms they can readily understand, on how the Nation's tax dollars are spent, and how Federal assets are protected
- *Efficiency and effectiveness*, by supporting efficient and effective financial services to the Federal agency's internal and external customers (e.g., individuals, contractors, partnerships, state and local governments, other Federal agencies/organizations, the military, and foreign governments)
- *Decision making*, by providing Congress, agency heads, and program managers with timely reports linking financial results and program data so that policy and program decisions can be accurately identified, tracked, and forecasted.

Furthermore, all Core financial systems, whether they are being designed, implemented, or currently in use, must operate in accordance with laws, regulations, and judicial decisions. Through this document, a set of comprehensive functional requirements for a proper and reliable Core financial management system has been established.

System Overview

Core financial systems provide specific functional capabilities necessary for managing a general ledger, controlling funds, making payments, managing receivables, measuring costs, reconciling cash, and reporting in the Federal environment. Illustration 2 depicts the major functions within the Core financial system.

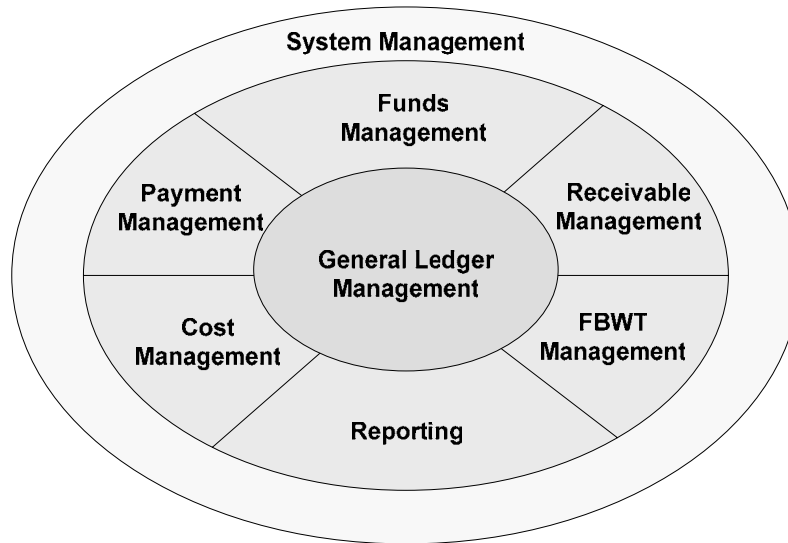


Illustration 2: Core System Functions

In practice, a single financial event requires processing by more than one Core system function. An example of a financial event affecting multiple functions is a payment including additional charges not previously recorded, such as interest costs due to late payment or additional shipping charges allowed by the contract. This transaction would: (1) originate in the Payment Management function; (2) be edited for funds availability, and would update balances in the Funds Management function for the excess costs and move the undelivered order amount to an expenditure status; (3) update cost amounts controlled by the Cost Management function; (4) update the general ledger balances in the General Ledger Management function; and (5) be edited against reference data and (6) update audit trails in the System Management function.

In addition, technical requirements have been established to help ensure that a Core financial system is fully supported and capable of processing the workload required. From a technical perspective, the Core system must provide transaction processing integrity and general operating reliability; use standard procedures for installation, configuration, and operations; provide seamless integrated workflow processing; have the ability to query, access, and format information; and be well documented. It must not conflict with other administrative or program systems or with other agency-established IT standards. Illustration 3 depicts the major functions within the Core financial system.

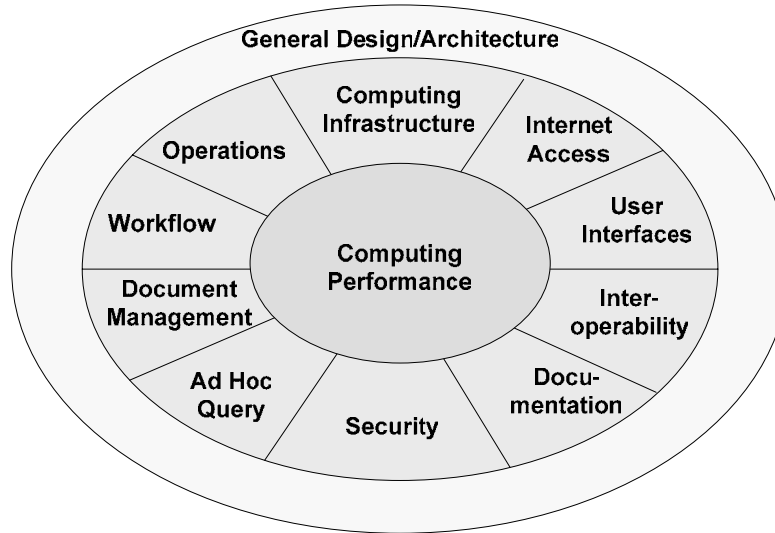


Illustration 3: Technical Requirement Groupings

Most technical requirements are stated in general terms to give vendors maximum flexibility in designing compliant financial systems. Individual agencies are encouraged to add specific interoperability, system performance, workload, and access requirements considered unique to their respective IT environments when evaluating packages for acquisition. Technical requirements follow the Functional requirements.

Core Financial System Functional Requirements Summary

The following sections identify the governmentwide requirements for a Core financial system to support the fundamental financial functions of a Federal agency. The major functions supported by a Core financial system and the abbreviations used in this document to identify related requirements are as follows:

- System Management (SM)
- General Ledger Management (GL)
- Funds Management (FM)
- Payment Management (PM)
- Receivable Management (RM)
- Cost Management (CM)
- Fund Balance with Treasury Management (FB)
- Reporting (RP).

These functions provide the basic information and control needed to carry out financial management functions, manage the financial operations of an agency, and report on the agency's financial status to central agencies, Congress, and the public. This includes data needed to prepare the principal financial statements for Federal agencies in accordance with

the current OMB bulletin that addresses the form and content (OMB Bulletin 01-09, *Form and Content of Agency Financial Statement*, as of the publication of this document).

The numbering assigned to the each requirement in each subsequent process section defines its function, process, and sequence. For example, the first requirement in the first process associated within the System Management function is identified by “SMA-01”; SM represents “System Management,” A represents the first process, and 01 is the sequence.

System Management Function

The System Management function ensures that the capabilities exist to capture, process, and report the financial activity of Federal agencies. The System Management function establishes the framework for sharing data among components of an agency's single integrated financial management system. This function also ensures that transactions are processed consistently and completely and that appropriate audit trails are maintained. The System Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Accounting Classification Management (SMA)
- Document and Transaction Control (SMB)
- Document Referencing and Modification (SMC)
- System-Generated Transactions (SMD)
- Audit Trails (SME).

These processes affect all financial event transaction processing because they maintain security, control transactions, and maintain reference tables used for editing and classifying data.

Accounting Classification Management Process

OMB Circular A-127, *Financial Management Systems*, requires financial management systems to reflect an agency-wide financial information classification structure that is consistent with the U.S. SGL, provides for tracking of specific program expenditures, and covers financially related information.

The accounting classification is a subset of the agency financial information classification structure, which also includes financially related personnel information, performance measurement information, and other financial information needed by the agency. It provides the means for categorizing financial information along several dimensions to support financial management and reporting functions. The data elements a particular agency includes in its accounting classification will depend on data aggregation requirements for preparation of financial statements under the CFO Act, the appropriation structure, and other reporting and management needs of the agency.

Within each department or agency, the accounting classification elements and definitions must be standardized to ensure uniform and efficient accounting treatment, classification, and reporting. The Accounting Classification Management process provides a consistent basis for the following activities:

- Capturing financial activity with all of the data necessary to identify the funding used, the organization charged, the type of expense or asset affected, and the program or project involved
- Recording data at the lowest level of detail and summarizing or rolling it up to higher levels in a standardized manner for reporting purposes

- Comparing and combining similar programs across agencies and calculating overall program results
- Integrating budget and accounting activities by synchronizing their accounting classifications and relationships.

Mandatory Requirements

To support the Accounting Classification Management process, the Core financial system **must** provide automated functionality to do the following:

- SMA-01 **Accounting Classification**—Maintain an accounting classification structure that includes the following elements
- Treasury Account Symbol
 - Budget fiscal year
 - Internal fund code
 - Organization
 - Program
 - Project
 - Activity
 - Cost center
 - Object class
 - Revenue source
 - Budget function
 - Budget sub-function code
 - Accounting period.
- Maintain each classification element independently. For example, budget fiscal year must be maintained as a separate value from the period of availability component in the TAFS.
- SMA-02 **Additional accounting classifications**—Define five additional accounting classifications elements, including element titles and valid values.
- SMA-03 **Classify transactions**—Classify transactions by all accounting classification elements.
- SMA-04 **Short classification codes**—Derive full accounting classifications on transactions from abbreviated user input. Examples of methods include: entering shorthand codes, deriving elements from an entered field, or providing users with a list of values from which to choose.
- SMA-05 **Accounting classification tables**—Add, change, or delete elements of the accounting classification structure and valid values without programming changes (e.g., through online table updates).
- SMA-06 **Accounting classification effective date** —Capture effective dates for accounting classification changes. Activate the accounting classification change when the specified date is reached.

- SMA-07 **Accounting activity query**—Query accounting activity. Parameters are all mandatory accounting classification elements. Result is a list of documents, including document number, posting date, effective date, and document total. Drill-down into document details and GL transactions.
- SMA-08 **Revenue source code structure**—Maintain a revenue source code structure to classify types of revenue and receipts as defined by the user, such as rental income, sales by product type and income by type of service performed.
- SMA-09 **Fund structure**—Maintain a fund structure that includes all elements of the Treasury Account Symbols (TAS) established by OMB and Treasury. Accommodate additional detail below the TAS level, such as an internal fund code. Associate each financial transaction recorded in the system to the related TAS.
- SMA-10 **TAS characteristics**—Define characteristics for each TAS:
- Fund type, (e.g., general fund, deposit fund, trust fund, special fund, revolving fund, receipt account)
 - Budget status (e.g., on budget, off budget, or financing account)
 - Funding source (e.g., direct appropriation, spending authority from offsetting collections, borrowing authority, contract authority) (TAFS only)
 - Period of availability (e.g., annual, multi-year, and no-year) (TAFS only).
- SMA-11 **Program code structure**—Maintain a program code structure with the level of detail needed to report all categories on which budgetary decisions are made, whether legally binding, as in appropriation limitations, or in the nature of policy guidance, as in Presidential pass-backs.
- SMA-12 **Internal fund code structure**—Maintain an accounting classification structure that can associate programs, projects, and activities with multiple internal fund codes.
- SMA-13 **Organization levels**—Maintain an organization structure that includes seven levels (such as agency, bureau, division, branch, etc.). Treat each level as its own reporting entity while also enabling establishment of parent child relationships for use in funds distribution and for financial reporting purposes.
- SMA-14 **Organization structure**—Maintain an organization structure that can associate programs, projects and activities with an organization.
- SMA-15 **Project code structure**—Maintain a project structure that can associate multiple organizations and programs with a project.
- SMA-16 **Object class code structure**—Maintain an object class structure consistent with the standard object class codes defined in OMB Circular A-11. Accommodate additional (lower) levels in the object class structure, e.g., by establishing parent child relationships.

Value-Added Requirements

There are no value-added requirements for this process.

Document and Transaction Control Process

The Document and Transaction Control process defines the rules for recording, editing, and processing transactions that are entered directly to the Core financial system. In addition to recording these transactions, the Core financial system must be able to record and process transactions originating in other systems. All transactions must be handled consistently, regardless of their point of origin. The Core financial system must ensure that transactions are controlled properly to provide reasonable assurance that the funds are available, tolerances between documents are not exceeded, and other transaction processing edits are met. Core financial systems edit for the presence of data elements required on all system documents or on specific document types (e.g., spending documents). The Document and Transaction Control process defines these required data elements and validations.

Mandatory Requirements

To support the Document and Transaction Control process, the Core financial system **must** provide automated functionality to do the following:

- SMB-01 **Document number**—Capture the following identifying numbers for each document and document amendment:
 - A system-generated or user-assigned document number
 - One or more general ledger transactions numbers
 - Agency-assigned source document number(s), such as the reimbursable agreement number, contract and associated delivery/task order number, requisition number, BPA and associated call number, and grant
 - One or more referenced document numbers in the processing chain.

- SMB-02 **Document number format**—Define document numbering as system generated or user-assigned.

- SMB-03 **Duplicate documents**—Validate that duplicate documents are not recorded, e.g., by editing document numbers.

- SMB-04 **Source system** —Capture the source system of each interfaced document.

- SMB-05 **Period of performance**—Capture period of performance start and end dates on the following document types and on related spending documents:
 - Contracts
 - Blanket purchase agreements
 - Reimbursable agreements
 - Travel orders
 - Grants.

- SMB-06 **Service dates**—Capture service dates or goods delivery dates on invoices.

- SMB-07 **Failed edit notification**—Notify the user when online documents fail edits or tolerance checks. Provide immediate notification on the screen where the information was entered.

- SMB-08 **Failed edit reason**—Notify the user of the reason for online edit errors and whether it is a rejection, warning or for information only.
- SMB-09 **Failed edit corrections**—Capture online document corrections.
- SMB-10 **Suspended documents**—Suspend documents that fail validation or tolerance edits.
- SMB-11 **Hold documents**—Hold documents for completion or submission at a later date. Segregate held from suspended documents.
- SMB-12 **Cancel documents**—Cancel held or suspended documents.
- SMB-13 **Tolerances**—Define percentage and "not-to-exceed" dollar tolerances at the document and line item level for the following relationships:
- Obligations to commitments
 - Obligations to unfilled customer orders
 - Advance payments to obligations
 - Receipts to obligations
 - Acceptance to receiving report
 - Invoices to obligations
 - Invoices to receiving reports
 - Invoices to acceptances
 - Receivables to unfilled customer orders
 - Collections (reimbursements or advances received) to reimbursable agreements.
- SMB-14 **Validation levels**—Define the level of all transaction processing edits, fund control edits, and tolerance checks as one of the following:
- Rejection
 - Warning
 - Information only.
- SMB-15 **Line item detail on all documents**—Capture the following line item detail on all documents:
- Line item number
 - Line item amount
 - Line item accounting classification information
 - Line item description
 - Line item extended amount.
- SMB-16 **Define Acquisition Information**—Maintain the following acquisition information to be captured on spending documents:
- Product codes (PSC, SIC, FSC)
 - Shipping terms (FOB destination, FOB shipping point, FOB origin)
 - Ship to locations (consignee's name and address and corresponding destination codes defined by the user).
- SMB-17 **Validate Acquisition Information**—Ensure that valid values for product codes, shipping terms and destination codes are captured on spending chain documents.

- SMB-18 **Line item detail on spending documents**—Capture the following information at the line item level on spending chain documents:
- Quantity
 - Unit of measure
 - Product code (PSC, FSC, etc.)
 - Shipping terms (FOB destination)
 - FOB shipping point, FOB origin)
 - Ship to locations (destination codes).
- SMB-19 **Line items to document total**—Validate that the sum of all document line items is equal to the document total.
- SMB-20 **Transaction effective date**—Derive a default transaction effective date from the current system date or the latest date in the latest open accounting period based on a configurable user preference.
- SMB-21 **Override effective date**—Capture a user specified effective date (i.e., override the default effective date) with a date in any current or prior accounting period.
- SMB-22 **Effective date of liquidations**—Record liquidation transactions with the effective date of the liquidating document, e.g., use the effective date of payment voucher, not the effective date of the original document, e.g., the referenced obligation.
- SMB-23 **Accounting classification validation**—Validate transactions for the presence and validity of required accounting classifications prior to posting. See requirement SMA-01 for list of required accounting classification elements.
- SMB-24 **Validate for active accounting classification** —Validate transactions for accounting classification elements and values that are active and current.
- SMB-25 **Record type 7 validation**—Validate transactions that would post to U.S. SGL accounts (e.g., borrowing authority, contract authority, or investments) to ensure that the associated fund code is designated as having the appropriate RT7 code.
- SMB-26 **Transaction dates** —Capture an effective date and a posting date on all transactions. (See Glossary definitions.)
- SMB-27 **Posting date**—Derive the transaction posting date from the system date.

Value-Added Requirements

To add value to the Document and Transaction Control process, the Core financial system **should** provide automated functionality to do the following:

- SMB-28 **Foreign currency transactions**—Record transactions in both foreign currency and U.S. dollars in all Core system modules.

Document Referencing and Modification Process

In the typical Federal spending chain, a purchase moves from the reservation (commitment) of funds, to the execution of an obligating document (e.g., contract or purchase order), to the acknowledgment of goods or services received and accepted goods, and finally to payment of the expense or asset. The Document Referencing and Modification process defines the relationships that must be maintained between these document types, the types of document amendments that must be accommodated by the Core financial system, and the related querying capabilities required by Core financial system users.

Mandatory Requirements

To support the Document Referencing and Modification process, the Core financial system **must** provide automated functionality to do the following:

- SMC-01 **Associate documents in the processing chain**—Associate documents in the processing chain, and bring forward accounting and non-financial information from one document to another, when the previously recorded document is referenced, (e.g., commitment to obligation, receivable to collection). This is to include accounting classification, vendor and customer information.
- SMC-02 **Liquidate referenced documents**—Liquidate, partially or in full, the balance of open documents by line item, as they are referenced by subsequent documents in the processing chain. For example, liquidate an obligation when referenced by an advance; liquidate a commitment when referenced by an obligation or accrual (including recurring accruals).
- SMC-03 **Associate documents with source documents**—Associate documents with related source documents (e.g., reimbursable agreements, contracts and delivery orders, BPAs and call numbers, and grants) so that queries show all related activity.
- SMC-04 **Document modifications**—Capture document modifications at the line item level, including changes to dollar amounts and accounting classifications. Validate that funds are available prior to recording the modifications.
- SMC-05 **Document cancellations**—Cancel posted documents. Maintain an audit trail for cancelled documents.
- SMC-06 **Associate modifications with original documents**—Associate document modifications with the original documents, so that queries show all related activity.
- SMC-07 **Document modification numbering**—Record subsequent activity related to a closed document under a unique document number. Maintain an audit trail that includes activity before and after the document was closed.
- SMC-08 **Reference multiple prior documents**—Reference multiple prior documents in the processing chain by line item. For example, link an obligating document to multiple commitment documents, or a collection to multiple receivable documents.

- SMC-09 **Related documents query**—Query documents. Parameter includes any document number. Result is a list of all documents in the document's processing chain. Drill-down to supporting GL transactions.
- SMC-10 **Related transactions query**—Query transactions. Parameter is any document number. Result is a list of all general ledger transactions in the document's processing chain. Drill-down to supporting transaction details.
- SMC-11 **Reclassify accounting data**—Reclassify accounting data at the document level when accounting classification elements are restructured, i.e., by reversing GL transactions and reposting them with the new values. Maintain an audit trail from the original postings to the final postings.
- SMC-12 **Dating of accounting data reclassification**—Reclassify accounting data from the date of change forward or retroactively from the beginning of the current fiscal year.
- SMC-13 **Reclassify open documents**—Reclassify related open documents when users correct classification information on a document in a processing chain.
- SMC-14 **Document status**—Capture the latest system processing status on all documents, e.g., held, validated, approved, suspended, processed, open, closed, cancelled (see glossary for document processing status definitions).
- SMC-15 **Document query**—Query documents. Parameter(s) include
- Document type
 - Document status (i.e., open, closed)
 - Vendor number, vendor DUNS+4 number
 - Customer number
 - Posting date
 - Effective date
 - Accounting period
 - Accounting classification elements. Result is a list of selected documents. Drill-down to associated GL transactions.

Value-Added Requirements

There are no value-added requirements for this process.

System-Generated Transactions Process

The initial source of Core financial system activity may be any one of the following: online data entry, other systems or modules, or system-generated transactions. System-generated transactions include recurring entries (and reversals), closing entries, cost assignment entries, and transactions generated by other transactions. Users define these entries in advance for subsequent posting by the Core financial system. The general ledger postings are specified, as well as the date or frequency of those postings. System-generated transactions are then posted automatically by the Core financial system on the specified dates, based on the passage of time.

Mandatory Requirements

To support the System-Generated Transactions process, the Core financial system **must** provide automated functionality to do the following:

- SMD-01 **System-generated transactions**—Define system-generated activity, including recurring entries, pre-closing and closing entries, cost assignment entries, and transactions generated by other transactions (e.g., spending adjustments).
- SMD-02 **Parameters for recurring entries**—Capture start and end dates and posting frequency (monthly, quarterly, or specified number of days) of recurring entries and reversals such as accruals and obligations.
- SMD-03 **Future-dated recurring entries**—Generate recurring entries and reversals in future accounting periods (e.g., payroll accruals), when the specified posting dates are reached. This is to include entries that cross fiscal years.
- SMD-04 **Future-dated transactions**—Future date transactions for use in triggering processing in subsequent accounting periods, when the specified posting dates are reached. Validate the transaction upon entry and re-validate the transaction at the point it is posted.
- SMD-05 **Transaction reversal parameters**—Reverse transactions by any one or a combination of the following parameters:
 - Transaction or document type
 - Transaction or document number
 - Transaction effective date
 - Transaction posting date
 - Source system ID
 - Dollar threshold
 - Schedule number. For example, reverse all FEDSTRIP obligations less than \$100.
- SMD-06 **Transaction reversals by range**—Reverse transactions by any one or a combination of the following parameters: transaction type, document type, posting date, schedule number, transaction number and document number. For example, reverse all obligation documents posted in October through December 2004.
- SMD-07 **Valid transaction reversals**—Validate that transaction reversals do not violate the integrity of the document chain. For example, do not reverse obligations that have been liquidated by payments. Allow for override when accounting classification elements are reclassified.

- SMD-08 **Unposted Reversals Report**—Document Reversals Report: Generate a report of Posted and Unposted Document Reversals. Parameters include accounting period, posting date, document type and schedule number. Result is:
- A list of document numbers reversed
 - Those not reversed due to violations in the integrity of the document chain
 - The parameter values
 - Posting date
 - Transaction numbers
 - Amounts.

Value-Added Requirements

There are no value-added requirements for this process.

Audit Trails Process

Adequate audit trails are critical to providing support for transactions and balances maintained by the Core financial system. Although audit trails are essential to auditors, they are also important to agencies in their day-to-day operation of the system. Audit trails provide users with information necessary to reconcile accounts, research document history, and query the data stored in the Core financial system.

Mandatory Requirements

To support the Audit Trails process, the Core financial system **must** provide automated functionality to do the following:

- SME-01 **Transaction processing audit trail** —Maintain an audit trail of transactions from their initial source through all stages of related system processing. The initial source may be journal entries or documents that were entered online, system generated, interfaced from other systems or modules, or converted during implementations or software upgrades.
- SME-02 **Document change log**—Generate an audit log that identifies all document additions, changes, approvals, and deletions by user.
- SME-03 **Accounting classification history** —Maintain an audit trail of all accounting classification structure additions, changes and deletions, including the effective dates of the changes.
- SME-04 **Reporting audit trail**—Maintain audit trails to trace source documents and transactions through successive levels of summarization to the financial statements and the reverse.
- SME-05 **Converted documents audit trail**—Maintain an audit trail of converted documents that includes the original source document numbers, e.g., contract identification numbers, and the original transaction effective dates.

Value-Added Requirements

There are no value-added requirements for this process.

General Ledger Management Function

General Ledger Management is the central function of the Core financial system. All transactions to record financial events must post to the general ledger, regardless of the origin of the transaction. Transactions originating in other systems may post to the general ledger at a summary level, depending on an agency's overall financial management system design and need. At a minimum, however, summary transactions must post at a level that maintains the accounting classification elements and attributes needed to support central agency reporting.

The general ledger must summarize and maintain account balances at the U.S. SGL account and attribute level. In addition, it must maintain balances by the accounting classification elements established in the System Management function. For example, account balances must be maintained at the internal fund and organization level. An agency might choose to classify financial data at a lower level by establishing general ledger subaccounts or agency-specific accounting classification elements in order to support internal reporting needs or program management performance reporting. The general ledger must maintain account balances at these agency-specific levels, as well.

The General Ledger Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- General Ledger Account Definition (GLA)
- Transaction Definition (GLB)
- General Ledger Update and Editing (GLC)
- Upward/Downward Spending Adjustments (GLD)
- General Ledger Analysis and Reconciliation (GLE)
- Accounting Period Maintenance and Closing (GLF).

