

Federal Financial Management Business Use Cases for Procure-to-Pay

Release FY2027

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Purpose

The Federal Financial Management (FFM) Business Use Cases reflect the business needs, or requirements that an agency must follow in the financial management community. This document is part of the FFM Business Use Case Library and contains the business use cases associated with the Procure-to-Pay Business Process. The ***Federal Financial Management Business Use Case Library Overview*** should be referenced in conjunction with this document for guidance on understanding and applying the FFM Business Use Cases to agency financial operations.

Business Use Case Structure

The sections of the FFM business use cases are described below.

Business Use Case Identifier: includes information about the key underlying components. The notation for a business use case identifier is as shown.

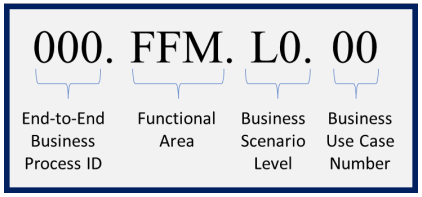


Figure 1: The notation for a business use case identifier.

Business Scenario(s) Covered: identifies differing situations or conditions that occur when executing an end-to-end business process and reflect the scope and complexity of federal government agency missions.

Business Actor(s): identifies the typical offices or roles performing events in the business use case.

Synopsis: provides a summary of the events that take place within the business use case.

Assumptions and Dependencies: includes context information about events that have occurred prior to the first event identified in the business use case or outside of the business use case and dependencies on events accomplished in other business use cases. There are

several common assumptions that are established for all business use cases. Additional assumptions or dependencies are included if needed for the specific business use case.

Initiating Event: identifies the event that triggers the initiation of the business use case.

Typical Flow of Events: includes the Federal Financial Management (FFM) and non-FFM events that may occur to complete the business scenario(s) included in the business use case. The non-FFM events are provided for business context. Also included are the inputs and outputs or outcomes that one would expect to occur during or as a result of the event.

Change Log

Item Changed	Summary of Change	Rationale
All Business Use Cases	Removed FFMSR ID	Realign FFMSR scope with Financial Management Capability Framework (FMCF)

Procure-to-Pay Business Use Cases

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Invoice into FM Solution
- Three-Way Match

Business Actor(s)

Procurement Office; Finance Office; Vendor

Synopsis

Goods previously ordered by a federal agency are received and accepted. An invoice is submitted by the vendor and paid by the agency after performing a three-way match.

Assumptions and Dependencies

General

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Business Use Case Specific

2.1 Vendors are required to register in the GSA System for Award Management (SAM), with some exceptions such as individuals and vendors used for micro-purchases, military, classified, or emergency operations contracts, or work performed outside the US (see FAR 4.1102 for a complete list of exceptions). Vendor (payee) information provided by the Acquisition (ACQ) system to the FM system is used only when vendor (payee) information is not available from GSA SAM.

2.2 A federal agency has ordered the goods and the order or award obligation has already been established in the FM system.

2.3 Although agencies may use other OMB-approved electronic invoicing solutions, vendors manually enter or upload the invoice information into the Treasury Invoice Processing Platform (IPP). The agency has elected to use its FM system instead of Treasury IPP to route for review and approval the vendor invoice information received from Treasury IPP. The agency also receives invoice credit memo information from Treasury IPP. In the uncommon business scenario where a vendor submits an invoice or invoice credit memo to the agency in paper form, the agency converts the paper invoice or invoice credit memo into an electronic format and uploads the invoice or invoice credit memo into Treasury IPP on behalf of the vendor. If the Treasury IPP vendor information differs from the GSA SAM vendor information, the agency performs additional research before processing the vendor invoice.

2.4 The agency has Treasury's approval to check for entity adverse information using the Treasury Do Not Pay (DNP) Portal data sources. Prior to issuing the order or award, the agency's acquisition (ACQ) solution used the Treasury DNP Portal to check for entity adverse information. Prior to processing a payment request, the agency's FM system provides entity matching information and the Treasury DNP Portal returns entity match results information indicating data source was not searched, no entity match was found, or an entity match was found. If an entity match is found, a manual hold is placed on the payment request in the agency's FM system. Finance personnel review each data source's entity match detail information, contact the appropriate agency office to perform additional entity information research, and determine whether the payee should be whitelisted or not in the Treasury DNP Portal and the payment request should be released for processing or canceled in the agency's FM system.

2.5 Tolerance percentages or amounts between expenditure and obligation amounts have been established.

2.6 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Payment Automation Manager (PAM) for domestic mailed check and ACH payments, to the International Treasury Service (ITS.gov) for international mailed check, ACH, and wire transfer payments, and to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

2.7 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

Federal Records Management

3.1 The types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: The Vendor delivers the goods to the requesting federal agency.

