



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

Release FY2025



## Table of Contents

Purpose.....	1
Business Use Case Structure .....	1
Change Log .....	2
Procure-to-Pay Business Use Cases .....	5
040.FFM.L1.01 Expenditures Within a Single Fiscal Year .....	5
040.FFM.L1.02 Leased Property .....	12
040.FFM.L1.03 Acquiring Services .....	32
040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options.....	39
040.FFM.L2.02 Four-Way Match.....	54
040.FFM.L2.03 Purchase Card .....	63
040.FFM.L2.04 Novation .....	73



## 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.



**FFMSR ID Reference(s):** includes a list of the Federal Financial Management System Requirements (FFMSR) that apply for the 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
Appendix A, FFM Business Use Case Library Documents	Removed Appendix A	Remove duplicate information
All Procure-to-Pay Business Use Cases	<ul style="list-style-type: none"> <li>Modified Assumptions and Dependencies</li> <li>Modified Input(s) and/or Output(s)/Outcome(s)</li> </ul>	Respond to public feedback on Federal record designations
All Procure-to-Pay Business Use Cases	Modified Assumptions and Dependencies	Align to ERM FY2025 FIBF Business Standards
040.FFM.L1.01 Expenditures Within a Single Fiscal Year	<ul style="list-style-type: none"> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #1, #2, #4, #5, #6, #8 description, Input(s), and/or Output(s)/Outcome(s)</li> <li>Added Event #7</li> <li>Removed previous Events #6, #7, #8</li> </ul>	<ul style="list-style-type: none"> <li>Align with Core FS Pre-Built Business Information Exchanges (BIEs) for Invoice Processing Platform (IPP), Payment Automation Manager (PAM), and Secure Payment System (SPS)</li> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>
040.FFM.L1.02 Leased Property	<ul style="list-style-type: none"> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #1, #2, #4, #5, #7, #8, #9, #11, #13, #14, #15, #17, #19, #22,</li> </ul>	<ul style="list-style-type: none"> <li>Align with Core FS Pre-Built BIEs for IPP, PAM, and SPS</li> </ul>



Item Changed	Summary of Change	Rationale
	<p>#23, #24, #26, #28, and #29 description, Input(s), and/or Output(s)/Outcome(s)</p> <ul style="list-style-type: none"> <li>Modified Events #1, #4, #23, and #34 Activity References</li> <li>Added Events #10, #16, and #25</li> <li>Removed previous Events #9, #10, #11, #17, #18, #19, #20, #28, #29, #30, and #32</li> </ul>	<ul style="list-style-type: none"> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>
040.FFM.L1.03 Acquiring Services	<ul style="list-style-type: none"> <li>Modified Synopsis</li> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #1, #2, #4, #5, #6, #8, and #9 description, Input(s), and/or Output(s)/Outcome(s)</li> <li>Added Event #7</li> <li>Removed previous Events #6, #7, #8</li> </ul>	<ul style="list-style-type: none"> <li>Align with Core FS Pre-Built BIEs for IPP, PAM, and SPS</li> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>
040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options	<ul style="list-style-type: none"> <li>Modified Business Scenario(s) Covered</li> <li>Modified Synopsis</li> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #2, #4, #5, #6, #8, #10, #11, #12, #14, #16 #17, #19, #20, #21, #22, #24, and #25 description, Input(s) and/or Output(s)/Outcome(s)</li> <li>Added Events #7, #13, #18</li> <li>Removed previous Events #6, #7, #8, #14, #15, #16, #24, #25, #26</li> </ul>	<ul style="list-style-type: none"> <li>Respond to public feedback on credit memo processing</li> <li>Align with Core FS Pre-Built BIEs for IPP, PAM, and SPS</li> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>
040.FFM.L2.02 Four-Way Match	<ul style="list-style-type: none"> <li>Modified Business Scenario(s) Covered</li> <li>Modified Assumptions and Dependencies</li> </ul>	<ul style="list-style-type: none"> <li>Align with Core FS Pre-Built BIEs for IPP, PAM, and SPS</li> </ul>