General Ledger Account Definition Process

OMB Circular A-127, *Financial Management Systems*, requires implementation of the U.S. SGL at the transaction level. The U.S. SGL is defined in the latest supplement to the U.S. Department of the Treasury's TFM, which includes the chart of accounts, account descriptions and postings, accounting transactions, U.S. SGL attributes, and crosswalks to standard external reports. Each agency must implement a chart of accounts that is consistent with the U.S. SGL and meets the agency's information needs.

Mandatory Requirements

To support the General Ledger Account Definition process, the Core financial system **must** provide automated functionality to do the following:

- GLA-01 **Chart of accounts**—Maintain a chart of accounts consistent with the U.S. SGL Chart of Accounts, including the proprietary, budgetary, and memorandum accounts, basic numbering structure, and account titles.

- GLA-02 **Account attributes**—Maintain an association between the chart of accounts and valid attribute domain values used for FACTS I, FACTS II and GFRS reporting.
- GLA-03 **Control accounts**—Define specific GL accounts as control accounts for purposes of tracking activity in subsidiary ledgers.
- GLA-04 **Sub-accounts**—Define agency-specific GL sub-accounts that summarize to U.S. SGL accounts.
- GLA-05 **Sub-account length**—Accommodate an additional 2 digits beyond the U.S. SGL 4 digit account for agency-specific GL sub-accounts.
- GLA-06 **Memorandum accounts**—Define agency-specific memorandum accounts in the chart of accounts.
- GLA-07 **Account changes**—Add, change or delete accounts in the chart of accounts without programming changes.
- GLA-08 **Attribute value changes**—Add, change or delete U.S. SGL attribute domain values in order to accommodate changes in FACTS I, FACTS II, or GFRS reporting without programming changes.
- GLA-09 **Deleting accounts**—Warn the user if there has been any transaction activity posted to a GL account when deleting or de-activating the GL account.

Value-Added Requirements

There are no value-added requirements for this process.

Transaction Definition Process

In addition to implementing the U.S. SGL at the transaction level, OMB Circular A-127 requires common processes to be used for processing similar kinds of transactions throughout an integrated financial management system. This ensures that all transactions are handled consistently, regardless of their point of origin. Consistency in processing transactions is accomplished by defining standard transactions for use in recording accounting events. Standard transactions must comply with U.S. SGL posting rules and include budgetary, proprietary, and memorandum accounts, as applicable.

Mandatory Requirements

To support the Transaction Definition process, the Core financial system **must** provide automated functionality to do the following:

- GLB-01 **Standard transactions**—Record like accounting events consistently using standard transactions. Standard transactions must specify the general ledger account postings, and update document balances and any related tables (e.g. available funding). Standard transactions include transaction codes, screen templates, and derivation rules.

- GLB-02 **GL account postings**—Define the general ledger account postings used in a standard transaction.
- GLB-03 **Transaction accounts**—Define standard transactions that include proprietary, budgetary and memorandum accounts.
- GLB-04 **SGL consistency**—Define standard transactions consistent with U.S. SGL posting rules.
- GLB-05 **Posting derivation**—Define rules with standard transactions to derive general ledger postings based on accounting classification elements or other document data elements, such as product codes and shipping terms.
- GLB-06 **Transaction rules**—Define rules with standard transactions to selectively require, prohibit, or set a default value for an individual accounting classification element. For example, require an object class code when posting to the 6100 account.
- GLB-07 **Number of GL account pairs**—Define up to 10 debit and credit pairs in a single standard transaction.

Value-Added Requirements

There are no value-added requirements for this process.

General Ledger Update and Editing Process

To ensure the consistency and completeness of financial records, the General Ledger Update and Editing process requires that all general ledger accounts—budgetary, proprietary, and memorandum—referenced on a standard transaction be updated at the time of input of a transaction. It requires general ledger updates to be balanced at all levels of the organization and consistent with updates to subsidiary ledgers. Subsidiary ledgers must support the general ledger at various levels of detail, whether totally integrated as part of the Core financial system or interfaced from other systems.

Mandatory Requirements

To support the General Ledger Update and Editing process, the Core financial system **must** provide automated functionality to do the following:

- GLC-01 **Updating GL balances**—Update all general ledger account balances (i.e., budgetary, proprietary and memorandum accounts) based on a single input transaction.
- GLC-02 **Classifying transactions by attribute**—Classify accounting transactions by U.S. SGL attributes required for FACTS I, FACTS II, and GFRS reporting as specified by the current supplement(s) to the TFM.
- GLC-03 **Editing for attributes**—Validate U.S. SGL attributes on transactions (whether entered or derived) prior to the posting.

- GLC-04 **Balanced GL posting - 1**—Prevent transactions from posting that would cause general ledger debits and credits to be out-of-balance at any level of the agency's organizational structure.
- GLC-05 **Balanced GL posting - 2**—Prevent transactions from posting that would cause general ledger debits and credits to be out of balance within the proprietary, budgetary, or memorandum accounts. Proprietary, budgetary, and memorandum accounts must each be self-balancing.
- GLC-06 **Updating subsidiary ledger**—Update the document balances within subsidiary ledgers consistent with postings to general ledger control accounts. Prevent transactions from posting that would cause subsidiary ledgers to be out-of-balance with general ledger control accounts.
- GLC-07 **De-activated accounts**—Prevent transactions from posting to general ledger accounts that have been de-activated.

Value-Added Requirements

There are no value-added requirements for this process.

Upward/Downward Spending Adjustment Process

Accounting for upward and downward spending adjustments requires a complex analysis of the types of adjustments made to prior-year spending documents. This process requires the system to recognize when an adjustment occurs and to determine what type of adjustment occurred. Based upon this analysis, the system must automatically create the appropriate adjustment entry to record the financial event.

Mandatory Requirements

To support the Upward/Downward Spending Adjustment process, the Core financial system **must** provide automated functionality to do the following:

- GLD-01 **Record spending adjustments**—Derive and record the amount of upward or downward spending adjustments upon liquidating, canceling, or modifying the dollar amount of prior year obligations or expenditures. Record the spending adjustment at the time of posting the transaction which generated it.
- GLD-02 **Spending adjustments for accounting classification changes**—Record the amount of upward or downward spending adjustments upon changing an accounting classification element on a prior year obligation or expenditure that would cause the total prior year spending (obligations and expenditures) to change at the fund level.
- GLD-03 **Adjustments to expired vs. unexpired**—Determine if upward and downward adjustments are to expired or unexpired budget authority in order to derive the U.S. SGL prescribed entries to record spending adjustments.

- GLD-04 **Anticipated recoveries**—Determine if anticipated recoveries have been previously recorded in order to derive the U.S. SGL prescribed entries to record upward and downward spending adjustments.
- GLD-05 **Adjustments to paid vs. unpaid**—Determine if upward and downward adjustments are to "paid" or "unpaid" obligations and/or expenditures in order to derive the U.S. SGL prescribed entries for recording spending adjustments.
- GLD-06 **Adjustments to delivered vs. undelivered**—Determine if upward and downward adjustments are "delivered" or "undelivered" orders in order to derive the U.S. SGL prescribed entries to record spending adjustments.
- GLD-07 **Previously unrecorded obligations**—Permit recording of previously unrecorded obligations to prior year budget authority or expired budget authority and generate related upward spending adjustments in the current year.
- GLD-08 **Spending adjustment warning**—Provide a warning when posting transactions that will invoke upward or downward spending adjustments.

Value-Added Requirements

There are no value-added requirements for this process.

General Ledger Analysis and Reconciliation Process

The Core financial system must provide information to use in analyzing account balances and in reconciling account balances to information contained in reports and in subsidiary ledgers. With system integration, the likelihood of out-of-balance conditions existing between financial reports, subsidiary ledgers, and account balances should be minimal, but the possibility of such conditions do exist as a result of system failures and incorrect transaction definitions.

Mandatory Requirements

To support the General Ledger Analysis and Reconciliation process, the Core financial system **must** provide automated functionality to do the following:

- GLE-01 **General ledger account balances query**—Query general ledger account balances. Parameters include beginning effective date, ending effective date, and TAS or internal fund code. Result is beginning account balances, period activity, and ending account balances for the TAS or internal fund code specified. Drill-down from period activity to supporting general ledger transactions; from general ledger transactions to supporting documents; and from supporting documents to other documents in the document chain.
- GLE-02 **GL and Subsidiary Ledger Comparison Report**—Generate the GL and Subsidiary Ledger Comparison Report. Parameters include the GL accounts. Result is a report listing the GL control accounts, the balance in each GL control account, the balance of the open documents in the corresponding subsidiary ledger, and the difference.

- GLE-03 **GL Control Account Supporting Document Report**—Generate the GL Control Account Supporting Document Report. Parameters include the GL control accounts. Result is the GL account balance, and a list of the open documents and balances supporting the GL account balance.

Value-Added Requirements

There are no value-added requirements for this process.

Accounting Period Maintenance and Closing Process

This process segregates accounting transactions into accounting periods and creates closing entries needed at the end of a period (month or year) for reporting purposes. It also controls and executes period-end system processes needed by the system to open a new reporting period, such as rolling forward account balances or reversing certain year-end entries. This process supports the preparation of consolidated financial statements by identifying information needed in that process.

Mandatory Requirements

To support the Accounting Period Maintenance and Closing process, the Core financial system **must** provide automated functionality to do the following:

- GLF-01 **Accounting periods**—Maintain fifteen, or more, accounting periods per fiscal year. Provide the option to designate one period to record opening balances, twelve periods to record monthly activity and two additional periods for year end pre-closing and closing entries.
- GLF-02 **Open accounting periods**—Record transactions concurrently to all open accounting periods. Provide the option to keep two or more accounting periods open simultaneously (e.g., the current and prior month).
- GLF-03 **Closed accounting periods**—Close accounting periods and prohibit the posting of new transactions to any closed period.
- GLF-04 **Re-opening accounting periods**—Re-open closed accounting periods and post transactions to them.
- GLF-05 **Closing Entries**—Provide a year-end closing process that results in the recording of U.S. SGL prescribed closing entries in accounting periods separate from other accounting periods.
- GLF-06 **Multiple closings**—Perform multiple closings in a trial/test mode so that users can review the closing results, clear the closing entries and re-run the closing process. This functionality must be available for both "pre-closing" entries and "closing" entries.
- GLF-07 **Closing results**—Generate transaction registers and trial balances that support the review of the closing process run in trial/test mode.

- GLF-08 **Open fiscal years**—Record transactions concurrently to the current and prior fiscal years (i.e., until the closing process is complete). Update the current year's beginning balances (i.e., both GL account and funds availability) in real time as transactions are posted that affect the prior fiscal year's ending balances.
- GLF-09 **Roll forward balances**—Derive an accounting period's opening balances based on the prior accounting period's closing balances at the US. SGL attribute level. The opening of general ledger account balances must be at a level of detail sufficient to meet all external reporting requirements.
- GLF-10 **Roll forward tables**—Make chart of account, transaction definition, system control, and configuration tables available in subsequent fiscal years.

Value-Added Requirements

There are no value-added requirements for this process.

Funds Management Function

Article I, section 9, of the Constitution of the United States provides that “no money shall be drawn from the Treasury, but in Consequence of Appropriations made by law....” From this basic provision, a body of laws and regulations has evolved to govern the Federal budget process and prescribe generally uniform procedures for obtaining, expending, administering, and controlling resources. Federal appropriations law, U.S. Comptroller General Decisions, and OMB Circular A-11, *Preparation, Submission, and Execution of the Budget* constitute authoritative guidance and set governmentwide policy for funds management.

To comply with OMB Circular A-11, each agency of the Federal Government is responsible for preparing an agency budget estimate to request funding and for establishing a system for ensuring that it does not obligate or disburse funds in excess of those appropriated or authorized. The Funds Management function of the Core financial system is an agency’s primary tool for carrying out this responsibility. In addition to supporting the governmentwide policies, the Funds Management function must support agency policies on internal funds allocation methods and controls.

An agency will likely have many other systems in addition to the Core financial system that affect funds management. For example, procurement and travel systems generate documents that commit and obligate funds. These and other systems that affect funds availability should access data in and use processes of the Core financial system to verify that funds are available and to update balances. These systems typically access the funds availability editing activity before allowing an obligation to be incurred, such as when entering into a contract. However, in some cases, such as payroll, this may not be practical.

The Funds Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Budget Planning (FMA)
- Budget Preparation (FMB)
- Budget Authority (FMC)
- Funds Distribution (FMD)
- Funds Control (FME)
- Funds Status (FMF).

Budget Planning Process

Budget planning is the process of establishing the initial agency budget plan. The budget plan is a blueprint for using financial resources during any given fiscal period or series of periods. The Budget Planning process includes updating the budget plan as necessary and reporting on the use of resources against these plans throughout the year.

Mandatory Requirements

To support the Budget Planning process, the Core financial system **must** provide automated functionality to do the following:

- FMA-01 **Financial Plans**—Capture multi-level financial, spending and operating plans (i.e., plans) that can be used to forecast and monitor future spending and collection activities.
- FMA-02 **Plan classifications**—Capture plans for any user specified accounting classification at the line item level.
- FMA-03 **Plan organizations**—Capture plans at any user specified organization level.
- FMA-04 **Plan periods**—Capture plans by month, quarter or year as specified by the user.
- FMA-05 **Plan export**—Export plan information at the line item level in a format that is suitable for direct import into the budget formulation system.

Value-Added Requirements

To add value to the Budget Planning process, the Core financial system **should** provide automated functionality to do the following:

- FMA-06 **Plan measurements**—Generate plan results based on multiple measures including fixed dollar amounts, unit costs, cost allocations, labor hours or full-time equivalents (FTEs).
- FMA-07 **Plan versions**—Maintain current and multiple historical versions of plans.
- FMA-08 **Legal limitations**—Capture legal limitations on the use of funds in plans.
- FMA-09 **Administrative limitations**—Capture administrative limitations on the use of funds in plans.
- FMA-10 **Future plans**—Maintain plans for future operating periods (i.e., future fiscal years).
- FMA-11 **Plan activation**—Activate future period plans based on a specified plan start date or on-demand.

Budget Preparation Process

Budget preparation is the process of assembling estimates for the upcoming fiscal year for transmittal to OMB and the congressional appropriations committees, preparing justification materials to support those estimates, and defending those estimates formally (at OMB and congressional hearings) and informally (through staff contacts with these entities).

Mandatory Requirements

There are no mandatory requirements for this process.

Value-Added Requirements

To add value to the Budget Preparation process, the Core financial system **should** provide automated functionality to do the following:

- FMB-01 **Budget information**—Maintain budget formulation classification elements for which legally binding decisions are made (e.g., GPRA goals, Apportionment categories, etc.).
- FMB-02 **Administrative budget information**—Maintain budget formulation information for administrative purposes as in the nature of policy guidance and decision making (e.g., Presidential/OMB pass backs, congressional markup documents, or internal agency decisions).
- FMB-03 **Prior-year actuals**—Calculate prior year budgeted and actual amounts at the line item level and use this data to update the current budget formulation system.
- FMB-04 **Budget comparisons**—Compare prior year spending to budgeted amounts at the line item level.
- FMB-05 **Projected activity**—Generate projected future period obligations, income, and expenditures at any level of the organizational structure based on prior year actual activity using user supplied projection rates.
- FMB-06 **Projection rates**—Maintain projection rates (e.g., 90%, 100%, 110%) by budget object class for use in budget formulation.
- FMB-07 **Applying rates**—Apply projection rates to all, selected groups or specified individual budget line items.
- FMB-08 **What if analysis**—Perform "what if analysis" by generating multiple budgets based on alternative funding and spending criteria.
- FMB-09 **Payroll forecasts**—Generate payroll forecasts (i.e., anticipated compensation and benefits) at the object class and individual employee level.
- FMB-10 **Modification of payroll forecasts**—Modify payroll forecasts.
- FMB-11 **Projected overhead**—Project overhead in the budget formulation system based on user defined overhead rates.
- FMB-12 **Budget information import**—Import budget formulation information from spreadsheets.
- FMB-13 **Budget guidance**—Import submission guidance, narratives, and briefing from user desktop PC applications.
- FMB-14 **Budget guidance distribution**—Distribute budget submission guidance to subordinate organizations electronically.

- FMB-15 **Budget cycles**—Capture multiple budget cycles (e.g. monthly, quarterly, semi-annual, and yearly).
- FMB-16 **Budget and GPRA goals** —Associate budget formulation line items to the agency’s stated goals and objectives required by GPRA.
- FMB-17 **Budget information**—Generate budget formulation information for all categories on which legally binding budgetary decisions are made (e.g., appropriation limitations).
- FMB-18 **Administrative budget information**—Generate budget formulation information for administrative purposes as in the nature of policy guidance and decision making (e.g., Presidential/OMB pass backs, congressional markup documents, or internal agency decisions).

Budget Authority Process

Establishing budget authority, formerly referred to as Funds Allocation, is the beginning of the budget execution process. This process records an agency’s budgetary resources and supports the establishment of legal budgetary limitations within the agency, including appropriation warrants, apportionments, reapportionments, transfer allocations, and continuing resolutions. It also supports the establishment of funding to agencies that are not subject to apportionment.

Mandatory Requirements

To support the Budget Authority process, the Core financial system **must** provide automated functionality to do the following:

- FMC-01 **Budget authority types**—Record types of budgetary authority recognized by OMB including appropriations, borrowing, contract, net transfers, and spending authority from offsetting collections.
- FMC-02 **Budget documents**—Record funding and related budget execution documents (e.g., appropriation warrants, and apportionments).
- FMC-03 **Changes to budget authority**—Record changes to budget authority including reductions; rescissions; amounts withheld or made unavailable; supplementals, transfers; reprogramming; legal limitations and changes to continuing resolutions.
- FMC-04 **Expirations of budget authority**—Record the expiration and cancellation of budget authority in accordance with OMB Circular A-11.
- FMC-05 **Continuing resolutions**—Record multiple (successive) continuing resolutions. Generate related budgetary funding distributions to the lowest funding levels within the organization based on an allowed percentage by TAFS.
- FMC-06 **CR effective dating**—Capture effective date information for use in generating continuing resolution related transactions.

- FMC-07 **Revolving funds**—Support funding of revolving fund contracts, work-orders, and projects through the use of advances, prepayments or reimbursements.
- FMC-08 **Reimbursable Authority**—Enable available fund balances to be based on reimbursable customer orders accepted or advanced.
- FMC-09 **Advance funding**—Differentiate between reimbursable agreements with other government agencies and those with the public. Require advance funding on reimbursable agreements with the public.
- FMC-10 **SF 132 Schedule**—Generate completed SF-132 Schedules for each TAFS requiring apportionment in the electronic file format specified by OMB.
- FMC-11 **SF 132 recording**—Record the apportioned funds in accordance with the latest SF 132 Apportionment and Reapportionment Schedule approved by OMB.

Value-Added Requirements

There are no value-added requirements for this process.

Funds Distribution Process

Funds distribution is the part of budget execution cycle where legally apportioned resources are distributed within the agency to support missions, programs, and other objectives. The process establishes multiple levels of budgetary control by allotting and sub-allotting apportioned resources for agency management purposes.

Mandatory Requirements

To support the Funds Distribution process, the Core financial system **must** provide automated functionality to do the following:

- FMD-01 **Record distributions**—Record allotments, sub-allotments, allocations and allowances (i.e. distribute funds) to multiple organizational levels or elements of accounting classification based on legal and administrative limitations.
- FMD-02 **Funds distribution levels**—Record eight, or more, levels for funds distribution including levels used for appropriation and apportionment for distributing budget authority.
- FMD-03 **Funds distribution availability**—Prevent the distribution of funds in excess of the amount of funds available for allotment or sub-allotment at each distribution level.
- FMD-04 **Funding distribution modification**—Record the modification of funding distributions at all affected multiple organizational levels.
- FMD-05 **Administrative limitations**—Record administrative spending limitations on the use of funds.

- FMD-06 **Spending**—Record spending documents at levels below the level to which funds are distributed (e.g., funds are distributed to the bureau level but spending is recorded at the office level).
- FMD-07 **Withdrawal of distributed funds**—Record the withdrawal (or cancellation) of unobligated allotments and sub-allotments (both expired and unexpired) for all or selected TAFS at the end of a fiscal period or on demand as in rescissions.
- FMD-08 **Withdrawal of unobligated funds**—Record the withdrawal (or cancellation) of unobligated allotments and sub-allotments (both expired and unexpired) for selected organizations at the end of a specific fiscal period or on demand as in rescissions.

Value-Added Requirements

To add value to the Funds Distribution process, the Core financial system **should** provide automated functionality to do the following:

- FMD-09 **Plan-based allotments**—Record the allotment and sub-allotment of funds (including limitations) based on approved changes to operating plans.
- FMD-10 **Generated allotments**—Generate allotment and sub-allotment documents and electronically distribute them to subordinate organizations.
- FMD-11 **Reprogramming requests**—Capture requests for reprogramming of funds or additional funds outside the formal budget process.
- FMD-12 **Reprogramming request status**—Capture submitted, reviewed and approved status information on re-programming requests.
- FMD-13 **Recording reprogramming requests**—Record budget authority changes based upon approved of reprogramming requests.

Funds Control Process

Funds control prevents the expenditure of funds in excess of established budgetary limitations as established through the Funds Distribution process. Core financial systems must be designed to apply effective funds control at the point spending documents are entered. The Funds Control process consists of the following document processing related activities:

- *Funds Availability Editing.* This activity verifies that sufficient funds are available for each processed spending transaction that affects the agency's available fund balances.
- *Commitments.* This activity records commitment documents (e.g., requisitions). Commitments allow the agency to “reserve” funds before legal obligations are established. Commitments are a useful funds control tool, but are not appropriate for all spending situations. In cases where the agency determines that the use of commitments is appropriate, the Core financial management system must provide the capability to apply funds control as defined in this document.

- *Obligations.* This activity records obligating documents in the Core system. OMB Circular A-11 defines obligations as a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be legally incurred. Examples are amounts of orders placed, contracts awarded, services received, and similar transactions that require payments during the current or a future period.
- *Advances.* This activity records advances made to others by the agency. Advances include money prepaid under a statutory authorization for goods, services, or other assets to be received at a later date. For example, payment for all or any part of the estimated cost of the work could be made to the provider filling the order in advance. Later, the advance payments are adjusted as agreed to on the basis of the actual cost of goods or services provided.

All requirements relating to Funds Control are grouped by these activities.

Mandatory Requirements

To support the Funds Control/Funds Availability Editing activity, the Core financial system **must** provide automated functionality to do the following:

- FME-01 **Monitor use of funds**—Monitor the use of funds and prevent spending in excess of the available authority at each organizational level and other accounting classifications to which budget authority is distributed based on legal or administrative limitations.
- FME-02 **Spending documents**—Record spending documents that affect the availability of funds, including commitments, obligations, advances, and expenditures.
- FME-03 **Spending transactions**—Record spending transactions, including commitments, obligations, advances and expenditures, at a lower level in the accounting classification than they are budgeted.
- FME-04 **Prior year funds**—Record transactions against prior year funds, both expired and unexpired, in the current year.
- FME-05 **Obligations against closed accounts**—Ensure that amounts paid out of current year funds to cover obligations made against a closed account (TAFS) do not cumulatively exceed 1 percent of the current year appropriation and 1 percent of the original appropriation.
- FME-06 **Spending document classification**—Capture current information on commitments and obligations according to the required accounting classification elements.
- FME-07 **Historical spending data**—Capture historical data on all commitment, obligation, advance, and expenditure transactions.
- FME-08 **Open spending document detail**—Maintain open documents to show the status of commitments, obligations, and accruals by line item.

- FME-09 **Funds availability**—For all spending documents, perform real-time validation for funds availability prior to completing the transaction.
- FME-10 **Unexpired, expired or cancelled funds**—Determine funds availability based on originating document budget fiscal year, whether funds cited are unexpired, expired, or cancelled. Record U.S. SGL prescribed general ledger entries when de-obligation of expired funding occurs.
- FME-11 **Reuse of de-obligated funds**—Relative to funds with an annual period of availability, prohibit the allotment and reuse of de-obligated funds.
- FME-12 **Funds control updates**—Update the funds control and budget execution balances to reflect changes in the status of obligations and expended appropriations, as well as changes in amounts.
- FME-13 **Monitor plans**—Monitor the use of funds against plans. Prevent spending in excess of pre-defined spending categories and timeframes.
- FME-14 **Monitor legal limitations**—Monitor the use of funds against legal limitations. Prevent spending that exceeds an established limitation.
- FME-15 **Monitor administrative limitations**—Monitor the use of funds against administrative limitations. Prevent spending that exceeds an established limitation.
- FME-16 **Monitor reimbursable agreements**—Monitor the use of funds against reimbursable agreements. Prevent spending that exceeds the amount of the reimbursable agreement. For reimbursable agreements with the public, prevent spending that exceeds the amount of the advance received.
- FME-17 **Reduce reimbursable authority**—Reduce funds availability when recording commitments, obligations and expenditures referencing a specific reimbursable agreement.
- FME-18 **Monitor contracts**—Monitor the use of funds against contracts, work-orders, task orders, and grants. Prevent spending that exceeds the budgeted authority.