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive notification of delivery of vendor's goods b. Provide vendor (payee) information c. Provide receipt of goods information d. Request to record accrual based on receipt of goods information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Approved order or award • Receipt of goods information (receiving report, if used)	• Vendor (payee) information • Request to record receiving accrual information

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
2	a. Receive vendor (payee) information from acquisition (FFM.030.010 Payee Setup and Maintenance) b. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) c. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor (payee) information • Request to record receiving accrual information	• Updated vendor (payee) information • Appropriate liability accrual GL entries created with reference to source information
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4	a. Receive not yet approved vendor invoice information and vendor (payee) information from Treasury (FFM.030.070 Payment Processing – Commercial Payments) b. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) c. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Provide vendor (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) e. Use Treasury entity match results information to determine whether vendor (payee) adverse information exists and execute appropriate actions		• Received but not yet approved vendor invoice information • Vendor (payee) information • Treasury entity match results information • Receipt of goods information • Approved order or award information	• Updated vendor (payee) information • Treasury entity matching information • Successful three-way match • Confirmed funds availability • Vendor invoice approval information

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.010 Payee Setup and Maintenance) f. Match invoice, order, and receiving information (FFM.030.070 Payment Processing - Commercial Payments) g. Perform funds availability check (FFM.010.020 Fund Allocation and Control) h. Review and approve vendor invoice information (FFM.030.070 Payment Processing – Commercial Payments i. Provide vendor invoice approval information to Treasury (FFM.030.070 Payment Processing – Commercial Payments)			
5	a. Process approved vendor invoice, including determining whether to accelerate payment, execute		• Vendor (payee) information • Approved vendor invoice information	• Updated vendor (payee) information • Appropriate obligation liquidation and payable GL

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management)		• Current Prompt Payment interest rate	entries created with reference to source information • Payment transaction

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
7	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor receives payment

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L1.02 Acquiring Services

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Acquiring Services
- Discounted Early Payment

Business Actor(s)

Procurement Office; Finance Office; Program Office; Vendor

Synopsis

Services previously ordered by a federal agency are received and accepted. An invoice is submitted by the Vendor and payment is accelerated to enable discounted early payment by the agency.

Assumptions and Dependencies

General

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

Business Use Case Specific

2.1 Vendors are required to register in the GSA System for Award Management (SAM), with some exceptions such as individuals and vendors used for micro-purchases, military, classified, or emergency operations contracts, or work performed outside the US (see

040.FFM.L1.02 Acquiring Services

FAR 4.1102 for a complete list of exceptions). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ) system. Vendor (payee) information provided by the Acquisition (ACQ) system to the FM system is used only when vendor (payee) information is not available from GSA SAM.

2.2 The federal agency has ordered and received the services and the order or award obligation has already been established in the FM system.

2.3 Although agencies may use other OMB-approved electronic invoicing solutions, vendors manually enter or upload the invoice information into the Treasury Invoice Processing Platform (IPP). The agency uses Treasury IPP instead of its FM system to route the vendor invoice information for review and approval. The agency receives approved vendor invoice and invoice credit memo information from Treasury IPP. In the uncommon business scenario where a vendor submits an invoice or invoice credit memo to the agency in paper form, the agency converts the paper invoice or invoice credit memo into an electronic format and uploads the invoice or invoice credit memo into IPP on behalf of the vendor. If the Treasury IPP vendor information differs from the GSA SAM vendor information, the agency performs additional research before processing the vendor invoice.

2.4 The receiving report is optional unless required for matching.

2.5 The agency has Treasury's approval to check for entity adverse information using the Treasury Do Not Pay (DNP) Portal data sources. Prior to issuing the order or award, the agency's acquisition (ACQ) solution used the Treasury DNP Portal to check for entity adverse information. Prior to processing a payment request, the agency's FM system provides entity matching information and the Treasury DNP Portal returns entity match results information indicating data source was not searched, no entity match was found, or an entity match was found. If an entity match is found, a manual hold is placed on the payment request in the agency's FM system. Finance personnel review each data source's entity match detail information, contact the appropriate agency office to perform additional entity information research, and determine whether the payee should be whitelisted or not in the Treasury DNP Portal and the payment request should be released for processing or canceled in the agency's FM system.

2.6 Tolerance percentages or amounts between expenditure and obligation amounts have been established.

2.7 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Payment Automation Manager (PAM) for domestic mailed check and ACH payments, to the International Treasury Service (ITS.gov) for international mailed check, ACH, and wire transfer payments, and to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

2.8 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

040.FFM.L1.02 Acquiring Services

Federal Records Management

3.1 The types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: The Vendor delivers services to the requesting federal agency.

040.FFM.L1.02 Acquiring Services

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive notification of receipt of vendor services b. Provide vendor (payee) information c. Provide receipt of services information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Approved order or award • Notification of receipt of vendor's services (receiving report, if used)	• Vendor (payee) information • Request to record receiving accrual information
2	a. Receive vendor (payee) information from acquisition (FFM.030.010 Payee Setup and Maintenance) b. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) c. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor (payee) information • Request to record receiving accrual information	• Updated vendor (payee) information • Appropriate liability accrual GL entries created with reference to source information

040.FFM.L1.02 Acquiring Services

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
4		a. Receive and route for review and approval vendor invoice information b. Approve vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor invoice information • Receipt of services information (receiving report, if used) • Approved order or award	• Approved vendor invoice information
5	a. Receive approved vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Match invoice and award information (FFM.030.070 Payment Processing - Commercial Payments) c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved vendor invoice information • Vendor (payee) information • Approved order or award information	• Successful two-way match • Confirmed funds availability

040.FFM.L1.02 Acquiring Services

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	a. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Provide vendor (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether vendor (payee) adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved vendor invoice, including determining it is advantageous to accelerate payment to obtain a discount for early payment, and calculate payment date and total amount due to vendor		• Vendor (payee) information • Treasury entity match results information • Approved vendor invoice information • Current Prompt Payment interest rate	• Updated vendor (payee) information • Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with reference to source information • Payment transaction

