



BUREAU OF THE  
**Fiscal Service**  
U.S. DEPARTMENT OF THE TREASURY

# Intragovernmental Transactions Working Group (ITWG)

May 9, 2017

# Today's Agenda

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- **Miscellaneous Topics**
  - Survey Results (Brian Casto)
  - Servicing Agency Statutory Authority Title & Citation (Brian)
  - Term Days (Wes Vincent)
  - Status of System Interface Specifications (Bill Schmidt)
- **Settlement and Remittance (Bill)**
- **Transfer of Ownership**
  - Retrospective and Look Ahead (Bill, Keith Jarboe)
  - Business Scenarios (Bill, Brian)
- **ITWG Survey (Brian)**

# Tentative ITWG Schedule

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- ✓ Mar 14 – Receiving, Invoicing, Settlement
- May 9 – Settlement/Remittance (cont.)  
Transfer of Ownership (cont.)
- ☐ May 23 – Agency Onboarding

## Planned Dates

June 13

July 11

August 15

September 12

*2-3 pm ET*



## Future Topics

Assisted Acquisition

DATA Act

Multiple Advance Payments

Refunds and Adjustments

# Survey Results

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- Vast majority said Invoices will be fed to G-Invoicing through automated feed from your system
- About half the respondents have the ability to provide an automated feed of Receiving data
  - Only a few can support a “real-time” flow of data from Buyer
- IGT buy/sell not settled by IPAC
  - Intra-ALC trading by some agencies (not currently allowed in IPAC) will be accommodated in the future
  - Small percentage of payments by Check and Credit Card are discouraged and will not be supported by G-Invoicing

# Statutory Authority Data Elements

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- Recommendation
  - Move **12** Data Elements from GT&C to Order
    - Requesting Agency Authority Fund Type
    - Requesting Agency Authority Title
    - Requesting Agency Authority Citation
    - Servicing Agency Authority Fund Type
    - Servicing Agency Authority Title
    - Servicing Agency Authority Citation
    - Requesting Agency Statutory Authority Title
    - Requesting Agency Statutory Authority Citation
    - Requesting Agency Program Authority Title
    - Requesting Agency Program Authority Citation
    - Servicing Agency Program Authority Title
    - Servicing Agency Program Authority Citation
  - **Completely remove two Data Elements from the data standards**
    - **Servicing Agency's Statutory Authority Title**
    - **Servicing Agency's Statutory Authority Citation**