To support the Funds Control/Commitments activity, the Core financial system **must** provide automated functionality to do the following:

- FME-19 **Suggested vendor**—Capture a suggested vendor on commitment documents (when available).
- FME-20 **Close commitments**—Close commitments by document and line item under the following circumstances: (1) by the system upon issuance of an obligating document, (2) by an authorized user, or (3) as part of the year-end pre-closing process.

To support the Funds Control/Obligations activity, the Core financial system **must** provide automated functionality to do the following:

- FME-21 **Multiple funding sources**—Fund commitment or obligation documents from multiple funding sources.
- FME-22 **Obligating document data**—Capture the following additional data elements on obligating documents:
- Referenced commitment
 - Obligation type
 - Prompt pay indicator
 - Discount payment terms
 - Matching terms (2-way, 3-way, or 4-way)
 - Vendor ID number
 - DUNS plus 4 number
 - Contract number/GSA schedule
 - Shipping terms
 - Approval date.
- FME-23 **No related commitment**—Record obligations for which there is no related commitment.
- FME-24 **Multiple commitments**—Reference multiple commitment documents on a single obligation.
- FME-25 **Commitment document referencing**—When recording obligations that reference multiple commitments, bring forward line item information from each commitment document referenced.
- FME-26 **Multiple obligations**—Reference a single commitment document on multiple obligations.
- FME-27 **Obligation query**—Query obligations. Parameter(s) include document number, vendor number, effective date, posting date, accounting period, or any accounting classification element. Result is list of obligations. Drill down to selected document details.
- FME-28 **Different vendors**—Capture a different vendor on an obligating document than the vendor captured on a referenced commitment.
- FME-29 **Close obligations**—Close obligation documents under the following circumstances:
- by the system upon final payment for goods or services, or
 - by an authorized user.
- Upon the closing of an obligation, classify any de-obligation of excess funds by budgetary status (i.e., expired, unexpired, available for obligation or unavailable).
- FME-30 **Records of call**—Record records of call against blanket purchase agreements.
- FME-31 **Delivery orders**—Record delivery orders against contract limitations.

To support the Funds Control/Advances activity, the Core financial system **must** provide automated functionality to do the following:

- FME-32 **Advance payments**—Record advance payments made, such as travel advances, contract advances, and grants. When recording an advance payment, reference an obligating document and bring forward all accounting information. In cases where no obligating document is available to reference, reduce funds availability by advance payments made.
- FME-33 **Advance payment refunds**—Record advance payment refunds. Reduce spending accordingly.
- FME-34 **Advance payment document data**—Capture the vendor ID number on advance payment documents.
- FME-35 **Expenditures incurred**—Record expenditures incurred against advance payments made. Liquidate the advance either partially or fully.

Value-Added Requirements

To add value to the Funds Control process, the Core financial system **should** provide automated functionality to do the following:

- FME-36 **Additional obligation data** —Capture the following other data fields on obligating documents:
 - Requester's name
 - Telephone number of requester
 - Deliver to location (e.g., room number, division)
 - Contact name
 - COTR name
 - COTR telephone number
 - Comments.

Funds Status Process

The Funds Status process fulfils A-11 requirements for reporting budget execution information, including the submission of SF 133, Report on Budget Execution and Budgetary Resources, as well as other special schedules on the status of funds, such as the MAX budget system used to collect, process, and analyze budget information.

This process provides budgetary information to enable agency personnel to analyze, monitor, and adjust funding for programs throughout the fiscal year. It also supports the need to compare data between the Funds Management function and other functions to ensure consistency.

Mandatory Requirements

To support the Funds Status process, the Core financial system **must** provide automated functionality to do the following:

- FMF-01 **MAX reporting**—Maintain budget data needed to support OMB MAX reporting.
- FMF-02 **Open Commitments and Obligations Report**—Generate the Open Commitments and Obligations Report. Parameters include any accounting classification element. Result is a list of open commitments and obligations with document number, unliquidated amount, vendor and accounting classification string. Provide the option to group output by any combination of accounting classification elements.
- FMF-03 **Status of funds by TAFS query**— Query status of funds by TAFS. Parameters include TAFS and effective date. Result is a TAFS list, grouped by type of budget authority, with balances of commitments, obligations, advances, expenditures, and remaining funds available.
- FMF-04 **Contract Activity Report**—Generate the Contract Activity Report. Parameters include Contract number, reimbursable agreement number, BPA number, task order number or grants number. Result is a report including:
- Contract number
 - Customer ID
 - Terms and conditions
 - Period of performance
 - Accounting classifications for both the sending and receiving agencies
 - Monthly, quarterly, fiscal year-to-date, and inception-to-date activity totals.
- FMF-05 **Financial activity query**—Query financial activity (by Agreement). Parameter(s) include time period (month, quarter, year, or inception to date), and reimbursable agreement, BPA, task order, grant, or contract number. Result is a report displaying financial activity.
- FMF-06 **System assurance for funds availability**—Provide system assurance that funds availability balances used for funds control and funds status reporting agree with the general ledger.

Value-Added Requirements

To add value to the Funds Status process, the Core financial system **should** provide automated functionality to do the following:

- FMF-07 **MAX data reporting**—Export budgetary data in format required by OMB's MAX system.
- FMF-08 **Spending notifications**—Notify users using online messaging, exception reports, e-mail or workflow queues when funds availability is reduced based on the processing of a user specified transaction type or external system source (e.g., credit card payments and payroll).

Payment Management Function

Federal payment regulations are documented in several different sources, including 5 CFR 1315 (codification of OMB Circular A-125, *Prompt Payment*), which specifies government policy for payments made to vendors against contracts. It states, in part, that agencies must make payments on time; pay interest when payments are late; and take discounts only when payments are made on or before the discount date and when it is advantageous to the government. CMIA specifies requirements for payments made to states. Regulations implementing CMIA are specified in 31 CFR 205. DCIA provides for access to TINs and administrative offset and salary offset authorities. Other regulations govern payments made for travel, payroll, benefits, and other purposes.

Depending on an agency's system architecture, specific activities relating to payments may be supported by other systems that provide transaction data to the Core financial system for control and management. For example, payroll systems usually trigger actual disbursements to employees through direct deposit or by check, and send only the expense and disbursement information to the Core financial system for recording the impact on the general ledger, funds control, and cost management processes. Likewise, loan and grant programs might be supported by systems that maintain their own information on payees and payments and send transaction data to the Core financial system.

Other systems may support activities that lead up to the payment stage, such as recording obligations and expenditures and establishing payables, but depend on the Core financial system to manage the actual payment process itself. For example, a travel system might calculate the amount to be paid on a travel voucher and send transactions to the Core financial system to record the expenses and a payable to the traveler. The Core financial system would then schedule the payment for disbursement and confirm that the disbursement has been made.

If the supporting systems are covered by one or more other FFMSR documents, agencies should refer to those documents for specific payment management requirements. If the supporting systems use payment management functionality of the Core system, then payments initiated from other systems are subject to the applicable requirements listed here for payment management.

The Payment Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Payee Information Maintenance (PMA)
- Accounts Payable (PMB)
- Invoicing (PMC)
- Disbursing (PMD)
- Payment Follow-Up (PME).

Payee Information Maintenance Process

The term “payee” is used here to include any entity to which disbursements may be made, for example, individuals and organizations providing goods and services, employees, grant recipients, loan recipients, and other government agencies. In an integrated system, payee information needed to make payments should be coordinated with information needed for other purposes and in other systems. For example, a company that provides goods and services to an agency should have a common identifier, such as a TIN, associated with it that is shared by the procurement and payment processes. With this common identifier, contract information and payment information can be linked, even if the addresses for ordering and paying are different. Furthermore, such information should also be available to the procurement and payment processes.

Subpart 4.11 of the FAR prescribes policies and procedures for requiring contractor registration in the CCR database, the common source of vendor data for the Federal Government. Both current and potential government vendors are required to register in CCR in order to be awarded contracts by the government. The CCR validates the vendors’ information and electronically shares the data with the Federal agencies’ finance offices to facilitate paperless payments through EFT. Agencies’ Core financial systems must accommodate the data elements and definitions used in the CCR in order to facilitate this information exchange and to maintain current information on the vendors with which they conduct business.

Mandatory Requirements

To support the Payee Information Maintenance process, the Core financial system **must** provide automated functionality to do the following:

- PMA-01 **Vendor information**—Capture vendor information to support payment management processes including the following information:
- Vendor ID number (agency assigned)
 - Vendor name (Legal name or DBA)
 - Vendor address
 - Vendor e-mail address
 - Business type (accommodate CCR published business rules for business type: Federal govt., state govt., small business, etc.)
 - Organization type (accommodate CCR published business rules for organization type: sole proprietorship/Individual; partnership, employee, etc.)
 - Federal/Non-Federal indicator
 - Trading Partner code, for Federal vendors
 - Agency Location Code, for Federal vendors
 - Disbursing Office Symbol, for Federal vendors
 - Default payment method (Electronic Funds Transfer (EFT) or check)
 - Alternate payment method (EFT or check)
 - EFT file format (CCD, CCD+, PPD, PPD+, CTX)
 - Taxpayer Identification Number (TIN)
 - Indicator of purchase card issuer (Y/N)
 - Four remittance addresses, for check payments, (street address, city, state, zip code, country)
 - Contact names and telephone numbers, accommodating contact types defined as "mandatory" in CCR business rules
 - Four instances of EFT banking information (account number, account type (checking or savings), RTN)

- Four instances of EFT bank name and address
 - Four contact names and telephone numbers, for non-CCR vendors
 - DUNS number
 - DUNS "+ Four" number for each instance of banking information, for CCR vendors
 - Prompt pay indicator (Y/N)
 - Purchase card Issuer indicator (Y/N)
 - Foreign vendor indicator (Y/N)
 - Internal Revenue Service (IRS) -1099 indicator
 - IRS W-2 indicator
 - CCR registration indicator (required, exempt)
 - CCR registration status (active or expired)
 - Comment field
 - Activate/Inactive indicator.
- PMA-02 **Third-party vendors**—Capture vendor third-party payee information:
- Payee name
 - Payee point of contact
 - Payee telephone number
 - Remittance address or/banking information (account number, account type, RTN)
 - TIN.
- PMA-03 **Vendor/customer relationships**—Capture the relationships between vendors and customers, such as through a shared vendor/customer record.
- PMA-04 **CCR updates to vendor file**—Import Central Contractor Registration (CCR) data. The system must provide the following CCR data processing functionality:
- Update the mandatory payee information required by PMA-01 (previously recorded) in existing vendor records to reflect the relevant changes contained in the daily updates provided by the CCR via extract files.
 - Accommodate the data definitions (e.g. data types; field names; field lengths) used in CCR for all fields that are common in both the CCR and the Core vendor file.
 - Prevent users from manually updating the relevant data fields specified in PMA-01, whose source must be the CCR (as specified by OMB and the FAR) relative to vendors that are required to register in the CCR.
 - Flag vendor name changes for novation review (potential contract mods).
- PMA-05 **DUNS number to TIN association**—Associate multiple Data Universal Numbering System (DUNS) numbers with a single Taxpayer Identification Number (TIN) to accommodate CCR published business rules.
- PMA-06 **DUNS+4 to DUNS number association**—Associate multiple DUNS plus 4 numbers to a single DUNS number.
- PMA-07 **CCR vendor to DUNS+4 number association**—Associate each instance of CCR vendors' banking information with a DUNS+4 number.

- PMA-08 **Duplicate vendor records**—Validate that duplicate vendor records are not entered, e.g., by editing the TIN field.
- PMA-09 **Vendor file query**—Query vendor file. Parameter(s) include:
- Vendor ID number
 - Vendor name (legal or DBA)
 - Vendor TIN
 - IRS-1099 reporting status
 - CCR registration indicator
 - CCR registration status. Result is a display of all data elements of the vendor file for the specified vendor. (See requirement PMA-01 for complete list of elements.)
- PMA-10 **Vendor file history**—Generate an audit log of changes made to vendor information, including:
- Change made prior to vendor file purges and deactivations
 - Changes to payment address(es), bank account and routing information
 - Changes to default payment methods
 - Changes to vendor names.
- PMA-11 **Vendors deactivation criteria**—Deactivate vendors that meet user selected criteria, e.g., length of time with no activity, CCR registration status of expired.
- PMA-12 **Vendor deactivation edit**—Prohibit the deactivation of vendors that have unliquidated obligations or unpaid invoices in the system.
- PMA-13 **User deactivation of vendors**—Activate or deactivate individual vendors.
- PMA-14 **Vendor Detail Report**—Generate a Vendor Detail Report. Parameter(s) include:
- Vendor ID number
 - Vendor name (legal or DBA)
 - Vendor TIN
 - CCR registration indicator
 - CCR registration status. Result is a display of all data elements of the vendor file for the specified vendor. (See requirement PMA-01 for complete list of elements.)

Value-Added Requirements

There are no value-added requirements for this process.

Accounts Payable Process

This process recognizes and records accounts payable due to another entity in the near term. These payables may be due for any of several reasons, for example, as a result of receiving goods and services in accordance with contract terms, under a loan or grant agreement, as an advance payment for goods or services to be provided in the future, or as a progress payment under a construction contract.

Mandatory Requirements

To support the Accounts Payable process, the Core financial system **must** provide automated functionality to do the following:

- PMB-01 **Receipt and acceptance**—Record full or partial receipt and/or acceptance of goods and services by line item.
- PMB-02 **Accrued liability upon receipt**—Record an accrued liability and the associated expense or asset upon receipt of goods or services. If funded by an advance or prepaid expense, record a liquidation.
- PMB-03 **Receipt document data** —Capture the following additional information on receipt documents (receiving reports):
- Referenced obligation document number(s)
 - Delivery/task order number associated with the contract
 - Call number associated with the BPA
 - Purchase order number
 - Receiving official
 - Date products received
 - Quantities received
 - Vendor ID number.
- PMB-04 **Simultaneous receipt and acceptance**—Record the simultaneous receipt and acceptance of goods and services.
- PMB-05 **Acceptance document data**—Capture the following additional information on the acceptance of goods/services:
- Source document number(s) (reimbursable agreement number, BPA and associated BPA call number, contract and associated delivery/task order number, and grant number)
 - Acceptance official
 - Date products accepted
 - Quantity accepted
 - Quantity rejected
 - Date products rejected (returned)
 - Vendor ID number.

Value-Added Requirements

There are no value-added requirements for this process.

Invoicing Process

The Invoicing process supports the recording of invoices received from vendors and the matching of these documents to related obligation, receipt, and acceptance documents. The matching process ensures that payments are made in accordance with contract terms and applicable regulations, including 5 CFR 1315. Once matched and approved, invoices are warehoused in the Core financial system and await payment scheduling that occurs when their payment due dates are reached. Adequate internal controls must be in place to verify that goods and services paid for were actually ordered, received, and accepted; that proper due dates and payment amounts are computed; and that duplicate payments are prevented.

Mandatory Requirements

To support the Invoicing process the Core financial system **must** provide automated functionality to do the following:

- PMC-01 **Payment without invoice**—Generate a payment without an invoice, e.g., based on the contract schedule of payment.
- PMC-02 **Payment based on receipt**—Generate an invoice if the obligation matches the receiver information. Provide this option as a function of the matching process.
- PMC-03 **Invoice data**—Capture the following additional information on invoice documents:
- Referenced obligating document number(s)
 - Delivery/task order number associated with the contract
 - Source document number(s) (reimbursable agreement number, BPA and associated BPA call number, contract and associated delivery/task order number, and grant number)
 - Account number
 - Payment terms
 - Discount terms
 - Invoice date
 - Invoice receipt date
 - Date invoice deemed proper
 - Invoice approval date
 - Vendor invoice number
 - Vendor ID number
 - Remittance address or banking information (account number, routing transit number)
 - DUNS+4 number if CCR vendor
 - User comments.
- PMC-04 **Vendor invoice number**—Capture a vendor invoice number of up to 30 characters or the current requirement of I TFM-6-5000. Report the complete number on all payment files, reports and query results.
- PMC-05 **Third-party payee information**—Capture actual vendors when disbursing to a third party, e.g., for Government credit card purchases.
- PMC-06 **Invoice line items**—Capture up to 9,999 line items per invoice document.
- PMC-07 **Duplicate invoices**—Validate that duplicate invoices are not recorded, e.g., by editing the combination of vendor number and vendor invoice number.
- PMC-08 **Validate banking information on invoices**—Validate the banking information on invoice documents for consistency with the banking information on the vendor record.
- PMC-09 **Validate vendor CCR status on invoices**—Validate the CCR status of vendors for which invoice documents are entered, to ensure that the status is 'active'.

- PMC-10 **Validate customer status**—Validate the customer status of vendors for which invoice documents are entered, to prevent payments by Non-Treasury Disbursing Offices to delinquent federal debtors, as required by DCIA.
- PMC-11 **Validate invoices for remittance address**—Validate that the remittance address for check payments includes a street address (or P.O. Box), city, state, zip code, and country.
- PMC-12 **Matching options**—Match invoices to obligations, receiving reports and acceptance information by line item. Perform two-way matching (obligation and invoice), three-way matching (obligation, simultaneous receipt/acceptance and invoice) and four-way matching (obligation, receipt, acceptance and invoice). Prohibit the payment of invoices until the matching process is complete.
- PMC-13 **Purchase card payments** —Permit payment to commercial purchase card issuers prior to evidence of receipt or performance.
- PMC-14 **Validate invoice quantity**—Validate invoice quantity to the quantity obligated, received and accepted. Provide the option to make partial payments based on items/quantity received.
- PMC-15 **Match period of performance**—Match period of performance on invoices to obligation, receipt and acceptance documents, and allow only invoices for matched periods to be paid.
- PMC-16 **Validate invoice period of performance**—For invoices submitted under a contract or reimbursable agreement, validate that the service or goods delivery date is within the specified period of performance.
- PMC-17 **Validate invoice ship to location**—Validate the "Ship To" location on invoices to the referenced obligation, receipt and acceptance documents.
- PMC-18 **Partial/final invoices**—Record an invoice as a "partial" or "final" payment of the referenced obligation. If "final", deobligate any unliquidated balance and close the obligation.
- PMC-19 **Close receipt upon final payment**—Upon "final" payment of an obligation, change the status of the related receipt document to closed.
- PMC-20 **Multiple obligations**—Reference multiple obligations on different lines of a single invoice document.
- PMC-21 **Different types of obligations**—Reference multiple obligations of different types (e.g., contract, grant) on a single invoice document.
- PMC-22 **Adjust payment amounts**—Record additional shipping and other charges to adjust the payment amount, if they are authorized and within variance tolerances.

- PMC-23 **Set up recurring payments**—Define recurring payments in the system and schedule items (e.g. contracts, leases, etc.) for payment on an interval determined by the user (i.e., weekly, bi-weekly, monthly, quarterly or other specified number of days). Capture the actual payment dates on the individual payment records.
- PMC-24 **Modify recurring payment terms**—Modify recurring payment information for changes in agreement terms, amounts, frequency, etc.
- PMC-25 **Warehouse Invoices**—Warehouse approved invoices for future scheduling.
- PMC-26 **Update invoice documents**—Modify, cancel or put invoice documents on hold.
- PMC-27 **Define invoice reason codes**—Define valid reason codes for holding, adjusting, rejecting, returning, and cancelling invoice documents.
- PMC-28 **Capture invoice reason codes**—Capture valid reason codes when holding, adjusting, rejecting, returning, and cancelling invoice documents.
- PMC-29 **Capture reason codes for discounts taken and interest paid**—Capture valid reason codes on invoice documents when discounts are lost or interest is paid.
- PMC-30 **Capture reason codes for CCR validation errors**—Capture valid reason codes on invoice documents when invoices are held due to invalid banking information, an expired CCR status, contract name different than CCR company name, or other CCR validation errors.
- PMC-31 **Invoice rejection notice to vendors**—Generate a letter or e-mail to the vendor stating the reason for rejection or "notice of intent to disallow" an invoice within seven days of receipt of invoice. Include the related reason code(s) for the invoice rejection and the name, title, and phone number of a person to contact on questions pertaining to the invoice.
- PMC-32 **Import CCR vendor status updates**—Import updated status information from the CCR system and release suspended/held invoices due to CCR status changes from expired to active.

Value-Added Requirements

There are no value-added requirements for this process.

Disbursing Process

This process supports activities required to make payments that were warehoused or to record payments made by other systems. The Core financial system must provide the capability to prepare requests for disbursement (payment schedules) and to create and transmit payment files in the formats required by Treasury for the initiation of EFTs and check payments for agencies for which Treasury does the actual disbursing. Some agencies have delegated disbursing authority and can print checks or initiate electronic transfers themselves. Agencies with delegated disbursing authority must comply with the requirements contained in I TFM Part 4 and all applicable requirements in this function.

Mandatory Requirements

To support the Disbursing process, the Core financial system **must** provide automated functionality to do the following:

- PMD-01 **Payment due dates**—Calculate the due date of vendor payments in accordance with Title 5, Part 1315 of the CFR which states, in part, that for agencies subject to prompt payment requirements, payment is due either: (1) the later of 30 days after the receipt of a proper invoice or the seventh day after goods/services are received (or earlier acceptance date) for services and non-dairy products; (2) 10 days after the receipt of a proper invoice for dairy products; (3) the date specified in the contract; (4) in accordance with discount terms when discounts are offered and taken; (5) as soon as possible, in accordance with Accelerated Payments Methods; or(6) within 15 days of the receipt of invoices less than \$25,000, without evidence of receipt, under contracts with Fast Pay Clauses.
- PMD-02 **Purchase card payment due dates**—Calculate the payment due date of purchase card invoices based on the invoice amount and rebate offered, in accordance with 5 CFR Part 1315. Provide the option to override the system calculated payment date.
- PMD-03 **Invoices with multiple due dates**—Calculate multiple due dates when items on an invoice have different prompt payment or discount terms.
- PMD-04 **Override obligation payment terms**—Change the prompt payment flag on the obligation documents from the default setting on the related vendor record. Store the updated value with invoice record and determine the payment due date using the new value.
- PMD-05 **Override system-calculated due date**—Override a system-calculated payment due date.
- PMD-06 **System calendar**—Define dates (e.g., weekends, Federal holidays) for which payments can not be scheduled. Prevent payment scheduling that fall on user-excluded dates.
- PMD-07 **Validate invoice discount terms**—Compare discount terms on the invoice with discount terms on the related obligating document. Notify the user when differences are identified.
- PMD-08 **Override obligation discount terms**—Override the discount terms on a referenced obligation with the discount terms offered on the invoice.
- PMD-09 **Taking discounts**—Determine whether taking a discount is economically justified as defined in I TFM-6-8040.
- PMD-10 **Calculating discount amounts**—Calculate amounts to be disbursed, including discounts, interest, and penalties, in accordance with Title 5, Part 1315 of the CFR. Record the U.S. SGL prescribed transactions for discounts taken, and interest, penalties and principal paid.

- PMD-11 **Calculate late payment interest**—Apply Treasury interest rate tables (e.g., Prompt Pay Act Interest rate and Current Value of Funds rate) in calculating payment amounts and due dates.
- PMD-12 **Apply interest and discounts**—Apply interest and discount across multiple accounting lines on an invoice using the same rule used to apply the original payment.
- PMD-13 **Record late payment interest**—Charge late payment interest to other accounting classifications in the same fund as the original payment.
- PMD-14 **Numbering payment schedules** —Maintain a sequential numbering system for scheduling payments to the disbursing office. Assign different schedule number ranges for different payment types, such as travel schedules, transportation schedules, payroll schedules, vendor schedules, etc. Require each schedule number to be unique.
- PMD-15 **Select payments for disbursement**—Generate an audit log of changes made to vendor information including:
- Changes made prior to vendor file purges and deactivations
 - Changes to payment address(es), bank account and routing information
 - Changes to default payment methods
 - Changes to vendor names
 - Changes to CCR vendor data.
- PMD-16 **Do not disburse to negative cash position**—Validate that invoices selected for payment will not disburse a fund into a negative cash position. Notify users of invoices that fail this edit. (A negative cash position may be valid for certain reimbursable activity.)
- PMD-17 **Manual payments**—Remove a warehoused invoice from the automated scheduling stream and process the invoice for manual payment.
- PMD-18 **Voucher sampling query**—Query vouchers. Parameter(s) include scheduled payment date, and statistical sampling criteria. Result is a list of invoices selected for payment certification sampling. Drill-down to invoice details.
- PMD-19 **Statistical sampling parameters**—Identify a sample of invoices for certification based on one or a combination of the following parameters:
- Invoice dates
 - Number of invoices
 - Dollar amount of invoices.
- PMD-20 **De-selecting payments for disbursement**—Remove/de-select invoices from payment schedules during the certification process.
- PMD-21 **Split invoices**—Split a single invoice into payments to separate bank accounts (e.g., benefit payments to recipients).