040.FFM.L1.02 Acquiring Services

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.070 Payment Processing – Commercial Payments) f. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments) h. Liquidate obligation (FFM.030.020 Obligation Management)			
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L1.02 Acquiring Services

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor receives payment
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Multi-Year Funds Expenditure
- Multiple Funding Sources
- Receiving Report Accrual
- Credit Memo Due Agency Netted with Accounts Payable
- Vendor Submits Paper Invoice to Program Office
- Two-Way Matching
- Progress Payment
- Final Payment

Business Actor(s)

Program Office; Finance Office; Vendors

Synopsis

A procurement request for development of a complex project is prepared by a federal agency program with two funding sources used. The project is planned to take two years to complete, and the program is using multi-year funds. To help meet local small business development goals, three awards were issued from the one procurement request. As work progresses, monthly financial and performance reports are submitted by the vendors and progress is inspected by the agency. Accrued liability is established from the financial and performance reports until invoices are received. One vendor (Vendor 1) is given a waiver to submit paper invoices and the vendor submits it to the Program Office. Electronic invoices are submitted by Vendor 2 and Vendor 3. Invoices are validated using a two-way match. A project defect attributable to Vendor 3 is identified, a credit memo is requested and received from Vendor 3, and the final Vendor 3 invoice is offset using the credit memo. After the final payments are made to all vendors, the award still has some obligated funds and during award closeout, the remaining funds are de-obligated.

Assumptions and Dependencies

General

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

Business Use Case Specific

2.1 The estimated duration of the project is two years and multi-year funds are used.

2.2 Some invoices are received in one fiscal year and payment will be due in the next.

2.3 The award was issued to three vendors in a previous Procure-to-Pay use case.

2.4 Vendors are required to register in the GSA System for Award Management (SAM), with some exceptions such as individuals and vendors used for micro-purchases, military, classified, or emergency operations contracts, or work performed outside the US (see FAR 4.1102 for a complete list of exceptions). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ) system. Vendor (payee) information provided by the Acquisition (ACQ) system to the FM system is used only when vendor (payee) information is not available from GSA SAM.

2.5 Although agencies may use other OMB-approved electronic invoicing solutions, vendors manually enter or upload the invoice information into the Treasury Invoice Processing Platform (IPP). The agency uses Treasury IPP instead of its FM system to route the vendor invoice information for review and approval. The agency receives approved vendor invoice and invoice credit memo information from Treasury IPP. In the uncommon business scenario where a vendor submits an invoice or invoice credit memo to the agency in paper form, the agency converts the paper invoice or invoice credit memo into an electronic format and uploads the invoice or invoice credit memo into IPP on behalf of the vendor. If the Treasury IPP vendor information differs from the GSA SAM vendor information, the agency performs additional research before processing the vendor invoice.

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

2.6 The agency has Treasury's approval to check for entity adverse information using the Treasury Do Not Pay (DNP) Portal data sources. Prior to issuing the order or award, the agency's acquisition (ACQ) solution used the Treasury DNP Portal to check for entity adverse information. Prior to processing a payment request, the agency's FM system provides entity matching information and the Treasury DNP Portal returns entity match information results indicating data source was not searched, no entity match was found, or an entity match was found. If an entity match is found, a manual hold is placed on the payment request in the agency's FM system. Finance personnel review each data source's entity match detail information, contact the appropriate agency office to perform additional entity information research, and determine whether the payee should be whitelisted or not in the Treasury DNP Portal and the payment request should be released for processing or canceled in the agency's FM system.

2.7 Tolerance percentages or amounts between expenditure and obligation amounts have been established.

2.8 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Payment Automation Manager (PAM) for domestic mailed check and ACH payments, to the International Treasury Service (ITS.gov) for international mailed check, ACH, and wire transfer payments, and to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

2.9 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

2.10 Award closeout includes reviewing final invoices and payments.

Federal Records Management

3.1 The types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is

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locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: Work has been completed for each of the awards issued to three vendors from a single procurement request.

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive and verify three vendor monthly financial and performance reports b. Determine estimated accrual of liability for payment for each vendor c. Provide vendor (payee) information for each vendor d. Request liability accruals be recorded for each vendor (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor monthly financial and performance reports • Approved order or award information	• Vendor (payee) information for each vendor • Verified vendor monthly financial and performance reports • Request to record liability accruals for each vendor

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
2	a. Retrieve vendor (payee) information for each vendor from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update each vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Receive and process request to record liability accruals for each vendor (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor (payee) information for each vendor • Request to record liability accruals for each vendor	• Updated vendor (payee) information for each vendor • Appropriate liability accrual GL entries created with reference to source information
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

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Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
4		a. Receive Vendor 1 paper invoice at end of fiscal year b. Convert Vendor 1 paper invoice to electronic format and route for review and approval c. Approve Vendor 1 invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor 1 paper invoice	• Vendor 1 approved invoice information
5	a. Receive approved Vendor 1 invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Match invoice and award information (FFM.030.070 Payment Processing - Commercial Payments) c. Perform multi-year funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved Vendor 1 invoice information • Vendor(payee) information • Approved order or award information	• Successful two-way match • Confirmed funds availability

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	a. Retrieve Vendor 1 (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Provide Vendor 1 (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether Vendor 1 (payee) adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved Vendor 1 invoice, including determining whether to accelerate payment, execute discounted early payment,		• Vendor 1 (payee) information • Treasury entity match results information • Approved Vendor 1 invoice information • Current Prompt Payment interest rate	• Updated Vendor 1 (payee) information • Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with reference to source information • Payment transaction