# Term Days (on Order)

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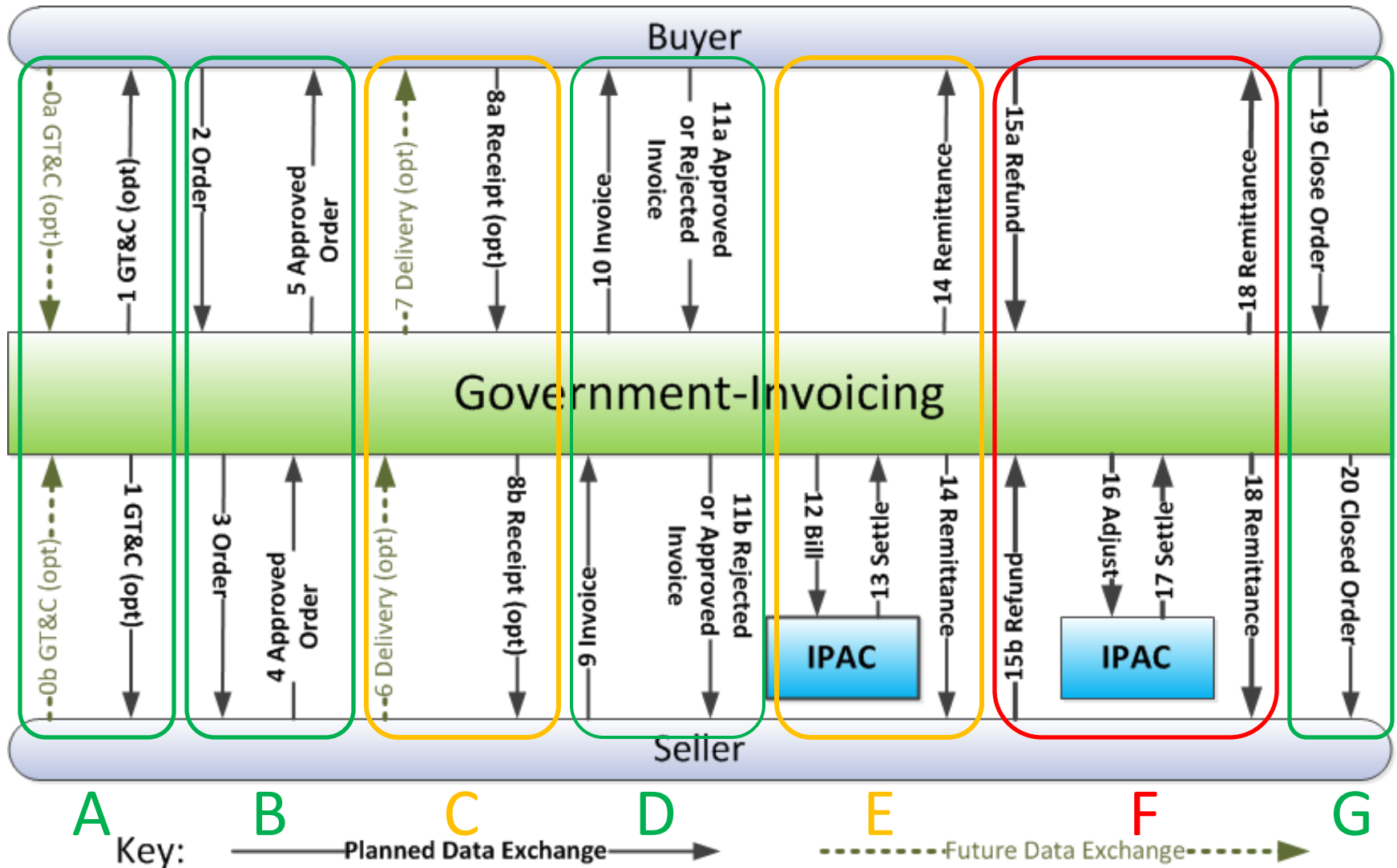
- Term Days is defined as the “maximum number of days (entered on the order) the contact person has to approve an invoice for payment”. This whole number (e.g., 1, 2, 3, etc.) is informational only (i.e., not enforced by G-Invoicing).
- The timing of invoice approval will be controlled by 3 factors:
  - Workflow can be configured to automatically approve invoices determined to be within tolerance limits
  - Authorized system/human users may approve an invoice at any time
  - G-Invoicing will be enhanced to force approval after ‘n’ days, where ‘n’ is to be determined by Treasury and will be applied to all invoices
- Questions:
  - Is there business value to continue to support the optional entry of Term Days?
  - Is it okay to return Term Days to the Order data standards?

# System Interface Specifications

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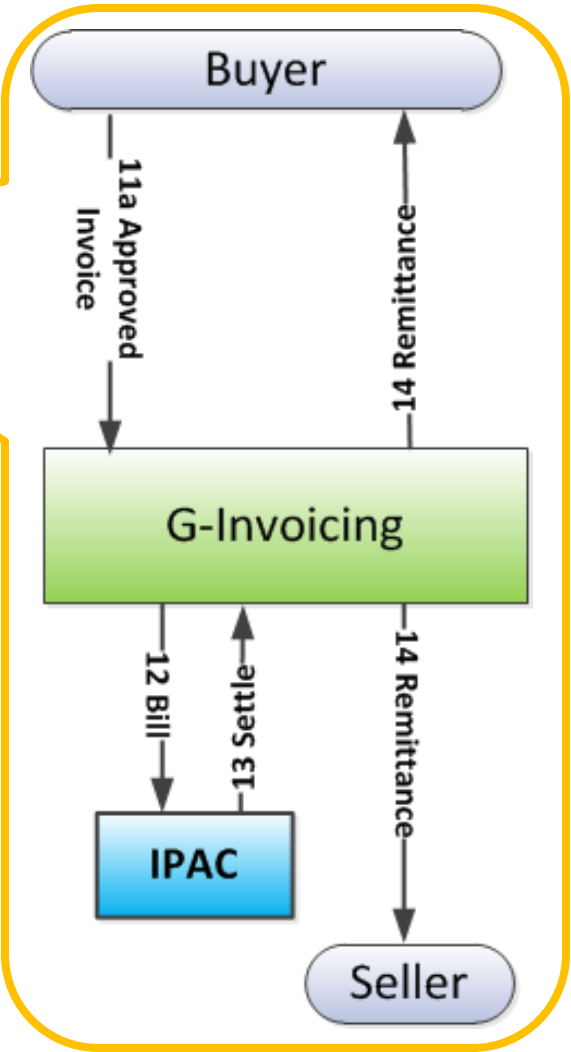
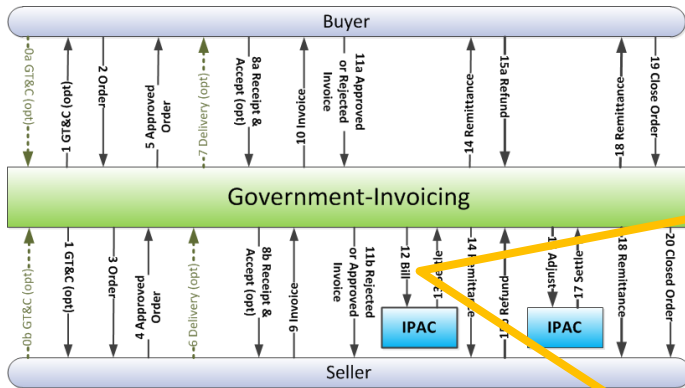
- Pull GT&C
  - ✓ XML schema approved
  - ✓ Spec fully approved
  - Awaiting complete vendor feedback
  - XML schema to be published
  - Specification to be published
- Push Order and Pull Order
  - Create XML schema
  - Create specification
  - Reviews with DoD and Vendors
  - XML schema to be published
  - Specification to be published

