Appendix 5

OVERALL INTRA-GOVERNMENTAL TRANSACTIONS (IGT) PROCESSES/GENERAL INFORMATION

Section 1—Overview of Intra-governmental Transactions

1.1—Purpose

The purpose of this guide is to assist federal entities in the accounting, reporting, and reconciliation of IGT activity with their trading partners. This guide:

- Establishes overall roles and responsibilities for trading partners,
- Provides specific guidance relevant to each IGT category and sub-category:
    - Investments/Borrowings (Appendix 6)
    - Benefits (Appendix 7)
    - Buy/Sell (Appendix 8)
    - Transfers (Appendix 9)
    - Custodial and Non-Entity Transactions (Appendix 10)
    - General Fund Transactions (Appendix 11)
- Serves as a reference document for those individuals new to the IGT process,
- Provides specific instructions on the IGT process to federal entity subject matter experts,
- Establishes authoritative sources for Fiduciary transactions and balances including Benefits transactions,
- Explains how the Bureau of the Fiscal Service (Fiscal Service) will use metrics to measure federal entity progress in resolving IGT differences,
- Explains the IGT Root Cause/Corrective Action Plan (CAP) process to reconcile and resolve IGT differences, and
- Explains how to use the Dispute Resolution process to resolve imbalances between trading partners.

Throughout this guide, the term "federal entity" refers to reporting entities required to adhere to the policies in this guide. The term "trading partner" refers to the two entities engaged in IGT activity and includes all reporting and non-reporting entities. Section 2.2, "Report IGT Activity," provides further information for reporting and non-reporting entities.

Federal entities must use Treasury Financial Manual (TFM) Volume I, Part 2, Chapter 4700, including this guide and the U.S. Standard General Ledger (USSGL) as references for recording, reporting, and reconciling their IGT activity. Official USSGL guidance is documented in the **USSGL** website.

1.2—Background

IGTs result from business activities conducted between two federal government entities. In order to properly present the balances on the *Financial Report of the United States Government* (*FR*), IGTs must be eliminated during the preparation process. If not, IGT differences will occur that result in the misstatement of financial balances. For example, when two entities enter into a reimbursable agreement, each will have a reciprocating accounts payable (Buyer) and accounts receivable (Seller) that should net to zero. If not, the Buy/Sell IGT category will have a difference.

There are two types of IGTs, intra-departmental and intra-governmental. Intra-departmental transactions result from activity between trading partners within the same department. Intra-governmental transactions result from activity between federal entities not within the same department. When Fiscal Service compiles the FR, it eliminates intra-departmental and intra-governmental activity and identifies IGT differences that entities must reconcile and resolve.

1.3—IGT Categories and Sub-categories

IGT categories represent a grouping of transactions processed in a similar manner related to a type of financial activity. IGTs consist of five categories: Fiduciary, Buy/Sell, Transfers, Custodial, and General Fund transactions. Intra-governmental sub-categories provide a further breakdown that allows for differentiation by transaction type and owner. All categories and sub-

categories have different business processes, defined by the transaction activity that drives distinct process models. The IGTs, Fiduciary IGTs, and General Fund IGTs are further divided into sub-categories.

Fiduciary

Fiduciary IGTs include transactions that originate from a centralized Fiduciary agent. A centralized Fiduciary agent is a federal entity that acts for and on behalf of another in a particular matter under circumstances that give rise to a relationship of trust and confidence. Within the federal sector, a limited number of federal entities perform Fiduciary duties on behalf of other federal entities. Fiduciary transactions are comprised of Fiscal Service Investments and Borrowings, Federal Financing Bank (FFB) Borrowings, Federal Employees' Compensation Act (FECA) and Unemployment Insurance (UI) transactions with the Department of Labor (DOL), and employee Benefits transactions with the Office of Personnel Management (OPM). In limited situations, other entities may have the authority to issue securities. Approval in these limited situations must be given by Fiscal Service. For purposes of this document, Federal UI transactions described are considered to be federal activity for Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-service members (UCX). For purposes of this document, Federal UI transactions described are considered to be federal activity for Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-service members (UCX).

Included in the Fiduciary category is the Benefits sub-category. Benefits IGTs include transactions in Benefit Program Contributions Receivable and Payables (Reciprocal Category 21) and Benefit Program Costs/Revenues (Reciprocal Category 26). If federal entities have benefits transactions with a trading partner other than DOL or OPM, the federal entity must provide Fiscal Service with an explanation of these transactions to be evaluated. There should never be any Benefits transactions with Treasury as the trading partner.

Buy/Sell

Buy/Sell IGTs include transactions that occur between two federal entities where goods or services are purchased by one federal entity from another federal entity. This arrangement is typically accomplished through the issuance of a reimbursable agreement between the two federal entities. Trading partners should have appropriate statutory authority, such as the Economy Act, prior to engaging in an agreement for Buy/Sell transactions. **Note:** Buy/Sell transactions should never occur with the General Fund of the U.S. Government (General Fund). The General Fund does not engage in exchange activity in the Buy/Sell sub-category.

