

Appendix 7

INTRA-GOVERNMENTAL TRANSACTIONS (IGT) BENEFITS

Section 1—IGT Benefits Overview

The Office of Personnel Management (OPM) and the Department of Labor (DOL) administer the employee benefits for the entities of the federal government. OPM administers retirement benefits, health benefits and life insurance. DOL administers Federal Employees’ Compensation Act (FECA) benefits and Federal Unemployment Tax Act (FUTA) benefits. They have the fiduciary responsibility to administer these benefits on behalf of the other government entities and government employees. The word “Fiduciary” here applies to the highest set of duty and obligation to administer these funds; it is not used in the context of Fiduciary as explained in Statements of Federal Financial Accounting Standards (SFFAS) No. 31, *Accounting for Fiduciary Activities*.

For IGT reconciliation purposes, OPM and DOL are considered authoritative sources – their management and reporting of these benefit transactions must be followed, and entities must reciprocate the transactions in GTAS for proper IGT eliminations. See Appendix 3 – *Intra-governmental Transaction (IGT) Categories of Reciprocal U.S. Standard General Ledger (USSGL) Proprietary Accounts* for proper USSGL use for IGT benefit eliminations.

As explained in Appendix 3, the IGT reciprocal categories are reported in RC 21 – Benefit Program Contributions Receivables and Payables and RC 26 – Benefit Program Costs/Revenues. As reflected in Appendix 3, Entity 1 is the Benefiting Entity (most entities in the U.S. Government), and Entity 2 is DOL and OPM.

Benefiting Entities should only use OPM and DOL as a trading partner when reporting in RC 21 and RC 26. They may not use another entity as a trading partner unless they communicate directly with that trading partner so that the trading partner may reciprocate accordingly and that there will be no IGT Benefits differences. Authoritative sources have specific responsibilities with respect to Fiduciary IGTs, as outlined in Table 1.

Table 1: Authoritative Source Responsibilities

Authoritative Source Responsibilities	Key Activities
Provide timely, accurate IGT data to federal entities	<p>Provide Fiscal Service with the authoritative intra-governmental reports quarterly within five business days after the end of the quarter. These reports can be found on the Fiscal Service’s website.</p> <p>Provide IGT benefits data in GTAS that was reported above in the quarterly IGT reports.</p> <p>Provide entity-level data (for example, sub-department) to trading partners.</p>
Obtain/maintain adequate assurance for Fiduciary transactions	<p>Maintain assurances over IGT controls (for example, report on IGT internal controls).</p> <p>Maintain assurances over IGT balances (for example, report on substantive testing of balances.)</p>
Proactively work with trading partners and Fiscal Service to reconcile and adjudicate differences as necessary	<p>Monitor Fiduciary IGT including benefits differences with trading partners.</p> <p>Facilitate remediation when necessary.</p>

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1.1—Authoritative Source Reporting and Confirmation Process

As explained in Table 1, OPM and DOL submit their benefit balances to Fiscal Service for posting on [Fiscal Service's](#) website within five business days after the end of the quarter. They also submit these same benefit balances to Fiscal Service in GTAS. Trading partners must verify their reciprocal balances and reconcile them to the authoritative source balances. If the balances agree, the trading partner does not need to take any action. If the balances do not agree, the trading partner must work with the authoritative source to resolve the reconciling items. Contact information is provided in the OPM and DOL sections of this appendix. When balances are reconciled, the authoritative source and the trading partner post their adjusted balances in their respective financial system, and if adjustments are required, the balances are submitted in the quarterly ATB bulk file submission to GTAS.

If the trading partner does not agree with the authoritative source and there is a recurring difference that is considered significant to at least one of the trading partners, the trading partners must work through the Corrective Action Plan (CAP) process (see Appendix 5) or request a dispute resolution (see Appendix 5) by Fiscal Service.

1.2—General Business Rules for Intra-governmental Benefits

Note: For business rules specific for DOL and OPM see Sections 2,3 and 4.

- Reclassify employer's share of Federal Insurance Contributions Act (FICA) tax from the federal line "Benefit Program Costs" (RC 26) to the federal line Other Expenses (Without Reciprocals) (RC 29).
- Guidance pertaining to how the employee portion of FICA should be reported versus the employer portion of FICA: Federal employees may be covered by social insurance programs such as Social Security and Medicare under the same terms and conditions as the remainder of the covered population. The payments made by Federal employees are in the nature of taxes, compulsory payments demanded by the Government through the exercise of its power to compel payment. Insofar as the social insurance program applies to employees of the United States government, the terms and contributions are generally the same as the program for private employees. The employer and employee contributions are generally calculated in the same way; the employee contribution is not earned by the social insurance program, and the benefits generally calculated in the same way. The employee does not obtain particular benefits under the plan from rendering service in Federal employment, because he or she would have been similarly covered by the program if privately employed and would have obtained similar benefits. For these reasons, the employee contribution should have the same classification as contributions by non-Federal employees, which is nonexchange revenue. (See SFFAS 7 paragraph 246.)