# Planned G-Invoicing Data Flows





# Settlement and Remittance



12 – A billing feed to IPAC will occur on a scheduled basis throughout the day. Each approved invoice is sent to IPAC for settlement.

13 – Settlement data is sent to G-Inv immediately after processing including all details and any errors.

11a – Approved invoices will be settled. Direct access to IPAC will be cut off for ALCs using G-Invoicing.

14 – Remittance Advice includes status, invoice number, Doc Ref Num, etc.

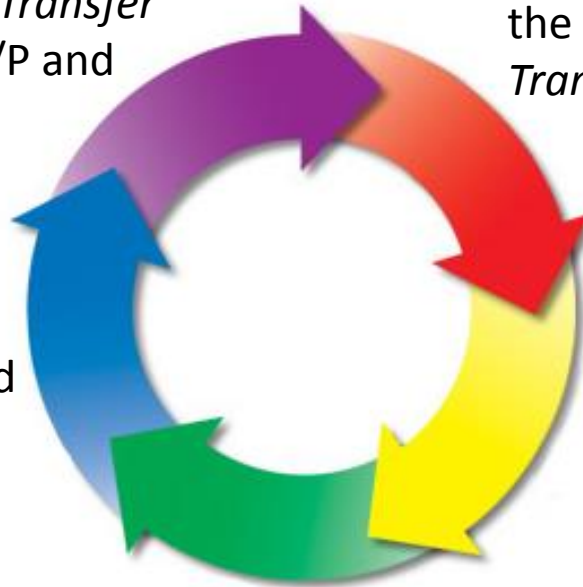
# Transfer of Ownership – Retrospective

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March, 2017 – Renamed transaction **IGT Receipt** which includes a *Transfer Date* to trigger A/P and A/R entries.

May, 2016 - Introduced Receipt & Acceptance to the ITWG. First mentioned *Transfer of Ownership*.

January, 2017 – Settled on a *Receipt & Acceptance* step and began defining data elements for that data exchange.



June, 2016 – Tried to identify which of several key dates in the buy/sell process should be considered the *Exchange Date*.

July, 2016 – Presented the USSGL flow triggered by G-Invoicing transactions to better understand *Transfer of Ownership*.

# Transfer of Ownership – Takeaways

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- Not all agencies handle Receipt & Acceptance (R&A) alike, thus accounting practices vary
- Within an agency, R&A for IGT buy/sell can be handled differently than for procurement from vendors
- The process needed for Goods is somewhat different than for Services
- There are nuances for scenarios such as recurring services, advance payments, monthly adjustments, etc.
- Examples of proper accounting postings per scenario is needed to ensure offsetting entries
- Agencies often do not know when their partner posts to G/L
- Not all agencies are equipped to report R&A separately