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial payments) f. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments) h. Liquidate obligation (FFM.030.020 Obligation Management)			

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
8	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor 1 receives payment

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
10		a. Receive and route for review and approval Vendor 2's and Vendor 3's invoice information b. Approve Vendor 2's and Vendor 3's invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor 2 and Vendor 3 invoice information • Approved order or award information	• Approved Vendor 2 and Vendor 3 invoice information

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11	a. Receive approved Vendor 2 and Vendor 3 invoice and Vendor 2 (payee) and Vendor 3 (pay33) information from Treasury (FFM.030.070 Payment Processing – Commercial Payments) b. Match Vendor 2 and Vendor 3 invoice and respective award information (FFM.030.070 Payment Processing – Commercial Payments) c. Perform multi-year funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved Vendor 2 and Vendor 3 invoice information • Vendor (payee) information • Approved order or award information	• Successful two-way match for Vendor 2 and Vendor 3 • Confirmed multi-year funds availability
12	a. Retrieve Vendor 2 (payee) and Vendor 3 (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance b. Update Vendor 2 (payee) and Vendor 3 (payee) information		• Vendor (payee) information • Treasury entity match results information • Approved Vendor 2 and Vendor 3 invoice information	• Updated vendor (payee) information • Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.010 Payee Setup and Maintenance) c. Provide Vendor 2 (payee) and Vendor 3 (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether Vendor 2 and/or Vendor 3 payee adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved Vendor 2 and Vendor 3 invoices, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and		• Current Prompt Payment interest rate	reference to source information • Payment transactions

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
	calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments) f. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Establish payables and generate payment transactions (FFM.030.070 Payment Processing – Commercial Payments) h. Liquidate obligations (FFM.030.020 Obligation Management)			

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
14	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transactions • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor 2 and Vendor 3 receive payment

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
15	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
16		a. Receive project defect information and request a credit memo from Vendor 3 b. Receive Vendor 3 invoice credit memo information (ACQ.040.080 Vendor Performance Monitoring and Dispute Resolution)	• Vendor 3 project defect information • Vendor 3 invoice credit memo information	• Request for credit memo from Vendor 3 • Vendor 3 invoice credit memo information

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
17	a. Receive Vendor 3 invoice credit memo and Vendor 3 (payer) information from Treasury (FFM.060.040 Public Receivable Credit Memo and Adjustment Processing) b. Update Vendor 3 (payer) information (FFM.060.010 Payer Setup and Maintenance) c. Establish receivable for Vendor 3 vendor invoice credit memo information (FFM.060.020 Public Receivable Setup and Billing Invoicing)		• Vendor 3 (payer) information • Vendor 3 vendor invoice credit memo information	• Updated Vendor 3 (payer) information • Appropriate receivable GL entries created with reference to source information
18	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
19		a. Receive and route for review and approval Vendor 3 final invoice information at end of fiscal year b. Approve Vendor 3 final invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor 3 final invoice information • Approved order or award information	• Approved Vendor 3 invoice information
20	a. Receive approved Vendor 3 invoice and Vendor 3 (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Match Vendor 3 invoice and award information (FFM.030.070 Payment Processing - Commercial Payments) c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved Vendor 3 final invoice information • Approved order or award information	• Successful two-way match • Confirmed funds availability

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Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
21	a. Retrieve Vendor 3 (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance b. Update Vendor 3 (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Provide Vendor 3 (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether Vendor 3 payee adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved Vendor 3 final invoice, including determining whether to accelerate payment, execute discounted early payment,		• Vendor 3 (payee) information • Treasury entity match results information • Approved Vendor 3 final invoice • Current Prompt Payment interest rate • Vendor 3 credit memo information	• Updated Vendor 3 (payee) information • Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with reference to source information • Payment transaction • Appropriate receivable reversal GL entries created with reference to source information

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
	or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments) f. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Net Vendor 3 invoice with Vendor 3 credit memo and determine payable amount (FFM.030.070 Payment Processing – Commercial Payments) h. Clear the receivable			

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
	(FFM.060.050 Public Receivable Monitoring and Maintenance) i. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments) j. Liquidate obligation (FFM.030.020 Obligation Management)			

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
22	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Generate and provide payment disbursement schedule information to Treasury d. Receive summary disbursement schedule acceptance information from Treasury e. Generate and provide summary disbursement schedule certification information to Treasury f. Certify disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor 3 receives payment

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
23	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
24		Request award closeout (ACQ.040.040 Contract Closeout)	• Approved order or award information • Final invoice information • Confirmed payments	• Award closeout information • Request for award closeout
25	Receive request for award closeout and de-obligate remaining award funds (FFM.030.020 Obligation Management)		• Request for award closeout	• Appropriate de-obligation GL entries created with reference to source information
26	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.02 Four-Way Match

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Four-Way Matching
- Late Payment of Invoice with Prompt Payment Interest and Penalties

Business Actor(s)

Procurement Office; Finance Office; Requestors Receiving Office; Vendor

Synopsis

The Procurement Office has issued a single award to a Vendor for goods to fulfill two procurement requests from different offices within the same federal agency (Requestor). The goods were ordered and delivered to the federal agency receiving location (Receiving Office) and receipt information (Receiving Report) is created. The goods were transferred to the requesting federal agency offices (Requestors). One of the Requestors (Requestor 1) inspected and accepted only some of the goods; the other Requestor (Requestor 2) accepted all the goods delivered. The Vendor invoices the agency for the delivered goods. The Program Office requests corrected invoice reflecting results of acceptance reports. The agency receives the correct invoice and makes its payment, including penalty and interest, five (5) days after the payment due date because of an unexpected delay in approving the corrected invoice. At calendar year end a 1099-INT is generated and provided to the vendor.