Section 2—DOL Federal Employees' Compensation Act (FECA) Benefits Transactions

2.1—Purpose

This section provides federal entities with guidelines concerning the generation, distribution, and acceptance of annual FECA benefit bills from DOL, payment and collection of these bills, and trading partner reconciliation. DOL trading partners are required to notify DOL of correct AID and main accounts so DOL can report them correctly in their quarterly submission to Fiscal Service. Please contact DOL at FECA.Auth.File@dol.gov to submit your changes and request any FECA employee benefits calculation clarifications.

2.2—Background

FECA provides Federal employees injured in the performance of duty with workers' compensation benefits, which includes wage-loss benefits for total or partial disability, monetary benefits for permanent loss of use of limb, medical benefits, and vocational rehabilitation. The Act also provides survivor benefits to eligible dependents if the injury causes the employee's death. FECA is administered by DOL's Office of Workers' Compensation Programs (OWCP), which adjudicates claims for benefits, manages ongoing cases, and pays medical expenses and compensation benefits to injured workers and survivors.

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The DOL FECA benefit program process involves the generation and transmission of an annual bill to federal entities for their employees or beneficiaries. The OWCP uses the Integrated Federal Employees' Compensation System to accumulate benefit-related costs by the federal entity. Before August 15th of each FY, DOL generates and submits an annual chargeback bill detailing FECA charges and expenses incurred to each federal entity. The chargeback bill requests reimbursements from each federal entity for the benefits that DOL paid for the preceding period (July 1 through June 30). DOL records the receivables and the collections of the FECA receivable in the General Ledger.

DOL performs the following key tasks on a quarterly basis:

- Generates quarterly accrual information provided to each federal entity and posted on the [DOL](#) website,
- Distributes accrual information to Fiscal Service to be placed on [Fiscal Service's](#) website,
- Generates the DOL adjusted trial balance provided to Fiscal Service, and
- Maintains the detailed FECA charges incurred at the employee level.

The process model for IGT DOL Benefits is described in the following subsections.

2.3—Transaction Types and Trading Partner

FECA transactions with DOL include two different types of transactions: benefits receivable/payable and benefits expenses/revenues. Regardless of transaction type, the trading partner for FECA transactions posted by federal entities is always DOL (Trading Partner FR Entity 1601). Each transaction type is described below.

Benefits Receivables/Payables

This transaction type includes earned benefit accounts receivable recorded by DOL but not yet paid by the federal entity. The benefiting entity records accrued benefit payable and reconciles the balance with the associated DOL benefit receivable balance. DOL submits the benefit revenue and receivable balances by federal entity to Fiscal Service to be placed on [Fiscal Service's](#) website.

Benefits Expenses/Revenues

The benefits revenue balance reflects reimbursements collected from federal entities, reimbursements not billed by DOL but due from entities, and reimbursements billed but uncollected. Benefiting entities reconcile with DOL to confirm that their benefits revenue balances agree materially with DOL as the authoritative source. DOL records the benefit revenue while the receiving entity records the benefit expense, and the two figures should offset to avoid IGT differences. DOL submits the benefit revenue and receivable balances by federal entity to Fiscal Service to be placed on [Fiscal Service's](#) website.

2.4—Roles and Responsibilities

Table 2 below outlines the roles and responsibilities for federal entities receiving DOL FECA benefit.

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Table 2: Trading Partner Roles/Responsibilities for DOL FECA

Role	Entity	Responsibility
Authoritative Source	DOL	<p>As the authoritative source for FECA benefit transactions, DOL will:</p> <ul style="list-style-type: none"> ▪ Generate the annual FECA bill detailing the charges, ▪ Record the FECA receivables, ▪ Record the collection of FECA receivables, and ▪ Submit balances to Fiscal Service. <p>On a quarterly basis, DOL performs the following tasks:</p> <ul style="list-style-type: none"> ▪ Generates quarterly accrual information that is provided to each federal entity and posted on the DOL website, ▪ Distributes accrual information to Fiscal Service to be placed on Fiscal Service's website, ▪ Generates the DOL adjusted trial balance that it provides to Fiscal Service to be placed on Fiscal Service's website, and ▪ Generates detailed FECA charges incurred by the employees within each federal entity. <p>As described in Section 2.2, on an annual basis, DOL performs the following task:</p> <ul style="list-style-type: none"> ▪ Generates the annual unaudited estimated actuarial liability information via memoranda that are posted to the DOL Office of the Chief Financial Officer (DOL OCFO) website by September 30. Separate information is provided for: (a) large entities listed on the schedule as an amount to be accrued and (b) small entities (not listed on the schedule) that are provided with a “calculator” that may be used to calculate the amount to be accrued. Note that actuarial liability is not eliminated on the government-wide financial statements. Also, note that the annual estimated actuarial liability is unaudited and subject to revision. DOL OCFO may post updates to the website after September 30. An email notification will be sent with a link to the audited actuarial liability once the audit report is published.