# Accrual Transaction

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- Accrual Date – Mutually agreed upon date upon which partnering agencies agree to make offsetting accrual entries
- Accrual Transaction – Mechanism by which the accrual date and quantity can be passed from one trading partner through G-Invoicing to the other partner
- For Goods:
  - Establish the FOB Point on the Order Header as ‘Source’ or ‘Destination’
  - For FOB ‘Destination’ the Requesting Agency provides Accrual Date (per order schedule line) in a separate Accrual Transaction or when the invoice is approved
  - For FOB ‘Source’ the Servicing Agency provides Accrual Date in a separate Accrual Transaction or when the invoice is generated (per invoice line)
- For Services:
  - FOB Point is always considered to be ‘Source’
  - Servicing Agency provides Accrual Date in a separate Accrual Transaction or when the invoice is generated (per invoice line)
  - For recurring billing, Accrual Date must be submitted multiple times
- Detailed policy to follow

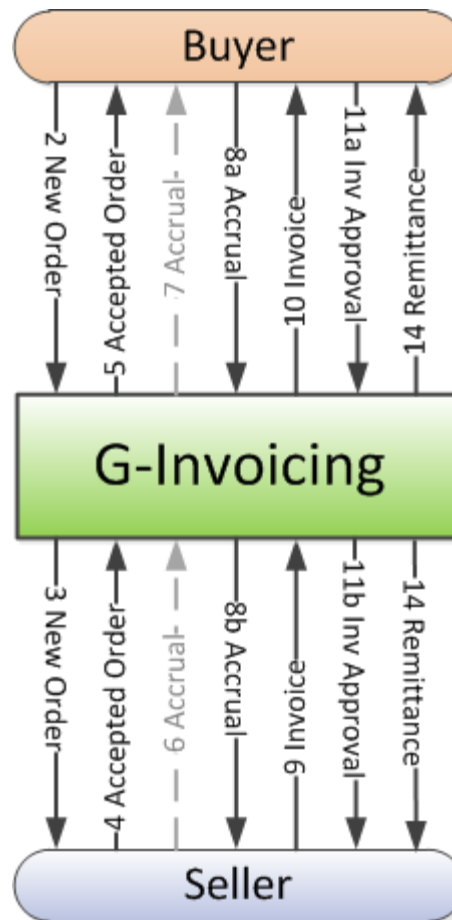
# Scenario 1: Simple Goods Exchange (1 of 3)

Simple exchange of 100 units on single order with a single schedule.  
 FOB Point is Destination.

## G-Inv Data Exchanges

**5/03 – Buyer submits order**

**5/05 – Seller accepts order**



## USSGL Entries

5/03 – Commitment

**SGL Trans Code B302**

Dr 4610 Allotments

Cr 4700 Commitments

5/05 – Undelivered Orders

**SGL Trans Code B306**

Dr 4700 Commitments

Cr 4801 Undelivered Orders

5/03 – Reimbursements

**SGL Trans Code A702**

Dr 4210 Ant. Reimbursements

Cr 4450 Unapp. Auth.

5/05 – Reimbursable Agreement

**SGL Trans Code A706**

Dr 4221 Unfilled Orders

Cr 4210 Ant. Reimbursements

# Scenario 1: Simple Goods Exchange (2 of 3)

Simple exchange of 100 units on single order with a single schedule.  
 FOB Point is Destination.

