



Intragovernmental Transactions Work Group Meeting Minutes May 9th 2017

Slide 5- **Statutory Authority Data Elements**- Brian Casto reviewed Fiscal Service's recommendations from our January ITWG Meeting, in which we discussed the intent of the GT&C and Order. The 12 data elements on the slide involving Statutory Authority were transitioned from the GT&C to the Order, because they captured accounting treatment more than general terms of the trading partner agreement. Wes Vincent stated that advantages to applying this recommendation involve a more flexible agreement for each trading partner. Wes noted there are advantages to entering multiple orders under one GT&C, as it could limit the number of GT&Cs. Two of those data elements reflected in red (Servicing Agency's Statutory Authority Advance Title & Advance Citation) reference advance payments. We would like to remove both of them from the GT&C and Order, as they are not required by policy. Only the Requesting Agency would need to provide Advance Payment Title and Citation. The Buyer will provide that data if they want an advance payment and the Seller would accept the Order. Wes confirmed that we are not removing the Statutory Authority elements, but we are removing the Servicing Advance Payments Title and Citation. We are still capturing the Statutory Authority elements, but at the Order level and not the GT&C level. **Survey question distributed.**

Ed Gramp of GSA feels that all 12 of the data elements need to stay on the GT&C instead of moving the elements to the Order., and that the Servicing Agency fund authority is needed if for an advance. He stated it is not a regular basis to enter a GT&C that is not defined until the task order has been provided; because if data is needed in advance how could the seller accept the order. How will the agreement work? **Survey question distributed**

Melody Hutt, MDA, DoD mentioned that she felt that the statutory authority should be listed in the GT&C, she referenced "DOD Instruction 4000.19" on Agreements requires it. **Action Item further research.** Wes is currently working with Melody, and confirmed we have been in communication with OUSD BIO and they have updated DoD's IGDS to reflect these changes.

Slide 6- **Term days (on order)** – Wes stated that currently today, there is no validation. The term does not drive anything at the invoice level. **Survey question distributed**

Ed Gramp – Inquired if there will there be a standard formal Intragov reconciliation required. Treasury will still require accrual information to be exchanged at least on a quarterly basis. If

accruals are going to be more frequent than quarterly, both trading partners must agree upon accrual process in GT&C.

Slide 8- **Planned G-Invoicing Data Flows** Question per slide, would we need a new transaction just for accruals, interface does not reflect on slide 8 and had not been discussed before current proposal. Bill will update slide 8. Slide 8 will have accrual data flow item listed for discussion in the next meeting.

GSA had comments about timing of posting GL Scenarios, stating would not necessarily match the dates that were used on the slides, Brian commented the dates were used just to point out how items can be booked.

Slide 11 – Bill Schmidt of FRB St. Louis described the challenges the community faces in agreeing upon timing of Receipt and Acceptance and the transfer of ownership. IGT Buy/Sell transactions can be handled differently than transactions with vendors, and both partners want to book the FOB points most advantageous to them. Examples of accounting postings for different scenarios are needed to ensure the correct offsetting entries for each Reciprocal Category.

Slide 12- **Accrual Transaction** – Matt Conrad introduced the concept of an Accrual Date and Accrual Transaction by which partners can mutually agree upon a date to make offsetting accrual entries. CDC inquired if both agencies goal is reporting accruals at the same time. Will there be a notification to agencies when a trading partner's accounting entries are falling in different periods? Ed added that we are passing records monthly/quarterly with no mention of policy; will that be any requirements? Matt stated there will be requirements at least quarterly. We need to agree, **Survey question**. Bill added: our agencies need to agree on an accrual, the information will help with differences and who need to adjust. We are not there yet.

Question asked: Doesn't the approval of invoice/remittance advice happen on the same date? Wouldn't this trigger the IPAC? Should happen on the same date. The intent to differentiate on the slide. There could be a delay.

Slide 14- **Scenario 1: Simple Goods Exchange**, Ed commented the model did not look like Inventory was in stock. Brian commented if this were a scenario in which the Inventory was purchased for resale, a Debit entry would be needed for Cost of Goods Sold, and a corresponding credit entry would be necessary to Inventory Purchased for Resale.

Slide 15- **Scenario 1: Simple Goods Exchange cont.** In practice- inventory and remittance advice normally will be the same date. Bill reflected this way so he could differentiate that there could be a gap delay on the buyer side. Would think that could happen when IPAC moves funds.

Due to time issues, we were not able to cover all of the scenario slides. However, we will cover additional scenarios with more complexity in the near future.

Brian wrapped up to review the Survey questions.

Please direct all inquiries to IGT@fiscal.treasury.gov

Survey questions have been emailed to all ITWG participants. Please complete the survey.

<https://www.surveymonkey.com/r/XLQ6FWL>