Transfers

Transfers IGTs include non-exchange transactions that reduce resources (budgetary and proprietary) in one Treasury Account Symbol (TAS) and increase them in one or more other TAS by the total cumulative amount. Transfers IGTs typically require proper interpretation of legislative language and can involve complex scenarios with intricate accounting treatment.

Custodial and Non-Entity Transactions

Custodial and Non-Entity Transactions – Other Than the General Fund of the U.S. Government IGTs include collections by a collecting entity on behalf of a receiving entity. The federal entity who collects on behalf of another but is not entitled to retain the collections is referred to as the collecting entity, or custodian. The federal entity on whose behalf the collecting entity is collecting is referred to as the receiving entity. This type of agreement is usually stipulated in legislation or is agreed upon by the federal entities involved. Transactions in this category are never collections on behalf of the General Fund, which would fall under the General Fund category.

General Fund

General Fund IGTs include transactions that occur between a federal entity and the General Fund. The five General Fund (GF) sub-categories include Fund Balance with Treasury (FBWT), GF Authority, GF Non-Entity Transactions, Other GF RCs, and Other GF Financing Sources.

Appendix 5

Table 1 presents the IGT's categories and sub-categories.

Table 1: IGT Categories and Sub-categories

IGT Category	IGT Sub-category	Description
Fiduciary	Investments in Treasury securities with Fiscal Service	Fiscal Service calculates and reports to federal entities their investment balances and activity, including principal, premiums, discounts, accumulated amortization of premiums and discounts, accrued interest receivable, and interest revenue (net of gains and losses).
	Borrowings from Fiscal Service and FFB	Fiscal Service and FFB calculate and report principal and interest balances to federal entities.
	Benefit Program Contributions Receivables and Payables; Benefit Program Costs/Revenues	DOL records and reports FECA and UI expenses and liabilities by entity, and DOL publishes on its **OCFO** website FECA actuarial liability that each federal entity will accrue annually (if applicable). OPM calculates and reports by federal entity the transactions relating to the Federal Employees Retirement System (FERS), the Civil Service Retirement System (CSRS), the Federal Employees Health Benefits Programs (FEHB), and the Federal Employees' Group Life Insurance Program (FEGLI). Fiscal Service also provides these benefit reports on the **GTAS** website. **Note**: If a federal entity has any of these transactions with a trading partner other than DOL or OPM, the federal entity must obtain approval from Fiscal Service before with an explanation of the transactions in order for Fiscal Service to evaluate. **There should never be any Benefits transactions with Treasury as the trading partner.**
Buy/Sell	Buy/Sell activities between federal entities	Buy/Sell activities occur between two federal entities when goods/services are exchanged between reimbursable/expenditure transactions. They are managed through an interagency agreement (IAA), often called a reimbursable agreement, which includes a General Terms & Conditions and an Order document. They cover exchanges related to goods and services rendered, accounts receivable and other assets, accounts payable and other liabilities, advances, prepayments from/to, deferred credits, and accruals. G-Invoicing will be the application that will be used to facilitate Buy/Sell activities between two federal entities.
Transfers	Transfers of resources between federal entities	Non-exchange transactions that move budgetary and proprietary resources between two or more TAS. Transfers are further classified in this document as expenditure, non-expenditure, and other.

IGT Category	IGT Sub-category	Description
Custodial and Non-Entity Transactions–Other Than the General Fund of the U.S. Government	Custodial and Non-Entity	Exchange or non-exchange transactions to either accrue balances that represent the collection or future collection of, or transfers of, custodial or non-entity collections from a collecting entity to a receiving entity. These custodial and non-entity collections represent activity between two entities, neither of which is the General Fund.
General Fund	FBWT	Transactions between federal entities and the General Fund concerning FBWT and the Liability for FBWT.
	GF Authority	Transactions between federal entities and the General Fund concerning expended and unexpended appropriations, warrants issues, tax revenue, and trust fund warrants.
	GF Non-Entity Transactions	Transactions between federal entities and the General Fund concerning non-entity and custodial activity including fines and penalties.
	Other GF RCs	Transactions between federal entities and the General Fund concerning other assets and liabilities.
	Other GF Financing Sources	Transactions between federal entities and the General Fund concerning other financing sources for the General Fund.

To enhance accountability and efficiency within IGT processes, Fiscal Service will request that each federal entity identify key IGT points of contact (POCs) on an annual basis. POCs should be familiar with their federal entity's activity in the IGT category/sub-category and will be expected to address questions or concerns on an as-needed basis. These POCs will work with both Fiscal Service personnel as well as other federal entities to address differences.