Item Changed	Summary of Change	Rationale
	<ul style="list-style-type: none"> <li>Modified Events #1, #2, #4, #5, #7, #8, #9, and #10 description, Input(s), and/or Output(s)/Outcome(s)</li> <li>Added Event #11</li> <li>Removed previous Events #9, #10, #11, and #12</li> </ul>	<ul style="list-style-type: none"> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>
040.FFM.L2.03 Purchase Card	<ul style="list-style-type: none"> <li>Modified Business Scenario(s) Covered</li> <li>Modified Synopsis</li> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #1, #3, #4, #6, #7, #8, #9 description, Input(s) and/or Output(s)/Outcome(s)</li> <li>Added Events #11, #12, and #13</li> <li>Removed previous Event #8</li> </ul>	Align with Core FS Pre-Built BIEs for IPP, GSA SmartPay, PAM, and SPS
040.FFM.L2.04 Novation	<ul style="list-style-type: none"> <li>Modified Assumptions and Dependencies</li> <li>Modified Events #1, #2, #4, #5, #6, #8, #9, #11, #12 and #14 description, Input(s) and/or Output(s)/Outcome(s)</li> <li>Added Event #13</li> <li>Removed previous Events #12, #13 and #14</li> </ul>	<ul style="list-style-type: none"> <li>Align with Core FS Pre-Built BIEs for IPP, PAM, and SPS</li> <li>Respond to public feedback on GSA System for Award Management (SAM) as the source for vendor information</li> </ul>



## 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.

##### 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). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ)



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

system. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to the FM system.

- 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 uses Treasury IPP to route the vendor invoice information for review and approval. The agency retrieves 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.
- 2.4 The vendor is not on the "Do Not Pay" list.
- 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.
- 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).





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

- 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).

**FFMSR ID Reference(s):** 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

**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)	<ul style="list-style-type: none"> <li>Approved order or award</li> <li>Receipt of goods information (receiving report, if used)</li> </ul>	<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request to record receiving accrual information</li> </ul>
2	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request to record receiving accrual information</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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 and route for review and approval vendor invoice information b. Approve vendor invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>• Vendor invoice information</li> <li>• Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>• Approved vendor invoice information</li> </ul>
5	a. Retrieve approved vendor 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)		<ul style="list-style-type: none"> <li>• Approved vendor invoice information</li> <li>• Vendor (payee) information</li> <li>• Receipt of goods information</li> <li>• Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>• Successful three-way match</li> <li>• Confirmed funds availability</li> </ul>
6	a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Process approved vendor invoice, including determining whether to accelerate		<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice information</li> <li>• Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL entries created with reference to source information</li> </ul>



## 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)
	<p>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 vendor (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payment)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			<ul style="list-style-type: none"> <li>Payment transaction</li> </ul>



## 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)
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
8	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor receives payment</li> </ul>
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

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

### Business Scenario(s) Covered

- Operating Lease
- Capital Lease

### Business Actor(s)

Finance Office; Acquisition Office; Property Office; Vendors, Program Office

### Synopsis

Previously acquired office equipment is received through an operating lease to support a temporary workforce performing initial activities for a long-term project. The office equipment is returned at the end of the lease period and the lease is closed out. A single payment is made for the operating lease. In addition, heavy equipment needed for the long-term project has been acquired through a Request-to-Procure process using a five-year capital lease. The equipment is put into service. At the end of the capital lease period, the final payment is made and the lease is closed out. The equipment is owned by the government at the end of the lease.

### 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 Assets being leased are owned by private entities.



## 040.FFM.L1.02 Leased Property

- 2.2 Analysis has been completed and a determination made that one property lease meets criteria for an operating lease and the other a capital lease, per FASAB guidelines.
- 2.3 Orders or awards for the lease agreements have been completed and funds have been obligated in a prior Request-to-Procure business process. The obligated amount for capital lease includes present value of the lease payments as well as interest at the current Treasury interest rate.
- 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. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to the FM system.
- 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 to route the vendor invoice information for review and approval. The agency retrieves 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.
- 2.6 Neither vendor is on the "Do Not Pay" list.
- 2.7 Tolerance percentages or amounts between expenditure and obligation amounts have been established.
- 2.8 Property inventory records for the leased equipment contain all needed data for effective personal property management (e.g., location, procurement, utilization, disposal, cost, evaluation, and control).
- 2.9 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.
- 2.10 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.



## 040.FFM.L1.02 Leased Property

- 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).

**FFMSR ID Reference(s):** 1.1.2; 1.1.3; 1.1.4; 2.2.1; 2.2.2; 2.1.2

**Initiating Event:** Per terms of previously executed order or award and lease agreements, an agency receives leased equipment.