- PMD-22 **Payment files**—Export check and EFT payment files in the current Treasury FMS formats for the following media:
- Telecommunications
 - Tape
 - Third party upload through Electronic Certification System (ECS)
 - Upload to Secure Payment System (SPS).
- PMD-23 **ACH payment formats**—Generate Automated Clearing House (ACH) payment files in the following formats:
- Corporate Trade Exchange (CTX) 820 file
 - CTX Flat File
 - Cash Concentration or Disbursement (CCD)
 - CCD Plus Addendum (CCD+)
 - Prearranged Payment and Deposit (PPD)
 - Prearranged Payment and Deposit Plus Addendum (PPD+).
- PMD-24 **NACHA payment formats**—Export National Automated Clearing House Association (NACHA) payment formats for Non-Treasury Disbursing Offices.
- PMD-25 **Treasury edits on EFT files**—Validate that EFT payment file data will pass the following Treasury edits:
- Routing Transit Numbers (RTN's) exist in the Financial Organization Master File (FOMF) (or other verified update file), for the financial institution.
 - RTN's pass the Modulus 10 check on the validity of the check digit.
 - RTN's are nine-digits, numeric-only, and not all zeroes.
 - Agency Location Codes are eight-digits and numeric only.
 - Taxpayer Identification Numbers are nine-digits, numeric-only, and not all zeroes.
- PMD-26 **Treasury edits banking information**—Prevent the creation of a Fedwire or ACH payment that does not contain a RTN and a bank account number.
- PMD-27 **ACH employee payments**—Validate that employee ACH payments are generated only as PPD or PPD+ payments.
- PMD-28 **ACH vendor payments**—Validate that vendor ACH payments are generated only as CCD, CCD+ or CTX formats.
- PMD-29 **CTX vendor payments**—Generate separate files for CTX payments that meet the following specifications:
- Reflect balanced transactions (sum of all remittance records equals the transaction total).
 - Include a valid settlement date (next business day or later).
 - Accommodate credit memos.
- PMD-30 **Treasury edits on CTX files**—Validate that CTX vendor payments contain properly structured remittance information, as specified in the CTX payment file's remittance record format.

- PMD-31 **Payment schedule totals by TAS**—Generate totals by TAS on each payment schedule/file.
- PMD-32 **Payment files for multiple ALCs**—Combine payment files from multiple ALCs into a single file for transmission to Treasury. Report summary totals (items and dollars) by ALC and TAS and for the entire file for certification purposes.
- PMD-33 **Bulk check payment files for multiple payee types**—Generate one bulk check payment file regardless of payee type (employee or vendor).
- PMD-34 **Consolidate multiple payments payee**—Consolidate multiple payments to a single payee in accordance with TFM prescribed limitations (currently up to 14 lines of 55 characters each for check payments, up to 9,999 lines of 80 characters each for CTX payments). Itemize all payments covered by the one check or EFT (CTX only). Provide the option to issue separate checks to a payee.
- PMD-35 **TAS information on consolidated payments**—When consolidating multiple payments to a single payee, report the TAS associated with each payment in the payment file.
- PMD-36 **Remittance information on files**—Generate the following identification on each remittance, as allowed for by payment file formats and NACHA edits:
- Vendor invoice number(s)
 - Invoice amount
 - Payment amount
 - Discount amount
 - Interest amount
 - Offset amount.
- PMD-37 **ECS payments**—Schedule and disburse U.S. dollar payments (SF 1166) through the Treasury's Electronic Certification System (ECS), containing up to the limit of 60 payments per schedule (for non-summary schedules) and 100 schedules for each ECS terminal per day.
- PMD-38 **SPS payments**—Schedule and disburse U.S. dollar payments (SF 1166) through the Treasury's Secure Payment System (SPS), containing up to the limit of 60 payments per schedule (for non-summary schedules).
- PMD-39 **Prompt pay**—Capture prompt payment information required by Title 5, Part 1315 of the CFR, including discounts taken, discounts lost, and interest paid.
- PMD-40 **Payments GL entries**—Record the U.S. SGL prescribed general ledger entries for the payment of advances, prepaid expenses, loans, and grants.
- PMD-41 **Small purchase GL entries**—Record the U.S. SGL prescribed entries for purchases made through the use of Imprest funds, third-party drafts and Government purchase cards.
- PMD-42 **Simultaneous obligation and payment**—Record "obligate and pay" transactions where obligation and payment occurs simultaneously.

- PMD-43 **Imprest funds**—Record the establishment and replenishment of imprest funds.
- PMD-44 **Payments for other agencies**—Record payments made on behalf of another agency, citing the other agency's funding information.
- PMD-45 **Interfaced payment entries**—Record payment transactions from other systems, such as payroll and travel. Identify whether or not disbursement has already been made, and record the U.S. SGL prescribed general ledger entries. Schedule those disbursements not already made for payment through the core financial system.
- PMD-46 **IPAC payments and collections**—Capture the following additional information for intragovernmental payment and collection (IPAC) transactions:
- Sender/originator Treasury Account Symbol (TAS)
 - Sender ALC
 - Sender Standard General Ledger (SGL) account
 - Sender Business Event Type Code (BETC)
 - Sender Disbursing Office (DO) symbol
 - Sender DUNS number
 - Sender DUNS+4 number
 - Customer/receiver TAS
 - Customer ALC
 - Customer SGL account
 - Customer DUNS number
 - Customer DUNS+4 number
 - Customer BETC
 - Customer Department Code.
- PMD-47 **IPAC adjustments**—Capture the following additional information for IPAC adjustment transactions: original DO symbol and voucher number.
- PMD-48 **IPAC post SGL transactions**—Capture the following additional information for IPAC Post SGL transactions:--SGL comments.
- PMD-49 **IPAC bulk file export**—Export a bulk file in the currently required format for uploading the following interagency transactions to IPAC:
- Payment
 - Collection
 - Adjustment
 - Zero dollar
 - SGL posting.
- PMD-50 **IPAC GL entries**—Record transactions to reflect disbursement activity initiated by other agencies and recorded in IPAC.
- PMD-51 **Credit memo processing**—Record credit memoranda for returned goods or other adjustments. Apply the credit to the specific obligation that resulted in the credit, reducing the expenditure attributed to that obligation. If a credit is not fully liquidated by one payment, maintain the balance of the credit (e.g., as an account receivable) for application against a future payment.

- PMD-52 **Notify vendors of credit memo offsets**—Notify vendors when an invoice has been fully offset by a credit memo, resulting in a zero payment.
- PMD-53 **Credit memo offsets across funds**—Apply credits against subsequent disbursements to the same vendor regardless of the funding source.
- PMD-54 **Credit memo offset exclusions**—Exclude payments from agency offset based on user-defined criteria including funding source, object class, vendor type and vendor number.
- PMD-55 **Reverse payment schedules**—Reverse an entire payment schedule or a single payment within a payment schedule based on a single, online action. Reverse the disbursement-in-transit entries, re-establish the accounts payable, and update related payment records.
- PMD-56 **Spending adjustments in unexpired and expired funds**—In unexpired and expired funds, re-open closed obligations when related payments are cancelled or adjusted downward.
- PMD-57 **Spending adjustments in cancelled funds**—In cancelled funds, provide the option to reference the original obligation number on new spending adjustment documents.

Value-Added Requirements

To add value to the Disbursing process, the Core financial system **should** provide automated functionality to do the following:

- PMD-58 **Payment schedule totals by TAS and BETC**—Generate totals by TAS and BETC on each payment schedule/file.
- PMD-59 **Calculate foreign payment amounts**—Calculate payments to foreign vendors based on current exchange rates.
- PMD-60 **Foreign payment file formats**—Generate foreign payment file formats, including International Direct Deposit (IDD).

Payment Follow-Up Process

This process allows for agency follow-up on payments pending and accomplished. Core financial systems must capture the information needed to track invoices through various stages of processing, to respond to vendor inquiries, and to report payment activity to external entities such as the IRS.

Mandatory Requirements

To support the Payment Follow-Up process, the Core financial system **must** provide automated functionality to do the following:

PME-01 **Invoice stages**—Capture the status of invoices through the following stages:

- Invoice received
- Invoice held due to CCR or other validation errors
- Improper invoice returned to vendor
- Invoice deemed proper, awaiting approval
- Invoice approved and warehoused
- Payment scheduled
- Payment confirmed.

PME-02 **Payment history**—Maintain a history of the following information for each payment made by the Core financial system:

- Accounting classification information
- Agency Location Code
- Referenced obligation document number(s)
- Source document number(s) (reimbursable agreement number, BPA and associated BPA call number, Contract and associated delivery/task order number, and grant number)
- Total invoice amount
- Payment voucher document number
- Vendor invoice number
- Vendor information (number, name, address, TIN, and DUNS+4 number for CCR vendors)
- Payment address or bank account number and routing number
- Payment method (e.g., check, EFT)
- Payment amount
- Interest paid
- Discount taken
- Internal offset made
- Date due
- Date paid.

PME-03 **Vendor payment information query**—Query vendor payment information.

Parameter(s) include:

- Vendor ID number
- Vendor name (legal or DBA)
- Vendor TIN
- IRS-1099 reporting status
- CCR registration indicator
- CCR registration status
- Invoice number
- Payment date(s).

Result is the vendor ID, payment date, payment amount, and payment status (confirmed, scheduled, cancelled, etc.) of all payment activity meeting the specified parameters.

- PME-04 **Invoice status query**—Query invoice status. Parameter(s) include invoice number, vendor number, obligation number and vendor TIN. Result is a list of invoice numbers meeting the criteria, with the date received, vendor number, amount of the invoice, status of the invoice (see PME-01 for list of statuses), payment due date (if payment scheduled) and payment date (if confirmed).
- PME-05 **Unmatched Invoices Report**—Generate the Unmatched Invoices Report. Result is a list of invoices received but not matched to obligations, receipts, and/or acceptance with the following information:
- Invoice number
 - Vendor number
 - Obligation number
 - Referenced obligation number
 - Obligation effective date
 - Receipt effective date
 - Invoice date
 - Invoice receipt date
 - Invoice amount
 - Age, in days, that invoice has been unmatched.
- PME-06 **Unscheduled Invoice Report**—Generate the Unscheduled Invoices Report. Result is a list of invoices that have not been assigned a status of "scheduled" with the invoice number, vendor number, invoice amount, invoice date, invoice receipt date, invoice due date, and date the invoice reached each of the following processing stages:
- Invoice received
 - Invoice held due to CCR or other validation errors
 - Improper invoice returned to vendor
 - Invoice deemed proper, awaiting approval
 - Invoice approved and warehoused
 - Invoice held due to CCR or other validation errors
 - Improper invoice returned to vendor
 - Invoice deemed proper, awaiting approval
 - Invoice approved and warehoused.

- PME-07 **Aged Accounts Payable Report**—Generate the Aged Accounts Payable Report. Result is a list of unpaid invoices with the following information:
- Invoice number
 - Vendor number
 - invoice amount
 - Vendor type
 - Invoice date
 - Invoice receipt date
 - Invoice due date
 - Accounting period
 - Fund
 - General ledger account
 - Age, in days. Provide the option to sort the report by any one or a combination of the following parameters:
 - Accounting period
 - Fund
 - General ledger account
 - Vendor type
 - Vendor number
 - Age, in days.
- PME-08 **Aged Invoices Report**—Generate the Aged Invoices Report. Result is a list unpaid invoices past their due dates and invoices paid late with the following information:
- Invoice number
 - Vendor number
 - Invoice amount
 - Invoice date, along with the dates that the following processing stages were reached and the number of days between each date:
 - Invoice receipt date
 - Invoice approval date
 - Invoice due date
 - Invoice payment date.
- PME-09 **IRS 1099 Forms**—Generate IRS Forms 1099-MISC, 1099-INT and 1099-G in accordance with IRS regulations and in current IRS acceptable format, including hard copy and electronic form. For example, produce an IRS Form 1099-MISC for payments of \$600 or more to a sole proprietor for services rendered.
- PME-10 **Third-party 1099s**—Report third-party payments on the principal vendors' IRS 1099 forms.
- PME-11 **1099-MISC query**—Query 1099-MISC information. Parameters include calendar year, vendor number, vendor name, and TIN. Result is details supporting 1099-MISC reporting.
- PME-12 **Export third-party payment information**—Export third-party employee payment information to the travel/and or payroll system for W-2 reporting.

Value-Added Requirements

To add value to the Payment Follow-Up process, the Core financial system **should** provide automated functionality to do the following:

- PME-13 **Travel payment notification**—Generate e-mail notification to employees of travel payments made by disbursing offices.

- PME-14 **State and Congressional District Spending Report**—Generate the State and Congressional District Spending Report. Parameter includes accounting period, vendor number and vendor type. Result is a list of agency-wide payments by the state and congressional district of the payees/vendors.

Receivable Management Function

Receivables are established to account for amounts due from others as the result of performance of services by the agency, delivery of goods sold, the passage of time (e.g., interest earned), loans made to others that must be repaid, or other actions. Receivables are accounted for as assets until funds are collected, or determined to be uncollectible in whole or in part. In addition, some receipts may be collected without the prior establishment of a receivable, as in the case of goods sold for cash.

Federal debt management regulations are documented in several different sources. The Debt Collection Act of 1982 authorized agencies to charge interest, penalties, and administrative costs against delinquent non-Federal debtors, and on debts due from state and local governments. OMB Circular A-129, *Policies for Federal Credit Programs and Non-Tax Receivables*, prescribes policies and procedures for collecting non-tax receivables and sets standards for servicing these receivables and for collecting delinquent debt. DCIA established a framework for improved Federal debt collection by requiring agencies to take prompt action to recover debts, screen potential borrowers related to credit programs, and resolve outstanding debt through various options. DCIA centralized the management of delinquent non-tax obligations overdue by 180 days in the Department of the Treasury for administrative offset and cross-servicing. In addition, DCIA allows referral of the delinquent debt to the Department of Justice for litigation. To remain in compliance with these requirements, Federal agencies, unless otherwise precluded from statute, must accurately and timely report on receivables by submitting all required information on the TROR.

Depending on an agency's system architecture, servicing and collection activities for some receivables may be supported by other systems that provide data to the Core financial system. This would be particularly appropriate for receivables resulting from large programs with complex data requirements, such as loan programs, grant programs, or fee-for-service programs. Servicing and collection of receivables with simpler requirements for supporting data, such as those resulting from erroneous payments, may be supported directly by the Core financial system with no support by other systems. Servicing of payroll collections (benefits, judgments, etc.), however, should be maintained in the payroll system and made available to the Core system for recording the general ledger impact.

The Receivable Management function includes recording, billing, monitoring, and collecting amounts due the government whether previously established as a receivable or not. These activities must be supported by aging schedules, exception reports, and reports used to monitor due diligence efforts.

The Receivable Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Customer Information Maintenance (RMA)
- Receivable Establishment (RMB)
- Debt Management (RMC)
- Collections and Offsets (RMD).

Customer Information Maintenance Process

The word “customer” is used here to include any entity that owes a debt to the agency, including contractors, employees, grantees, loan recipients, and other government agencies. Agency payees or vendors may become customers of the agency, in the event that duplicate or overpayments occur.

The Customer Information Maintenance process involves the maintenance of customer information (name, address, etc.), identification of the type of customer from which collection is due, and the recording of trading partner codes used in the elimination of intra-governmental activity from financial statements, as well as other critical information related to the customer that is needed for receivable processing, maintenance, and collection. The process ensures that customer TINs are captured in order to report overdue receivables for potential offset and to provide for IRS Form 1099 reporting of debts written off.

The Customer Information Maintenance process supports billing, reporting, and research activities through the association of customer information with individual accounts receivable.

Mandatory Requirements

To support the Customer Information Maintenance process, the Core financial system **must** provide automated functionality to do the following:

- RMA-01 **Customer information**—Capture customer information to support receivable management processes including the following information:
- Customer name
 - Customer ID number
 - Customer status
 - Customer type (Federal agency, foreign/sovereign, state/local government, commercial, or consumer)
 - Billing method (IPAC, 1081, remit-to-address, or other); customer status (in bankruptcy, on hold, delinquent, with extended repayment plan, and in appeal)
 - TIN
 - Customer address
 - Customer contact name
 - Customer contact telephone number
 - Federal vs. Non-Federal indicator
 - Six-digit Trading Partner code
 - ALC (for Federal customers)
 - IRS 1099 indicator
 - Third-party payer name
 - Third-party payer address
 - Third-party payer contact name
 - Third-party payer contact telephone number
 - Comment field
 - DUNS number.

- RMA-02 **Customer master record**—Capture a customer master record to support billing, reporting, research and audit trail purposes that associates all of the information maintained on each customer (e.g. customer ID number, customer type, etc) with related receivable activity. Receivable activity must include effective date, amount, document number, and document reference number (as applicable) of the following:
- Receivables established (including dates due)
 - Interest, penalties, and administrative costs assessed
 - Adjustments made
 - Collections received
 - Waivers
 - Write-offs
 - Billings. Enable access to a customer account record by customer ID number, name, or TIN.

- RMA-03 **Reimbursable agreement information**—Capture and accumulate reimbursable agreement information that includes the following:
- Billing limit
 - Billing terms
 - Customer order amount
 - Amount obligated
 - Amount expended
 - Advances collected
 - Advances applied to earned revenue
 - Remaining balance on advances
 - Amount earned
 - Amount billed
 - Accounts receivable
 - Collections on receivables. Enable access to reimbursable agreement information by customer ID number, reimbursable agreement number, project, or fund.

Value-Added Requirements

There are no value-added requirements for this process.

Receivable Establishment Process

The Receivable Establishment process supports activities to record receivables in the system as they are recognized and to produce bills for amounts due to the agency.

Mandatory Requirements

To support the Receivable Establishment process, the Core financial system **must** provide automated functionality to do the following:

- RMB-01 **Recording accounts receivable**—Record accounts receivable and corresponding revenues, expenditure reductions, or advance/prepayment reclassifications.

- RMB-02 **Receivable types**—Classify receivables based on user-defined receivable types that identify the activity which generated the receivable. Examples of Government activities that generate receivables include sale of goods or services; overpayments; unused advances subject to refund; fee schedules; or payment schedules.
- RMB-03 **Receivable document data**—Capture the following data elements on receivables:
- Effective date of receivable (may be different from posting date or effective date of the document being posted)
 - Principal amount of receivable
 - Interest, penalty charges, or administrative cost amount
 - Receivable due date
 - User-defined receivable type (i.e., activity that generated receivable)
 - Customer ID number
 - Reference document number.
- RMB-04 **Interagency agreement terms**—Calculate and record accounts receivable and generate related bills to customers based on interagency agreement terms, including:
- Percentage of work completed
 - Percentage obligated
 - Accrued expenditures
 - Actual costs incurred (direct and indirect using data from the cost management system).
- RMB-05 **Reimbursable authority limits**—Prevent recording of receivables, revenue, or billing in excess of the reimbursable authority on a reimbursable order.
- RMB-06 **Scheduled billings**—Record accounts receivable and generate related bills based on pre-defined fee schedules or payment schedules.
- RMB-07 **Credit memoranda**—Record receivables upon processing credit memoranda for returned goods or upon identifying overpayments or erroneous payments.
- RMB-08 **Returned checks**—Re-establish a receivable when a check is returned due to insufficient funds.
- RMB-09 **Installment plans**—Establish receivables to be paid under installment plans, including rescheduled debt.
- RMB-10 **Rescheduling debt**—Reschedule a debt multiple times.
- RMB-11 **Amortization Schedule**—Generate a Debt Repayment Amortization Schedule. Parameters include the receivable number, final due date, begin date, frequency of payments, and interest rate. Result is an amortization schedule that displays the original amount of debt, payment dates, amount of incremental payments, and balance remaining after each payment for debt being paid under an installment plan or rescheduled debt.

- RMB-12 **Converted Receivables**—Capture the original effective date on receivables converted from legacy systems, in order to properly age the receivable.
- RMB-13 **Bill types**—Define multiple types of bills. Customize the text and data elements to be displayed on system-generated bills, by customer type, receivable type, or billing method. For example, an IPAC bill for the sale of goods and services would need to contain different supporting documentation than a bill to an employee for an overpayment.
- RMB-14 **Bill forms**—Generate bills in hard-copy format, including Standard Forms 1080 and 1081.
- RMB-15 **Bill number and date**—Provide a bill number and bill date on system-generated bills.
- RMB-16 **Overriding bill date**—Date bills by default with the system-generated date. Provide an override option.
- RMB-17 **Consolidating receivables**—Accommodate multiple receivables for a customer onto one bill retaining identification of each receivable separately within the bill.
- RMB-18 **Itemizing bills**—List principal, interest, penalties, and administrative costs separately on a bill and provide a description of each.
- RMB-19 **Assigning receivables to third-parties**—Assign receivables to third-party payers as responsible debtor for billing purposes.
- RMB-20 **Receivable status**—Update receivable status from unbilled to billed when bills are generated.
- RMB-21 **Manual bills**—Capture information from manually prepared bills. Update receivable record (e.g., change status of receivable from unbilled to billed) and customer master record with manual bill information.
- RMB-22 **Adjusting receivables**—Adjust receivables and provide a reason and description.

RMB-23 **Customer Account Statement**—Generate a Customer Account Statement. Parameters include customer type, and time period (month, quarter, year-to-date). Result is a statement for each customer that includes:

- Statement date
- Customer ID number
- Customer name
- Customer address
- Customer point of contact
- Agency name
- Agency point of contact
- Agency contact phone number
- Balance brought forward
- Receivables established (including due dates)
- Interest, penalties, and administrative costs assessed
- Adjustments made
- Payments received
- Outstanding receivable balance.

RMB-24 **Outstanding receivable balance query**—Query outstanding receivable balance. Parameter is the receivable document number. Result is the original amount of the receivable, the current outstanding amount of the receivable and a detailed list of all activity related to the receivable, including:

- Adjustments
- Interest assessed
- Penalty charges assessed
- Administrative costs charged
- Collections
- Waivers
- Write-offs.

Value-Added Requirements

There are no value-added requirements for this process.

Debt Management Process

The Debt Management process involves the maintenance of account information on individual accounts receivable. The process supports activities to age receivables, calculate interest and record penalties and administrative charges on overdue debt, pursue collection of amounts due, liquidate receivables, record adjustments to receivables, maintain a proper allowance for uncollectible amounts, and record write-offs.

Mandatory Requirements

To support the Debt Management process, the Core financial system **must** provide automated functionality to do the following:

RMC-01 **Assessing interest**—Calculate and assess late payment interest charges to overdue non-Federal receivables based on the Treasury Current Value of Funds Rate (CVFR).

- RMC-02 **Specifying interest rate**—Specify a late payment interest rate different from the CVFR for a particular customer or customer type.
- RMC-03 **Assess Penalties and Administrative Costs**—Calculate and assess penalty charges and administrative costs to overdue receivables based on user-specified rates, amounts, customer types, receivable types, or individual debtors.
- RMC-04 **Accounting classification of receivables**—Optionally record interest, penalties, or administrative costs to accounting classification elements that are different from those the principal amount is recorded to.
- RMC-05 **Interest on referred debts**—Provide the functionality to cease or continue accruing interest on delinquent debts that have been referred to Treasury or another agency.
- RMC-06 **Dunning notice text**—Customize text used on dunning notices based on age categories of receivables and customer type.
- RMC-07 **Generating dunning notices**—Generate dunning notices on overdue receivables, at frequencies determined by the user, including on-demand, and by user-defined parameters, including by customer type.
- RMC-08 **Accounts Receivable Aging Report**—Generate an Accounts Receivable Aging Report. Parameters include:
- Customer type
 - Customer type group (e.g., all non-Federal)
 - Fund
 - General ledger account. Result is a report that displays the outstanding receivable balance in each of the Delinquent Debt Age categories required for the TROR.
- RMC-09 **Accounts receivable aging query**—Query accounts receivable by age categories. Parameters include:
- Customer type
 - Customer type group (e.g., all non-Federal)
 - Fund
 - General ledger account. Result is the outstanding receivable balance in each of the Delinquent Debt Age categories required for the TROR. Drill-down to a detailed list of outstanding receivables within any one aging category.
- RMC-10 **Receivables eligible for write-off query**—Query receivables eligible for write-off. Parameters include:
- Age
 - Amount
 - Customer type
 - Receivable type. Result is a list displaying the receivable number, outstanding amount, age of receivable, vendor or customer name, and vendor or customer number of each receivable. Provide the option to select receivable items for write-off.