In addition, Fiscal Service requests that federal entities update their key IGT POCs for IPAC and G-Invoicing at least once a year. For more information, please contact Fiscal Service at **IGT@fiscal.treasury.gov**.

Section 2—IGT Process

As federal entities conduct business with each other, IGT activity must follow a standard set of processes that support the recording, reporting, reconciliation, and measurement of intra-governmental activity. Federal entities' adherence to the process provides the required controls for IGT activity and allows both federal entities, as well as Fiscal Service, to perform their financial statement reporting in an efficient manner.

2.1—Record IGT Activity

Based on the category or sub-category, the federal entity determines the transaction type and the trading partner for that transaction. Fiduciary transactions always have an authoritative source that acts as a Fiduciary agent on behalf of all federal entities. Buy/Sell, Transfers, and Custodial transactions occur between varying trading partners that must coordinate closely on the proper financial treatment so that the IGTs properly eliminate. Selecting the correct trading partner and transaction type allows federal entities to properly categorize their IGT activity. General Fund transactions are transactions which occur with the General Fund (FR Entity 9900) as the trading partner in the General Fund sub-categories.

The federal entity determines its role and responsibilities (for example, calculations and reconciliations) in the transaction type by referring to the Roles/Responsibilities sections contained throughout this guide. This guide identifies key regulations, policies, and other guidance that govern the sub-category. The federal entity follows the established business rules for proper posting of the transaction type.

Treasury Systems

Federal entities provide IGT information to Treasury using the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) on an annual basis. GTAS will then create the reclassified financial statements based on the USSGL crosswalks. Reclassified financial statement line item information represents a federal entity's comparative, consolidated audited, and department-level financial statements which are used to prepare the FR. Treasury also uses the ATB files submitted to Fiscal Service in GTAS to produce intra-governmental reports and analyze intra-governmental financial data from federal entities on a quarterly basis. **GTAS** and **Fiscal Service's** website are the official confirmation systems for all federal departments and federal entities that engage in Fiduciary and Benefits IGTs.

IGT Reporting Guidance

IGTs must be accounted for consistently by the federal entity and their trading partners. In accordance with OMB Circular No. A-136, significant entities and other entities should reconcile their intra-governmental balances and resolve intra-governmental differences with all available information before submitting their GTAS ATB. Federal entities must ensure they are able to identify and track all IGTs from the beginning to the end of the process. Federal entities must maintain accurate, detailed information on transactions as a part of their accounting records. This information assists federal entities in identifying the correct postings to USSGL accounts and facilitates the reconciliation process. Detailed records must include enough information to enable easy identification, rationale, and location of supporting documentation. It must be considered that all entities maintain records and related documentation in various ways. All entities must consider their trading partner's documentation needs in order to eliminate IGT differences.

At the end of each quarter, Fiscal Service collects federal entity adjusted trial balance submissions to analyze USSGL data. To eliminate IGT activity at the government-wide level, Fiscal Service groups specific USSGL accounts into reciprocal categories. Within each reciprocal category, USSGL accounts are paired up between trading partners for proper elimination, except for Reciprocal Category 29 (RC 29), which is used for non-reciprocating USSGL accounts. These pairings of eliminating USSGL accounts for all IGT sub-categories are listed in TFM Volume I, Part 2, Chapter 4700, Appendix 3.

Some IGT eliminating accounts are considered limited use and must only be used for their stated purpose. These accounts are identified and discussed in each IGT sub-category section below. If a federal entity plans to use the account for other than the stated purpose, it must contact Fiscal Service Financial Reports and Advisory Division's USSGL Team at USSGLTeam@fiscal.treasury.gov, to discuss if that USSGL account can be used.

Accounting Attributes and Business Rules

The following subsections provide detailed information and guidance on specific accounting attributes and business rules important to the proper recording of IGT activity.

USSGL Account Attributes

Account attributes further describe USSGL accounts in order to meet specific financial reporting requirements. Every attribute is assigned one or more domain values, which consist of all the possible valid choices within that attribute.

See the **USSGL** website for a complete listing of attributes and attribute domain values.

The federal/non-federal indicator attribute used in conjunction with line item data in the reclassified financial statements provides information that enables Fiscal Service to prepare elimination entries for the FR. Domain values for this attribute are "F" for Federal, "G" for General Fund, "N" for non-federal, and "Z" for non-reciprocating federal activity. The "Z" attribute domain value is limited to Reciprocal Category 29. The chosen attributes are used to identify the type of account balance and the IGTs. When the federal attribute domain value "F" is used with a USSGL account, a three-digit agency identifier and four-digit trading partner main account must be provided for the trading partner with whom the federal entity has the balance. Refer to TFM Volume I, Part 2, Chapter 4700, Appendix 1a and 1b for the listing of the three-digit agency identifier and four-digit FR entity code.