## G-Inv Data Exchanges

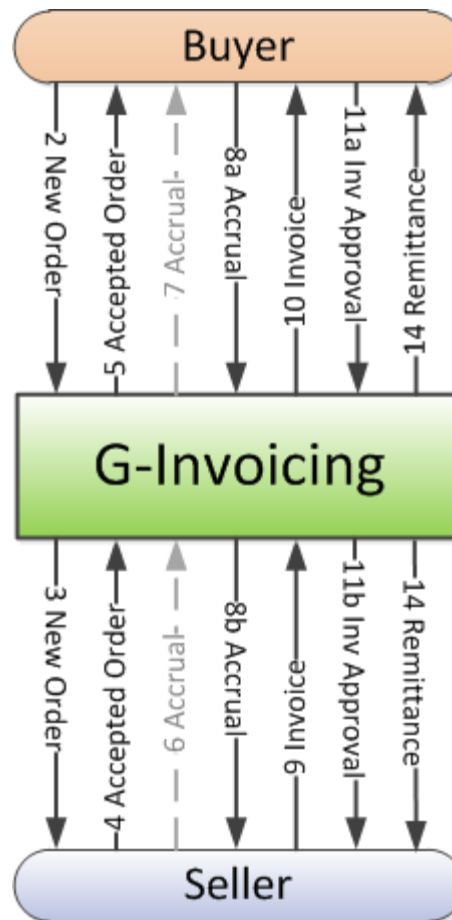
5/03 – Buyer submits order

5/05 – Seller accepts order

**5/08 – Delivery shipped  
 (not recorded)**

**5/11 – Buyer reports Accrual  
 (Accrual Date = 5/11)**

**5/15 – Seller submits invoice**



## USSGL Entries

5/11 – Delivery of Goods

**SGL Trans Codes B402 & G122**

Dr 4801 Undelivered Orders - Unpaid

Cr 4901 Delivered Orders – Unpaid

Dr 1527 Inventory

Cr 2110 Accounts Payable

Dr 8803 Purchases of Inventory

Cr 8801 Offset for Purch of Assets

5/11 – Revenue Earned at  
 Performance

**SGL Trans Code A714**

Dr 4251 Reimbursements- Receivable

Cr 4221 Unfilled Cust Orders

5/11 – Record Revenue

Dr 1310 Accounts Receivable

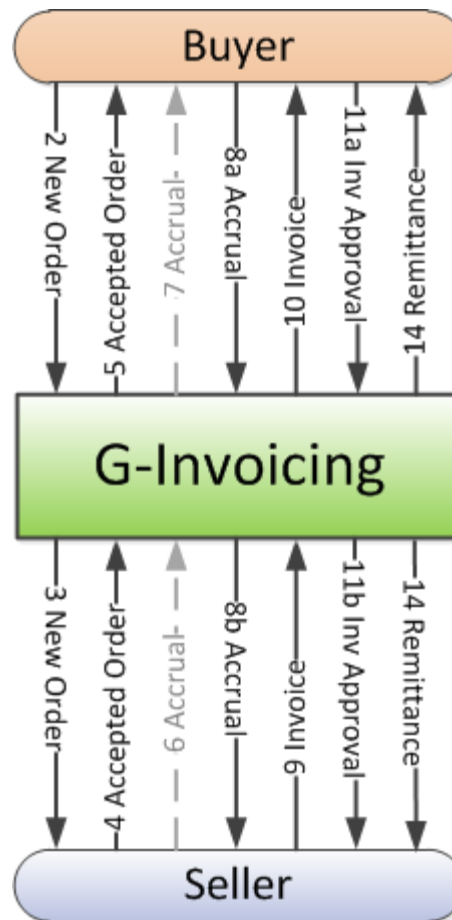
Cr 5100 Revenue from Goods Sold

# Scenario 1: Simple Goods Exchange (3 of 3)

Simple exchange of 100 units on single order with a single schedule.  
 FOB Point is Destination.

## G-Inv Data Exchanges

- 5/03 – Buyer submits order
- 5/05 – Seller accepts order
- 5/08 – Delivery shipped  
(not recorded)
- 5/11 – Buyer reports Accrual  
(Accrual Date = 5/11)
- 5/15 – Seller submits invoice
- 5/18 – Buyer approves invoice**
- 5/19 – Remittance Advice**



## USSGL Entries

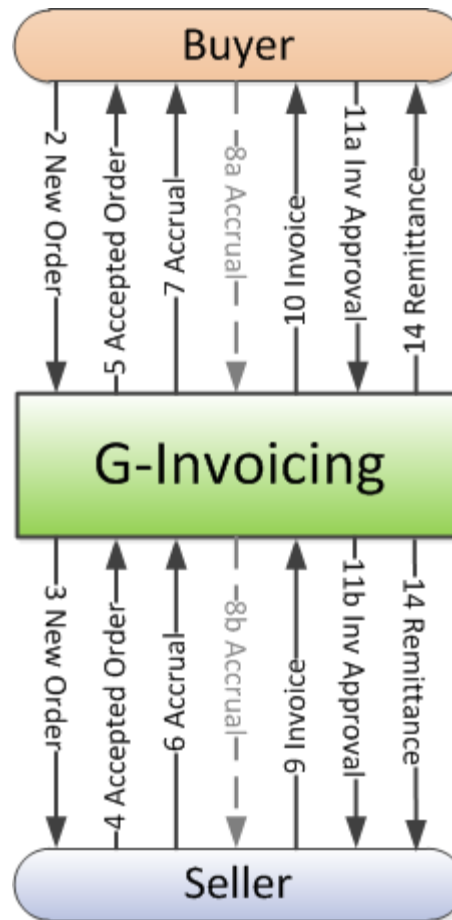
5/19 – Confirmed Disbursement  
**SGL Trans Code B110**  
 Dr 4901 Delivered Orders – Unpaid  
 Cr 4902 Delivered Orders – Paid  
 Dr 2110 Accounts Payable  
 Cr 1010 FBwT Cash

5/19 – Collection at Remittance  
**SGL Trans Code C186**  
 Dr 4252 Reimbursements - Collected  
 Cr 4251 Reimbursements - Receivable  
 Dr 1010 Fund Balance With Treasury  
 Cr 1310 Accounts Receivable

# Scenario 2: One Time Service (1 of 3)

Servicing Agency to provide one-time service, payable upon completion.