Assumptions and Dependencies

General

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

040.FFM.L2.02 Four-Way Match

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

Business Use Case Specific

2.1 The award was issued to a vendor in a previous Request-to-Procure use case.

2.2 Vendors are required to register in the GSA System for Award Management (SAM), with some exceptions such as individuals and vendors used for micro-purchases, military, classified, or emergency operations contracts, or work performed outside the US (see FAR 4.1102 for a complete list of exceptions). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ) system. Vendor (payee) information provided by the Acquisition (ACQ) system to the FM system is used only when vendor (payee) information is not available from GSA SAM.

2.3 Although agencies may use other OMB-approved electronic invoicing solutions, vendors manually enter or upload the invoice information into the Treasury Invoice Processing Platform (IPP). The agency uses Treasury IPP instead of its FM system to route the vendor invoice information for review and approval. The agency receives approved vendor invoice and invoice credit memo information from Treasury IPP. In the uncommon business scenario where a vendor submits an invoice or invoice credit memo to the agency in paper form, the agency converts the paper invoice or invoice credit memo into an electronic format and uploads the invoice or invoice credit memo into Treasury IPP on behalf of the vendor. If the Treasury IPP vendor information differs from the GSA SAM vendor information, the agency performs additional research before processing the vendor invoice.

2.4 The vendor submits a valid and proper invoice in compliance with Prompt Pay requirements.

2.5 The vendor provides Electronic Funds Transfer (EFT) information in compliance with Prompt Pay requirements.

2.6 The agency has Treasury's approval to check for entity adverse information using the Treasury Do Not Pay (DNP) Portal data sources. Prior to issuing the order or award, the agency's acquisition (ACQ) solution used the Treasury DNP Portal to check for entity adverse information. Prior to processing a payment request, the agency's FM system provides entity matching information and the Treasury DNP Portal returns entity match results information indicating data source was not searched, no entity match was found, or an entity match was found. If an entity match is found, a manual hold is placed on the payment request in the agency's FM system. Finance personnel review each data source's entity match detail information, contact the appropriate agency office to perform additional entity information research, and determine whether the payee should be whitelisted or not in the Treasury DNP Portal and the payment request should be released for processing or canceled in the agency's FM system.

2.7 Tolerance percentages or amounts between expenditure and obligation amounts have been established.

040.FFM.L2.02 Four-Way Match

2.8 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Payment Automation Manager (PAM) for domestic mailed check and ACH payments, to the International Treasury Service (ITS.gov) for international mailed check, ACH, and wire transfer payments, and to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

2.9 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

Federal Records Management

3.1 The types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: The Vendor ships the goods to the Federal Agency Receiving Office.

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive notification of goods receipt b. Provide vendor (payee) information c. Request to record accrual based on receipt of goods information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Approved order or award • Notification of receipt of vendor's goods (receiving report, if used)	• Vendor (payee) information • Request to record receiving accrual information
2	a. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor (payee) information • Request to record receiving accrual information	• Updated vendor (payee) information • Appropriate liability accrual GL entries created with reference to source information

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
4		a. Receive notification some, but not all, of the goods received were accepted by Requestor 1 b. Receive notification all of the goods received were accepted by Requestor 2 c. Provide vendor (payee) information d. Request to adjust liability accrual based on acceptance notification (ACQ.040.020 Documentation of Delivery/Acceptance)	• Approved order or award • Receipt of goods information (receiving report, if used) • Requestor 1 acceptance/non-acceptance information (acceptance report, if used) • Requestor 2 acceptance/non-acceptance information (acceptance report, if used)	• Vendor (payee) information • Request to adjust liability accrual information

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	a. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Receive and process request to adjust liability accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor (payee) information • Request to adjust liability accrual	• Updated vendor (payee) information • Appropriate liability accrual adjustment GL entries created with reference to source information
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7		a. Receive and route for review and approval vendor invoice information b. Reject invoice due to partial acceptance of some goods delivered c. Receive and route for review and approval corrected vendor invoice information d. An unexpected change in personnel results in the delayed approval of the corrected vendor invoice e. Approved corrected vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor invoice information • Corrected vendor invoice information • Receipt of goods information • Requestor 1 acceptance/non-acceptance information • Requestor 2 acceptance/non-acceptance information • Approved order or award information	• Approved vendor invoice information

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	a. Receive approved vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing – Commercial Payments) b. Match invoice, award, receipt of goods, and acceptance information (FFM.030.070 Payment Processing - Commercial Payments) c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved vendor invoice information • Requestor 1 acceptance/non-acceptance information • Requestor 2 acceptance/non-acceptance information • Receipt of goods information • Approved order or award information	• Successful four-way match • Confirmed funds availability
9	a. Retrieve vendor (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)		• Vendor (payee) information • Treasury entity match results information • Approved vendor invoice information • Current Prompt Payment interest rate	• Updated vendor (payee) information • Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with reference to source information

