



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

Intragovernmental Transactions Working Group (ITWG)

September 11, 2018

Today's Agenda

- Survey Results (Wes Vincent)
- Plan for Attachments (Wes)
- Intra-ALC Transactions (Lisa Midcap)
- IGT Data Quality Initiatives (Jaime Saling)
- Survey Questions (Wes)

Tentative ITWG Schedule

- ✓ July 10 – Changes to Performance and IPAC Data Standards
 - ✓ August 7 – Attachments and Adjustments
 - ❑ September 11 – G-Invoicing Implementation
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Planned Dates: ~~Oct 9~~, Oct 23, ~~Nov 13~~, Dec 11, Jan 8, Feb 12, Mar 12

Future Topics:

- Triggering Events
- Conditions for Performance
- Conditions for Settlement
- Assisted Acquisition
- System of Record
- Sensitive Agency Data



2-3 pm ET

August Survey Results

- Adjustments
 - Some agencies prefer reversal and new issuance, which is supported for Settlement and will be supported for Performance
 - o Reminder: There is no approval/rejection step planned for Settlement or Performance
 - A few agencies want Settlement adjustments initiated only by the Seller
 - o Survey question to provide business cases
 - Some agencies want limits on adjusting Settlement and Performance
 - o Limits on period of performance and/or total number of adjustments
 - o Survey questions to provide business cases
 - One agency questioned the different approaches for adjustments
 - o IPAC (settlement) adjustments are positive numbers against adjustment BETCs
 - o G-Invoicing (performance) adjustments are proposed as negative numbers
 - Discussion and survey question
 - Would positive numbers with an Adjustment Indicator be better?
 - (The negative sign will act as an adjustment indicator)

August Survey Results (Cont.)

- Capitalized Asset Indicator will be added to Order Line Item
 - Provided by Seller (True/False) to assist Buyer for accounting treatment
 - No objections in survey results
 - 2-3 agencies requested this be optional
 - o It will be required ... if not applicable, assign a value of False
- Attachments
 - Agencies see value of attachments on both Orders and Performance
 - o G-Invoicing will allow attachments to Performance transactions
 - o Attachments to Performance allowed any time by appropriate partner
 - Agencies split on handling of Order attachments
 - o 40% see absolute need to (re)approve Order if attachments change
 - o 30% want flexibility to choose which attachments trigger (re)approval
 - o 30% are undecided

Plan for Attachments

- Near Term
 - Leave GT&C attachment rules as is
 - Attachments can be added or deleted at any time
 - Deletions only allowed by the partner that added the attachment
 - Attachment changes may be pulled into agency systems
 - Agency chooses whether to trigger (re)approval
 - Base initial Order rules on GT&C rules
- Next Steps
 - Provide e-mail notifications for attachment changes
- Long Term
 - Gather feedback from early adopters to consider enhancements

IPAC News

- November 2018 Release 18.2.3
- Allow Intra-ALC trading
 - One ALC can trade with itself in IPAC
 - No longer reject transactions when the ALC and the Partner ALC are the same
 - Bulk file will allow Intra-ALC trading
 - ALC and Customer ALC fields are identical
 - Will align IPAC with G-Invoicing which allows Intra-ALC trading
 - Offers a paper trail for Intra-ALC trading



EXAMPLE IPAC

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CARS Example With Intra-ALC IPAC

Account Statement Example- CARS Full Reporter

Agency	DEPARTMENT OF THE TREASURY - (20)								
Reporting ALC	20120001								
Accounting Period	2018 Fiscal Year, Month of August								
Treasury Account Symbol	All								
Business Event Type	All								
ALC	TAS	BETC Descrip	BETC	Accounting Period	Posting Date	Increase	Decrease	Document Number	System Type Code
20120001	20180520	Gross Disbursement	DISB	08/2018	08/25/2018		8,561.11	85561331	IPC
20120001	20180100	Offsetting Collection	COLL	08/2018	08/25/2018	8,561.11		85561331	IPC