Classifying Asset Accounts

Asset accounts related to inventory, property, and equipment are submitted to Fiscal Service with a non-federal attribute domain value "N" regardless of whether the assets were purchased from the public or another federal entity, except when the purchase is made through the Bureau of Prisons, then the domain value would be "F." This attribute is being used as a mechanism to communicate that these particular asset accounts of individual entities are also assets of the federal government as a whole.

Related USSGL memorandum accounts 880100, 880200, 880300, and 880400 were established to record capitalized purchases and are to be used in the reconciliation process (trading partner identification is associated with these accounts). See TFM Volume I, Part 2, Chapter 4700, subsection 4750.30b, for additional guidance related to capitalized purchases. Federal entities should follow the **Intra-governmental Capital Asset and Inventory Buy/Sell Transactions** guidance concerning USSGL guidance on capitalized assets.

Trading Partner Agency Identifiers

For proper eliminations to occur, it is essential that accurate trading partner data be captured for intra-governmental activity and balances. Federal entities must report their three-digit agency identifier and their trading partner's three-digit agency identifier as part of the TAS on their ATB bulk file. The trading partner agency identifier represents ownership of the balance when reporting USSGL account balances for transactions with another federal entity. Federal entities are required to use the trading partner main account in conjunction with the trading partner agency identifier for all TAS.

2.2—Report IGT Activity

The federal entity submits adjusted trial-balance data to Treasury on a predetermined schedule, using GTAS. These files must be certified for Fiscal Service to use them for elimination of IGTs. Federal entities should derive these submissions directly from their departmental adjusted trial balances that are used as the basis for constructing quarterly unaudited financial statements.

At year-end, significant entities must provide a CFO Representation for federal IGTs and balances (refer to Appendix 4). See TFM Volume I, Part 2, Chapter 4700, Appendices 1a and 1b, for a list of significant entities. Other entities include all other executive branch entities. All reporting entities must comply with the requirements in this guide.

Judicial and legislative branch entities are not required to report since they are not subject to executive branch mandates and guidance. Even though these mandates are not applicable to Judicial and Legislative entities, Treasury strongly encourages these entities to submit their adjusted trial balances, financial statement notes, and other financial report data. At a minimum, Judicial and Legislative entities need to work closely with reporting entities to help the reporting entities confirm and reconcile intra-governmental differences.

2.3—Reconcile IGT Difference(s)

The federal entity follows the established reconciliation procedures in this guide for both government-wide and sub-category specific reconciliations. The following processes help federal entities reconcile IGTs (see subsections in the paragraphs below with the following headers):

- Authoritative Source Reconciliation,
- Material Differences Reports,
- Root Cause/Corrective Action Plan (CAP) Process,
- Dispute Resolution Process, and
- Measure IGT Activity/Scorecards (see subsection 2.4).

Trading partners must work together to reconcile and resolve differences and should not charge back or reject transactions that comply with these reconciliation procedures. In addition, trading partners must not create new or adjustment transactions to circumvent these procedures. The assurance provided to Fiscal Service that federal entities comply with IGT requirements

during the IGT reconciliation process is systematically established using five functions:

- Obtaining a sufficient explanation to resolve the out-of-balance and condition coverage for GAO assurance,
- Obtaining assurance that federal entities are performing quarterly intra-governmental reconciliation in accordance with **OMB Circular No. A-136** (revised),
- Ensuring federal entities are mutually completing the explanations of Intra-governmental Material Difference in the Intra-governmental Module of GTAS quarterly and at year-end for the same trading partner/reciprocal category material differences instances,
- Minimizing the number and amount of differences subject to certification, and
- Ensuring federal entities are mutually completing the Targeted Differences Forms based upon the quarterly scorecard process and Root Cause Analysis/Corrective Action Plans (there is no minimum threshold for requirement for completion).

Authoritative Source Reconciliation

Authoritative sources submit their Fiduciary balances including benefit balances each quarter to Fiscal Service. The Investments and Borrowings balances from Fiscal Service and the FFB will be available at the beginning of each quarterly reporting window in GTAS. Authoritative source balances for DOL FECA, DOL UI Employers, and OPM Benefits will be posted to the **Fiscal Service Intra-governmental Reports** website by the fifth business day after the quarter ends. These reports will be at the main account level of detail. After a designated period, federal entities are required to submit all intra-governmental balances to Fiscal Service in GTAS.