- RMC-11 **Waivers and write-offs**—Record the waiver and write-off of receivables, including interest, penalties, and administrative costs assessed.
- RMC-12 **Waived and written-off receivables**—Maintain data on receivables that have been waived or written-off.
- RMC-13 **Receivables eligible for referral query**—Query receivables eligible for referral. Parameters include:
- Age (over 180 days)
 - Customer type
 - Receivable type. Result is a list displaying the receivable number, receivable amount, age of receivable, vendor or customer name, and vendor or customer number of each receivable. Provide the option to select receivable items for referral.
- RMC-14 **Delinquent debt referral file**—Export a delinquent debt referral file for transmission to Treasury in accordance with the Debt Collection Improvement Act (DCIA).
- RMC-15 **Referred receivables**—Maintain data on receivables referred to Treasury or other outside organizations for collection.
- RMC-16 **Allowance for loss**—Calculate and record the allowance for loss on accounts receivable based on user-defined criteria, including percentage of gross book value of receivables within an age category, customer type, or receivable type.
- RMC-17 **Delinquent debt categories**—Classify delinquent debt by the following categories needed for the TROR:
- Bankruptcy
 - Forbearance or formal appeals process
 - Foreclosure
 - At private collection agencies
 - At DOJ
 - Eligible for internal offset
 - In wage garnishment
 - At Treasury for cross-servicing
 - At Treasury for Offset
 - At Agency
 - Other.
- RMC-18 **Treasury Report on Receivables (TROR)**—Generate the Treasury Report on Receivables (TROR). Parameter is the fiscal year and quarter. Result is the TROR in accordance with Treasury form and instructions. Ensure reported totals agree with the general ledger.
- RMC-19 **IRS form 1099-C**—Generate IRS form 1099-C in accordance with IRS instructions.

Value-Added Requirements

There are no value-added requirements for this process.

Collections and Offsets Process

The Collections and Offsets process supports activities to record the receipt of funds either by currency (e.g., cash, EFT) or check and the deposit of such funds in accordance with Treasury and agency regulations. The process also provides for the receipt of payment offset information from Treasury and its application to the appropriate accounts receivable.

Mandatory Requirements

To support the Collections and Offsets process, the Core financial system **must** provide automated functionality to do the following:

- RMD-01 **Sources of collections**—Record collections from multiple sources, including:
 - Cash
 - EFT
 - Check
 - Credit card
 - IPAC
 - 1081
 - Electronic files from banks
 - Treasury Offset Program.

- RMD-02 **Matching collections to receivables**—Match collections to receivables and update customer records and related billing information.

- RMD-03 **Order for applying collections**—Apply collections against receivables in the following order: first to penalty and administrative costs, second to interest receivable, and third to outstanding debt principal, unless otherwise stated in program statute.

- RMD-04 **Collections without receivable**—Record collections with credit to revenue, expenditures, advances, or other offset, when no receivable was previously established.

- RMD-05 **Collections of overpayments**—Record collections for refunds of previous overpayments or erroneous payments. If a receivable was not previously established, reference purchase order, reducing cumulative payments recorded against the purchase order and reimbursable agreement.

- RMD-06 **Collections of advance payments**—Record collections for refunds of advance payments or prepayments made. If a receivable was not previously established, reference the advance obligation, reducing the cumulative payments recorded against the obligation and reimbursable agreement.

- RMD-07 **Applying collections to multiple receivables**—Apply a single collection to one or more receivables.

- RMD-08 **Collections on closed receivables**—Re-open closed receivables to record collections against receivables that were previously waived, written-off, or referred.
- RMD-09 **Collection files from banks**—Import collection files from banks for application to open receivables.
- RMD-10 **Collection files from TOP**—Import collection files from the Treasury Offset Program for application to open receivables.
- RMD-11 **Collection of advances**—Record collections of advances from others with reference to a reimbursable agreement. Increase advances received on the reimbursable agreement.
- RMD-12 **Refund excess advance payment**—Generate a refund payable when collections of advances from others exceed the amount expended or billed on a reimbursable agreement after all work is performed. Decrease advances received on the reimbursable agreement.
- RMD-13 **Offset outstanding receivable with payable**—Offset payments to vendors when outstanding receivables exist for the vendor (i.e., from credit memoranda processed, overpayments or erroneous payments identified) and record the collection for the amount offset. Create a notice to the vendor that offset has been made.
- RMD-14 **Miscellaneous cash receipts query**—Query miscellaneous cash receipts. Parameters include:
- Customer ID number
 - TIN
 - Reimbursable agreement number
 - Deposit date
 - Deposit amount
 - Accounting period. Result is a list of miscellaneous cash receipts within specified parameters.

Value-Added Requirements

To add value to the Collections and Offsets process, the Core financial system **should** provide automated functionality to do the following:

- RMD-15 **Offset hierarchy**—Define hierarchy to offset multiple funds associated with a receivable during a single collection transaction. Override the established hierarchy.

Cost Management Function

The Cost Management function encompasses the capability to accumulate, recognize, and distribute the cost of an agency's activities in the financial system for management information purposes. Managerial cost accounting concepts and standards for the Federal Government are prescribed in SFFAS 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, promulgated by FASAB.

The term "cost" universally refers to monetary value of resources used or sacrificed or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service. However, the level of sophistication needed within the Cost Management function of the Core financial system is dependent on an agency's requirements and the nature of the programs within the agency. For example, if an agency's primary mission is to produce a product or service for sale, the costing function typically will be accomplished in the Managerial Cost Accounting System that is integrated with the Core financial system. Programs with less crucial cost information needs might perform cost management functions by analytical or sampling methods.

The managers and executives who have the need for cost information should drive cost management in agencies. Regardless of agency need, the Core financial system must contain basic cost management functions. For example, SFFAS 4 requires that cost information developed for different purposes should be drawn from common data sources and that cost reports should be reconcilable to each other. Once management has identified the cost objects it needs and the corresponding structure has been set up in the accounting system, the system accumulates cost data accordingly. A "cost object" is any activity, output, outcome, or item whose cost and revenue are to be measured, such as organizational units, programs, projects, targeted outputs, specific contracts, specific customers, work orders, GPRA programs and activities, etc. After cost information is accumulated and prepared, it is distributed to managers.

The Cost Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Cost Setup and Accumulation (CMA)
- Cost Distribution (CMB)
- Cost Reporting (CMC)

Cost Setup and Accumulation Process

The Cost Setup and Accumulation process identifies and tracks cost data associated with the specific cost objects required by management. This process provides for the establishment of identifiers for the desired cost objects in the processes, systems, and applications that make up the accounting system and for the subsequent collection of cost data. An agency's financial management system must allow the establishment of cost object identifiers consistent with the stated needs of its financial and operational managers. Ideally, the financial system will allow this to be done in a straightforward manner, without undue complexity. The Cost Setup and Accumulation process provides the data needed for accountability over the financial execution of public programs, meaningful comparisons to measure compliance with management policies, evaluation of the efficiency and economy of resources used in the various activities, and support

for fees, services, or products. It also provides a basis for linking operational results to the budget and performance measures.

Mandatory Requirements

To support the Cost Setup and Accumulation process, the Core financial system **must** provide automated functionality to do the following:

- CMA-01 **Define cost objects**—Define the following types of cost objects for accumulation, distribution and reporting purposes:
 - Accounting classification elements
 - Specific customers, vendors, reimbursable agreements, contracts, BPAs, task orders, work orders, and grants
 - GPRA goals.

- CMA-02 **Accumulate costs**—Accumulate costs and revenue by cost object.

- CMA-03 **Costs objects on prepaid expenses**—Associate the purchase of fixed assets and inventory and the payment of advances with related cost objects so that subsequent expenditures are identified by cost object.

- CMA-04 **Full Cost**—Accumulate the full cost of cost objects. Full costs include direct costs, indirect cost allocations, implicit costs (e.g., costs provided by other government agencies such as pension costs), and unfunded costs (e.g., annual leave costs).

- CMA-05 **Non-financial data**—Accumulate non-financial data (e.g., units purchased, units sold) by cost object at the transaction level.

Value-Added Requirements

There are no value-added requirements for this process.

Cost Distribution Process

The managerial cost accounting concepts and standards contained in SFFAS 4 are aimed at providing reliable and timely information on the full cost of programs, their activities, and outputs. The information is used by stakeholders, executives, and managers when making decisions about allocating resources, authorizing and modifying programs, and evaluating program performance. Program managers also use the cost information for making managerial decisions to improve operating efficiency. Ultimately, the effectiveness of a cost management program depends on the way managers use the cost information asked for and reported to them.

Mandatory Requirements

To support the Cost Distribution process, the Core financial system **must** provide automated functionality to do the following:

- CMB-01 **Recording cost distribution entries in GL**—Distribute the full cost of goods and services by cost object. Record the cost distribution entries in the GL.

- CMB-02 **Attributes on cost distribution**—Capture U.S. SGL attributes on cost distribution entries needed to prepare the Statement of Net Cost. For example, costs distributed to programs and used in the preparation of the Statement of Net Cost should retain the Federal/Non-Federal, Exchange/Non-Exchange, and Custodial/Non-Custodial classifications.

- CMB-03 **Multi-layer overhead distributions**—Perform multi-layer overhead distributions that are user-defined (at least 3 levels of distribution) using multiple rates and fixed amount allocation methods.

- CMB-04 **Re-distribute costs**—Re-distribute costs based on revised rates and allocation amounts.

Value-Added Requirements

There are no value-added requirements for this process.

Cost Reporting Process

To support the Cost Reporting process, the Core financial system **must** provide automated functionality to do the following:

- CMC-01 **Comparative Income Statement by Cost Object** —Generate the Comparative Income Statement by Cost Object. Parameters include cost object and accounting periods (month and year). Result is a report that compares month and year-to-date activity to prior month and prior year-to-date activity, by cost object. The report must list the following data:
 - Revenue
 - Direct expenses
 - Indirect expenses (overhead)
 - Total expenses
 - Net revenue/cost.

- CMC-02 **Cost Object Income Statement**—Generate Cost Object Income Statement. Parameters include any cost object and accounting period. Result is a report with revenue, direct cost, and indirect cost (overhead) by cost object.

- CMC-03 **Cost object audit trail**—Maintain an audit trail of transactions from their origin to the final cost object(s).

Value-Added Requirements

There are no value-added requirements for this process.

Fund Balance with Treasury Management Function

The Fund Balance with Treasury represents the money an agency can spend on future authorized transactions. Agencies record transactions that increase and decrease their FBWT to SGL account 1010 in their general ledger. Appropriation warrants, non-expenditure transfers, collections, and disbursements are some of the transactions that impact an agency's FBWT.

Treasury requires that agencies reconcile their FBWT accounts regularly. Regional finance centers, disbursing offices, the Federal Reserve Bank, and other depositories provide Treasury with receipt and disbursement activity of the government. A comparison of this receipt and disbursement activity with agency records ensures the integrity and accuracy of internal and governmentwide financial report data.

The Fund Balance with Treasury Management function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- Treasury Information Maintenance (FBA)
- Payment Confirmation Process (FBB)
- Reconciliation and Reporting (FBC).

Treasury Information Maintenance Process

Most Federal agencies process large volumes of transactions that impact their FBWT. To facilitate automatic reconciliations with Treasury, an agency must classify cash transactions with Treasury defined codes. The Treasury Information Maintenance process ensures that the classification structures and valid data element relationships are in place for an agency's system to use to classify and identify transactions that impact the FBWT.

Mandatory Requirements

To support the Treasury Information Maintenance process, the Core financial system **must** provide automated functionality to do the following:

- FBA-01 **Multiple ALCs**—Maintain multiple Agency Location Codes (ALC).
- FBA-02 **Valid BETC**—Maintain valid Business Event Type Codes (BETC) as defined by Treasury.
- FBA-03 **TAS/BETC relationships**—Maintain valid TAS/BETC relationships as defined by Treasury.
- FBA-04 **Capture ALC**—Capture the ALC on all transactions impacting Fund Balance with Treasury (FBWT) and reportable on the FMS 224.

- FBA-05 **Treasury Document #**—Capture the "Treasury Document #" on all transactions impacting FBWT. The Treasury Document # is the source document number specified by Treasury on the Agency Confirmation Report (ACR), Deposit Ticket/Debit Voucher Support Listing, IPAC Support Listing, and CASHLINK report.
- FBA-06 **FBWT transaction types**—Differentiate between Intragovernmental, Collection, and Payment transaction types that impact FBWT.
- FBA-07 **GOALS Document Types**—Capture the GOALS document type on Payment type transactions that impact FBWT: disbursements (1166s and 110s), cancellations (1098s, 1185s and 145s), reclamation activity (133s and 135s) and reversal of erroneous credits from an agency (3813s).
- FBA-08 **GWA reporters**—Classify ALCs as "Governmentwide Accounting" (GWA) System reporters or Non-GWA System reporters.
- FBA-09 **GWA Reporting Categories**—Identify the GWA Reporting Category of each ALC that is a GWA System reporter. GWA Reporting Categories include:
- "Intragovernmental Only"
 - "Collections Only"
 - "Payments Only"
 - "Intragovernmental and Collections"
 - "Intragovernmental and Payments"
 - "Payments and Collections"
 - "Intragovernmental, Collections and Payments."

Value-Added Requirements

To support the Treasury Information Maintenance process, the Core financial system **should** provide automated functionality to do the following:

- FBA-10 **Capture TAS/BETC**—Capture the TAS/BETC on all transactions impacting FBWT.

Payment Confirmation Process

Agencies that disburse payments through Treasury provide the details of requested payments (e.g., vendor name, amount of payment, payment date) on a payment schedule. The payment schedule may contain hundreds of individual payments that an agency is requesting be made. Upon accomplishing the payments, Treasury will notify the agency. The agency must update its general ledger with the proper accounting entry to record the disbursement of funds and to capture information about individual payments that may be critical in reconciling the FBWT or answering vendor's questions concerning payments made. Because of the high volume of payments that most Federal agencies make, the Payment Confirmation process must ensure that an automated process is in place to update confirmation information.

Mandatory Requirements

To support the Payment Confirmation process, the Core financial system **must** provide automated functionality to do the following:

- FBB-01 **Payment confirmation data**—Import payment confirmation data from the GOALS II Information Access System (IAS) Regional Finance Center (RFC) Agency Link.
- FBB-02 **Liquidate disbursements-in-transit**—Liquidate individual disbursement-in-transit transactions and record confirmed disbursements upon receipt of payment confirmation from the GOALS II IAS RFC Agency Link.
- FBB-03 **Update payment information**—Update payments with paid schedule number, confirmed date, and check number or trace number upon receipt of confirmation data from the GOALS II IAS RFC Agency Link.
- FBB-04 **Assign check numbers**—Assign check numbers to individual payments, based upon the payment schedule's check range received from the GOALS II IAS RFC Agency Link.
- FBB-05 **Correct check number**—When assigning check numbers to individual payments based upon the check range received from GOALS, provide functionality to correct a system-assigned check number that does not match the actual check number assigned by Treasury.
- FBB-06 **Check ranges**—Accommodate more than one check range and a break in check numbers when assigning check numbers to individual payments within a payment schedule.
- FBB-07 **Disbursement cancellations**—Record disbursement cancellations for individual payments that have not been negotiated.

Value-Added Requirements

There are no value-added requirements for this process.

Reconciliation and Reporting Process

Reconciling the FBWT is a complex and multistep process that involves an exchange of information between an agency and the Treasury. Agencies provide Treasury with the proper classification (e.g., Treasury Account Symbol) information for its receipt and disbursement activity. Treasury provides agencies with detailed support listings of receipt and disbursement activity that agencies must compare to the detailed transactions posted in their general ledger. The Reconciliation and Reporting process facilitates the comparison of transactions at this detailed level.

Mandatory Requirements

To support the Reconciliation and Reporting process, the Core financial system **must** provide automated functionality to do the following:

- FBC-01 **Import ACR listing**—Import the Agency Confirmation Report (ACR) from the GOALS II RFC Agency Link to facilitate reconciliation of agency recorded disbursements with Treasury.
- FBC-02 **Compare disbursement transactions**—Compare amounts on the ACR list with amounts recorded in the agency's general ledger by schedule number and GOALS document type.
- FBC-03 **GL/ACR Discrepancy Report**—Generate the GL/ACR Discrepancy Report. Parameter is accounting period. Result is a report including schedule number, dollar amount, confirmed date or effective date, and document type of:
 - Items on the ACR list and not in the agency's general ledger
 - Items on the ACR list for a different amount than in the agency's general ledger
 - Items in the agency's general ledger and not on the ACR list.
- FBC-04 **Import IPAC listing**—Import IPAC support listings from the GOALS II IAS.
- FBC-05 **Compare IPAC transactions**—Compare IPAC transactions on the IPAC support listing with IPAC transactions recorded in the agency's general ledger.
- FBC-06 **GL/IPAC Discrepancy Report**—Generate the GL/IPAC Discrepancy Report. Parameter is the accounting period. Result is report including document reference number, dollar amount, and accomplished date of:
 - Items on the IPAC support listing and not in the agency's general ledger
 - Items on the IPAC support listing for a different amount than in the agency's general ledger
 - Items in the agency's general ledger and not on the IPAC support listing.
- FBC-07 **Import deposit listing**—Import the Monthly Deposit Ticket/Debit Voucher support listing (DT/DV) from the GOALS II IAS to facilitate reconciliation of agency recorded deposits with Treasury.
- FBC-08 **Compare deposit transactions**—Compare the documents listed on the DT/DV support listing with the individual deposit and debit voucher transactions recorded in the agency's general ledger.

- FBC-09 **GL Deposit Ticket/Debit Voucher Discrepancy Report**—Generate the GL Deposit Ticket/Debit Voucher Discrepancy Report. Parameter is the accounting period. Result is a report including document number (Deposit Ticket or Debit Voucher number), dollar amount, and document date of:
- Items on the DT/DV support listing and not in the agency's general ledger
 - Items on the DT/DV support listing for a different amount than in the agency's general ledger
 - Items in the agency's general ledger and not on the DT/DV support listing.
- FBC-10 **224 Report**—Generate the FMS 224 Report. Parameter is the accounting period. Result is the FMS 224, Statement of Transactions, for all transaction types that impact FBWT, in both hard copy and electronic formats required by the Department of the Treasury.
- FBC-11 **Partial 224 Report**—Generate the FMS Partial 224 Report. Parameter is the accounting period. Result is Partial FMS 224 for transaction types (intragovernmental, collection, or payment) not reported through GWA, in both hard copy and electronic formats required by the Department of Treasury.
- FBC-12 **1219/1220 Statements**—Generate the SF 1219/1220 statements. Parameter is accounting period. Result is SF 1219/1220, Statement of Accountability/Transactions in both hard copy and electronic formats required by the Department of Treasury.
- FBC-13 **FMS 224 Cash Transaction Detail Report**—Generate the FMS 224 Cash Transaction Detail Report. Parameter is the accounting period. Result is a report listing the detailed transactions supporting each TAS total reported in each section of the FMS 224. Detailed transaction must include:
- ALC
 - TAS
 - Transaction amount
 - Confirmation date
 - Transaction document number or Treasury document number.
- Separate report totals for disbursement and receipt activity by ALC and TAS must be provided.
- FBC-14 **Partial 224 Cash Transaction Detail Report**—Generate the Partial 224 Cash Transaction Detail Report. Parameter is the accounting period. Result is a report listing the detailed transactions supporting each TAS total reported in each section of the partial 224. Detailed transactions must include:
- ALC
 - TAS
 - Transaction amount
 - Confirmation date
 - Transaction document number or Treasury document number.
- Separate report totals for disbursement and receipt activity by ALC and TAS must be provided.

FBC-15 **Cash Forecasting Report**—Generate the Cash Forecasting Report. Result is a report with payment and deposit amounts at a detail suitable for reporting large dollar notifications as described in I TFM-6-8500, Cash Forecasting Requirements.

Value-Added Requirements

There are no value-added requirements for this process.

Reporting Function

The Core financial system must provide complete, reliable, consistent, timely, and useful financial management information on operations. Such information enables central management agencies, individual operating agencies, divisions, bureaus, and other subunits to: carry out their fiduciary responsibilities; deter fraud, waste, and abuse of resources; and facilitate efficient and effective delivery of programs by relating financial consequences to program performance.

The Reporting function ensures that the system provides the basic standard reports needed to review financial information and to fulfill central agency reporting requirements. It provides specifications for the minimum data elements to be displayed in the internal and external financial reports, while establishing general requirements that provide users with flexibility in configuring the reports, viewing the reports, and generating the reports for specified periods and dates.

Reporting requirements can be satisfied by application software that is part of the Core financial system or generalized reporting software that works with a variety of applications, or a combination of both. Where reference to a “report” is made within a functional requirement, the application must be capable of generating a formatted, printable report file containing the specified information. Prescribed report formats must be followed where stated.

The Reporting function consists of the following processes (the prefixes assigned to the requirements are noted in parentheses):

- General Reporting (RPA)
- Internal Reporting (RPB)
- External Reporting (RPC)
- Metric Tracking System Reporting (RPD).

General Reporting Process

Information maintained by the Core financial system must be readily accessible and provided in a variety of formats according to user’s needs. Methods of providing information include online inquiries, extractable data files, and hard-copy reports. The Core financial system must provide the basic standard reports specified, as well as provide flexibility to allow users to customize labels, form, and content of reports and to specify the level at which balances are rolled up. The system must provide the capability to report on financial information as of any point in time or for any accounting period, requested by the agency.

Mandatory Requirements

To support the General Reporting process, the Core financial system **must** provide automated functionality to do the following:

- RPA-01 **Financial Activity Query**—Query financial activity. Parameters include all accounting classification elements and date range. Result is a display of all transactions within the specified parameters.
- RPA-02 **Report Titles**—Customize report titles and column headings on standard reports.
- RPA-03 **Report Frequency**—Generate all standard reports on-demand and automatically at specified intervals, including nightly or monthly.
- RPA-04 **Report Viewing**—Make standard reports available for viewing both on-line or in hard copy, as specified by users.
- RPA-05 **Report End Dates**—Generate all standard reports as of any current or prior date or accounting period within the current fiscal year. Amounts reported must reflect the cumulative amount of all transactions posted to the general ledger up through the date or accounting period specified for running the report.
- RPA-06 **Report Consistency**—Ensure consistency between internal reports and external reports generated for the same accounting period. The following relationships must be maintained:
 - The beginning and ending balances and total debit and credit activity reported on the Standard Trial Balance must equal the beginning and ending balances and total debit and credit activity reported on the FACTS I and FACTS II trial balances.
 - The debit and credit activity reported on the Transaction Register must equal the debit and credit activity reported on all of the trial balances.
 - The system-generated FACTS I transfer file must agree with the system-generated Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position
 - The system-generated FACTS II transfer file must agree with the system-generated Statement of Budgetary Resources and the SF-133.

Value-Added Requirements

There are no value-added requirements for this process.

Internal Reporting

The Core financial system must provide complete, reliable, consistent, timely, and useful financial management information to enable internal agency personnel to monitor their programs, make decisions, and carry out their fiduciary responsibilities. The Core financial system reporting process must support agency budget, accounting, and financial management processes.

Mandatory Requirements

To support the Internal Reporting process, the Core financial system **must** provide automated functionality to do the following:

RPB-01 **Transaction Register**—Generate the Transaction Register. Parameter is the accounting period. Result is a report displaying the following data elements for each transaction posted during the accounting period:

- Fiscal year
- TAS
- Internal fund
- Document number
- Transaction ID
- Document reference (when available)
- Posting date
- Posting time.
- Entry user ID
- Effective date
- Debit account number(s)
- Debit amount(s)
- Credit account number(s)
- Credit amount(s)
- Object class
- U.S. SGL attribute values.