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Trading Partner	Benefiting Entity	<p>The trading partner performs the following tasks:</p> <ul style="list-style-type: none"> ▪ Reviews and accepts the annual DOL FECA bill and records the FECA payable, ▪ Pays DOL via the Intra-governmental Payment and Collection (IPAC) for the benefit-related expenses that DOL pays on behalf of the federal entities' employees. Reimbursement is made annually through the DOL chargeback process, ▪ Submits balances to Fiscal Service, ▪ Accounts for, reports, and reconciles FECA benefit transactions with DOL, ▪ Documents differences with authoritative sources and creates a corrective action plan or submits material differences to Fiscal Service for dispute resolution, and <p>As described in Section 2.2,</p> <ul style="list-style-type: none"> ▪ Records the annual unaudited estimated actuarial liability from the memoranda posted to the DOL OCFO website by September 30 for: (a) large entities listed on the schedule as an amount to be accrued and (b) small entities (not listed on the schedule) that may use the "calculator" to calculate the amount to be accrued. Note that the actuarial liability is not eliminated on the government-wide financial statements. Also, note that the annual estimated actuarial liability is unaudited and subject to revision. DOL OCFO may post updates to the website after September 30. An email notification will be sent with a link to the audited actuarial liability once the audit report is published.
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2.5—Business Rules for DOL FECA—Intra-governmental Transactions

The following policy sources govern the accounting for and financial management of the DOL Benefits environment:

- [SFFAS No. 5](#), "Accounting for Liabilities of the Federal Government," requires federal entities to account for FECA expenses as other postemployment benefits.
- [SFFAS No. 7](#), "Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting," establishes FECA program transactions as intra-governmental.
- The [OWCP, Division of Federal Employees' Compensation Procedure Manual](#) provides detailed guidance for the DOL FECA claims, payment, and reconciliation processes.
- [FECA Program Memorandum No. 221](#) determines the chargeback reporting period as July 1 through June 30.

Benefiting entities must record and report balances in eliminating accounts that equal those balances reported by DOL. If account balances do not equal those reported by DOL, the federal entity must reconcile the differences with DOL or must create a CAP or request Fiscal Service to create a dispute resolution if it does not adjust its balances.

DOL and its trading partners must process intra-governmental FECA benefits activity as follows:

- **Quarterly Estimates.** DOL must provide Fiscal Service quarterly estimates for unbilled FECA current liabilities and billed but unpaid current liabilities by trading partner to be placed on [Fiscal Service's](#) website. DOL must provide the data by the fifth business day after the end of each quarter.
- **Quarterly Reconciliation.** Trading partners must reconcile billed but unpaid current liabilities with DOL and must include the confirmed amounts in their trial balance and financial statements. They also must include the unbilled estimates of current liabilities as identified by DOL in the federal entity's trial balance and financial statements. To facilitate reconciliation of billed but unpaid current liabilities, DOL must make available to trading partners the details concerning FECA current liabilities that have been billed to the trading partners and the details of any payments received from the trading partners. If the existing

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level/hierarchy of FECA reporting is insufficient, trading partners should work with DOL to define the appropriate reporting detail (for example, bureau level).

The current liability amounts (including accruals) for the FY ended September 30 will be available during October. Entities should provide the balances in the following intra-governmental USSGL accounts in GTAS:

- 640000F, “Benefit Expense”,
- 685000F, “Employer Contributions to Employee Benefit Programs Not Requiring Current-Year Budget Authority (Unobligated)”,
- 222500F, “Unfunded FECA Liability”, and
- 221500F, “Other Post Employment Benefits Due and Payable.”

For the USSGL accounts above, it is critical that only those balances associated with FECA be reported to Fiscal Service using DOL’s trading partner entity identifier (016 1521). Unless a federal entity has no-year budget authority, it will not be able to repay DOL for FECA benefit expenses until a congressional appropriation has been passed for this specific purpose. Entities that pay from annual appropriations, upon receipt of the annual bill, should submit the billed amount in their budget request. In these instances, federal entities will record an unfunded FECA liability and expense when the annual chargeback report is received from DOL for FECA charges incurred on behalf of entities during the preceding July 1 through June 30. During the next FY, when federal entities receive a congressional appropriation for the FECA charges, entities will reclassify these *unfunded* liabilities into *funded* liabilities. Non-IPAC, appropriated entities are expected to submit payments within one month of receiving the appropriation for that FY. DOL collects payments from IPAC for appropriated entities approximately one month after the President has signed all the appropriations. Federal entities with no-year appropriations should record a *funded* liability upon receipt of the DOL chargeback report.

It is critical that the account balances reported in the confirmation process equal the amounts reported in the federal entity’s audited financial statements and GTAS submission to Fiscal Service.

2.6—Eliminating USSGL Accounts

TFM Volume I, Part 2, Chapter 4700, Appendix 3, presents the eliminating USSGL accounts used by DOL and the benefiting entities that provides FECA benefits. For DOL Benefits the trading partners are defined as:

- **Department of Labor.** DOL is the authoritative source, meaning that the amounts posted by the benefiting entity in the eliminating accounts must equal those balances posted by DOL.
- **Benefiting Entity.** This is the federal entity that is providing its own employees with FECA benefits. Balances posted by this entity in the eliminating accounts must equal those balances posted by DOL.

2.7—Common Errors for DOL Benefits Transactions

In recording IGTs for DOL Benefits, there are some common errors entities have made in the past. In general, data entry errors and failure to post accruals in a timely manner create differences. Table 3 contains common errors, and the solutions entities can use to correct them.

