# G-Invoicing: Update on Treasury's Intragovernmental Transactions - Buy/Sell System

ARC Services Meeting

May 10, 2017

Intragovernmental Buy/Sell Transactions

- IGT Buy/Sell transactions represent the exchange of goods or services between two federal entities.

- Typically accomplished through the issuance of a reimbursable agreement between the two entities

- Reimbursable Buy/Sell activity impacts assets and liabilities, revenues and expenses, along with advances and deferred credits

Accounting Entries

Requesting Agency ← → Servicing Agency

Out of balance

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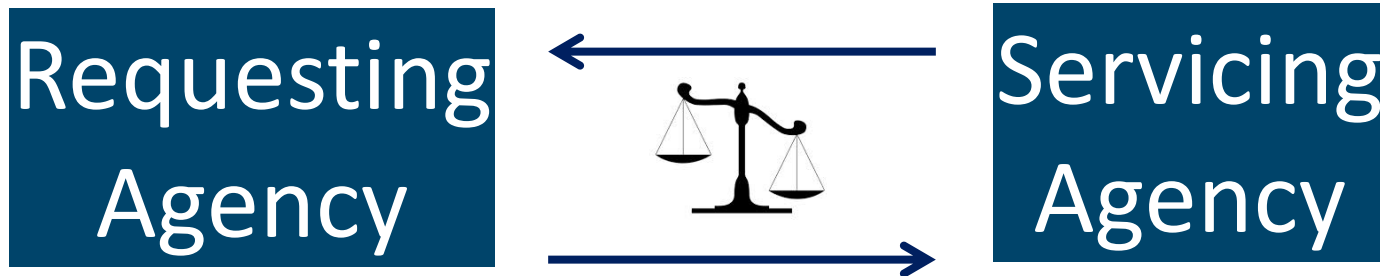
Top Five IPAC Complaints Heard in Accounting Offices

5. **"Why do they keep hitting this TAS?"**

- Trading Partner keeps hitting the wrong TAS

4. **"Who ordered this and why didn't they tell me about it?"**

- The IPAC is correct, but figuring out the obligation to post against is a challenge
- Sharing of information between Accounting and Procurement areas

3. **"Why do they keep charging me back?"**

- Requested goods and/or services were delivered, but the Buyer charges back the IPAC collection initiated by Seller

2. **"Oh no. The Quarterly Treasury Scorecard is here."**

- Your accruals are not matching up with your Trading Partner's
- "We didn't have time to research the IPACs" is not a preferred response

1. **" What in the world is this?!!"**

- You've been IPAC'd for unknown reasons

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Current Buy/Sell Challenges

- **Lack of an Automated Broker**
  - Federal Program Agencies (FPA) may initiate transactions without formal review or approval from both trading partners
  - No conduit to facilitate integration of automated supporting systems by FPAs
- **Lack of Communication**
  - Not sharing transaction details (such as revenue recognition, accrual methodology, and capitalization policies) that could lead to adjustments
- **Lack of an Intragovernmental Buy/Sell Data Standard**
  - Specifically for activity prior to fund settlement (Agreements, Orders, and Invoices)
- **Limited Data Visibility**
  - No central repository for capturing agreement and order data from trading partners on both sides of Buy/Sell transactions

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Program Objectives

Mission

- Improve the quality and reliability of Intragovernmental Buy/Sell data
- Enhance Fiscal Service's offering of systems, policies and accounting resources to increase transparency and improve Governmentwide financial management

Vision

- A system-based platform which supports the brokering of Intragovernmental Buy/Sell Transactions by Federal Trading Partners
- Facilitates the processing and approval of General Terms and Conditions (GT&C), Orders and Invoices prior to IPAC settlement

Value

- Provide full transparency into the life-cycle of Buy/Sell transactions to facilitate timely accounting and reconciliation activities
- Utilize data agreed upon by trading partners at each stage of the Buy/Sell transaction life cycle to initiate IPAC fund settlement

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Benefits for Trading Partners