Trading partners must reconcile with authoritative sources for Fiduciary (Investments, Borrowings, and Benefits) transactions. following the reconciliation requirements in Sections 4 through 10 of this guide. At a minimum, federal entities should use the data sources identified in Table 2 below:

Table 2: IGT Category/Sub-category Required Reconciliation Sources

Category	Sub-category	Report Name	Description	Frequency[1]	Location
Fiduciary	Investments	Fiscal Service Monthly Account Statement	Provides investment/redemption/ maturity/interest amounts for trading partners that have invested in government securities with Fiscal Service.	Monthly	**Fiscal Service Monthly Account Statement Reports**
Fiduciary	Borrowings	G/L Balances Report	Provides loan balances for trading partners with Fiscal Service Borrowings including principal and interest.	Monthly	**G/L Balances Reports**
Fiduciary	Borrowings	Monthly Activity Report	Provides federal entities that have borrowed from FFB with their current borrowing amounts, final maturity dates, and interest rates.	Monthly	**FFB** website

[1] Reports listed should be available within seven calendar days after month end.

Category	Sub-category	Report Name	Description	Frequency[1]	Location
Fiduciary	Borrowings	Detailed Principal and Accrued Interest	Provides federal entities that have borrowed from Fiscal Service with their current borrowing amounts, final maturity dates, and interest rates.	Monthly	**Fiscal Service Detailed Principal and Accrued Interest Report**
Fiduciary	Benefits-DOL FECA	Liability for Current FECA Benefits	Provides liability for current FECA Benefits, including estimates for funded/unfunded receivables and net revenue.	Quarterly	**DOL Publications** **DOL Authoritative Source Balances**
Fiduciary	Benefits-DOL UI	Liability for Current UI Benefits	Provides liability for current UI Benefits, including estimates for accrued benefits and net revenue.	Quarterly	**DOL Publications** **DOL Authoritative Source Balances**
Fiduciary	Benefits-OPM Benefits	Employer Benefit Revenue/ Expense	Provides accrued benefit revenue/expense balances by trading partner.	Quarterly	Sent via email by OPM. **OPM Authoritative Source Balances**

If a federal entity has trading partner differences greater than or equal to $100,000 because its balances are inconsistent with the authoritative source balances of Investments and Borrowings, the federal entity will be considered non-compliant with the policies in this guide. Since FY 2014, federal entities are not considered compliant or non-compliant with the DOL FECA, DOL UI, and OPM Benefits, but rather "in balance" or "not in balance." Federal entities are considered "not in balance" with DOL FECA, DOL UI, and OPM Benefits if these differences are not $0.00. Federal entities should continue to check their balances against DOL FECA, DOL UI, and OPM Benefits. If there is a large difference between DOL FECA, DOL UI, or OPM Benefits and the federal entity, Fiscal Service will ask the entity to provide an explanation. See Appendix 7 for IGT processes on Benefits.

Material Differences Reports

Federal entities must explain their Material Differences Parts I, II, and III with their trading partners quarterly (except pre-year-end) and at year-end in the Intra-governmental Module in GTAS. This important step in the process provides Fiscal Service with necessary information to complete a root cause analysis of material differences and explain material reporting differences on the consolidated government-wide financial statements.

Federal entities will use the Intra-governmental Module in GTAS to view and explain, as well as certify, Material Differences. The Material Differences window to explain and certify differences will open after the GTAS Bulk File Submission Window closes. The GTAS reporting window schedule can be found on the **GTAS** information website.

Details outlining the required material differences process can be found in TFM Volume I, Part 2, Chapter 4700, subsections 4750.40a and 4750.40b.

Root Cause/Corrective Action Plan (CAP)

Federal entities are expected to work with their respective trading partners to reconcile and resolve intra-governmental differences. For recurring differences of two or more quarters, federal entities may be required to provide Fiscal Service with documentation that a resolution is in process before the next quarter reporting begins. Fiscal Service will initiate this process by providing federal entities with an IGT Differences Corrective Action Plan (CAP) form containing the difference details that federal entities must document and support. Detailed instructions will also be provided as guidance for federal entities to

follow while completing the form. It is important to note that there is not a materiality threshold on this requirement. One goal of this process is to eliminate IGT differences at the government-wide level for the consolidation of the FR and the aggregate total of federal entity differences under $100 million could total to a material misstatement in the FR.

The required documentation provided to Fiscal Service for recurring differences must include a detailed root cause analysis of the difference, a CAP concerning the steps a federal entity will take to address the difference, and a targeted completion date for when the CAP will be implemented within the federal entity. Both federal entities involved in the CAP process must agree on the root cause, CAP and targeted completion date. It is expected that CAPs will be completed within 12 months of when the CAP was developed unless extenuating circumstances, approved by Fiscal Service, exist. All documentation can be submitted to Fiscal Service via email to **GovernmentwideIGT@fiscal.treasury.gov**.

Federal entities will be expected to give quarterly status updates on the CAPs to Fiscal Service. Fiscal Service will provide the federal entities with IGT Corrective Action Plan (CAP) Status Update forms along with instructions to complete each quarter. If federal entities are unable to resolve the differences or Fiscal Service has not allowed the CAP to extend past the 12-month timeframe, the difference could enter into dispute resolution.