Provide an option to group transactions at the TAS, internal fund, or organization level. Transactions which occur from a single posting event must be grouped together. The report must include headings for each data element displayed. The report must include all transactions in all funds that occurred within the accounting period specified.

RPB-02 **Standard Trial Balance**—Generate the Standard Trial Balance. Parameter is the accounting period. Result is a report providing the following balances for each general ledger account:

- Beginning balance for the accounting period
- Total amount of debits for the accounting period
- Total amount of credits for the accounting period
- Cumulative ending balance for the accounting period.

Provide the option to select whether general ledger account balances are rolled up to the TAS level, internal fund level, or organization level, and also whether they are displayed at the sub-account level (actual accounts used for posting transactions) or the U.S. SGL account level. Sub-totals for beginning balance, accounting period activity, and ending balance columns must be provided after each change in organization, internal fund and TAS on the report. The report must include the balances of all funds and all fiscal years maintained by the agency.

- RPB-03 **FACTS I Trial Balance**—Generate the FACTS I Trial Balance. Parameter is the accounting period. Result is a report displaying the following balances for each U.S. SGL account or U.S. SGL account and attribute combination:
- Beginning balance for the accounting period
 - Total amount of debits for the accounting period
 - Total amount of credits for the accounting period
 - Cumulative ending balance for the accounting period.
- Provide the option to specify whether general ledger account balances are rolled up to the TAS level, internal fund level, or organization level. The report must include all general ledger accounts (both FACTS I accounts and non-FACTS I accounts). FACTS I accounts must be displayed at the U.S. SGL and attribute level (i.e. separate amounts should be displayed when there is more than one attribute value within an U.S. SGL account). Non-FACTS I accounts must be displayed at the U.S. SGL account level. Subtotals for beginning balance, accounting period activity, and ending balance columns must be provided after each change in TAS, internal fund, and organization on the report.
- RPB-04 **FACTS II Trial Balance**—Generate the FACTS II Trial Balance. Parameter is the accounting period. Result is a report displaying the following balances for each U.S. SGL account, or U.S. SGL account and attribute combination:
- Beginning balance for the accounting period
 - Total amount of debits for the accounting period
 - Total amount of credits for the accounting period
 - Cumulative ending balance for the accounting period.
- Provide the option to specify whether general ledger account balances are rolled up to the TAFS level, internal fund level, or organization level. The report must include all general ledger accounts (both FACTS II accounts and non-FACTS II accounts). FACTS II accounts must be displayed at the U.S. SGL and attribute level (i.e., separate amounts should be displayed when there is more than one attribute value within a U.S. SGL account). Non-FACTS II accounts must be displayed at the U.S. SGL account level. Subtotals for beginning balance, accounting period activity, and ending balance columns must be provided after each change in TAFS, internal fund, and organization on the report.
- RPB-05 **Trial Balance Accounting Periods**—Generate the Standard Trial Balance, FACTS I trial balance, FACTS II trial balance and Transaction Register for all accounting periods, including designated accounting periods for opening balances, pre-closing transactions, and closing transactions.

RPB-06 **Available Funds Report**—Generate the Available Funds Report. Parameters include TAFS, internal fund, and as-of date. Result is a report providing the following line item amounts:

- Unobligated balance brought forward
- Appropriations
- Borrowing Authority
- Contract authority
- Net transfers (+or-)
- Spending Authority from offsetting collections
- Recoveries of prior year obligations
- Authority temporarily not available
- Authority permanently not available
- Total Resources (calculated subtotal)
- Total Obligations (includes expenditures)
- Unobligated balance not available
- Commitments
- Funds Available (calculated total = Total Resources less Obligations, less Unobligated balance not available, less Commitments).

Amounts should be cumulative from the beginning of the fiscal year to the as-of date specified in the parameters, and consistent with amounts derived from using the U.S. SGL crosswalk to the SF-133, with the exception of the different treatment of Commitments.

RPB-07 **Available funds query**—Query available funds. Parameters include TAFS, internal fund, and as-of date. Result is a display of the following line item amounts:

- Unobligated balance brought forward
- Appropriations
- Borrowing Authority
- Contract authority
- Net transfers (+or-)
- Spending Authority from offsetting collections
- Recoveries of prior year obligations
- Authority temporarily not available
- Authority permanently not available
- Total Resources (calculated subtotal)
- Total Obligations (includes expenditures)
- Unobligated balance not available
- Commitments
- Funds Available (calculated total = Total Resources less Obligations, less Unobligated balance not available, less Commitments).

Drill down from the total obligations line and the commitments line to the detailed transactions and documents that support these lines.

RPB-08 **Status of Allotments Report**—Generate the Status of Allotments Report. Parameters include accounting classification elements of allotments and as-of date. Result is a report providing the following line item amounts:

- Allotment amount
- Total Obligations (includes Expenditures)
- Commitments
- Allotments Available (calculated total = Allotment less Obligations, less Commitments).

The report must include the accounting classification elements of each allotment. Amounts should be cumulative from the beginning of the fiscal year to the as-of date specified in the parameters.

RPB-09 **Status of allotments query**—Query status of allotments. Parameters include accounting classification elements of allotments and as-of date. Result is a display providing the following line item amounts:

- Allotment
- Total Obligations (includes Expenditures)
- Commitments
- Allotments Available (calculated total = Allotment less Obligations, less Commitments).

Drill down from the total obligations line and the commitments line to the detailed transactions and documents that support these lines.

Value-Added Requirements

There are no value-added requirements for this process.

External Reporting

The Core financial system must provide complete, reliable, consistent, timely, and useful financial management information to enable agencies to fulfill their responsibility of being accountable to the public.

Mandatory Requirements

To support the External Reporting process, the Core financial system **must** provide automated functionality to do the following:

- RPC-01 **FACTS ATB export**—Export bulk transfer files for FACTS I and FACTS II Adjusted Trial Balances (ATBs) to the Department of Treasury's FMS.
- RPC-02 **FACTS Validation**—Validate FACTS I and FACTS II data prior to submission of the FACTS I and FACTS II ATBs and the GFRS report to Treasury's FMS. Provide the option to run validation edits on demand. (See the FACTS I user guide and the FACTS II Client Program User's Guide on the FMS website.).
- RPC-03 **SF 133 Generation**—Generate the Report on Budget Execution and Budgetary Resources (SF-133). Parameter includes accounting period end date. Result is report on each reportable TAFS in accordance with OMB Circular A-11 instructions and the U.S. SGL crosswalk to the SF-133 report.

- RPC-04 **Agency Financial Statements**—Generate the following Agency Financial Statements:
- Balance Sheet
 - Statement of Net Cost
 - Statement of Changes in Net Position
 - Statement of Budgetary Resources
 - Statement of Financing
 - Statement of Custodial Activity (if applicable).
- Parameter is the accounting period end date. Results are reports in accordance with the current OMB Bulletin on Form and Content of Agency Financial Statements. Generate the consolidated agency financial statements from the general ledger account balances and attributes crosswalked in accordance with the U.S. SGL Crosswalks to Standard External Reports.
- RPC-05 **Statement Customization**—Customize agency financial statement formats by adding or deleting line items, changing the name of line items, inserting additional subtotals, or modifying account crosswalks without extensive program or system changes (e.g. through table updates).
- RPC-06 **Reclassify statements for GFRS**—Reclassify all line items and amounts on the consolidated Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position and Statement or Note on Custodial Activity to the closing package financial statement formats described in the current TFM, Closing Package for the Governmentwide Financial Reporting System (GFRS).
- RPC-07 **GFRS Statements**—Generate reclassified consolidated agency financial statements for input to GFRS.
- RPC-08 **Financial statement drill-down**—Generate consolidated financial statements on-line. Drill-down from amounts on the consolidated agency financial statements to the individual TAS amounts that make up the consolidated amount, and from the TAS amounts to the individual GL accounts and balances that make up the amounts.

Value-Added Requirements

There are no value-added requirements for this process.

Metric Tracking System Reporting

The Core financial system must provide readily accessible metrics and reports indicating agency performance in financial operations to support the U.S. Chief Financial Officers (CFO) Council's Metric Tracking System (MTS). (See CFO Council Press Release [Metric Tracking System](#), December 21, 2004). The Metric Tracking System is a governmentwide system that provides information on Federal agencies' financial operations on-line to Federal financial managers, taxpayers, and others. It informs on agency performance by publishing agency scores on a series of key financial indicators including, reconciling cash balances, clearing suspense accounts, collecting delinquent accounts receivable, paying vendors electronically, paying vendors on-time, reducing interest penalties paid, and reducing travel and purchase card delinquencies.

Mandatory Requirements

To support the MTS Reporting process, the Core financial system **must** provide automated functionality to do the following:

- RPD-01 **FBWT Metric Query**—Query to compare ending fund balance in GL and with Treasury. Parameters include TAS, "as of" date (e.g., end of specified accounting period). Result is a display providing the following line item amounts:
 - TAS
 - Ending balance per Treasury
 - Ending balance per GL
 - Difference.

- RPD-02 **FBWT Data Download**—Import FBWT data (Undisbursed/Receipt Account Reports Application) from GOALS II/IAS.

- RPD-03 **SOD Data Download**—Import SOD data in electronic format from GOALS II IAS.

- RPD-04 **SOD Metric Query**—Query SOD data to determine items that are greater than 60 days. Parameters include report audit date. Query returns SOD report date, item reference number and amount.

- RPD-05 **EFT Metric Query**—Query payment data to calculate the percentage of electronic payments made based on payment method (electronic vs. check). Parameters accounting period range. Query returns number of payments and percent of total by method.

- RPD-06 **Prompt Pay Metric Query**—Query disbursement data to determine the total number of payments made on time based on due date. Exclude credit card transactions. Parameters include accounting period range, disbursement type(s) to be included. Query returns total number of on-time and late payments made.

Value-Added Requirements

There are no value-added requirements for this process.

Core Financial System Technical Requirements

Technical requirements have been established to help ensure that a Core financial system is fully supported and capable of processing the workload required. It must provide transaction processing integrity and general operating reliability; use standard procedures for installation, configuration, and operations; provide seamless integrated workflow processing; have the ability to query, access, and format information; and be well documented. It must not conflict with other administrative or program systems or with other agency-established IT standards.

Core financial systems must meet the mandatory technical requirements specified in this section. In addition, they should strive to include the functionality listed as value-added requirements. The technical requirements are categorized as follows (the prefixes assigned to the requirements are noted in parentheses):

- General Design/Architecture (TLA)
- Infrastructure (TLB)
- User Interfaces (TLC)
- Interoperability (TLD)
- Workflow/Messaging (TLE)
- Document Management (TLF)
- Internet Access (TLG)
- Security (TLH)
- Operations (TLI)
- Ad Hoc Query (TLJ)
- Documentation (TLK)
- System Performance (TLL).

Most technical requirements are stated in general terms to allow vendors maximum flexibility in designing compliant financial systems. Individual agencies are encouraged to add specific interoperability, system performance, and workload and requirements considered unique to their respective IT environments when evaluating packages for acquisition.

General Design/Architecture

The technical requirements relate to the overall product and its structure at the highest level. Federal standards are published for the purpose of limiting Core financial system acquisition to qualified options. The basic design features and system architecture determine the adaptability of the system, such as customization and upgradeability. A Core financial system must be designed with the flexibility to respond to the changing Federal environment.

Mandatory Requirements

To meet General Design/Architecture requirements, the Core system **must** do the following:

- TLA-01 **Product availability**—System must meet federal financial management and accounting standards. Commercial systems must be available on a federal schedule.
- TLA-02 **General design**—System must be modular in design, provide scalability, and utilize open-systems architecture.
- TLA-03 **Upgradeability**—System must be upgradeable to accommodate changes in laws, regulations, best practices and new technology.
- TLA-04 **Customization**—Customize the application's functionality to meet agency specific business/accounting needs using configuration table entries and other operating parameters.
- TLA-05 **Product releases**—Provide product upgrades by release with accompanying release notes that identify all added functionality and changes to existing functionality, operating procedures or required computing infrastructure.
- TLA-06 **System outputs**—Generate output information to formats specified by functional requirements. In cases where a functional requirement does not specify an output format, required information must be viewable using the application's online user interface by default.
- TLA-07 **Date handling**—Provide fault-free performance in the processing of date and date-related data (including, calculating, comparing, and sequencing) by all hardware and software products included as part of the application both individually and in combination (i.e., year 2000 compliance).

Value-Added Requirements

There are no value-added requirements in this category.

Infrastructure

The Core financial systems infrastructure provides the underlying base or foundation of the computing system platforms and operating system environments where a qualified Core system would be installed by a Federal agency. It is necessary for the infrastructure to support a Windows operating system and provide certain basic communications and database functions common to Federal Government system installations.

Mandatory Requirements

To meet Infrastructure requirements, the Core system **must** do the following:

- TLB-01 **Relational database**—Include an integrated relational, Structured Query Language (SQL) compliant database.

TLB-02 **TCP/IP**—Utilize transaction Control Protocol/Internet Protocol (TCP/IP) communications protocol for application database and workstation connectivity.

Value-Added Requirements

To add value to the Infrastructure functionality, the Core financial system **should** do the following:

TLB-03 **Windows software**—Support application client operation on a 32-bit Microsoft Windows compatible operating system.

TLB-04 **Mainframe operation**—Operate in a mainframe environment (e.g., Multiple Virtual System (MVS), Operating System (OS/) 390).

TLB-05 **UNIX/NT software**—Operate in a client-server computing environment running under UNIX or NT (e.g., Windows Server 2000).

TLB-06 **Apple/Mac Users**—Support application client operation on an Apple Macintosh compatible operating system.

TLB-07 **Report spooling** —Provide a report spooling capability to enable online viewing, re-printing, and permanent archiving of requested reports in common desktop formats, such as .xls, .doc, .pdf, .rtf, .txt, in addition to .prt.

User Interfaces

Technical User Interfaces requirements specify how agency users and operators interact with the Core financial system. These requirements address the ability of users to effectively configure the package, enter transactions, query processing results, or start/stop internal processes.

Mandatory Requirements

To meet User Interfaces requirements, the Core financial system **must** do the following:

TLC-01 **GUI interface**—Provide a consistent, Windows-compatible, online graphical user interface (GUI) to all modules and integrated subsystems. Interface consistency includes the use of common command entry syntax, dialog window styles, data entry structures, and information presentation, and incorporating common GUI characteristics, such as:

- Mouse activated icons
- Buttons
- Scroll bars
- Drop-down lists
- Check boxes
- Menu bars
- Text boxes
- Tool tips
- Resizable windows
- Cut, copy, and paste functions.

- TLC-02 **508 Compliance**—Provide an application user interface that complies with the software application standards required by Section 508 of the Rehabilitation Act, as detailed in 36 CFR 1194, Subpart B.
- TLC-03 **Context-sensitive help**—Provide a context-sensitive, online help feature.
- TLC-04 **Error message customization** —Customize common error message text.
- TLC-05 **Required data entry efficiencies**—Incorporate the following features to reduce transaction processing data entry:
- Default values
 - Look-up tables
 - Automatic data recall
 - Autofill text
 - Highlighting of required fields
 - Auto tabs
 - Function keys (e.g., invoke help facility, clear screen, etc.)
 - Menu mode of screen navigation
 - Transaction entry undo/redo
 - Highlighting or accentuating required fields
 - Disabling of non-supported function keys
 - Ability to select records from a list by scrolling or typing only part of an entry.

Value-Added Requirements

To add value to the User Interface functionality, the Core financial system **should** do the following:

- TLC-06 **Help file customization**—Provide the capability for an agency to customize the application's online help facility.
- TLC-07 **Desired data entry efficiencies**—Incorporate efficiency features designed to reduce the amount of direct keying required for transaction processing, including:
- Single function windows (e.g., one input screen per transaction)
 - Ability to pass common data from screen to screen
 - An expert mode of screen navigation
 - Function keys to retrieve previous data and suspend transactions.
- TLC-08 **Desktop integration**—Provide seamless integration with other common desktop applications used for word processing, spreadsheets, data management, and graphics.

Interoperability

Financial transactions can be originated using multiple external feeder applications. These feeder systems and the Core financial system must interface seamlessly so that data can move effectively between them. The Core system must be able to process and validate the data independent of origination. There must also be a process for handling erroneous input and corrections.

Mandatory Requirements

To meet Interoperability requirements, the Core system **must** do the following:

- TLD-01 **Application program interface (API)**—Import and process financial data generated by internal applications. This application program interface functionality must support the receipt and continued processing of transactions for all Core accounting components, as well as vendor information updates (i.e. all documents referenced in the descriptions of each functional module, System Management, General Ledger Management, Funds Management, Payment Management, Receivable Management, Cost Management, Cash Management, and Reporting).
- TLD-02 **API record layouts**—Provide standard record layouts for all transactions that interface between the Core financial system and all other external and internal systems. Data elements and level of detail exchanged must be sufficient for Core financial system processing.
- TLD-03 **API transaction validation**—Process all interfaced transactions using the Core financial system edits, validations, and error correction procedures (i.e. using the same business rules, program logic, and table entry edits used by the Core financial system application in editing transactions submitted online).
- TLD-04 **API transaction suspension** —Provide functionality to suspend erroneous interface transactions until corrected and processed by an authorized user. Suspense processing must include the ability to perform the following functions:
- Report suspended transactions.
 - Retrieve, view, correct and process, or cancel suspended transactions.
 - Re-process suspended transactions.
 - Report re-processed transactions.
- TLD-05 **API processing controls**—Provide controls over interfaced transactions to ensure that files are transmitted by an authorized source to an authorized destination and they are complete and not duplicates. In addition, each file should ensure the following controls:
- The counts of transactions in the file match control records.
 - The dollar totals of transactions in the file match control records.
 - The sender is notified of erroneous transactions.
 - The erroneous transactions are automatically returned to the sender.
- TLD-06 **API generated error notices**—For the API, generate transaction editing error records in a standard format, defined by the vendor, for return to the originating feeder application (i.e., provide two-way interface support).

- TLD-07 **Governmentwide system interfaces**—Provide the capability to send/receive financial data from Governmentwide mandated applications:
- CashLink II
 - Central Contractor Registration (CCR)
 - Electronic Certification System (ECS)
 - Federal Agencies Centralized Trial Balance System I (FACTS I)
 - Federal Agencies Centralized Trial Balance System II (FACTS II)
 - Government Online Accounting Link System (GOALS)
 - Government Wide Accounting (GWA)
 - Intra-governmental Transaction Exchange (IGTE)
 - Integrated Acquisition Environment (IAE)
 - Intra-governmental Payment and Collection System (IPAC)
 - Secure Payment System (SPS).

Value-Added Requirements

To add value to the Interoperability functionality, the Core financial system **should** do the following:

- TLD-08 **Agency e-mail**—Provide a capability to interface with the agency e-mail system to distribute application generated documents, messages and general alerts.
- TLD-09 **EDI**—Support direct EDI translation compliant with American National Standards Institute (ANSI) X-12 standards to enable electronic data exchanges with designated trading partners, such as bank credit card service provider and major supplier, or customer.
- TLD-10 **XML**—Provide an Extensible Markup Language (XML) parsing capability.

Workflow/Messaging

Workflow/messaging includes technical requirements that establish standards for application interfaces and collectively define how a Core financial system automatically manages document processing; generates, builds, maps, and models workflow processes and business rules; and notifies agency staff of pending work (e.g., review/approval of pending accounting documents).

Mandatory Requirements

To meet Workflow/Messaging requirements, the Core financial system **must** do the following:

- TLE-01 **Integrated workflow**—Provide an integrated workflow management capability, including generation and routing of internal forms, reports, and other financial documents for online approval or subsequent processing.

Value-Added Requirements

To add value to the Workflow/Messaging functionality, the Core financial system **should** do the following:

- TLE-02 **Workflow process definition**—Enable authorized users to define workflow processes, business rules, approval levels, and modify workflow (e.g. assigning a proxy approving authority).
- TLE-03 **Workflow process modeling**—Provide the capability to model the business processes using a graphical workflow builder.
- TLE-04 **Document processing approval**—Provide the capability to establish multiple levels of document approvals based on user-defined criteria, including dollar amounts, types of items purchased, and document types.
- TLE-05 **Processing exception notices**—Provide an internal calendar or user-defined routing tables to generate rule-based or exception reports to support the generation of work flow messages (i.e., notification of Accounts Payable office for invoices held over 30 days with no matching receiving report).
- TLE-06 **Document approval tracking**—Provide the ability to track approval events online by transaction, including the time/date and approving party.
- TLE-07 **Document routing**—Provide the capability to automatically generate electronic routing and status messages to individuals or groups within the agency or with trading partners.
- TLE-08 **User alerts**—Provide the capability to deliver user alerts electronically. (For example, an emergency travel voucher has been approved, and the traveler is notified immediately without having to check mail.)
- TLE-09 **User notices**—Provide the ability to automatically trigger the creation and transmission of user defined notices or important messages. (For example, a Budget Officer wants to be warned when funds available have reached 50% of the allotment. S/he sets a trigger, and when funds available reach 50% allotted, an alert pops up on the screen.)
- TLE-10 **Wf-XML**—Comply with Workflow Management Coalition (WFMC) Workflow Standard - Interoperability, Wf-XML Binding Version 1.1.
- TLE-11 **MAPI-WF**—Support Messaging API-Workflow (MAPI-WF) standards.
- TLE-12 **VIM**—Support Vendor Independent Messaging (VIM) standards.

Document Management

Document management addresses how the Core system stores and retrieves electronically formatted documents.

Mandatory Requirements

There are no mandatory requirements in this category.

Value-Added Requirements

To add value to the Document Management functionality, the Core financial system **should** do the following:

- TLF-01 **DMA**—Support Document Management Alliance (DMA) standards
- TLF-02 **ODMA**—Support Open Document Management Architecture (ODMA) standards.
- TLF-03 **ODA/ODIF**—Support Open Document Architecture/Open Document Interface Format (ODA/ODIF) standards.
- TLF-04 **PDF**—Support Portable Document Format (PDF) standards.
- TLF-05 **SGML**—Support Standard Generalized Markup Language (SGML) standards.
- TLF-06 **Document imaging**—Provide the capability to electronically image, index, store, and retrieve document reference material (e.g., signed contracts, purchase orders, and vendor invoices).
- TLF-07 **Image availability notification**—Notify the user of the presence of associated document images. Provide an on-screen display of this material.

Internet Access

The Internet is a vast collection of interconnected networks that communicate using TCP/IP. It has become a critical infrastructure for application access. The technical requirements relating to Internet access represent a specialized subset defining user connectivity options and security issues.

Mandatory Requirements

There are no mandatory requirements in this category.

Value-Added Requirements

To add value to the Internet Access functionality, the Core financial system **should** do the following:

- TLG-01 **Internet access**—Support secure Internet access to all financial management system functions.
- TLG-02 **Internet-originated transactions**—Provide the capability to process public initiated transactions via the Internet, such as accepting vendor invoices or vendor payments.

- TLG-03 **Internet access to ad hoc queries** —Support secure Internet access to the integrated ad hoc data query facility for standardized, commonly requested inquiries (e.g. vendor payment status).
- TLG-04 **VPN**—Provide Virtual Private Network (VPN) system capability for secure remote access.
- TLG-05 **PKI** —Provide the capability to use the standard Public Key Infrastructure (PKI) technology to control access to sensitive data over the Internet.

Security

Security addresses internal and external access controls. A qualified Core financial system must protect an agency's financial data from unauthorized access or alteration.

Mandatory Requirements

To meet Security requirements, the Core system **must** do the following:

- TLH-01 **NIST compliance**—Enable the system administrator to configure and control access to the application, functional modules, transactions, and data. The application's integrated security functionality must be compliant with the National Institute of Standards and Technology (NIST) Security Standards.
- TLH-02 **Security policy**—Ensure that the agency's access policies are consistently enforced against all attempts made by users or other integrated system resources, including software used to submit ad-hoc data query requests or to generate standard reports.
- TLH-03 **Password authentication**—Require the use of unique user identifications and passwords for authentication purposes. Passwords must be non-printing and non-displaying. The application must enforce password entry standards, (e.g., minimum length and use of alpha, numeric, and special characters.)
- TLH-04 **Terminate passwords**—Terminate passwords after a designated period and prohibit users from reusing passwords.
- TLH-05 **Accounts deactivation**—Ensure that accounts are deactivated after a specified period of account inactivity (e.g. user does not log on for ninety-one days.)
- TLH-06 **Unsuccessful logon attempts**—Ensure that the system is inaccessible after an agency specified number of unsuccessful logon attempts for invalid logon id or password.