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Table 3: Common Errors for DOL FECA

Error Type	Description	Solution
Accrual Calculation Difference	Some DOL trading partners perform their own accrual calculations that result in balances that do not reconcile.	Entities must use DOL accruals since DOL is the authoritative source.
FECA Bill Adjustments	DOL trading partners that identify discrepancies (for example, improperly assigned employees) in the FECA bill may adjust IGT reporting prior to notifying DOL.	Entities must notify DOL of any discrepancies noted and must work with DOL to make the required adjustments to the chargeback bill.
Authoritative File Differences	DOL trading partners using different Entity Main Accounts, Beginning Period of Availability (BPOA), Ending Period of Availability (EPOA), and Availability Type Code assignments than what DOL reports via GTAS.	Entities should inform DOL of any differences so that adjustments can be made. Currently DOL is using IPAC information to derive this information.
Reciprocal Category Differences	Some DOL trading partners are using incorrect SGL Accounts to post benefit expenses.	Entities should check all entries, including accrual entries, to ensure they are using the correct SGL accounts as listed in Appendix 7.

2.8—DOL FECA Reconciliation Procedures

In addition to the IGT-wide reconciliation procedures, trading partners must define and perform specific reconciliation(s) for this subcategory. They should document these reconciliations and incorporate them into management’s existing [OMB Circular No. A-123](#), “Management’s Responsibility for Enterprise Risk Management and Internal Control,” Appendix A – “Management of Reporting and Data Integrity Risk” procedures. In addition, trading partners must review and reconcile to DOL’s chargeback bill (see [DOL’s](#) website). If the existing level/hierarchy of FECA reporting is insufficient, trading partners should work with DOL to define the appropriate reporting detail (for example, bureau level). Specific reconciliations include, but are not limited to:

- Review quarterly Chargeback Agency Billing List Detail report to confirm that employees are correctly assigned to the appropriate department/entity,
- Review quarterly Chargeback Agency Billing List Detail report to confirm that the amounts charged for compensation costs appear reasonable for the injured employee’s compensation and the date of injury, and
- Where differences are identified, document the difference including, but not limited to, the difference amount, USSGL accounts impacted, rationale for the difference, and the status of communication with trading partners (for example, contact made, unresponsive trading partner).

2.9—Business Rules for DOL Benefits—Actuarial Liability

On an annual basis by September 30, the DOL CFO posts to the [DOL OCFO](#) website two memoranda (with attachments) that transmit the unaudited estimated FECA actuarial liability for the FY ending September 30. The memorandum for the large entities provides a schedule of the unaudited amounts to be accrued, by federal entities, with comparative information from the preceding year. The federal entities on the schedule must record the FECA actuarial liability and changes in FECA actuarial liability in USSGL accounts 265000N, “Actuarial FECA Liability,” and 760000N, “Changes in Actuarial Liability,” respectively. For small entities not separately listed on the schedule, the other memorandum provides a “calculator” that may be used to calculate the amount to be accrued; small entities use the same USSGL accounts to accrue their actuarial liability.

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DOL does not have corresponding accounts for federal entity accounts 265000N and 760000N. These amounts are considered non-federal because they represent the actuarial present value of future FECA benefits to be paid to federal employees or their beneficiaries; therefore, the accrued amounts are not eliminated in the government-wide financial statements.

After September 30, DOL's Office of Inspector General (OIG) issues the "Special Report Relating to the Federal Employees' Compensation Act Special Benefit Fund" (the Special Report) for the preceding FY ending September 30. The Special Report includes, among other things, an **audited** schedule of actuarial liability by federal entity for the large entities. It is unlikely that the audited values will be different from the unaudited values, but in the event that there are changes, DOL will communicate the changes via e-mail to federal entities and postings to the [DOL OCFO](#) website. Federal entities should ascertain whether there are material differences in the amount they accrued versus the audited amount from the Special Report and adjust as needed.

Section 3—DOL Federal Employees' Unemployment Benefits (UI) Transactions

3.1—Purpose

This section provides federal entities with guidelines concerning the generation, distribution, and acceptance of quarterly UI benefit bills from DOL, payment and collection of these bills, and trading partner reconciliation. DOL trading partners are required to notify DOL of correct AID and main accounts so that DOL can report them correctly in DOL's quarterly submission to Fiscal Service. Please contact DOL at Ul.Auth.File@dol.gov to submit changes and request any employee benefits calculation clarifications.

3.2—Background

The UI program provides unemployment benefits for former federal and ex-military service employees. The program is administered by States as an agent for the federal government through the unique federal-state partnership system. The law of the state determines the benefit amounts and duration along with any other eligibility criteria for any benefits to be paid out.

The DOL UI benefit program is managed by the Office of Unemployment Insurance (OUI). The OUI process involves the generation and transmission of a quarterly bill to federal entities, entity receipt and acceptance of the bill, payment and collection of the bill, and trading partner reconciliation. DOL will perform the following key tasks on a quarterly basis:

- Generate quarterly accrual information provided to each entity and posted on the [DOL](#) website,
- Distribute accrual information to Fiscal Service to be placed on [Fiscal Service's](#) website,
- Generate the DOL adjusted trial balance provided to Fiscal Service.