If the CAP is not going to be completed by the targeted completion date, an IGT Corrective Action Plan (CAP) Extension Request form will need to be completed and returned to Fiscal Service. Fiscal Service will provide the form along with detailed instructions. The form is a joint effort and will need to be signed by the CFO's of both federal entities. The difference could be placed into dispute if the CAP is not completed by the targeted completion date and an extension has not been requested or approved.

Dispute Resolution Process

Entities are expected to work with their respective trading partners to reconcile and resolve intra-governmental differences. When entities are unable to reconcile or resolve differences or improvement has not been shown through a root cause analysis and CAP the difference may be entered into dispute resolution. If neither federal entity submits a dispute resolution request, Fiscal Service will initiate the dispute resolution. Fiscal Service reserves sole discretion on which disputes take precedence based on the pool of disputes submitted for dispute resolution.

The dispute resolution request must be filed with Fiscal Service using the **Intra-governmental Dispute Resolution Request Form** (Attachment 1). Entities should complete the form and send it via email to **IBR.dispute.resolution@fiscal.treasury.gov**. Entities submitting the dispute (disputer) will be listed as Federal Entity 1 and the disputee will be Federal Entity 2 on the dispute form. Entities should submit all relevant documentation with the form justifying their accounting treatment. Fiscal Service will send a confirmation email to the entities and will notify the entities whether the form was accepted or rejected into the dispute resolution process and provide the entities with a Dispute Resolution Case Number. Fiscal Service's decision will be based on the documentation submitted by both trading partners and additional research.

Fiscal Service will notify the trading partner (Federal Entity 2) of the dispute resolution request submitted and provide them with all submitted documentation. The trading partner will have two weeks (10 business days) to respond to Fiscal Service with a completed dispute resolution form and any additional documentation. Dispute resolution cases will not begin the resolution process until all entities involved have provided completed forms and documentation. Entities are encouraged to collaborate on completing the necessary forms and documentation required by Fiscal Service.

If Fiscal Service initiates the Dispute Resolution, the form will be completed by Fiscal Service with known information obtained from Material Differences Reports, Targeted Differences Forms or any other relevant information (from scorecard meetings) and emailed to both entities involved. In this case, Federal Entity 1 and Federal Entity 2 will not be considered the disputer or disputee, but instead, be considered the entities involved in the dispute resolution in no particular order. As with a federal entity submitted dispute resolution, both entities will have two weeks (10 business days) to respond.

Once Fiscal Service receives the dispute resolution request from both entities, it will begin researching the dispute. Fiscal Service will provide entities with a status update of their dispute resolution case on a quarterly basis. Differences that exist for entities concerning items that have entered and been accepted into the dispute resolution process will normally be excluded from the federal entity scorecards if they are either in the pending status or in the resolved status and guidance has yet to be issued or the federal entity has a time limit set by Fiscal Service to correct.

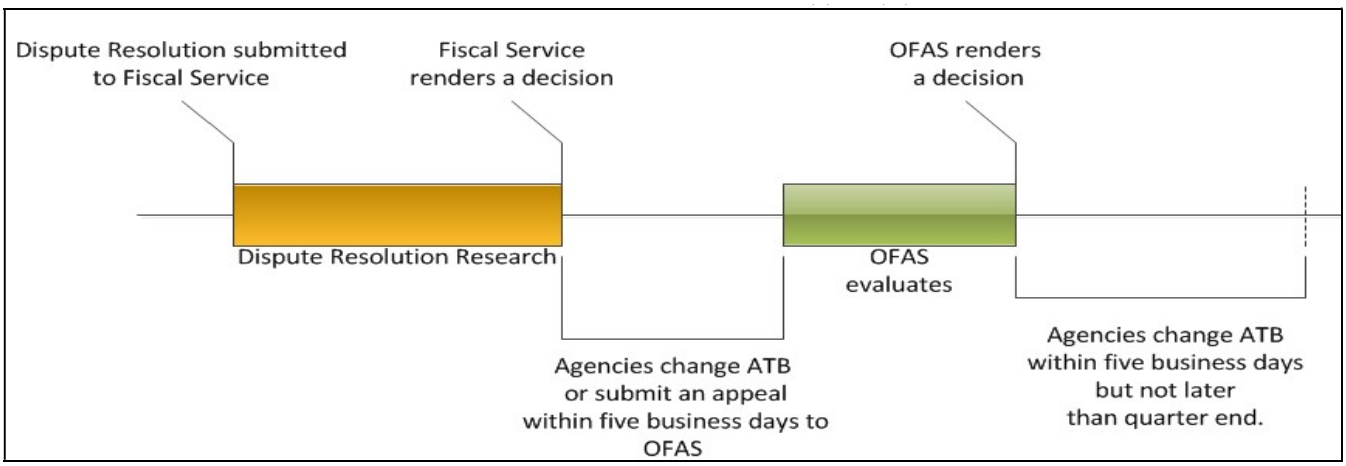
Fiscal Service relies on information provided by federal entities to help with the research of the dispute resolution case. This information may include completed Intra-governmental Dispute Resolution Request forms, quarterly difference amounts related to the dispute, or any other additional information to help with research. Because Fiscal Service relies on this information, there are exceptions to excluding the differences on the Intra-governmental Scorecard. The following instances could result in the difference amounts not being excluded from the scorecard:

- Trading partners who have not submitted their completed dispute resolution form within two weeks of receiving the information from Fiscal Service will continue to have these differences affect their IGT scorecard until they provide Fiscal Service with the completed form and documentation.
- If one federal entity neglects to provide difference amount(s) or concurrence for an exclusion, the exclusion can still be done for the other entity if the other entity can provide sufficient support for the difference amount. The federal entity that neglected to provide concurrence of the difference amount(s) will not have an exclusion reflected on their scorecard.
- If federal entities do not cooperate and provide information requested by Fiscal Service, their scorecard may be impacted by the difference amount(s) until the requested information has been provided.

Fiscal Service will issue decisions in writing. Fiscal Service will document the decision citing the rationale, policy, or legal guidance upon which the decision is based, and the correct postings to be made by the two trading partners. After Fiscal Service has rendered the decision, the federal entities must adjust their financial records to reflect the decision. Federal entities will need to provide Fiscal Service with a Corrective Action Plan (CAP) within 10 days of receiving the decision. Quarterly updates must be provided to Fiscal Service from federal entities concerning their CAP until the disputed amounts are no longer differences.

If either federal entity does not agree with the decision, the entity may request an appeal. Appeals must be requested via email to **IBR.dispute.resolution@fiscal.treasury.gov** within five business days of the date the decision was rendered. When the appeal request is received, Fiscal Service will confirm receipt via email and will forward the original dispute resolution documentation along with the decision to the Office of Accounting Policy and Financial Transparency, Office of the Fiscal Assistant Secretary (OFAS). OFAS will review the request for appeal and will render a final decision. Once OFAS has rendered the final decision, the affected federal entities must adjust their financial records to reflect the decision within five business days, but no later than the end of the quarter. Federal entities must ensure they continue to adhere to the decision that is rendered going forward.

Figure 1: Dispute Resolution Order of Events



When a federal entity has a material difference for which it has requested dispute resolution, Fiscal Service will track the differences in the following categories to monitor where the differences are in the dispute resolution process.

Confirmed Reporting (Dispute Resolution Completed) indicates a federal entity has requested dispute resolution, Fiscal Service has rendered a final decision, the affected trading partners have updated their financial records, if needed, to align with

the decision and CAPs have been provided to Fiscal Service.

Unconfirmed Reporting (Dispute Resolution Pending) indicates a federal entity has verified its reported amounts and that the entity's documents agree with its quarterly source documentation. It also indicates the federal entity has reconciled this amount with its trading partner, knows the reason for the difference, and has requested dispute resolution. However, Fiscal Service has not yet rendered a final decision.

Under Entity Review indicates the reporting federal entity cannot validate the amount it submitted. The federal entity must identify and explain the total of Under Entity Review amounts in detail and must submit the total amount for dispute resolution, if appropriate.

When a federal entity has material differences that have already been reported and dispute resolution is either pending or completed, it does not need to resubmit documentation for the difference. The federal entity only needs to cite the amount of the difference and to identify it as resolution pending or resolution completed.

2.4—Measure IGT Activity

In addition to the Material Differences explanation process, Fiscal Service has a quarterly scorecard and metrics process to identify and resolve root causes of IGT differences. The IGT scorecards are at the government-wide and federal entity-specific level and are provided to significant entities quarterly and at year-end. The process involves significant entities and any other entities identified by Fiscal Service through a quarterly monitoring process.

During this process, Fiscal Service identifies the areas and a federal entity's trading partners which have the biggest influence on the entity's total IGT differences. The IGT scorecard focuses on differences by trading partner, IGT sub-category, USSGL account, and reciprocal category. IGT scorecards will be comprehensive and actionable to effectively initiate a coordinated effort to identify root causes. Federal entities must perform data analysis on the problematic areas to determine the root causes and to identify the required corrective actions to resolve the problem. Fiscal Service will monitor the quarterly scorecards to assess how well federal entity corrective actions are resolving problematic areas. Quarterly meetings are held with each federal entity receiving a scorecard to facilitate the monitoring and communication related to differences.

As with the material differences process, federal entities must work with their trading partner to resolve the differences listed on their IGT scorecard. The differences listed on the scorecard may not meet the material differences threshold but are considered differences which Fiscal Service identifies that federal entities need to reconcile and resolve with their trading partners. Fiscal Service will provide federal entities with Targeted Difference Forms to provide explanations concerning the differences and the completed forms must be returned to Fiscal Service by the specified date.