- TLH-07 **Access rights**—Enable the system administrator to define functional (e.g., system module, transactions, approval authorities) and data access rights (i.e., create, read, update, delete) by assigned user ID functional role (e.g., payable technician) and owner organization. For example, Disbursing Officers should not be allowed to certify payments, and Certifying Officers should not be allowed to schedule payments. The application would enable the system administrator to define security roles and assign users to those security roles to enforce this.
- TLH-08 **Document approvals**—Permit the system administrator to assign multiple levels of approval to a single user, but prevent that user from applying more than one level of approval to the same document in order to conform to the principle of separation of duties.
- TLH-09 **Sensitive data**—Restrict access to sensitive data elements, such as social security numbers, banking information by named user, groups of users, or functional role.
- TLH-10 **Access logging**—Maintain an access logging capability to record access activity, including the following functions:
- All log-in/log-out attempts by user and workstation
 - User submitted transactions
 - Initiated processes
 - System override events
 - Direct additions, changes or deletions to application maintained data.
- TLH-11 **Access log queries**—Provide the ability to query the audit log by type of access, date and time stamp range, user identification, or terminal ID.

Value-Added Requirements

There are no value-added requirements for this process.

Operations

In general, most users should be unaware of background system operations, except for scheduled maintenance. The Core financial system should run smoothly and efficiently, and it must maintain database consistency; archive, log, and retrieve data; stop and restart the system without losing data; and report system status.

Mandatory Requirements

To meet Operations requirements, the Core system **must** do the following:

- TLI-01 **Process scheduling**—Include a process scheduling capability that enables the operator to initiate, monitor, and stop scheduled processes (e.g., online availability, batch jobs, and system maintenance).

- TLI-02 **Internal database controls**—Provide internal database consistency during all online and batch update operations, including distributed databases, if applicable. In the event of a system failure the system must be able to perform the following functions: Back out incompletely processed transactions. Restore the system to its last consistent state before the failure occurred. Re-apply all incomplete transactions previously submitted by the user. Validate internal database consistency to ensure duplicate postings are avoided. Report any data or transactions that failed to process.
- TLI-03 **Job processing messages**—Provide online status messages indicating job or transaction type and name when requested processing starts, completes, and produces system errors.
- TLI-04 **Job restart**—Provide restart capabilities for the application’s online and batch processing components. Batch jobs must be segmented to facilitate recovery in the event of a system failure.
- TLI-05 **Error handling**—Employ common error-handling routines across functional modules and present meaningful and traceable error messages that allow the user or system operator to respond to reported problems.
- TLI-06 **Data archiving**—Provide the system administrator the ability to control the archiving process, including the ability to define, establish, and maintain archival criteria, such as date, accounting period, closed items, and vendors/customers inactive for a specific time period.
- TLI-07 **Data archive standards**—Retain archived data and system records in accordance with Federal regulations established by the National Archives and Records Administration (NARA), GAO, and the National Institute of Standards and Technology (NIST).
- TLI-08 **Archived data retrieval**—Provide the ability to selectively retrieve archived data based on user-defined criteria such as date, accounting period, or vendor/customer.
- TLI-09 **Event logging**—Provide event logging capability for systems, transactions, tables, and system parameters. The logs must include the following:
- User id
 - Date
 - Time
 - Type of activity (i.e. change, read, update, delete)
 - Old value
 - New value. (For example, provide a log of all attempts to log onto the system or track changes to the prompt pay interest rate value.)
- TLI-10 **Productivity reporting**—Maintain and report on productivity statistics about application usage.
- TLI-11 **System Date for Testing**—For testing purposes only, override the system date as it is used to determine the default transaction date.

Value-Added Requirements

To add value to the Operations functionality, the Core financial system **should** do the following:

- TLI-12 **Parallel transaction processing**—Simultaneously process batched transactions, including reports, and accept and process online transactions from interfacing systems with no online performance degradation.
- TLI-13 **User selected access logging**—Provide capability to turn the logging function on or off as needed by the agency, and the flexibility to specify which parameter(s) or table(s) to log as needed.

Ad Hoc Query

Over time, demands for specific financial data are expected to change considerably as changes occur in, for example, administrations, program missions, budget priorities, justifications, and oversight. Ad hoc queries are often general but are critical to enabling effective agency, program, and financial management in the face of change. To support ad hoc queries, the Core financial system must provide flexible data access, download, and formatting.

Mandatory Requirements

To meet Ad Hoc query requirements, the Core financial system **must** do the following:

- TLJ-01 **Ad hoc query** —Provide a seamlessly integrated ad hoc query capability with data analysis reporting tools to access and analyze agency financial data from all sources.
- TLJ-02 **Ad hoc query origination**—Create and submit parameter-based query scripts that can be shared with other authorized agency users, and stored in a common network accessible location (folder).
- TLJ-03 **Ad hoc query execution**—Initiate queries online or in batch mode, and to stage output for later access by authorized users.
- TLJ-04 **Ad hoc query result distribution/notification**—Distribute copies of report/query results via e-mail to multiple pre-identified individuals or groups, or notification of report/query result availability.
- TLJ-05 **Run-time controls**—Provide run-time controls to limit "run-away" queries and large data download requests.
- TLJ-06 **Graphical output**—Provide capability to display graphical output on the desktop with dynamic report reformatting, regrouping, and drill-down to detail records from summary report lines.
- TLJ-07 **"Drill-down"** —Provide "drill-down" capability from summary balances in queries to individual transactions, referenced documents, and document details.

- TLJ-08 **Data downloading**—Download query selected data. Reformat downloaded query information for direct access by common desktop applications (e.g., spreadsheet, ASCII text, "," delimited).
- TLJ-09 **Query/Report preview**—Provide the ability to preview a query, form, report, or other result before printing.
- TLJ-10 **Available data**—Support access to current year and historical financial data.
- TLJ-11 **Ad hoc query interface**—Provide the following ad hoc query interface features: graphical display of data sources, the ability to "point and click" on selectable table, data, and link objects for inclusion in a custom query, and an active data dictionary to provide users with object definitions.

Value-Added Requirements

To add value to the Ad Hoc Query functionality, the Core financial system **should** do the following:

- TLJ-12 **Query optimization**—Provide query optimization capability.
- TLJ-13 **Dashboard output**—Provide ad hoc query feature for "dashboard" reporting of selectable management information (i.e., a color-coded visual view of the status of selected budget or financial criteria, used to monitor critical parameters, performance, or trends at a glance, and also to red flag problem issues, often staying "on-top" of the desktop).

Documentation

It is not enough for a vendor to deliver a Core financial system and help with installation. The documentation that comes with the product is key to the effective and efficient use of the system and its appropriate implementation and maintenance. The documentation submitted with the software must be written at a sufficient level of detail that users who are familiar with the Core system and its functions, but are new to the product, can understand and use the documentation without assistance from the vendor.

Mandatory Requirements

To meet Documentation requirements, the Core financial system **must** do the following:

- TLK-01 **Hardware and software**—Provide documentation that identifies all software and hardware products needed by an agency to install, operate, access, and maintain the application. The vendor will specifically identify those products that are intended to be purchased or licensed as part of the product licensing agreement, and products needed to meet any technical and functional requirement that must be acquired separately by the agency.

- TLK-02 **Application design**—Provide application documentation. This documentation must include the following:
- Database specifications
 - Description of the application's design/architecture
 - Data dictionary
 - Entity relationship diagrams
 - Table and record layouts
 - Program module specifications including firmware and program source code
 - System flowcharts. Application documentation must identify known problems (software bugs) and recommended work arounds.
- TLK-03 **Software installation and maintenance**—Provide product installation and maintenance documentation. Installation documentation must describe the following items:
- Product release content
 - Third party software configuration requirements
 - Database installation steps
 - The directory structure for locating application data, programs, files, tables including drive mappings
 - Hardware driver installation and configuration
 - Application security set-up and maintenance
 - Software configuration instructions
 - Operating parameter definitions and any other required set-up data
 - Software build instructions
 - Vendor supplied configuration tools
 - Interface processes to be installed
 - Startup scripts needed to initiate the software
 - Test steps needed to verify correct installation.
- TLK-04 **User and operating documentation**—Provide system operations and user manuals. Documentation must explain the following system operations:
- System start-up
 - Shutdown
 - Monitoring
 - Recovery/re-start
 - Internal processing controls
 - Archiving and application security. User documentation must explain in detail how to execute available functionality in each application component and must cover instructions for the following:
 - Access procedures
 - User screen layout
 - Standard report layout and content
 - Transaction entry
 - Workflow
 - Batch job initiation
 - GL and transaction maintenance
 - Yearend processing
 - Error codes with descriptions
 - Recovery steps
 - Trouble shooting procedures.

- TLK-05 **Updated release specific documentation**—Provide documentation updates concurrent with the distribution of new software releases. Release notes must clearly identify all changes made to the system's functionality, operation or required computing hardware and software.

Value-Added Requirements

There are no value-added requirements in this category.

System Performance

System performance is defined in this section using general criteria rather than specific response time standards or transaction processing capacity. Actual package performance is largely dependent on the computing infrastructure and activity levels set by each user agency. Agencies should use these requirements as part of the acquisition process, adding their own workload estimates (e.g., number of concurrent users, geographic distribution of users, number of transactions and processing time frames, and volume of agency information expected to be maintained online).

Mandatory Requirements

There are no mandatory requirements in this category.

Value-Added Requirements

To add value to the System Performance functionality, the Core financial system **should** do the following:

- TLL-01 **Activity workload**—Process an agency's projected accounting activity without adversely impacting projected online response time.
- TLL-02 **Batch processing workload**—Complete routine batch processing, including:
- Daily systems assurance reports
 - Daily backups
 - Daily interface processing
 - Core GL posting
 - Table updates
 - Standard reporting within an agency defined batch-processing window.
- TLL-03 **Data volume**—Maintain the agency's current and historical financial data (e.g. general ledger records, documents, transactions, lines, and vendor records) with no degradation to online or batch processing performance.
- TLL-04 **Concurrent user access**—Concurrent user access - Provide concurrent access to functional modules by the agency's defined user community.

TLL-05 **Performance metrics**—Provide computing performance metrics, for platforms and systems environments that the application is certified to run on. Performance metrics provided by the vendor should describe: transaction processing throughput capacity, expected workstation client response time by transaction type, data storage capacity, and limitations on concurrent user connectivity.

Appendix A—References

Introduction

This appendix lists many of the governmentwide accounting standards, laws, regulations, and other mandates that pertain to Core financial system requirements. The list is not all-inclusive and may not include citations supporting agency-specific or program-specific requirements. In addition, it is important to note that some of the governmentwide Core financial system requirements are based on common need or usage, rather than regulations.

It is every agency's responsibility to know the appropriate regulations and to comply with them. It is the responsibility of agencies, system vendors, and integrators to ensure system compliance with the most current versions of laws, regulations, and other appropriate guidance.

The importance of financial management and control for Federal agencies is firmly rooted in the Constitution of the United States. Article I, Section 9, Clause 7 of the Constitution states:

No money shall be drawn from the Treasury, but in consequence of Appropriation made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

Many of the laws and regulations governing the financial behavior of Federal agencies flow from the Constitution.

Federal Legislation

Budget Enforcement Act of 1990 (BEA 1990) (Title XIII, Omnibus Budget Reconciliation Act, Public Law 101-508), extended by the Balanced Budget Act of 1997 (BEA 1997) (Title X, Public Law 105-33)

Cash Management Improvement Act of 1990 (CMIA) (Public Law 101-453), extended by the Cash Management Improvement Act Amendments of 1992 (Public Law 102-589)

Chief Financial Officers Act of 1990 (Public Law 101-576)

Clinger/Cohen Act of 1996 (Information Technology Management Reform Act, Division E of Public Law 104-106)

Computer Security Act of 1987 (Public Law 100-235)

Debt Collection Improvement Act of 1996 (Public Law 104-134)

Defense Authorization Act for FY1991 (Public Law 101-510 sec.1405(a) M-year legislation) amended 31 U.S.C. Subtitle II, Chapter 15, Subchapter IV, Closing Accounts, Secs. 1551-1557,

Federal Financial Management Improvement Act of 1996 (Public Law 104-208)

Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255)

Federal Records Act of 1950, as amended (Records Management by Federal Agencies, 44 U.S.C 3101 et seq.)

Freedom of Information Act and Amendments of 1974 (P.L. 93-502). (5 U.S.C 552)

Government Management Reform Act of 1994 (Public Law 103-356)

Government Paperwork Elimination Act of 1998 (Public Law 105-277)
Government Performance and Results Act of 1993 (Public Law 103-62)
Omnibus Reconciliation Act of 1993 (Public Law 103-66)
Paperwork Reduction Reauthorization Act of 1986 (Public Law 104-13)
Prompt Payment Act of 1982 and Amendments of 1996 (Public Law 97-177)
Rehabilitation Act Amendments of 1998 (Workforce Investment Act) (Public Law 106-246)
Sarbanes-Oxley Act of 2002 (Public Law 107-204)
Internal Revenue Service Restructuring and Reform Act of 1998 (IRS RRA) (Public Law 105-206)

U.S. Codes and Regulations

5 U.S.C. 552 contains provisions of the Freedom of Information Act.

31 U.S.C. 1301(a) (the “Purpose Statute”) requires that monies be expended only for the purposes for which appropriations were made.

31 U.S.C. 1341, 1342, 1349–51, and 1511–19 (jointly referred to as the “Anti-deficiency Act”) prohibit obligating more money than an agency has or before it gets the money, accepting voluntary services or monies not specifically allowed by law, and obligating more money than has been appropriated or allotted in a time period.

31 U.S.C. 1501 (the “Recording Statute”) requires that an obligation be recorded when, and only when, it is supported by written evidence of a binding agreement (an offer and its acceptance) for goods or services for a purpose authorized in the appropriation.

31 U.S.C. 1502 (a) (the “Bona Fide Needs Statute”) requires that obligations against an appropriation be limited to a specific time period and that obligations be charged to the appropriation in force when the obligation is made.

31 U.S.C. 1551-1557 (Closed Accounts sub-chapter) contains the M-year legislation which requires that all Federal agencies close fixed year appropriation accounts and cancel any remaining balances by September 30th of the 5th year after the period of availability began.

31 U.S.C. 3302 (b) (the “Miscellaneous Receipts (Deposit) Statute”) requires that, except for trust funds and revolving funds, collected monies from any source must be deposited in the Treasury as soon as practicable without deduction for any charge or claim.

31 U.S.C. 3512 requires the head of each executive agency to establish and maintain systems of accounting and internal control designed to provide effective control over, and accountability for, all assets for which the agency is responsible.

44 U.S.C. 3101 addresses records management within Federal agencies.

5 CFR 1315 is the codification of former OMB Circular A-125, *Prompt Payment*.

Office of Management and Budget Guidance

OMB Bulletin 01-09, *Form and Content of Agency Financial Statements*

OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*

OMB Circular A-11, Part 7, *Planning, Budgeting, Acquisition and Management of Capital Assets*

OMB Circular A-11, Part 7, Appendix J, *Capital Programming Guide*

OMB Circular A-25, *User Charges*

OMB Circular A-109, *Policies for Acquiring Major Systems*

OMB Circular A-123, *Management Accountability and Control*

OMB Circular A-127, *Financial Management Systems*

OMB Circular A-130, *Management of Federal Information Resources*

OMB Circular A-134, *Financial Accounting Principles and Standards*

Federal Accounting Standards

Statements of Federal Financial Accounting Standards:

SSFAS 1, *Statement of Federal Financial Accounting Concepts*

SFFAS 3, *Accounting for Inventory and Related Property*

SSFAS 4, *Managerial Cost Accounting Concepts and Standards*

SSFAS 5, *Accounting for Liabilities of the Federal Government*

SFFAS 7, *Accounting for Revenue and Other Financing Sources*

SSFAS 10, *Accounting for Internal Use Software*

System Requirements

Framework for Federal Financial Management Systems, FFMSR-0, January 1995

Other Applicable Standards, Guidelines, and Regulations

Electronic and Information Technology Accessibility Standards (issued by the Architectural and Transportation Barriers Compliance Board)

Federal regulations established by the National Archives and Records Administration

Federal regulations issued by the National Institute of Standards and Technology

Rules related to payment formats issued by The Electronic Payments Association (also called NACHA)

The Treasury Financial Manual (TFM), specifically the following:

- I TFM-2-3100, Instructions for Disbursing Officers' Reports
- I TFM-2-3300, Reports of Agencies for which the Treasury Disburses
- I TFM-2-4000, Federal Agencies' Centralized Trial-Balance System
- I TFM-2-4100, Debt Management Reports
- I TFM-6-5000, Administrative Accounting Systems Requirements
- I TFM-6-8040, Disbursements
- I TFM-6-8500, Cash Forecasting Requirements

Appendix B—Glossary

Accomplished Payments

A term used by Treasury and agency personnel to refer to payments requested by an entity and made by Treasury or a non-Treasury disbursing office on the behalf of that entity.

Activity

A financial summary accumulator defined by an agency.

Adjusted Trial Balance (ATB)

A list of general ledger accounts and the corresponding balances (including adjustments) as of a specific date. The total debit balances must equal the total credit balances. In reference to FACTS (I and II) reporting, the adjusted trial balance includes U.S. SGL attributes, and the U.S. SGL account balances should reflect preclosing adjusting entries.

Agency

Any department, agency, commission, authority, administration, board, or other independent establishment in the executive branch of the government, including any corporation wholly or partly owned by the United States that is an independent instrumentality of the United States, not including the municipal Government of the District of Columbia.

Agency Location Code (ALC)

A numeric symbol used to identify accounting reports and documents prepared by or for agency accounting stations and regional financial offices. Agency accounting stations use an eight digit symbol (XXXXXXXX), disbursing offices use a four-digit symbol (0000XXXX), and Treasury Regional Financial Centers use a three-digit symbol (00000XXX). Source: I TFM Part 6 Chapter 8500.

Allotment

Authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount, pursuant to OMB apportionment or reapportionment action or other statutory authority making funds available for obligation.

Application (Financial or Mixed System)

A group of interrelated components of financial or mixed systems supporting one or more functions and having the following characteristics: a common database, common data element definitions, standardized processing for similar types of transactions, and common version control over software.

Application Program Interface (API)

A set of routines, protocols, and tools for building software applications.

Apportionment

A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, activities, projects, objects, or combinations thereof. The amounts so apportioned limit the obligations that may be incurred.

Appropriation

A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

ATB Code

A unique identifier code for a record in the Master Appropriation File. The code denotes a department, bureau, and Treasury appropriation/fund group.

Attributes

Adjectives that further describe a U.S. SGL account in order to meet a specific reporting requirement. Examples are Apportionment Category, Authority Type, Availability Time, and Reimbursable Flag. Agency systems must record transactions using U.S. SGL four-digit accounts plus attributes in order to capture information needed to meet external reporting requirements.

Attribute Domains

The possible valid choices within an attribute. For example, the valid domains for the Reimbursable Flag attribute are D (for Direct) and R (for Reimbursable).

Authority to Borrow

One of the basic forms of budget authority. Statutory authority that permits a Federal agency to incur obligations and make payments for specified purposes out of borrowed monies.

Automatically

Refers to the system processing of transactions, table updates, and other activity without manual intervention or the entry of additional transactions (including journal vouchers and other reclassifications) by the user. In these cases, the system takes action based on specified conditions or relationships. For example, it brings forward previously entered data to subsequent transactions in the spending chain, closes open obligations when final payments are made, liquidates open commitments at fiscal year-end, and generates reports based on specified crosswalks.

Budget

The budget of the U.S. Government, which sets forth the President's comprehensive financial plan for allocating resources and indicates the President's priorities for the Federal Government.

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.

Business Event Type Code (BETC)

An eight-character code that indicates the type of activity being reported (receipt, disbursement, etc.). BETC determines the transaction effect on the Treasury Account Symbol's Fund Balance with Treasury. BETC replaces transaction codes and subclasses, but at a more intuitive level of detail.

CA\$HLINK

A Treasury system used to manage and monitor the collection of government revenues and report the balances to Federal agencies.

Central Contractor Registration (CCR)

The primary vendor database for the Department of Defense, Department of Transportation, and NASA. The CCR collects, validates, stores, and disseminates data in support of agency missions.

Close Out (a debt)

An event that occurs concurrently with, or subsequent to, an agency decision to write off a debt for which the agency has determined that future additional collection attempts would be futile. At closeout, an agency reports to the IRS the amount of the closed out debt as income to the debtor on IRS Form 1099-C, in accordance with Treasury requirements. No additional collection action may be taken by the agency after issuing the IRS Form 1099-C.

Commitment

The amount of allotment or suballotment committed in anticipation of an obligation.

Compromise (a debt)

An agreement to settle a debt at a lower amount than initially claimed.

Continuing Resolution

Joint resolution that provides continuing appropriations for a fiscal year. Continuing resolutions are enacted when Congress has not yet passed new appropriations bills and a program's appropriations are about to or have expired, or when the President has vetoed congressionally passed appropriations bills.

Contract Authority

A type of budget authority that permits obligations to be incurred in advance of either an appropriation of the cash to make outlays to liquidate the obligations or offsetting collections.

Cost

The cash value of the resources allocated to a particular program. When used in connection with Federal credit programs, the term means the estimated long-term cost to the government of a direct loan or loan guarantee, calculated on a net present value basis, excluding administrative costs and any incidental effects on governmental receipts or outlays.

Cost Center

A logical grouping of one or more related activities and/or organizational units into a common pool for the purpose of identifying the cost incurred for performing all of those activities.

Cost Object

Any activity, output, or item whose cost and revenue are to be measured, such as organizational units, programs, projects, targeted outputs, specific contracts, specific customers, work orders, and GPRA program/activities.

Disbursements

Payments made using cash, checks, or electronic transfers. Disbursements include advances to others as well as payments for goods and services received and other types of payments made.

Document

Balances and descriptive data of individual documents, such as requisitions, purchase orders, contracts, vouchers, billings, and advances.

Document Management Alliance (DMA)

A standards body seeking to provide interoperability among document management systems from different vendors. The DMA specification enables vendors to build document management applications and systems that provide "reliable, security-controlled search and retrieval capabilities to documents stored throughout the enterprise." In addition to document search and retrieval, DMA-compliant products will provide a framework for other common document

management functions, such as document creation, editing, version control, check-in/check-out, and security.

Document Status

The status assigned by the system to indicate a document's processing state. The following is a list of common status words used.

- **Held:** The user has decided not to allow the system to process the document. The document may or may not be incomplete. The document may or may not have been validated. The system will not process the document unless the user changes the status. (Note: this status is distinguished from payment "held" status for invoices validated, processed, and warehoused, then "held" from inclusion in the payment schedule)
- **Suspended:** The document has failed one or more of the system edits, and the system has automatically stored it for later retrieval, corrective action and processing, or cancellation. The system may process the document automatically depending upon criteria such as pay date.
- **Validated:** The document has passed all of the system edits, but has not been submitted for processing.
- **Pending Approval:** The document has passed all system validations. The system will not process the document until the requisite authorized users apply the appropriate approvals. Not all documents require approvals.
- **Approved:** The document has passed all system validations (edits) and all required approvals have been applied. The document is available for system processing.
- **Processed:** All related accounting events have been recorded and system tables have been updated.
- **Open:** The document has been processed, but only partially liquidated. Accounting events have been recorded, system tables have been updated. The document may have an unliquidated balance.
- **Closed:** The document has been processed and completely liquidated. The document will likely not have an unliquidated balance. The system will not allow additional processing against the document.
- **Cancelled:** The user has chosen not to process the document. Cancelled documents may be "flagged" for purging or archiving. Only those documents that have not been processed can be cancelled. The system will not allow processing against the document.

Electronic Funds Transfer (EFT)

Any deposit or payment accomplished electronically, including wire transfers via CA\$HLINK and Taxlink, Fedwire, Vendor Express, etc. Source: I TFM Part 6 Chapter 8500.

Expended Authority

Paid and unpaid expenditures for services performed by employees, contractors, vendors, carriers, grantees, lessors, or other government funds; goods and tangible property received; and amounts becoming owed under programs for which no current service or performance is required (i.e., annuities, insurance claims, other benefit payments).

Expenses

The outflows of assets or incurrence of liabilities during a period resulting from rendering services, delivering or producing goods, or carrying out other normal operating activities.