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	c. Provide vendor (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether payee adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved vendor invoice, including retrieving current Prompt Payment interest rate, and calculating late payment interest and penalties, payment date, and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments) f. Confirm difference between expenditure amount and obligation amount does not			• Payment transaction, including late payment interest and penalties

040.FFM.L2.02 Four-Way Match				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
	exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments) h. Liquidate obligation (FFM.030.020 Obligation Management)			

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
10	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor receives payment, including late payment interest and penalties
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.02 Four-Way Match

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
12	At calendar year end, generate and provide to IRS and vendor 1099-INT. Interest Income		• Vendor (payee) information • Payment transaction, including late payment interest and penalties	• 1099-INT, Interest Income

040.FFM.L2.03 Purchase Card

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Purchase Card Purchase of Operating Materials and Supplies
- No-way Match

Business Actor(s)

Purchase Card Account Holder; Approving Official; Finance Office; Vendors; Charge Card Issuer Company

Synopsis

Two requests for items within the threshold of a purchase card are submitted by a Program Office employee. One of the purchase requests requires an obligation of funds prior to purchase. The purchase is initiated by the Program Office administrative assistant who is a designated Purchase Card Account Holder. The purchase, including the referenced line of accounting, is reviewed and approved by the designated Approving Official. The purchase charge card transaction listing is received and payment is issued to the Charge Card Issuer Company.

Assumptions and Dependencies

General

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

040.FFM.L2.03 Purchase Card

Business Use Case Specific

2.1 The agency has conducted risk analysis to determine appropriate dollar threshold for obligating funds in FM System prior to purchase card use and communicated the agency's policy to all Program Offices.

2.2 The agency has documentation of the appointment or designation of the purchase card account holder and completion of periodic purchase card account holder training.

2.3 The purchase card transactions are within the agency-defined single purchase spending limit and monthly purchase spending and transaction limits for the purchase card account.

2.4 The item vendors do not fall under a blocked merchant category code (MCC).

2.5 When the government established the contract with the charge card issuer company, the company established and keeps up-to-date its vendor entity and payment information in the GSA System for Award Management (SAM). The most current company information is retrieved from GSA SAM using the charge card issuer company's Unique Entity Identifier (UEI) provided with obligation requests or charge card account transaction listing.

2.6 The agency receives charge card account transaction listings from an approved charge card issuer company under the GSA SmartPay program.

2.7 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

2.8 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

Federal Records Management

3.1 The types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010,ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

040.FFM.L2.03 Purchase Card

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: Two requests for items within the threshold of a purchase card are submitted by a Program Office employee.

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive two requests to purchase items within the threshold of a purchase card b. Perform market research and identify vendors and prices of items to satisfy Purchase Request 1 and Purchase Request 2 c. Request funds availability check for Purchase Requests 1 and 2 (Program Mission Activity)	• Purchase Request 1 information • Purchase Request 2 information	• Purchase Request 1 vendor and price information • Purchase Request 2 vendor and price information • Request for funds availability check
2	Receive and process request for funds availability check for Purchase Requests 1 and 2 (FFM.010.020 Fund Allocation and Control)		• Request for funds availability check for Purchase Requests 1 and 2	• Funds availability response
3		Request obligation of funds for Purchase Request 2 which meets threshold for requiring obligation of funds (Program Mission Activity)	• Purchase Request 2 vendor and price information • Funds availability response	• Request to obligate funds for Purchase Request 2 including charge card issuer company's UEI

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4	a. Retrieve charge card issuer company information from GSA and update charge card issuer company (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to obligate funds for Purchase Request 2 (FFM.030.020 Obligation Management)		• Request to obligate funds for Purchase Request 2, including charge card issuer company's UEI	• Appropriate obligation GL entries created with reference to source information
5	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6		a. Execute purchases using purchase charge card and provide line of accounting information for each purchase b. Review and approve each purchase, including associated line of accounting information (Program Mission Activity)	• Purchase Request 1 vendor and price information • Purchase Request 2 vendor and price information • Funds availability response	• Approved Purchase 1 information • Approved Purchase 2 information • Purchase charge card transaction information
7	a. Receive purchase charge card transaction information from charge card issuer company (FFM.030.070 Payment Processing – Commercial Payments) b. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		• Purchase charge card transaction information	• Confirmed funds availability
8	a. Retrieve charge card issuer company information from GSA (FFM.030.010 Payee Setup and Maintenance)		• Purchase charge card transaction information • Current Prompt Payment interest rate	• Updated charge card issuer company (payee) information • Appropriate obligation liquidation and payable GL entries created with

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	b. Update charge card issuer company (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Process purchase charge card transaction information, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to charge card issuer company (FFM.030.070 Payment Processing – Commercial Payments) d. Confirm difference between expenditure amount and Purchase Request 2 obligation amount does			reference to source information • Payment transaction

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) e. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments) f. Liquidate obligation for Purchase Request 2 (FFM.030.020 Obligation Management)			

040.FFM.L2.03 Purchase Card

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Charge card issuer company receives payment
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.04 Novation

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Novation

Business Actor(s)

Procurement Office, Finance Office; Vendor

Synopsis

A partial delivery of goods and services is completed by Vendor 1 in accordance with Vendor 1's order or award. The delivered goods and services are accepted by the government. Vendor 1 is acquired by Vendor 2 and a novation request is submitted by Vendor 1 to the government along with an invoice for Vendor 2 to be paid for the accepted goods and services. After more information is requested and received from Vendor 1 and 2, it is determined to be in the government's best interest to accept the novation request. A novation agreement and an order/award modification are executed. The outstanding order/award obligation and acceptance liability accrual are re-assigned to Vendor 2 and the payment for the resubmitted invoice is made to Vendor 2.