The OUI uses the Chargeback System to generate federal entity bills and record receipt information by entity. The quarterly UI bill is sent to the federal entity on the 20th day of the second month following the close of the quarter. The billing data is based on the information submitted by the States via the ETA 191, Statement of Expenditures and Financial Adjustments of Federal Funds for Unemployment Compensation for Federal Employees and Ex-Service Members.

The state workforce agencies (SWAs) obtain funds from Federal Employees Compensation (FEC) account through the U.S. Department of the Treasury to pay unemployment compensation to unemployed federal employees and ex-service members. On a quarterly basis, SWAs report benefit payments by federal entity to DOL, OUI on their ETA191 reports. These reports are stored in the Unemployment Insurance Database (UIDB) and the Chargeback System simply accesses the benefit data already stored in UIDB. OUI summarizes these reports and bills each responsible federal entity for the UI costs associated with their former employees.

Federal entities make payments related to the billings either via IPAC system or through ACH transfer/Wire transfer into the Federal Employees Compensation Unemployment Trust Fund (FEC UTF) account.

The process model for IGT DOL UI Benefits is described in the following subsections.

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3.3—Transaction Types and Trading Partner

UI transactions with the DOL include two different types of transactions: Benefits Receivables/Payables and Benefits Expenses/Revenues. Regardless of transaction type, the trading partner for UI transactions posted by federal entities is always DOL (Trading Partner FR Entity 1601). A Trading Partner Main Account (TPMA) of 8042 should be used by trading partners reporting UI benefits with DOL on their GTAS submission. Each transaction type is described below.

Benefits Receivables/Payables

This transaction type includes earned benefit accounts receivable recorded by DOL but not yet paid by the federal entity. The benefiting entity records accrued benefit payable and reconciles the balance with the associated DOL benefit receivable balance. DOL submits the benefit revenue and receivable balances by federal entity to Fiscal Service to be placed on [Fiscal Service’s](#) website.

Benefits Expenses/Revenues

The benefits revenue balance reflects reimbursements collected from federal entities, reimbursements not billed by DOL but due from entities, and reimbursements billed but uncollected. Benefiting entities reconcile with DOL to confirm that their benefits revenue balances agree materially with DOL as the authoritative source. DOL records the benefit revenue while the receiving entity records the benefit expense, and the two figures should offset to avoid IGT differences. DOL submits the benefit revenue and receivable balances by federal entity every quarter to be placed on [Fiscal Service’s](#) website.

3.4—Roles and Responsibilities

Table 4 below outlines the roles and responsibilities for federal entities receiving DOL UI benefits.

Table 4: Trading Partner Roles/Responsibilities for DOL UI

Role	Federal Entity	Responsibility
Authoritative Source	DOL	<p>As the authoritative source for UI benefit transactions, DOL will:</p> <ul style="list-style-type: none"> ▪ Generate the quarterly UI bill, which provides the total net charges, ▪ Record the UI receivables, ▪ Record the collection of UI receivables, and ▪ Submit balances to Fiscal Service. <p>On a quarterly basis, DOL performs the following tasks:</p> <ul style="list-style-type: none"> ▪ Generates quarterly accrual information that is provided to each federal entity and posted on the DOL website, and ▪ Distributes accrual information to Fiscal Service to be placed on Fiscal Service’s website,
Trading Partner	Benefiting Entity	<p>The trading partner performs the following tasks:</p> <ul style="list-style-type: none"> ▪ Reviews and accepts the quarterly DOL UI bill and records the UI payable, ▪ Pays DOL via IPAC or ACH transfer/Wire transfer for the benefit-related expenses that states pay on behalf of the federal entities’ employees. Reimbursement is made quarterly through the DOL chargeback process, ▪ Submits balances to Fiscal Service, ▪ Accounts for, reports, and reconciles UI benefit transactions with DOL, and ▪ Documents differences with authoritative sources and submits material differences to Fiscal Service for dispute resolution.

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3.5—Business Rules for DOL UI—Intra-governmental Transactions

The following policy sources govern the accounting for and financial management of the DOL UI environment:

- [SFFAS No. 5](#), “Accounting for Liabilities of the Federal Government,” requires federal entities to account for UI expenses as other postemployment benefits.
- [SFFAS No. 7](#), “Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting,” establishes UI program transactions as intra-governmental.
- The [OUI, UCFE instructions](#) for federal entities and [UCX – ET Handbook No. 384 Manual](#) provides guidance for the DOL UI benefits claims, payment, and reconciliation processes.

Benefiting entities must record and report balances in eliminating accounts that equal those balances reported by DOL. If account balances do not equal those reported by DOL, the federal entity must reconcile the differences with DOL or must request Fiscal Service dispute resolution if it does not adjust its balances.