The scorecard and metric process will evolve over time focusing on resolving recurring difference items and problematic IGT processes. As part of this evolving process, Fiscal Service now shares the final version of the IGT scorecards across the government-wide financial management community via **OMB MAX**. Please email **GovernmentwideIGT@fiscal.treasury.gov** for more information.

2.5—Expanding the IGT Scorecards to Cover Additional Entities

Fiscal Service has established a quarterly monitoring process to analyze the differences for federal entities not part of the MDR or IGT scorecard process. Fiscal Service utilizes the same data that is used to generate the quarterly IGT scorecards to evaluate the intra-governmental balances and differences for all federal entities, government-wide. The purpose of this process is to ensure other entities, not currently subject to intra-governmental reporting, do not generate IGT differences that would contribute to a material misstatement in the FR. Once identified as creating significant IGT differences, contributing to the total government-wide out of balance condition, a federal entity will receive notification from Fiscal Service along with an IGT scorecard for the quarter in which they were identified. Federal entities will then be subjected to the same requirements outlined in Section 2.4 above, and throughout this Appendix.

Section 3 – Intra-governmental Payment and Collection (IPAC)

IPAC is an internet-based collection and payment system used by FPAs to transfer funds from one federal entity to

another for IGTs. FPAs may execute transactions either manually online or via bulk file connections. Each FPA determines the connection type in accordance with standards Fiscal Service has specifically developed for the IPAC networks.

The transactions are facilitated by transferring funds with related descriptive data and Treasury Account Symbol/Business Event Type Code (TAS/BETC) from one FPA to another and posts the transaction data from both FPAs to their respective CARS Account Statement.

IPAC enables FPAs to exchange accounting information and to transfer funds between one another for the following interrelated subsystems and transaction types:

- **Buy/Sell:** The IPAC application that processes IGT federal funds transfers between federal entities for Buy/Sell reimbursable activity.
- **Fiduciary:** The IPAC application that allows for fiduciary activity, conducted on behalf of FPAs for certain investment or trust fund transactions.
- **The Retirement and Insurance Transfer System (RITS):** RITS processes retirement and health insurance payments by FPAs to OPM.
- **The Treasury Receivable Accounting and Collection System (TRACS):** TRACS processes interagency transfers related to check disbursement data returned to FPAs.

For more information on the IPAC application, review the information found on the IPAC Tutorial webpage at **Intra-Governmental Payment and Collection (IPAC) (treasury.gov).** For more detailed information on the RITS and TRACS, contact the Treasury Support Center at 1-877-440-9476 or email at **IPAC@stls.frb.org**.

For complete guidance on the recording of the IGT Buy/Sell exchange transactions, please see **USSGL Implementation Guidance.**

Attachment (1): Intra-governmental Dispute Resolution Request Form

Intragovernmental Dispute Resolution Request Form

Submit completed form to
IBR.Dispute.Resolution@fiscal.treasury.gov

Part I: Dispute Resolution Details

Entity Initiated	Fiscal Service Initiated

Section A: Entity Information

Entity One: _____	*Entity Two:* _____
Contact Name: _____	*Contact Name:* _____
Title: _____	*Title:* _____
Email Address: _____	*Email Address:* _____
Phone Number: _____	*Phone Number:* _____

Section B : Total Difference Amount
The total difference amount affecting both agencies.(attach any additional information)

Section C : Affected Reciprocal Categories and USSGL Accounts
(attach any additional information)

Section D: Difference Duration
Time period from when the difference was first developed. (attach any additional information).

Section E: Difference Explanation
Why the difference occurs and what has been done in attempt to reconcile?(attach any additional information)

Section F: Any Additional Supporting Documentation Attached

Section A Additional Information Attachment
Section B Additional Information Attachment
Section C Additional Information Attachment
Section D Additional Information Attachment
Section E Additional Information Attachment
Material Difference Report
Targeted Difference Report
Auditor's Documentation
Correspondence between agencies (emails, meeting minutes, etc.)
Authoritative Reference
Other

Section G: Certification
Signature confirms that no IPAC chargebacks, rejections or new transactions were created to solve this dispute outside of the business rules.

I certify that this written submission and supporting documentation are, to the best of my knowledge, complete and accurate.

Signature, Chief Financial Officer or Designee	Title	Date

Part II Dispute Decision

FOR DEPARTMENT OF THE TREASURY, FISCAL SERVICE USE ONLY

ACCEPTED TO DISPUTE RESOLUTION PROCESS:

REJECTED FROM DISPUTE RESOLUTION PROCESS:

DISPUTE RESOLUTION CASE NUMBER:_____

I certify that the submitted difference is accepted into the Dispute Resolution Process.

Fiscal Service Representative

Signature	Print Name	Date