Assumptions and Dependencies

General

1.1 There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.

1.2 There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.

1.3 Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.

1.4 Appropriate attributes (e.g., object class and project) are included as part of the accounting string.

1.5 Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.

1.6 All predecessor activities required to trigger the Initiating Event have been completed.

1.7 Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

040.FFM.L2.04 Novation

Business Use Case Specific

2.1 The federal agency has already ordered the goods and services and established an obligation in the FM system.

2.2 The order/award with Vendor 1 is not completely fulfilled with the delivery of goods and services by Vendor 1.

2.3 The contracting officer assigned to Vendor 1's order/award is also assigned the responsibility for Vendor 2's order/award.

2.4 No comments or objections to the proposed novation are received after notification to the contract administration office and contracting office affected by a proposed novation.

2.5 Government counsel reviewed novation agreement for legal sufficiency and found no issues.

2.6 Vendors are required to register in the GSA System for Award Management (SAM), with some exceptions such as individuals and vendors used for micro-purchases, military, classified, or emergency operations contracts, or work performed outside the US (see FAR 4.1102 for a complete list of exceptions). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ) system. Vendor (payee) information provided by the Acquisition (ACQ) system to the FM system is used only when vendor (payee) information is not available from GSA SAM.

2.7 Although agencies may use other OMB-approved electronic invoicing solutions, vendors manually enter or upload the invoice information into the Treasury Invoice Processing Platform (IPP). The agency uses Treasury IPP instead of its FM system to route the vendor invoice information for review and approval. The agency receives approved vendor invoice and invoice credit memo information from Treasury IPP. In the uncommon business scenario where a vendor submits an invoice or invoice credit memo to the agency in paper form, the agency converts the paper invoice or invoice credit memo into an electronic format and uploads the invoice or invoice credit memo into Treasury IPP on behalf of the vendor. If the Treasury IPP vendor information differs from the GSA SAM vendor information, the agency performs additional research before processing the vendor invoice.

2.8 The agency has Treasury's approval to check for entity adverse information using the Treasury Do Not Pay (DNP) Portal data sources. Prior to issuing the order or award, the agency's acquisition (ACQ) solution used the Treasury DNP Portal to check for entity adverse information. Prior to processing a payment request, the agency's FM system provides entity matching information and the Treasury DNP Portal returns entity match results information indicating data source was not searched, no entity match was found, or an entity match was found. If an entity match is found, a manual hold is placed on the payment request in the agency's FM system. Finance personnel review each data source's entity match detail information, contact the appropriate agency office to perform additional entity information research, and determine whether the payee should be whitelisted or not in the Treasury DNP Portal and the payment request should be released for processing or canceled in the agency's FM system.

040.FFM.L2.04 Novation

2.9 Tolerance percentages or amounts between expenditure and obligation amounts have been established.

2.10 Treasury performs disbursing functions for the agency. The agency provides payment disbursement schedule information to the Treasury Payment Automation Manager (PAM) for domestic mailed check and ACH payments, to the International Treasury Service (ITS.gov) for international mailed check, ACH, and wire transfer payments, and to the Treasury Secure Payment System (SPS) for domestic wire transfer (same day) and instant (FedNow) payments.

2.11 The agency receives summary disbursement schedule acceptance information from Treasury PAM. The agency provides summary disbursement schedule certification information to Treasury SPS and the Disbursing Officer certifies the disbursement schedule using Treasury SPS.

Federal Records Management

3.1 FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless agency personnel designate a specific FFM federal record as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2 FFM Federal records are retained for a period of 7 years from the FFM event date if the retention period for a specific type of FFM Federal record has not been established in the National Archives General Records Schedules (GRS) (ERM.010.030). If special circumstances occur such as an order, law, or business justification, the temporary Federal record's retention period is changed (ERM.030.040) or the permanent Federal record's retention period is extended (ERM.040.040).

3.3 During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a records hold is placed, the Federal record is locked down until the records hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is converted to an acceptable format and/or migrated to another repository to serve out its retention period (ERM.020.050).

3.4 Once an FFM Federal record has met its records retention period, it is approved for disposal and disposed (ERM.030.010, ERM.030.020, ERM.030.030) or prepared for transfer, transferred to NARA, and removed from the FFM solution (ERM.040.010, ERM.040.020, ERM.040.030).

Initiating Event: The government receives and accepts a partial delivery of goods and services from Vendor 1.