Federal Account Symbol

Numeric symbol assigned by Treasury to appropriation and fund accounts. The main account symbol is usually a minimum of six digits, with the first two digits identifying the department or

agency. Account symbols and titles are issued in a Treasury supplement, *Federal Account Symbols and Titles (FAST)*.

Federal Agencies Centralized Trial-Balance System (FACTS)

System used by agencies to electronically transmit a preclosing adjusted trial balance at the TAFS level (FACTS II) or fund group level (FACTS I) using U.S. Government Standard General Ledger account and other specified elements. FACTS I supports consolidated financial statement reporting. FACTS II supports centralized budget execution reporting.

Federal Supply Classification Codes (FSC Codes)

Four digit numeric classification codes for products, similar to SIC Codes. FSC codes may be found at <http://www.dlis.dla.mil/h2/> or <http://www.dlis.dla.mil/PDFs/h2.pdf>.

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.

Financial Management System

The financial systems and the financial portions of mixed systems necessary to support financial management.

Financial System

An information system having one or more applications for collecting, processing, maintaining, transmitting, and reporting data about financial events; supporting financial planning or budgeting activities; accumulating and reporting cost information; or supporting financial statement preparation.

Financing Account

The account that collects the cost payments from a credit program account and includes all cash flows to and from the government resulting from direct loan obligations or loan guarantee commitments made on or after October 1, 1991.

Full-Time Equivalent (FTE)

The basic measure of the levels of employment used in the budget. It is the total number of hours worked (or to be worked) divided by the number of compensable hours applicable to each fiscal year.

Future-Dated Transactions

Financial transactions that are input and warehoused in the current accounting period, scheduled to be posted to a later accounting period.

Government Online Accounting Link System (GOALS)

An electronic network that ties agencies to Treasury and each other for the exchange of information. Over the network, agencies can transfer funds to each other and receive notification that Treasury has accomplished disbursements. Also, agencies and Treasury can submit and receive reports once exchanged in hard-copy format by mail. The GOALS network can be used with a wide variety of terminals and modems.

Graphical User Interface

A program interface that takes advantage of a computer's graphics capabilities to make the program easier to use.

Graphical Workflow Builder

A product designed to allow the user, system administrator, or workflow administrator to map out a business process by pointing and clicking. The user can visually design and automatically create, view, and modify workflow objects, including activities, rules, messages, and roles. Once a workflow application has been created, it can be modified online.

Imprest Fund

A fixed-cash or petty-cash fund in the form of currency, coin, or government check, which has been advanced as Funds Held Outside of Treasury and charged to a specific appropriation account by a government agency official to an authorized cashier for cash payment or other cash requirement as specifically authorized. The fund may be a revolving type, replenished to the fixed amount as spent or used, or may be of a stationary nature such as a change-making fund.

Information System

The organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non-financial, financial, and mixed systems.

In Forbearance/In Formal Appeals Process

A delinquent debt that is in a formal appeals process or forbearance program. The results of the appeal affect whether a debt is considered valid and legally enforceable and/or the dollar amount to be collected. Debts in a formal forbearance program represent debts that are still in negotiation.

In Foreclosure

A delinquent debt for which a notice of default has been filed.

In Wage Garnishment

A delinquent debt for which the agency is pursuing administrative wage garnishment (attaching money due to the debtor in order to satisfy a third-party debt).

Integrated System

A group of related subsystems that enable a user to have one view into the components or modules in order to access information efficiently and effectively through electronic means.

Limitation

A funding restriction, imposed by OMB, a department, or an agency, that places a ceiling for obligation/spending authority. The limitation may exist at any level within a funding structure or may be imposed using an independent structure.

Line Item

A line of accounting information, for example, accounting classification elements, on a document.

Logging

Data used for audit trail purposes to record activity in the system other than financial transactions, such as table changes.

MAX Budget System (MAX)

A computer system used to collect and process most of the information required for preparing the budget. MAX consists of a series of schedules that are sets of data within the MAX database.

Mixed System

Any information system that supports both the financial and non-financial functions of the Federal Government or components thereof.

Messaging API-Workflow (MAPI-WF)

A Microsoft framework originally intended to provide a standardized way for any Messaging Application Programming Interface (MAPI)-capable application to be workflow enabled and to support work item interchange between various workflow engines. It is now expected to be merged with standards based on Multipurpose Internet Mail Extensions (MIME).

Module

A component of an information system that carries out a specific function or functions and may be used alone or combined with other components.

Multiple Virtual Storage (MVS)

The operating system for older IBM mainframes. MVS was first introduced in 1974 and continues to be used, although it has been largely superseded by IBM's newer operating system (OS/390).

Novation

Substitution of a new legal obligation for an old one as a result of a contractor's legal change of name. The following FAR clauses reference novation: 42.12 (Novation and Change-of-Name Agreements), 42.1203 (Novation and Change-of-Name Agreements: Processing Agreements), 42.1204 (Applicability of Novation Agreements), 42.1205 (Novation and Change-of-Name Agreements: Agreement to Recognize Contractor's Change of Name), 53.242-1 (Novation and Change-of-Name Agreements, SF 30), and 2.101 (Definition: Novation Agreement).

Object Classification

A method of classifying obligations and expenditures according to the nature of services or articles procured (e.g., personal services, supplies and materials, and equipment). Obligations are classified by the initial purpose for which they are incurred, rather than for the end product or service provided.

Object Classes

Categories in a classification system that present obligations by the items or services purchased by the Federal Government. The major object classes are 10—Personnel compensation and benefits, 20—Contractual services and supplies, 30—Acquisition of assets, 40—Grants and fixed charges, and 90—Other. Many agencies have defined lower levels of object classes for internal use.

Obligated Balance

The cumulative amount of budget authority that has been obligated but not yet outlaid, also known as unpaid obligations (made up of accounts payable and undelivered orders) net of accounts receivable and unfilled customers orders.

Obligation

A binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Offset

Withholding money payable by the government to, or held by the government for, a person or entity to satisfy a debt that the person or entity owes the government.

Online

Accessible by any computer connected to a network (for example, an online database).

Online Payment and Collection System (OPAC)

An automated means by which billing information is transmitted between Federal agencies through a commercial time-sharing service via a telecommunications network. Intragovernmental payments are also made using OPAC. OPAC is a component of GOALS.

Open Document Architecture/Open Document Interface Format (ODA/ODIF)

An international standard (ODA) that enables users to exchange texts and graphics generated on different types of office products. ODIF defines the ODA format in terms of interchanged data elements.

Open Document Management Architecture (ODMA)

Application that provides a standard interface between document management systems and end-user applications. ODMA is becoming a de facto desktop application integration standard.

Organization Structure

The offices, divisions, branches, etc., established within an entity based on responsibility assignments, whether functional or program related.

Outlay

A payment to liquidate an obligation (other than the repayment of debt principal). Outlays are the measure of government spending. 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 the interest accrued on public issues of the public debt.

Period of Availability

The period during which a Federal agency can incur new obligations, as defined in the law appropriating the budget authority. The period of availability for incurring new obligations is shorter than the period of availability for making disbursements, which is covered by a general law. As indicated by the availability code in the Treasury Appropriation Fund Symbol, the period of availability to incur obligations is annual, multiyear, or no-year.

Plan

A blueprint for using financial resources during any given fiscal period or series of periods. Agencies differentiate between “operating,” “spending,” and “financial” plans based on different levels of detail, different fiscal periods covered, or other variables. OMB uses the term “plan” in its Budget System and Concepts and Glossary as follows: “The Budget of the United States Government sets forth the President’s comprehensive financial plan for allocation of resources for the Federal Government;” and “Before agencies can use the resources, OMB must approve their spending plans.”

Posted Transaction

Data from financial transactions that have been processed, accepted, and recorded in the system.

Product Service Codes (PSC Codes)

Four digit alphanumeric classification codes for services, similar to SIC Codes. PSC Codes may be found at <http://www.scrantonrtg.com/secrc/fsc-codes/fsc.html>.

Pro Forma Transactions

Predetermined standard set of general ledger account postings associated with an accounting event.

Program

In general, 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 “program” has many uses and thus does not have well-defined, standard meaning in the legislative process. The term is used to describe an agency’s mission, programs, functions, activities, services, projects, and processes.

Program Structure

The budget programs, activities, etc., on which budgetary decisions are made, whether legally binding, as in appropriation limitations, or in the nature of policy guidance, as in Presidential pass-backs, congressional markup tables, or internal agency decisions.

Project

A planned undertaking of something to be accomplished or produced, or an undertaking having a finite beginning and finite end. Examples are a construction project or a research and development project.

Query

Specify requirements to select, summarize or display data online. For example, select vendors based on one or a combination of the following parameters.

Reappropriation

An extension in law of the availability of unobligated balances of budget authority that have expired or would otherwise expire as a result of legislation enacted subsequent to the law that provided the budget authority. A reappropriation counts as budget authority in the year in which the balance becomes newly available for obligation.

Reimbursable Order

Order for goods and services to be provided by the agency to another entity in return for payment. May also be known as “customer order.”

Reimbursable Obligation

An obligation financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account.

Report

Produce formatted output in hard-copy based on a user’s requirements. Reports can be internal or external. They can be scheduled or generated on demand. Report requirements specify the data to be listed or summarized.

Rescheduled (debt)

Modified terms and conditions to facilitate repayment of a debt. This includes establishing new terms as a result of changes in authorizing legislation.

Requirements

Statements that describe functionality or operating characteristics that a system is to provide an agency.

Rescission

A legislative action that cancels new budget authority or the availability of unobligated balances of budget authority before the authority would otherwise have expired.

SF 132, Apportionment and Reapportionment Schedule

Standard form that provides information on the sources and uses of the apportionment request. This form contains two general sections: Budgetary Resources, and Application of Budgetary Resources. Under Budgetary Resources are found the sources of actual and anticipated resources, as well as actual and anticipated reductions to those resources. Under Application of Budgetary Resources are found the use of the resource by fiscal quarter, activity, project, object, or combination thereof.

SF 133, Report on Budget Execution and Budgetary Resources

Standard form that provides information on the budgetary resources appropriated for an agency. The report lists the sources of budget authority and the current status of budgetary resources by individual fund or appropriation. The form is prepared for each unexpired and expired fund or appropriation, excluding clearing accounts and deposit funds, and provides fund or appropriation status as of the reporting date.

Single, Integrated Financial Management System

A unified set of financial systems and the financial portions of mixed systems encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls, and data necessary to carry out financial management functions, manage financial operations of the agency, and report on the agency's financial status to central agencies, Congress and the public. "Unified" means that the systems are planned for and managed together, operated in an integrated fashion, and linked together electronically efficiently and effectively to provide agency-wide financial system support necessary to carry out the agency's mission and support the agency's financial management needs.

Spending Chain

The movement of purchasing activity through the following stages, recorded by related accounting transactions:

- Commitment
- Obligation (undelivered order unpaid)
- Receipt (delivered order unpaid)
- Acceptance
- Advance payment (undelivered order paid)
- Payment voucher (delivered order unpaid)
- Disbursement-in-transit
- Accomplished payment (delivered order paid).

Standard Generalized Markup Language (SGML)

An international standard of identifying the basic structural elements of a text document. SGML addresses the structure of a document, not its format or presentation.

Standard Industrial Classification (SIC) Codes

Four or eight digit all-numeric classification codes for products and services. SIC codes may be found at www.osha.gov/oshstats/sicser.html .

Suspended (debt)

Collection activity on a debt that is temporarily stopped for one of the following reasons: (1) the agency cannot locate the debtor, (2) the debtor's financial condition is expected to improve, or (3) the debtor has requested a waiver or review of the debt.

Suspended Transactions

Transactions that have not been completely processed and posted in the system.

System

Two or more individual items (equipment components) that are part of a self-contained group; are joined physically, electronically, or electromechanically; are programmed or designed specially to rely on each other; cannot function independently if separated; and cannot be easily disconnected and reconfigured to function with or within another unit or system.

Tolerance Levels

The percentage or dollar variance of related transaction amount that can exceed a control amount, such as obligation to commitment; accrual to obligation; and obligation to payment.

Transaction Effective Date

The date a transaction is effective in the general ledger. The effective date normally determines the fiscal year and accounting period in which a transaction is recorded. It is also called the transaction date.

Transaction Posting Date

The date a transaction is recorded in the accounting system. It is the date assigned by the computer; also called the system date. Because of its use in system audits, the posting date should be automatically determined and recorded. This date may not be modified or changed.

Transfer

Action in which budgetary resources are moved from one budget account to another. Depending on the circumstances, the budget may record a transfer as an expenditure transfer, which involves an outlay, or as a non-expenditure transfer, which does not involve an outlay.

Treasury Account Symbol (TAS)

The Treasury account symbols represented by agency, individual appropriations, receipts, and other fund accounts. See also Treasury Appropriation Fund Symbol.

Treasury Appropriation Fund Symbol (TAFS)

The separate Treasury expenditure accounts for each appropriation title based on the availability of the resources in the accounts. The TAFS is a combination of the Federal account symbol and availability code (for example, annual, multi-year, or no-year). The TAFS is a subset of TAS. See also Treasury Account Symbol.

Treasury Offset

Collection of a delinquent debt by Treasury or a non-Treasury disbursing officer through offset of a Federal payment. Federal payments of benefits, tax refunds, salary, or vendors are subject to offset.

Unified System

Systems that are planned and managed together, operated in an integrated fashion, and linked together electronically efficiently and effectively to provide agency-wide financial system support necessary to carry out the agency's mission and support the agency's financial management needs.

UNIX

A popular multiuser, multitasking operating system developed at Bell labs in the early 1970s.

Unobligated Balance

The cumulative amount of budget authority that is not obligated and that remains available for obligation under law.

Vendor Independent Messaging (VIM)

An application-program interface (API) that allows the exchange of electronic mail among programs from different vendors. Members of the VIM Consortium are in the process of internally standardizing on VIM across all their networking products as they roll out their new product releases. VIM is designed to work across desktop platforms on Windows, Macintosh, DOS, and OS/2.

Waiver

A forgiveness of debt. The debtor is not held responsible and is not subject to collection efforts.

Warehoused Payment

An account payable that is awaiting payment scheduling.

Write Off

Action to remove an uncollectible amount from an entity's receivables. Collection attempts can be made after receivables are removed.

Warrant

An official document issued by the Secretary of the Treasury, pursuant to law, that establishes the amount of money authorized to be withdrawn from the central accounts maintained by the Treasury.

Workflow Management Coalition (WFMC)

A nonprofit, international organization of workflow vendors, users, analysts, and university/research groups. The WFMC was founded in August 1993.

WfXML Binding Version 1.1

The WFMC's specification for a language based on the Extensible Markup Language (XML), announced on February, 11, 2002. It is designed to model the data transfer requirements set forth in the WFMC's interoperability abstract specification. It provides for a consistent method of interfacing between disparate workflow engines, facilitating the integration of workflow products and distributed systems to third-party products.

Appendix C—Summary of Standard External Reports from Core Financial Systems

Title (Form)	Purpose	Level	Basis	Frequency	Guidelines
Report on Budget Execution and Budgetary Resources (SF 133)	Report status of budgetary resources	TAS	Modified Cash	On demand	OMB Circular No. A-11
Federal Agencies Centralized Trial Balance System (FACTS I)	Report data for consolidation from FACTS I into the Financial Report of the U.S. Government	Appropriation/ Fund Group	Accrual	Quarterly	I TFM-2-4000
Federal Agencies Centralized Trial-Balance System (FACTS II)	Report status of budgetary resources	Appropriation/ Fund Account	Accrual	Quarterly	Current TFM U.S. SGL Supplement FACTS II Client Bulk User's Guide
Treasury Report on Receivables (TROR)	Provide information on the status of public receivables and delinquencies	Appropriation/ Fund Account (but can vary)	Accrual	Quarterly	I TFM-2-4100
Statement of Transactions (FMS-224)	Report disbursements collections, and status of collections	Agency Location Code by Appropriation/ Fund Account	Cash	Monthly	I TFM-2-3300
Report of Accountability (FMS-1219)	Provide an analysis of disbursing officers' activities in agencies that do not do their own disbursing	Agency Location Code and Disbursing Officer	Cash	Monthly	I TFM-2-3100
Statement of Transactions (FMS-1220)	Report disbursements and collections in agencies that do their own disbursing (the counterpart to FMS-224)	Agency Location Code and Appropriation/ Fund Account	Cash	Monthly	I TFM-2-3100
Information Returns: 1099-MISC, 1099-G, etc.	Provide information to the IRS on payments made or debts forgiven	Taxpayer Identification Number	Cash	Annually	IRS instructions for forms 1099, 1098, 5498, and W-2G

Appendix C—Summary of Standard External Reports from Core Financial Systems

Title (Form)	Purpose	Level	Basis	Frequency	Guidelines
Balance Sheet	Disclose statement of assets, liabilities, and net position	Department	Accrual	Quarterly	OMB's Bulletin on Form and Content
Statement of Net Cost	Report gross costs less revenue earned	Department	Accrual	Quarterly	OMB's Bulletin on Form and Content
Statement of Changes in Net Position	Report financing sources, gains, and losses	Department	Accrual	Quarterly	OMB's Bulletin on Form and Content
Statement of Budgetary Resources	Report available budgetary resources and status	Department	Obligation/Accrual	Quarterly	OMB's Bulletin on Form and Content
Statement of Financing	Report on reconciliation between proprietary and budgetary accounts	Department	Accrual	Quarterly	OMB's Bulletin on Form and Content
Statement of Custodial Activity	Report non-exchange revenue	Department	Accrual	Quarterly	OMB's Bulletin on Form and Content

Appendix D—Requirement Drafting Guidelines

Our goal is to publish a comprehensive set of functional requirements that can be used by agencies and vendors in specifying, developing, implementing or testing financial systems. In order to meet this objective on a consistent basis, we have adopted guidelines for use in drafting each of the six types of requirements encountered in this document. The six types of requirements are:

- Configuration
- Input
- Process
- Query
- Report
- Interface
- Non-functional

Drafting guidelines call for starting every requirement with an action. The actions (e.g., verbs) commonly used in requirements phrasing are defined in this appendix, organized by requirement type. Definitions of other key words affecting agency interpretation of individual requirement text can be found in the Glossary.

In reading an individual requirement, assume the following opening statement:

“The system must provide the automated functionality to do the following:”

Configuration Requirements

Configuration requirements describe functionality needed by a user (i.e., the agency) to pre-establish configuration tables, structures, codes, labels, access rights and rules. Most configuration requirements begin with the verb “maintain.”

- We use “**maintain**” when specifying functionality that will allow the user to directly enter, change or delete configurable items. For example:

Maintain a revenue source code structure.

- We use “**define**” when the intention of the requirement is to allow the user to specify edits, business rules, workflows, code values or other conditional processes. For example:

Define specific GL accounts as control accounts for purposes of tracking activity in subsidiary ledgers.

- We use “**customize**” when referring to the ability to allow the user to enter and modify displayed field labels, report tiles, column headings or user interface settings. For example:

Customize the text to be displayed on system-generated bills.

Input Requirements

Input requirements describe how different types of information are to be entered into the system. Input requirements cover individual data items and documents.

- We use “**capture**” when the intention of the requirement is to store user or system originated document and transaction data. The ability to subsequently modify or delete captured financial information is assumed. For example:

Capture item description on each line of a commitment document, or, capture a system derived effective date.

- We use “**update**” when the intention of the requirement is for the system to add information to existing records from a second source, typically through an imported file.

Update posted transaction with the Treasury confirmed schedule, issue date and assigned check number.

Process Requirements

Process requirements describe automated tasks performed on financial data as entered into the system. Processes include validating data, monitoring funds, notifying users, performing calculations, and distributing costs. Because process requirements cover a wide range of functionality, they are written using a variety of standard syntax rules.

- We use “**archive**” to specify functionality used to store processed, non-current data to a segregated storage area, subject to read access and retrieval. For example:

Archive closed commitment, obligation, receipt and expenditure documents.

- We use “**associate**” when referring to establishing a relationship between financial records. For example:

Associate transactions posted to the general ledger with original documents.

- We use “**calculate**” when referring to system functionality needed to compute a result based on a defined arithmetic formula. For example:

Calculate late payment interest charges, or calculate a due date.

- We use “**classify**” when referring to capturing accounting classification elements on individual transactions. For example:

Classify transactions by the following accounting elements:

- We use “**derive**” when referring to functionality the system uses in applying business rules. For example:

Derive the amount of upward or downward spending adjustment.

- We use “**distribute**” when referring to allotting funds or the assignment of accumulated costs. For example:

Distribute funds to subordinate organizations.

- We use “**generate**” in specifying requirements where the system must originate and store information, as in:

Generate an audit trail of all accounting classification structure additions, changes and deletions

- We use “**identify**” to refer to the lookup/retrieval of financial information based on an entered parameter or defined rule. For example:

Identify payments to be disbursed in a particular payment cycle.

- We use “**liquidate**” when the intent is to reduce or close a line item on a referenced document. For example:

Liquidate individual disbursement-in-transit transactions.

- We use “**monitor**” to refer to the draw down of resources against an established limitation. For example:

Monitor the use of funds and prevent spending in excess of the available authority.

- We use “**notify**” when the requirement is for the system to issue an e-mail or other online message to inform the user of a processing exception. For example:

Notify users when funds availability is reduced.

- We use “**prevent**” when the system is required to stop a user from completing an entry or initiating a process. For example:

Prevent the recording of duplicate transactions.

- We use “**record**” when referring to the posting of transactions into the general ledger or journal. “Record” is usually followed by an accounting term such as assets, liabilities, accounts payable, equity, revenue, expenses, interest, depreciation, amortization, collections, receipts, payments, commitments, obligations, expenditures, authority, or appropriations. For example:

Record a payment advance.

- We use “**reference**” to refer to the association of document line items to prior document lines and their automatic liquidation. For example:

Reference multiple prior documents in a processing chain.

- We use “**suspend**” when requiring the system to place a document or other work item into a holding queue subject to later retrieval, correction and completed processing. For example:

Suspend incomplete documents and those that fail edits (i.e., save for later retrieval and processing).

- We use “**validate**” when requiring the system to confirm the validity of entered information against a defined business rule. For example:

Validate that a duplicate vendor number was not entered.

Query Requirements

Query requirements describe requirements for formatted online displays of system maintained information. Queries can be scripted, stored and scheduled to be executed in batch mode or generated on demand.

- We use “**query**” to specify data selection, summarization and online display.

Query related transactions. Parameters include any document number. Result is all general ledger transactions from documents in the parameter document's processing chain.

- We use “**parameters include**” to specify the selection criteria to be applied in generating reports and queries. When multiple parameters are listed, it is understood that one or any combination of the parameters are to be applied. Parameters should allow for selection of one value, a range of values, or all values. The default should be “all values.”

Parameters include beginning effective date, ending effective date, and TAS or internal fund code.

- We use “**drill-down**” to specify functionality used to display detailed supporting entries for a query-selected summary record. This action typically follows a specified query. For example:

Drill down from listed documents to document details.

Report Requirements

Report requirements describe system outputs that have predefined form and content. Reports can be designated as internal or external. They can be scheduled or generated on demand. All reports must be printable. Some reports are additionally designated as being online. Online reports are usually subject to additional drill-down. Report requirements also specify the data to be listed or summarized.

- We use “**generate a report**” to describe the user’s requirements for formatted output. For example:

Generate an Open Commitments and Obligations Report. Select documents for based on any combination of accounting classification elements (e.g., open commitments and obligations by organization). List the document number, unliquidated amount, vendor, and accounting classification string of each reported document.

Interface Requirements

Interface requirements define the need to exchange transactional data with another internal agency or an external governmentwide system. An example of an internal transactional requirement is the requirement for an acquisition system to generate transactions needed to establish commitments in the Core system. An example of an external interface requirement is the requirement for the Core system to generate a payment file suitable for transmission to Treasury's ECS.

- We use “**import**” when requiring the system to receive and process data originated in another financial or mixed system. For example:

Import collection files from banks for application to open receivable, or import CCR updates..

- We use “**export**” when the intention of the requirement is to generate and send a transaction file to another system for processing. For example:

Export plan information at the line item level.

Non-Functional Requirements

Non-functional requirements do not specify a system capability. They are generally references to standards, rules, or policies maintained by others. These types of requirements are found more frequently in the technical area.

- We use “**comply**” with a defined external standard. For example:

Comply with Workflow Management Coalition (WFMC) Workflow Standard – Interoperability.

- We use “**support**” for requirements referencing a defined Government policy. For example:

Support direct EDI translation compliant with American National Standards Institute (ANI) X-12 standards.