G-Inv Data Exchanges  
**5/03 – Buyer submits order**  
**5/05 – Seller accepts order**



USSGL Entries

5/03 – Commitment  
**SGL Trans Code B302**  
 Dr 4610 Allotments  
 Cr 4700 Commitments

5/05 – Undelivered Orders  
**SGL Trans Code B306**  
 Dr 4700 Commitments  
 Cr 4801 Undelivered Orders

5/03 – Reimbursements  
**SGL Trans Code A702**  
 Dr 4210 Ant. Reimbursements  
 Cr 4450 Unapp. Auth.

5/05 – Reimbursable Agreement  
**SGL Trans Code A706**  
 Dr 4221 Unfilled Orders  
 Cr 4210 Ant. Reimbursements



# Scenario 2: One Time Service (2 of 3)

Servicing Agency to provide one-time service, payable upon completion.

## G-Inv Data Exchanges

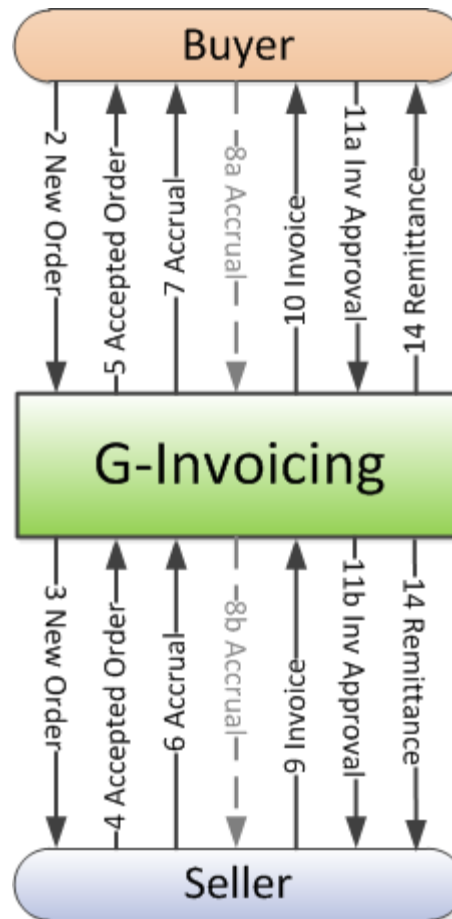
5/03 – Buyer submits order

5/05 – Seller accepts order

**5/11 – Service performed ...**

**Seller submits Accrual  
(Accrual Date 5/11)**

**5/15 – Seller submits invoice**



## USSGL Entries

5/11 – Services Received

**SGL Trans Code B402 & G122**

Dr 4801 Undelivered Orders - Unpaid

Cr 4901 Delivered Orders – Unpaid

Dr 6100 Program Costs

Cr 2110 Accounts Payable

5/11 – Rev. Earned at Performance

**SGL Trans Code A714**

Dr 4251 Reimbursements- Receivable

Cr 4221 Unfilled Cust Orders

5/15 – Record Revenue

Dr 1310 Accounts Receivable

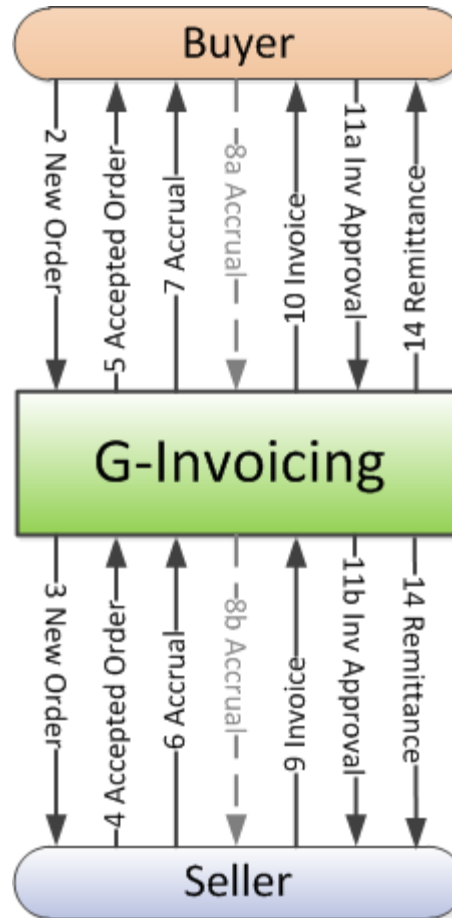
Cr 5200 Rev FR Services Provided

# Scenario 2: One Time Service (3 of 3)

Servicing Agency to provide one-time service, payable upon completion.