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive information on receipt and acceptance of partial delivery of Vendor 1 goods and services b. Provide Vendor 1 (payee) information c. Provide receipt and acceptance of goods and services information d. Request to record Vendor 1 accrual based on receiving and acceptance information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Approved order or award • Receipt and acceptance of goods and services information (receiving report, if used)	• Vendor 1 (payee) information • Request to record Vendor 1 receiving and acceptance accrual information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
2	a. Retrieve Vendor 1 (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) b. Update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Receive and process request to record Vendor 1 receiving and acceptance accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		• Vendor 1 (payee) information • Request to record Vendor 1 receiving and acceptance accrual information	• Updated Vendor 1 (payee) information • Appropriate Vendor 1 liability accrual GL entries created with reference to source information
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
4		a. Receive novation request from Vendor 1 (ACQ.040.030 Contract Modification) b. Request additional documentation from Vendor 1 and 2 necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest (ACQ.040.030 Contract Modification) c. Receive and route for approval Vendor 2 invoice information (ACQ.040.020 Documentation of Delivery/Acceptance) d. Reject Vendor 2 invoice pending evaluation of the novation request (ACQ.040.020 Documentation of Delivery/Acceptance)	• Novation request from Vendor 1 • Vendor 2 invoice information • Vendor 2 (payee) information • Approved order or award	• Request to Vendor 1 and 2 for additional documentation necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest • Rejected Vendor 2 invoice information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
5		a. Receive and evaluate additional documentation supporting Vendor 1's novation request b. Notify affected stakeholders, complete the novation request evaluation, determine that recognizing Vendor 2 as a successor in interest is in the government's interest, and execute novation agreement c. Issue modification to Vendor 1 order or award to incorporate a summary of the novation agreement and recognize Vendor 2 as successor d. Provide Vendor 1 (payee) information e. Request to record unfilled order de-obligation of funds associated with Vendor 1 f. Provide Vendor 2 (payee) information	• Additional documentation necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest	• Executed novation agreement • Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor • Vendor 1 (payee) information • Request to record Vendor 1 unfilled order de-obligation of funds • Vendor 2 (payee) information • Request to record Vendor 2 obligation of funds

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
		g. Request to record Vendor 2 obligation of funds (ACQ.040.030 Contract Modification)		
6	a. Receive and process request to record Vendor 1 unfilled order de-obligation of funds associated (FFM.030.020 Obligation Management) b. Retrieve Vendor 2 (payee) from GSA (FFM.030.010 Payee Setup and Maintenance) c. Update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Receive and process request to record Vendor 2 obligation of funds (FFM.030.020 Obligation Management)		• Vendor 1 (payee) information • Request to record Vendor 1 unfilled order de-obligation of funds • Vendor 2 (payee) information • Request to record Vendor 2 obligation of funds	• Appropriate Vendor 1 de-obligation GL entries created with reference to source information • Updated Vendor 2 (payee) information • Appropriate Vendor 2 obligation GL entries created with reference to source information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
8		a. Receive and route for approval resubmitted Vendor 2 invoice information b. Request to record reversal of liability accrual associated with Vendor 1 c. Request to record liability accrual for previously accepted goods and services be associated with Vendor 2 d. Approve resubmitted Vendor 2 invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	• Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor • Resubmitted Vendor 2 invoice information	• Request to record reversal of liability accrual associated with Vendor 1 • Request to record liability accrual to be associated with Vendor 2 for goods and services previously accepted • Approved resubmitted Vendor 2 invoice information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
9	a. Receive and process request to record reversal of liability accrual associated with Vendor 1 (FFM.090.030 Accrual and Liability/Asset Processing) b. Retrieve Vendor 2 (payee) information from GSA (FFM.030.010 Payee Setup and Maintenance) c. Update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Receive and process request to record liability accrual to be associated with Vendor 2 for goods and services previously accepted (FFM.090.030 Accrual and Liability/Asset Processing)		• Updated Vendor 1 (payee) information • Request to record reversal of liability accrual associated with Vendor 1 • Updated Vendor 2 (payee) information • Request to record liability accrual to be associated with Vendor 2 for goods and services previously accepted	• Appropriate liability accrual reversal GL entries for Vendor 1 created with reference to source information • Updated Vendor 2 (payee) information • Appropriate liability accrual GL entries for Vendor 2 created with reference to source information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
11	a. Receive and process approved resubmitted Vendor 2 invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Match invoice, order and receiving information (FFM.030.070 Payment Processing - Commercial Payments) c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		• Approved resubmitted Vendor 2 invoice information • Vendor 2 (payee) information • Receipt and acceptance of goods and services information • Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor	• Successful three-way match • Confirmed funds availability
12	a. Retrieve Vendor 2 (payee) information from GSA		• Vendor 2 (payee) information	• Updated Vendor 2 (payee) information

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.010 Payee Setup and Maintenance) b. Update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance) c. Provide Vendor 2 (payee) entity matching information to Treasury (FFM.030.010 Payee Setup and Maintenance) d. Use Treasury entity match results information to determine whether Vendor 2 (payee) adverse information exists and execute appropriate actions (FFM.030.010 Payee Setup and Maintenance) e. Process approved vendor invoice, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties,		• Treasury entity match results information • Approved resubmitted Vendor 2 invoice information • Current Prompt Payment interest rate	• Treasury entity matching information • Appropriate obligation liquidation and payable GL entries created with reference to source information • Payment transaction

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
	retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments) f. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) g. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments) h. Liquidate obligation (FFM.030.020 Obligation Management)			

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)
14	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Receive summary disbursement schedule acceptance information from Treasury d. Generate and provide summary disbursement schedule certification information to Treasury e. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)		• Payment transaction • Summary disbursement schedule acceptance information	• Payment disbursement schedule information (FR) • Appropriate disbursement-in-transit GL entries created with reference to source information • Appropriate disbursement confirmation GL entries created with reference to source information • Summary disbursement schedule certification information (FR) • Vendor 2 receives payment

040.FFM.L2.04 Novation

Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
15	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated (FR)