DOL and its trading partners must process intra-governmental UI benefits activity as follows:

- **Quarterly Estimates.** DOL must provide Fiscal Service quarterly estimates for unbilled UI current liabilities and billed but unpaid current liabilities by trading partner to be placed on [Fiscal Service’s](#) website. DOL must provide the data by close of business six calendar days after the end of each quarter.
- **Quarterly Reconciliation.** Trading partners must reconcile billed but unpaid current liabilities with DOL and must include the confirmed amounts in their trial balance and financial statements. They also must include the unbilled estimates of current liabilities as identified by DOL in the federal entity’s trial balance and financial statements. To facilitate reconciliation of billed but unpaid current liabilities, DOL must make available to trading partners the UI current liabilities that have been billed to the trading partners and any payments received from the trading partners. If the existing level/hierarchy of UI reporting is insufficient, trading partners should work with DOL to define the appropriate reporting.

The current liability amounts (including accruals) for the FY ended September 30 will be available during October. It is critical that the account balances reported in the confirmation process equal the amounts reported in the federal entity’s audited financial statements and GTAS submission to Fiscal Service. Entities should refer to the USSGL Account Transactions listing to determine the appropriate accounts to be used based on RC21 and RC26 of Appendix 3.

3.6—Eliminating USSGL Accounts

TFM Volume I, Part 2, Chapter 4700, Appendix 3, presents the eliminating accounts used by DOL and the benefiting entities that provides UI benefits. For DOL UI, the trading partners are defined as:

- **Department of Labor.** DOL is the authoritative source, meaning that the amounts posted by the benefiting entity in the eliminating accounts must equal those balances posted by DOL.
- **Benefiting Entity.** This is the federal entity that is providing its own employees with UI benefits. Balances posted by this entity in the eliminating accounts must equal those balances posted by DOL.

3.7—Common Errors for DOL UI Transactions

In recording IGTs for DOL UI, there are some common errors federal entities have made in the past. In general, data entry errors and failure to post accruals in a timely manner create differences. Table 5 contains common errors, and the solutions federal entities can use to correct them.

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Table 5: Common Errors for DOL UI

Error Type	Description	Solution
Accrual Calculation Difference	Some DOL trading partners perform their own accrual calculations that result in balances that do not reconcile.	Entities must use DOL accruals since DOL is the authoritative source.
UI Bill Adjustments	DOL trading partners that identify discrepancies (for example, improperly assigned employees) in the UI bill may adjust to IGT reporting prior to notifying DOL.	Entities must work with state entities to make the required adjustment to the UI bill.
Authoritative File Differences	DOL trading partners using different Entity Main Accounts, BPOA, EPOA, and Availability Type Code assignments than what DOL reports via GTAS.	Entities should inform DOL of any differences so that adjustments can be made. Currently DOL is using IPAC information to derive this information.
Reciprocal Category Differences	Some DOL trading partners are using incorrect SGL accounts to post benefit expenses.	Entities should check all entries, including accrual entries, to ensure they are using the correct SGL accounts as listed in Appendix 7.

3.8—DOL UI Reconciliation Procedures

In addition to the IGT-wide reconciliation procedures, trading partners must define and perform specific reconciliation(s) for this subcategory. They should document these reconciliations and incorporate them into management’s existing [OMB Circular No. A-123](#), “Management's Responsibility for Enterprise Risk Management and Internal Control,” Appendix A – Management of Reporting and Data Integrity Risk procedures. In addition, trading partners must review and reconcile to DOL’s chargeback bill (see [DOL’s](#) website). If the existing level/hierarchy of UI reporting is insufficient, trading partners should work with DOL to define the appropriate reporting detail. Specific reconciliations include, but are not limited to:

- SWAs provide the quarterly detail listing of claimants paid directly to the relevant federal entities,
- Each federal entity is responsible for reconciling its detailed quarterly bills from each SWA against the DOL UI bill and deposits its share of compensation into its respective UI FEC Account in a timely manner,
- If the quarterly detail claimant listing from SWAs and the DOL UI benefits bill do not reconcile, the federal entity should contact the state from which the charges originated to resolve any difference.

Section 4—Office of Personnel Management (OPM) Employees Benefits Transactions

This section provides federal entities with guidelines for the accounting and reporting of intra-governmental employee benefit transactions with OPM.

OPM, on behalf of federal entities, manages the government-wide employee benefit programs that provide retirement, health benefits, and life insurance to federal employees. Federal payroll providers withhold contributions for these programs and submit withholdings and contributions data to OPM using the SF 2812 (Report of Withholdings and Contributions for Health Benefits, Life Insurance and Retirement). SF 2812 data is submitted via the Retirement and Insurance Transfer System (RITS), an IPAC subsystem, lockbox, or direct submission to OPM. The process includes OPM’s calculation and distribution of accrual amounts and imputed cost factors: the federal entity’s calculation and recognition of accrued revenue/receivables and imputed costs/imputed financing; and reconciliation of trading partner transactions and balances.

The process model for IGT OPM employee benefits is described in the following subsections.

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4.1—Transaction Types and Trading Partner

There are three types of benefit transactions with OPM: retirement, health, and life insurance. Federal entities with employees covered by the OPM retirement, health, and life insurance programs are governed by this section. In addition, the requirements of this section pertain to the federal payroll providers that provide payroll services to federal entities under cross-servicing arrangements.