## G-Inv Data Exchanges

- 5/03 – Buyer submits order
- 5/05 – Seller accepts order
- 5/11 – Service performed ...  
Seller submits Accrual  
(Accrual Date 5/11)
- 5/15 – Seller submits invoice
- 5/18 – Buyer approves invoice**
- 5/18 – Remittance Advice**



## USSGL Entries

- 5/18 – Confirmed Disbursement  
**SGL Trans Code B110**  
Dr 4901 Delivered Orders – Unpaid  
Cr 4902 Delivered Orders – Paid
- Dr 2110 Accounts Payable  
Cr 1010 FBwT Cash

- 
- 5/18 – Collection at Remittance  
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  - Dr 1010 Fund Balance With Treasury  
Cr 1310 Accounts Receivable

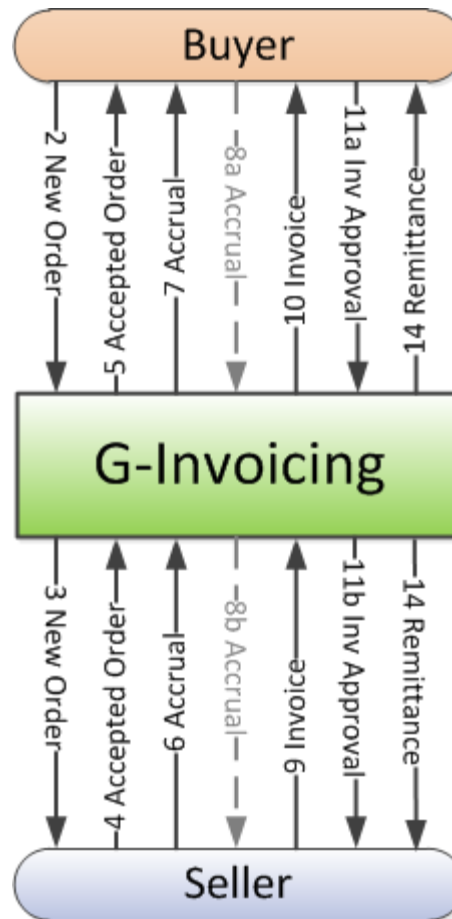
# Scenario 3: Recurring Service (1 of 3)

Monthly (fixed cost) short-term equipment rental with (variable cost) maintenance service.

## G-Inv Data Exchanges

**5/03 – Buyer submits order**

**5/05 – Seller accepts order**



## USSGL Entries

5/03 – Commitment

**SGL Trans Code B302**

Dr 4610 Allotments

Cr 4700 Commitments

5/05 – Undelivered Orders

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Cr 4801 Undelivered Orders

5/03 – Reimbursements

**SGL Trans Code A702**

Dr 4210 Ant. Reimbursements

Cr 4450 Unapp. Auth.

5/05 – Reimbursable Agreement

**SGL Trans Code A706**

Dr 4221 Unfilled Orders

Cr 4210 Ant. Reimbursements

# Scenario 3: Recurring Service (2 of 3)

Monthly (fixed cost) short-term equipment rental with (variable cost) maintenance service.

## G-Inv Data Exchanges

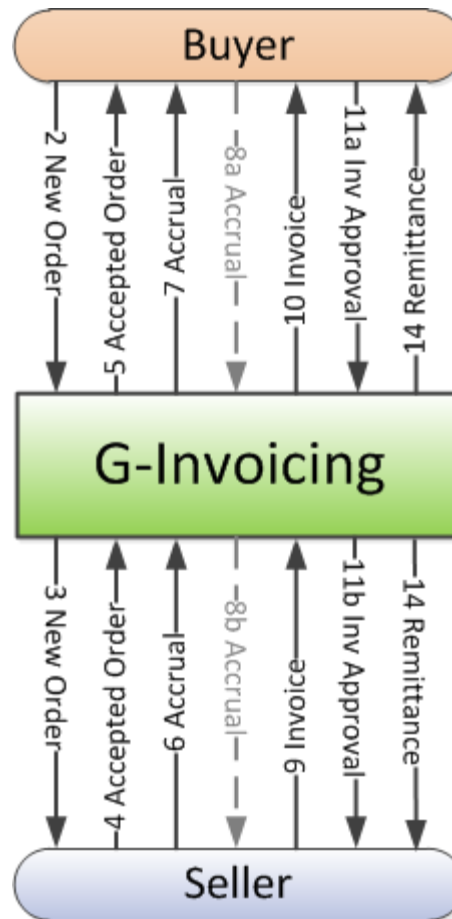
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**5/11 – Service performed ...**