G-Invoicing
GOVERNMENT INVOICING
BUREAU OF THE FISCAL SERVICE

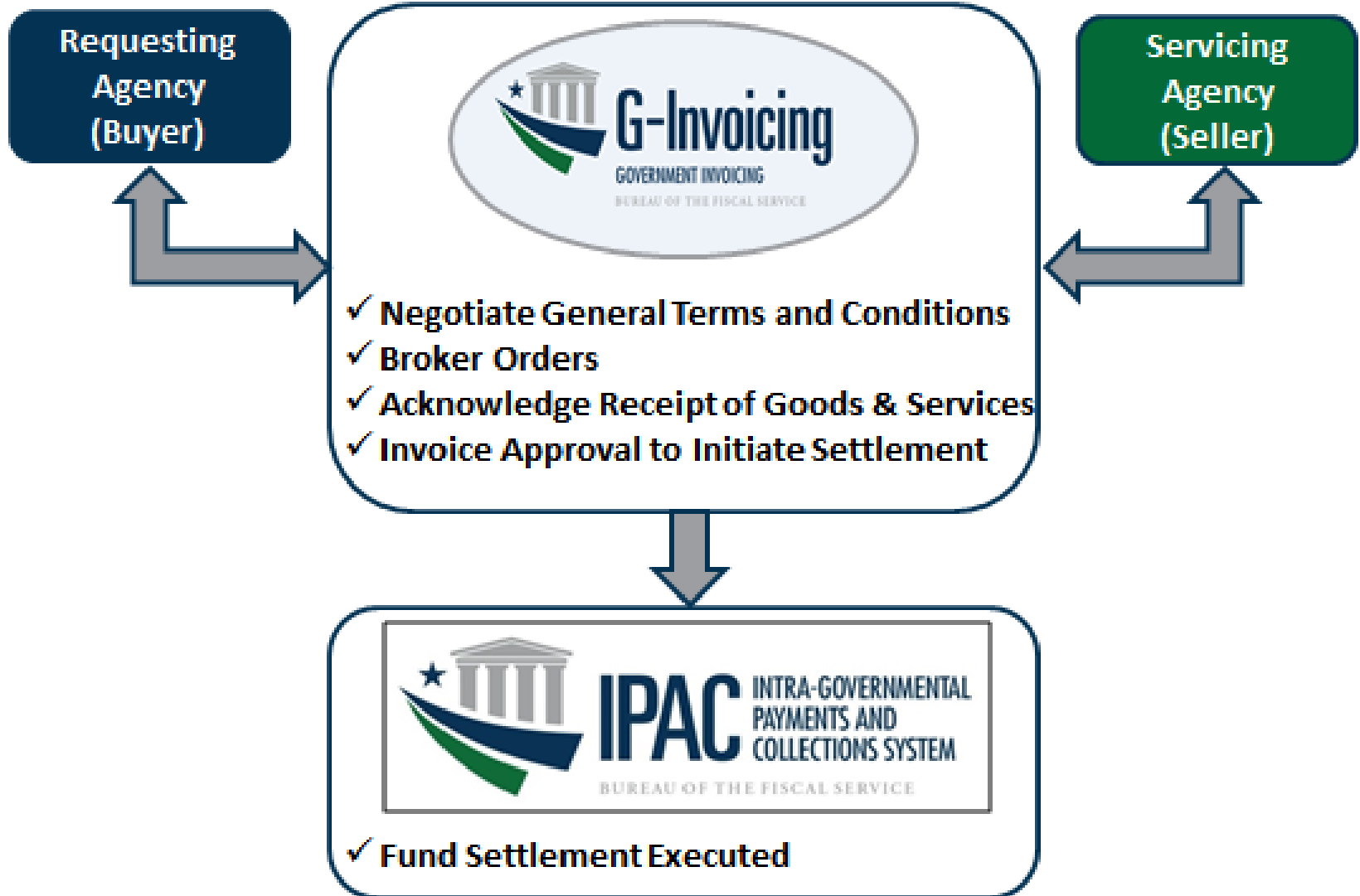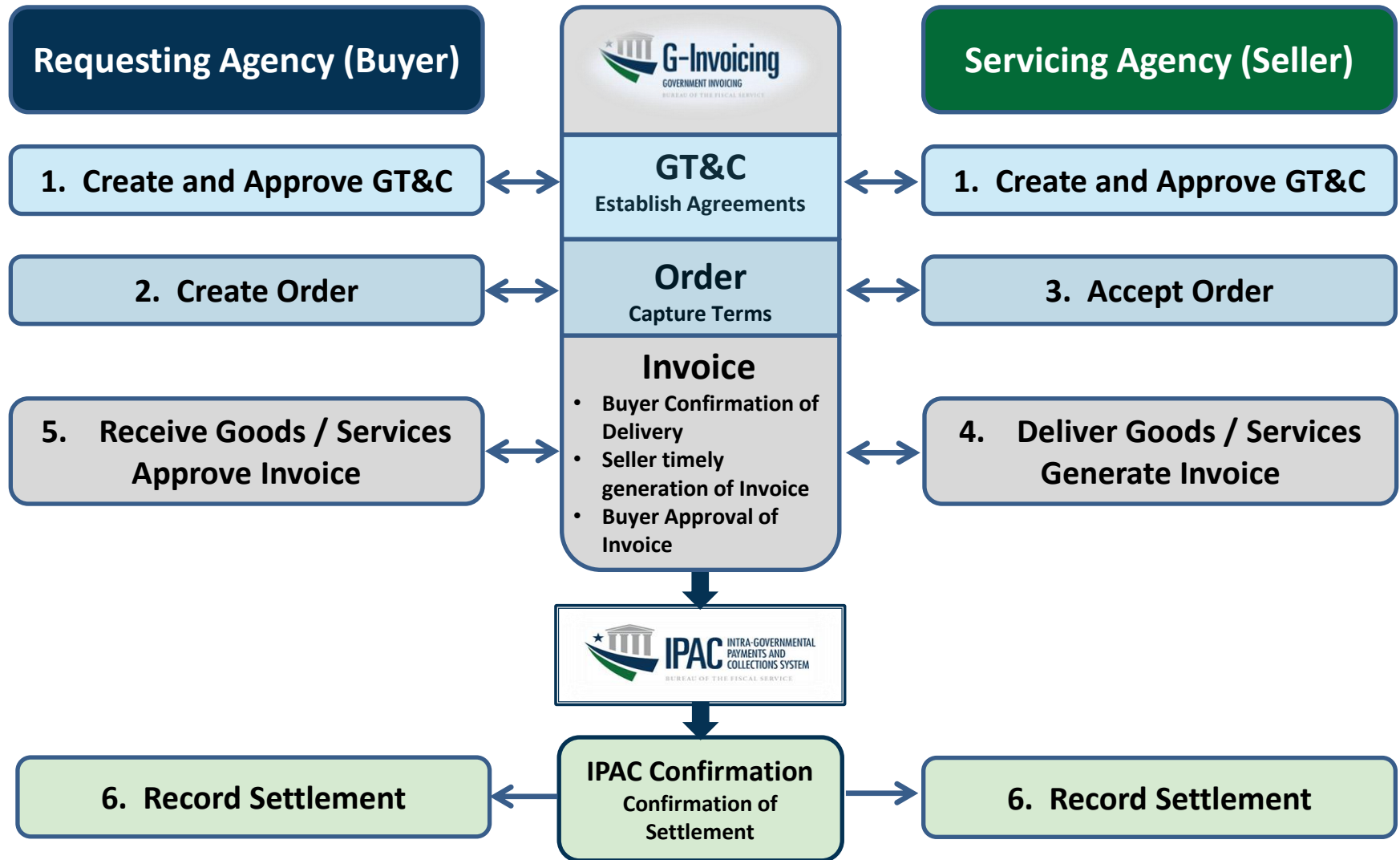| Improve quality and reliability of Buy/Sell data	• Federal Trading Partners can broker and exchange Buy/Sell transaction information leading to better and more reliable data for Governmentwide consumption
Reduce adjustments	• Agreement at each stage in the Buy/Sell transaction life cycle before settlement
Facilitate reconciliation and elimination	• Associate all related transactions through a common identifier to improve auditability
Improve transparency	• Central repository for information relating to Buy/Sell transactions to support proper accounting entries