Retirement Programs

OPM administers a retirement program that includes four components of defined benefits: the Civil Service Retirement System (CSRS), the Federal Employees' Retirement System (FERS), the Federal Employees' Retirement System Revised Annuity Employees (FERS-RAE), and the Federal Employees' Retirement System Further Revised Annuity Employees (FERS-FRAE). The CSRS is a stand-alone plan covering most federal employees hired before 1984 and is closed to new members. Using Social Security as a base, FERS provides a defined benefit and a Thrift Savings Plan to employees who first entered a covered position on or after January 1, 1984, FERS-RAE applies to an employee hired on or after January 1, 2013, and FERS-FRAE applies to an employee hired on or after January 1, 2014. OPM administers the defined benefit portion of FERS. SFFAS No. 5 requires that federal entities recognize an imputed cost from OPM, because the cost to the federal government to provide a future retirement benefit to most employees is higher than the combined employer and employee contributions. Imputed costs reflect the amount by which the cost to the federal government of an employee benefit exceeds the amount contributed by employees and their employers.

OPM calculates and publishes on its website the benefits contribution rates and imputed cost factors that federal entities and their payroll providers use to calculate contribution amounts and imputed costs for all three OPM administered employee benefits programs.

Health Benefits Program

The Federal Employees Health Benefits Program provides health benefits for covered employees. It is contributory, with the cost shared by the covered employee and his/her employer. Since there is no provision in law to cover the cost of providing health benefits to current employees after they retire, SFFAS No. 5 requires federal entities to recognize an imputed cost for these amounts.

Life Insurance Program

The Federal Employees Group Life Insurance (FEGLI) is contributory, with the full cost of premiums for basic coverage shared by the covered employee and his/her employer. Based upon a formula in law, employees contribute approximately two-thirds of the cost of premiums, with the federal entity contributing the remainder. Since there is no provision in law to cover the cost of providing life insurance benefits to current employees after they retire, SFFAS No. 5 requires employing entities to recognize an imputed cost for these amounts.

4.2—Roles and Responsibilities

Table 6 outlines the roles and responsibilities for federal entities receiving OPM federal employee benefits.

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Table 6: Trading Partner Roles/Responsibilities for OPM Benefits

Role	Entity	Responsibility
Authoritative Source	Office of Personnel Management	<p>Accounts for and reports employee benefit transactions.</p> <p>Receives SF 2812 data through IPAC transactions from RITS, Automated Clearing House (ACH) checks from payroll providers, lockbox, and direct submissions to OPM.</p> <p>Submits balances to Fiscal Service.</p> <p>Provides guidance and assistance to Trading Partners, as appropriate.</p>
Trading Partner	Benefiting Entity	<p>Receives IPAC transactions from RITS.</p> <p>Accounts for and reconciles employee benefit transactions with OPM.</p> <p>Documents differences with authoritative sources and creates a corrective action plan or submits material differences to Fiscal Service for dispute resolution, as appropriate.</p>

4.3—Business Rules for OPM Federal Employee Benefits

The following key policy sources govern the accounting for and financial management of OPM’s employee benefit programs:

- [SFFAS No. 4](#), “Managerial Cost Accounting Concepts and Standards for the Federal Government,” requires recognition of the full cost of employee benefits.
- [SFFAS No. 5](#), “Accounting for Liabilities of the Federal Government,” requires that OPM provide cost factors to employing entities to calculate their imputed costs and financing sources relating to the retirement, health benefits, and life insurance programs.
- [SFFAS No. 7](#), “Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting,” establishes that employer (but not employee) contributions to the retirement, health benefits, and life insurance programs are intra-governmental.
- [SFFAS No. 33](#), “Pensions, Other Retirement Benefits, and Other Postemployment Benefits: Reporting the Gains and Losses from Changes in Assumptions and Selecting Discount Rates and Valuation Dates,” provides guidance for actuarial assumptions for the benefit programs.
- [SFFAS No. 51](#), “Insurance Programs,” amends SFFAS No. 5, rescinds par. 97 – 121, and establishes accounting and financial reporting standards for insurance programs.
- [SFFAS No. 55](#), Amending Inter-entity Cost Provisions, revises SFFAS 4 to provide for the continued recognition of significant inter-entity costs by business-type activities and rescinds (a) SFFAS 30, Inter-Entity Cost Implementation, and (b) Interpretation 6, Accounting for Imputed Intra-departmental Costs: An Interpretation of SFFAS No. 4.
- [Benefits Administration Letter \(BAL\) 03-309](#), dated January 2024, provides detailed instructions for the computation and accounting for OPM imputed costs. BALs for imputed cost factors are located on [OPM’s website](#).

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OPM employment benefits are classified into three distinct transaction types:

- **Cash Employer Contributions:** Payroll providers, on behalf of their client entities, submit employer and employee contribution data to OPM via RITS, lockbox or direct submission to OPM. The OPM Benefits (cash) process is initiated by RITS. The information from the payroll providers is due to OPM no later than the date on which the covered employees are paid. RITS automatically generates an IPAC transaction to transfer funds from the federal entity to OPM based on the entity's last submission. If the entity does not submit a RITS transaction for the pay period, OPM uses the SF2812 from the prior pay period to generate the IPAC transaction.