**Seller submits Accrual  
(Accrual Date 5/11)**

**5/15 – Seller submits invoice**



## USSGL Entries

5/11 – Delivery of Goods

**SGL Trans Code B402 & G122**

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Cr 4901 Delivered Orders – Unpaid

Dr 6100 Operating Costs

Cr 2110 Accounts Payable

5/11 – Revenue Earned at Performance

**SGL Trans Code A714**

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Cr 4221 Unfilled Cust Orders

5/11 – Record Revenue

Dr 1310 Accounts Receivable

Cr 5200 Rev FR Services Provided

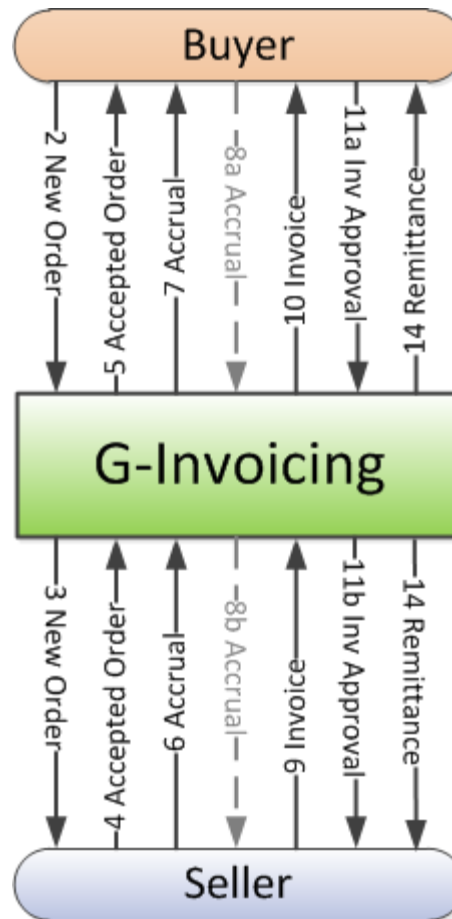
# Scenario 3: Recurring Service (3 of 3)

Monthly (fixed cost) short-term equipment rental with (variable cost) maintenance service.

## G-Inv Data Exchanges

- 5/03 – Buyer submits order
- 5/05 – Seller accepts order
- 5/11 – Service performed ...  
Seller submits Accrual  
(Accrual Date 5/11)
- 5/15 – Seller submits invoice
- 5/18 – Buyer approves invoice**
- 5/18 – Remittance Advice**

*Repeat Accrual/Invoice/Remit steps for 11 more months.*



## USSGL Entries

5/18 – Confirmed Disbursement

### SGL Trans Code B110

Dr 4901 Delivered Orders – Unpaid

Cr 4902 Delivered Orders – Paid

Dr 2110 Accounts Payable

Cr 1010 FBwT Cash

5/18 – Collection at Remittance

### SGL Trans Code C186

Dr 4252 Reimbursements - Collected

Cr 4251 Reimbursements -  
Receivable

Dr 1010 Fund Balance With Treasury

Cr 1310 Accounts Receivable

# Survey Questions for Today

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1. Aside from Agency Onboarding (on May 23), are there any topics you'd like to see addressed during an upcoming ITWG call?
2. Does your agency have any objection to dropping Servicing Agency Statutory Authority Title and Citation from the Order data standards?
3. Is there a business value to continue to support the optional entry of Term Days? (See slide 6 for definition of Term Days)
4. Would your agency object to putting Term Days back into the Order data standards?
5. Please explain anything on Slide 12 (Accrual Transaction) that concerns you or that you think will not work?
6. Is walking through these business scenarios helpful to understand and agree upon common IGT buy/sell practices? Aside from introducing more complex scenarios, do you have suggestions for improving this exercise?
7. What business scenario(s) would you like to see us walk through next?