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Fiscal Service
U.S. DEPARTMENT OF THE TREASURY

G-Invoicing Architecture

Requesting Agency (Buyer)

Servicing Agency (Seller)

G-Invoicing — GOVERNMENT INVOICING — BUREAU OF THE FISCAL SERVICE

- ✓ Negotiate General Terms and Conditions
- ✓ Broker Orders
- ✓ Acknowledge Receipt of Goods & Services
- ✓ Invoice Approval to Initiate Settlement

IPAC — INTRA-GOVERNMENTAL PAYMENTS AND COLLECTIONS SYSTEM — BUREAU OF THE FISCAL SERVICE

- ✓ Fund Settlement Executed

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Buy/Sell Information Flow

Requesting Agency (Buyer)

Servicing Agency (Seller)

GT&C
Establish Agreements

1. Create and Approve GT&C ↔ ↔ 1. Create and Approve GT&C

Order
Capture Terms

2. Create Order ↔ ↔ 3. Accept Order

Invoice
- Buyer Confirmation of Delivery
- Seller timely generation of Invoice
- Buyer Approval of Invoice

5. Receive Goods / Services Approve Invoice ↔ ↔ 4. Deliver Goods / Services Generate Invoice

IPAC INTRA-GOVERNMENTAL PAYMENTS AND COLLECTIONS SYSTEM
BUREAU OF THE FISCAL SERVICE

IPAC Confirmation
Confirmation of Settlement

6. Record Settlement ← → 6. Record Settlement

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2/17 - 3/18
GT&C Specifications available for ERP consumption

10/16 - 9/17
Treasury Develop & Publish Interface Specifications

6/17 - 11/18
Order Specifications available for ERP consumption

9/16 - 2/17
GT&C

2/17 - 6/17
Order

6/17 - 9/17
Invoice

1/17   4/17   7/17   10/17   1/18   4/18

12/16
TFM Bulletin "What's on the horizon"

Spring 2017
CFO Memo and TFM Update (GT&C)

Spring 2018
CFO Memo and TFM Update (Orders)

9/16
Release 1.0
IPP Code Copy

7/17
Release 2.0
Permissions

3/18
Release 2.1
GT&C

Complete Implementation Roadmap available on G-Invoicing Website:
https://www.fiscal.treasury.gov/fsservices/gov/acctg/g_invoice/g_invoice_home.htm

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Implementation Roadmap - Activities
(18 Month Outlook)

System Development

- Release 2.0 – July 2017
  - Enhancements to user provisioning and data access permissions
  - Address change requests relating to application security
- Release 2.1 – March 2018
  - Enhancements to the General Terms & Conditions functionality
  - Implementation of data and interface specifications for GT&Cs
  - Availability for Governmentwide on-boarding

Data and Interface Specifications

- Finalize specifications for data exchange and transaction process flows and provide to Commercial Software (ERP) Vendors and FPAs

Policy

- Treasury Financial Manual (TFM) and CFO Letter updates ongoing

Outreach

- Intragovernmental Transactions Working Group (ITWG) and FPA specific focus groups

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Business Process	Change Management Activities
Agreements	• Negotiate General Terms and Conditions (GT&Cs) with Trading Partner • Exchange Federal Intragovernmental Data Standards (FIDS) elements **Lays the foundation to institutionalize support agreements and leverage G-Invoicing for GT&C brokering and electronic storage beginning April 2018**
Orders	• Connect Orders to brokered GT&Cs • Capture both Trading Partners data including GT&C reference number and Treasury Account Symbol / Business Event Type Code (TAS/BETC) • Include G-Invoicing Order Number on IPAC transactions • Implement FIDS elements into Order exchange process • Buyer ensure acceptance of Order by Seller **Lays the foundation to record trading partner data ensuring proper budgetary accounting and leveraging G-Invoicing for exchange of Orders beginning December 2018**

Business Process	Change Management Activities
Receipt	- Buyer perform receipt of goods delivered and/or services performed and notify Seller of actions - Buyer should reconcile to both Order and Invoice (if available) **Lays the foundation to record trading partner accruals in the same period and leverage G-Invoicing for exchange of Receipts beginning in September 2019**
Invoices	- Seller provide timely and accurate invoices to buyer as agreed to in the related Order - Buyer leverage receipt activities to approve/reject invoice in a timely manner - Invoice using Federal Intragovernmental Data Standard (FIDS) elements **Lays the foundation for three-way match to control expenditures, buyer approval of invoices and leveraging G-Invoicing for exchange of Invoice data beginning in September 2019**

Interim Change Management Activities

Business Process	Change Management Activities

Settlement	• Prepare for transition to buyer initiated settlement
	    • Within defined period of time following 3-way match (Order, Receipt, & Invoice), Buyer should initiate payment
	    • Seller will receive payment after a defined period of Buyer inactivity
	
	Lays the foundation for an evidence-based process allowing for validation of budgetary and proprietary accounting events to occur in the same accounting period and leverage G-Invoicing for exchange of Buy/Sell data