IGT Data Quality Initiatives

- IGT Material Difference Remediation Update
 - Accomplishments
 - Policy Updates – Treasury Financial Manual – Chapter 4700, Appendix 10
 - Future IGT Plans
- G-invoicing Mandate
 - Treasury Financial Manual Bulletin
 - Agency Implementation Plans

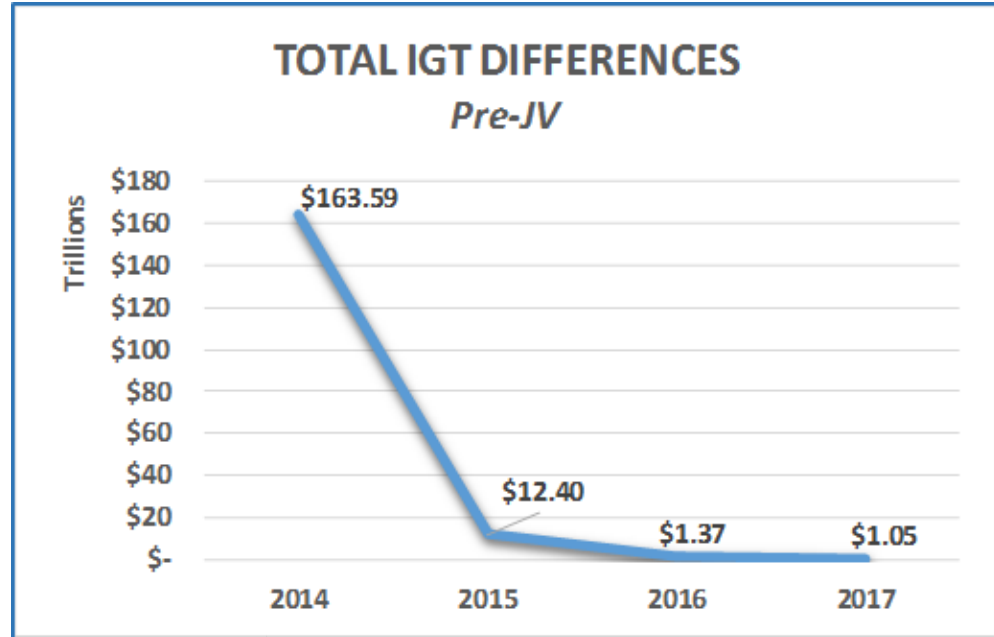
Completing the IGT Model

IGT Accomplishments – Trend Analysis

Pre-JV Differences between FY16 and FY17 reduced by 23% or \$321Billion.

INTRAGOVERNMENTAL DIFFERENCES FY14-FY17 *Pre-JV*

FISCAL YEAR	TOTAL IGT DIFFERENCES
2014	\$ 163,589,925,945,410.00
2015	\$ 12,399,948,566,047.10
2016	\$ 1,369,805,741,908.21
2017	\$ 1,048,461,073,065.37



TFM Part 2 - Chapter 4700 - Appendix 10

Intragovernmental Transaction Guide

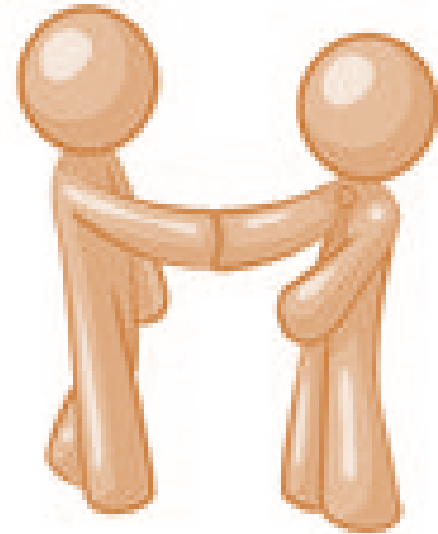
- **Section 7.4** *Business Rules for DOL FECA – Actuarial Liability*
- **Section 9** *Buy/Sell Transactions*
 - **Updated to Include G-Invoicing**
- **Section 9.1.4** *Fund Settlement and IAA/Closeout Phase*
 - *Added More Detailed Guidance on IAAs*
- **Section 9.4.4** *Business Rules for Fund Settlement and IAA/Closeout*
 - *Updated Guidance on Allowance for Loss on Accounts Receivable*