OPM downloads contribution information from RITS, which updates its general ledger for employee/ employer contribution revenue (OPM has separate funds for the retirement, health benefits and life insurance programs). Federal entities use the data transmitted to OPM by the payroll providers via RITS to update their general ledgers for employer contributions expense.

- **Accrued Employer Contributions:** Federal pay periods often straddle accounting periods. For instance, a pay period may begin in March and end in April. When this occurs, OPM and the federal entities must record accrued employer contributions for the period. OPM applies an accrual factor to the pay period that begins in the current accounting period and ends in the subsequent accounting period to compute the accrued amount of employer contributions. OPM posts the accrual as an estimate of the amount of employer contributions it will receive by benefit program for the payroll period. To avoid IGT imbalances, both OPM and the trading partner must record the same accrued balances.

Data is submitted to Fiscal Service to be placed on [Fiscal Service's](#) website by the fifth business day after the end of the quarter. Using this data, OPM also records its accrued revenue and associated receivable in its general ledger. Accrued revenue is recorded separately from collected revenue so that each can be separately reconciled. Federal entities use the OPM accrual methodology to post accrued expenses and payables. The federal entities then reconcile their balances to those reported by OPM.

- **Imputed Costs (Reciprocal Category 25):** As mentioned before, imputed costs reflect the amount by which the cost to the government of an employee benefit exceeds the amount contributed by employees and their employers. OPM will post to its website the fiscal year cost factors for the Federal civilian benefit programs. Federal entities will use these factors to calculate their imputed costs relating to the Civil Service Retirement System (CSRS), the Federal Employees Retirement System (FERS), the Federal Employees Health Benefits Program (FEHB), and FEGLI. The federal entities must record and report the computed amounts to Fiscal Service as an imputed cost and imputed financing source.

The information needed for federal entities to calculate imputed costs will be posted on OPM's website. The imputed costs process is initiated by OPM's posting on its website, imputed cost factors for the fiscal year for the calculation of imputed costs by employing entities. Based on the cost factors and accompanying guidelines, federal entities must compute and record a charge to imputed costs and an equal credit to imputed financing sources, using OPM's entity identifier as the trading partner. These transactions only appear in the federal entity's general ledger, and OPM does not record an imputed cost transaction.

It is critical that the account balances reported in the confirmation process equal the amounts reported in the federal entity's audited financial statements and GTAS submission to Fiscal Service.

4.4—Eliminating USSGL Accounts

TFM Volume I, Part 2, Chapter 4700, Appendix 3, presents the eliminating accounts used by OPM and the federal entity that provides employment benefits administered by OPM. For OPM Benefits, the trading partners are defined as:

- **Office of Personnel Management.** OPM is the authoritative source, meaning that the amounts posted by the benefiting entity in the eliminating accounts must equal those balances posted by OPM.

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- **Benefiting Entity.** This is the federal entity whose employees are covered by the retirement, health benefits, and life insurance programs administered by OPM. Employer contribution balances posted by this federal entity in the reciprocal eliminating accounts must equal those balances posted by OPM.

4.5—Common Errors for OPM Benefit Transactions

In recording IGTs for OPM Benefits, there are some common errors federal entities have made in the past. In general, federal entity failure to calculate and post accruals and imputed costs in a timely manner creates differences.

Table 7 contains common errors, and the solutions federal entities can use to correct them.

Table 7: Common Errors for OPM Benefit Transactions

Error Type	Description	Solution
Compliance by Independent Entities	Some independent entities are not familiar with the reporting requirements and do not report their balances.	Independent entities need to attend Fiscal Service training to learn about reporting requirements.
Differing Accrual Methodologies	Some federal entities use different methodologies for calculating the quarterly employee benefit accrual.	Federal entities should use the balances and methodology used by OPM for employee benefit accruals. If the federal entity identifies a discrepancy in the calculation methodology or balance, the entity should reconcile with OPM.
Using cash basis of accounting	Some federal entities do not accrue employee benefit expenses and instead report actual cash balances.	Federal entities must report the accrual provided by OPM. If the federal entity identifies a discrepancy in the calculation methodology or balance, the entity should reconcile with OPM.

4.6—OPM Benefit Reconciliation Procedures

In addition to the IGT wide reconciliation procedures, trading partners must define and perform specific reconciliation(s) for this subcategory. They should document these reconciliations and incorporate them into management’s existing [OMB Circular No. A-123](#), “Management’s Responsibility for Enterprise Risk Management and Internal Control,” Appendix A, procedures. In addition, specific reconciliations include, but are not limited to:

- Benefiting entities must report balances in eliminating accounts that equal those balances reported by OPM.
- Review OPM balances by USSGL account for both cash and accrued expenses, available on the fifth business day after the end of the quarter for review and reconciliation, and
- Where differences are identified, document the difference including, but not limited to, the difference amount, USSGL accounts impacted, rationale for the difference, and the status of communication with trading partners (for example, contact made, unresponsive trading partner). The benefiting entity must reconcile the amounts through a corrective action plan or must request a Fiscal Service dispute resolution if it does not adjust its balances.
- For questions or clarifications about the OPM quarterly authoritative source report, please contact OPM at OPMgtas@opm.gov.