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- **Identify Leader(s)**
  - IGT SMEs in Accounting & Systems
- **Analyze Your Buy/Sell Processes**
  - Define areas needing improvement
- **Engage with Fiscal Service**
  - Leverage our resources
- **Communicate with Trading Partners**
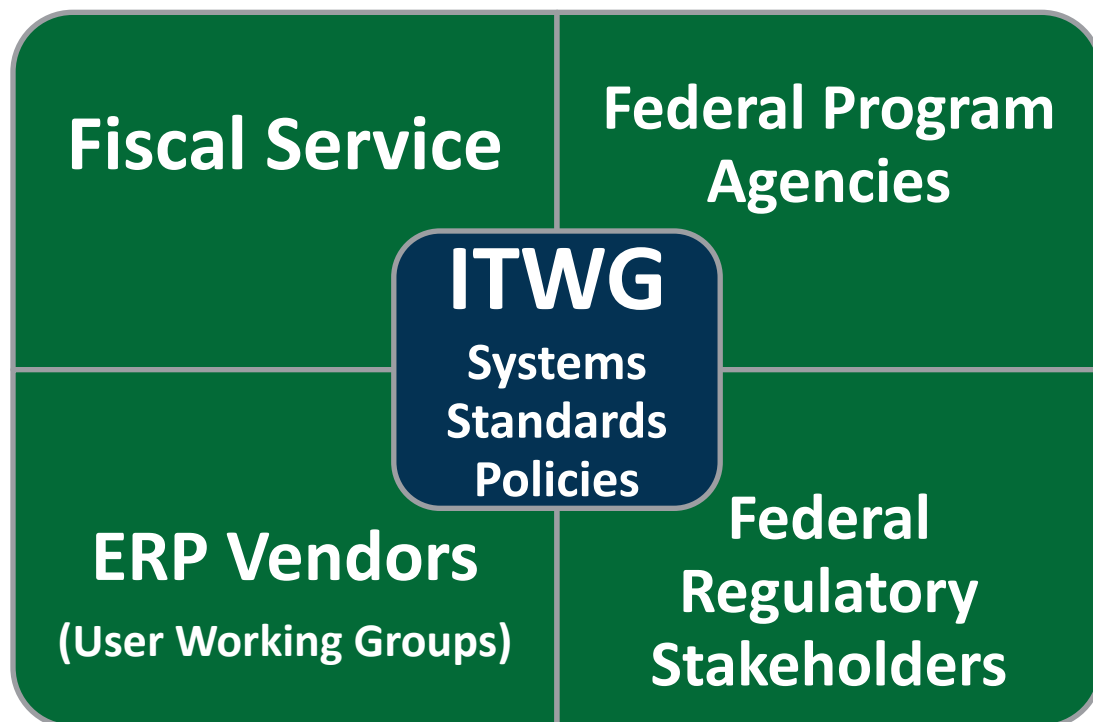 - Identify Challenges & Onboarding Strategy

What Current Leaders are Saying…

- **General Services Administration (GSA)**
  - *We just want to be everyone's IGT BFF*
  - *Single repository will decrease chargebacks and ease reconciliation*
- **United States Marine Corps (USMC)**
  - *Connecting trading partners will be vital to transparency and auditability*
  - *A strong change management effort to implement G-Invoicing is critical to success*
- **Enterprise Services Center (ESC)**
  - *Treasury is giving us a tool, the challenge lies in implementing it*

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Intragovernmental Transactions Working Group (ITWG)

- Collaborative effort by key IGT stakeholders to define processes and standards which drive formal policy and system modernization efforts

  - Current focus on data attributes, process flows and system interface specifications for G-Invoicing

Fiscal Service	**Federal Program Agencies**
ITWG Systems Standards Policies	
ERP Vendors (User Working Groups)	**Federal Regulatory Stakeholders**

Policy Publication Timeline

Fiscal Service Data Registry
- **Updated to include GT&C, Order, Invoice data elements**

TFM Updates
- **June 2016 – MADES Rescission**
- **December 2016 - TFM Bulletin announcing G-Invoicing**

TFM Chapter 4700, Appx. 10
- **May 2017**

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2017 Key Stakeholder Engagement

DoD

GSA

ERPs

SSPs

- **Partnering with Business Integration Office (BIO)**
  - **Supporting system walkthroughs/demos, training and onboarding of users**
  - **Ongoing system enhancement requests and data standard alignment discussions**

- **Collaborating with representatives within GSA's CFO Office and Business Lines**
  - **Federal Acquisition Service**
  - **Public Buildings Service**
  - **Technology Transformation Service**

- **Engaging Commercial Software Vendors through the ITWG and individual focus group sessions**
  - **Aligning with G-Invoicing data and interface specification development schedule**

- **Targeting focus group sessions in the mid 2017 timeframe to discuss overall Governmentwide rollout strategy with Shared Service Providers**

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Contact Information

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G-Invoicing – ARC perspective

- Brenda Helms
  - Manager, Agency Intra-governmental Branch
- Breakout Room Session C2, 1:45pm
- As your Shared Service Provider, how are we preparing for G-Invoicing implementation?
- Our relationship with G-Invoicing Team

We have history together…now, we face the future together!