Future IGT Plans

- Continue the following initiatives:
 - Intragovernmental Scorecard Program
 - Monitor the Root Cause Analysis and Corrective Action Plan documentation provided by the agencies
 - Material Difference Reporting and Certification
- Evaluate the usage of “non-reciprocating” USSGL accounts
- Enhance TFM 2-4700 guidance (Appendix 10) on Intragovernmental Business Rules
- Improve or develop USSGL guidance impacting IGT
- Support the G-Invoicing Initiative aimed at improving communication and reducing differences in the Buy/Sell Sub-Category

Current Issue

- Buy/Sell Intragovernmental Transaction (IGT) data quality
 - FY 2017 elimination differences of \$27 Billion
 - Nearly 85% of total volume of differences (over 4,200)
- Areas contributing to the issue:
 - Lack of common repository
 - Lack of standardization
 - Lack of agreement throughout lifecycle
 - Lack of IPAC controls



Takes both trading partners!

Collaborative Approach

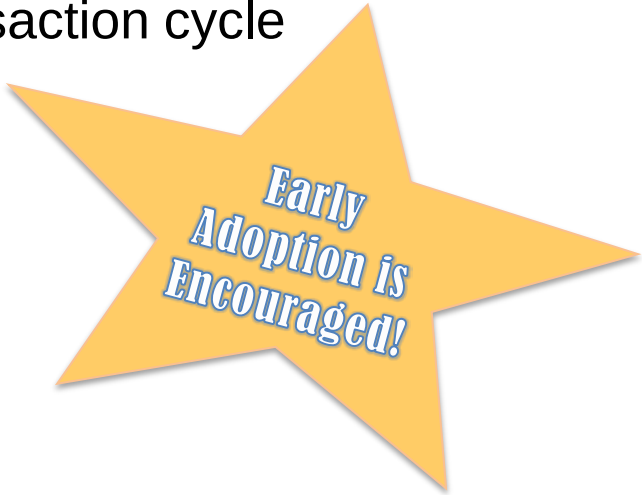
- Gathered requirements from Intragovernmental Transactions Working Group (ITWG)
- Published requirements as each transaction cycle is finalized
- Met with vendors to socialize requirements
- Leveraged FMSC Steering Committee for ongoing agency and vendor collaboration

Initial Draft Mandate

- Proposed three separate mandates for each transaction cycle
 - GT&C – January 1, 2019
 - Orders – October 1, 2019
 - Performance and Settlement – July 1, 2020
- Received varied feedback:
 - Most agencies indicated dates were too aggressive, but some were supportive
 - Need 18 months for vendors
 - Need additional 12-18 months for agency implementation
 - Budget timing
 - Time to incorporate Procurement/Logistics involvement for change management activities

Revised Mandate

- Agencies to use G-Invoicing for all transaction cycles by June 30, 2021
 - Window for full compliance is September 2019 to June 30, 2021
 - *All buy/sell IPAC transactions must have a valid G-Invoicing order number and related details by June 30, 2021*
- Agencies to submit implementation plans to Treasury by May 31, 2019
 - Plans should address each phase of the transaction cycle



*Early
Adoption is
Encouraged!*

Next Steps

- Continue collaboration with agencies and vendors via FMSC and other forums (ITWG, Focus Group Meetings, etc.)
- Start collecting agency implementation plans and publish a dashboard visible to all trading partners

Survey Questions for Today

1. Please provide your agency name and (ideally) your personal contact info so we can address your concerns.
2. Working around FYE, which Tuesday in Oct/Nov is best for a single ITWG meeting?
3. What limits (if any) should be placed on Settlement adjustments? Please provide business case.
4. What limits (if any) should be placed on Performance adjustments? Please provide business case.
5. Do we need an Adjustment Indicator for Performance adjustments, or can the negative sign be that indicator?
6. FASAB guidance tells us that the liability/asset (accrual) occurs upon delivery. Should that be based upon the shipping terms (source or destination)? Otherwise, how should that date be determined?