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		<p>a. Inspect and accept the operating leased equipment (PPM.010.010 Property Acquisition/Receipt)</p> <p>b. Determine leased equipment property information, including estimate of liability for operating lease payments (PPM.010.010 Property Acquisition/Receipt)</p> <p>c. Establish leased property inventory record including custodian, location, and value (PPM.010.060 Property Control and Accountability)</p> <p>d. Provide vendor (payee) information (PPM.010.010 Property Acquisition/Receipt)</p> <p>e. Request to record equipment operating lease liability accrual (PPM.010.010 Property Acquisition/Receipt)</p>	<ul style="list-style-type: none"> <li>Operating lease agreement</li> <li>Leased equipment acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Leased equipment property information</li> <li>Property inventory record</li> <li>Operating lease vendor (payee) information</li> <li>Request to record equipment operating lease liability accrual</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
2	a. Receive and update operating lease vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record equipment operating lease liability accrual (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Operating lease vendor (payee) information</li> <li>Request to record equipment operating lease liability accrual</li> </ul>	<ul style="list-style-type: none"> <li>Updated operating lease vendor (payee) information</li> <li>Appropriate equipment operating lease liability accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
4		a. Inspect and accept the capital leased equipment (PPM.010.010 Property Acquisition/Receipt) b. Determine leased equipment property information, including property value and other property information (PPM.010.050 Property Valuation) c. Develop capital lease amortization schedule	<ul style="list-style-type: none"> <li>Capital lease agreement</li> <li>Leased equipment acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Leased equipment property information</li> <li>Capital lease amortization schedule information</li> <li>Property inventory record</li> <li>Capital lease vendor (payee) information</li> <li>Request to record equipment capital lease asset and liability accruals</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
		(PPM.010.050 Property Valuation) d. Establish property inventory record to including custodian, location, and value (PPM.010.060 Property Control and Accountability) e. Provide capital lease vendor (payee) information (PPM.010.010 Property Acquisition/Receipt) f. Request to record equipment capital lease asset and liability accruals (PPM.010.050 Valuation)		



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	a. Receive and process capital lease vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record equipment capital lease asset (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment) c. Receive and process request to record equipment capital lease liability accruals (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Capital lease vendor (payee) information</li> <li>Request to record equipment capital lease asset and liability accruals</li> </ul>	<ul style="list-style-type: none"> <li>Updated capital lease vendor (payee) information</li> <li>Appropriate equipment capital lease asset and liability accrual GL entries created with reference to source information</li> </ul>
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7		a. Receive and route for approval operating lease vendor's single and final vendor invoice information b. Approve vendor invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Operating lease vendor invoice information</li> <li>Lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Approved operating lease vendor invoice information</li> </ul>
8	a. Retrieve approved operating lease vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		<ul style="list-style-type: none"> <li>Approved operating lease vendor invoice information</li> <li>Operating lease vendor (payee) information</li> </ul>	<ul style="list-style-type: none"> <li>Confirmed funds availability</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	<ul style="list-style-type: none"> <li>a. Update operating lease vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Process approved operating lease vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Operating lease vendor (payee) information</li> <li>• Approved operating lease vendor invoice information</li> </ul>	<ul style="list-style-type: none"> <li>• Updated operating lease vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>• Payment transaction</li> </ul>
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>• Payment disbursement schedule information <sup>(FR)</sup></li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>• Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>• Vendor receives payment</li> </ul>
12	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
13		a. Receive and route for approval capital lease initial vendor invoice information b. Approve vendor invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Capital lease initial vendor invoice information</li> <li>Capital lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Approved capital lease initial vendor invoice information</li> </ul>
14	a. Retrieve approved capital lease initial vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments) b. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		<ul style="list-style-type: none"> <li>Approved capital lease initial vendor invoice information</li> <li>Capital lease vendor (payee) information</li> </ul>	<ul style="list-style-type: none"> <li>Confirmed funds availability</li> </ul>





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
15	<ul style="list-style-type: none"> <li>a. Update capital lease vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Process approved capital lease initial vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Capital lease vendor (payee) information</li> <li>• Approved capital lease initial vendor invoice information</li> </ul>	<ul style="list-style-type: none"> <li>• Updated capital lease vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>• Payment transaction</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
16	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
17	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor receives payment</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
18	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
19		a. Operating lease ends and equipment is returned b. Update property inventory record c. Request close-out of operating lease (PPM.010.040 Property Transfer, Disposal, or Retirement)	<ul style="list-style-type: none"> <li>Property inventory record</li> <li>Operating lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Returned equipment</li> <li>Updated property inventory record</li> <li>Request for operating lease close-out</li> </ul>
20	a. Receive request for close-out of operating lease and deobligate remaining funds, as needed (FFM.030.020 Obligation Management) b. Reverse remaining liability accruals, as needed (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Request for operating lease close-out</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate de-obligation and liability accrual reversal GL entries created with reference to source information</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
21	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
22		a. Receive and route for approval capital lease final vendor invoice information b. Approve capital lease final vendor invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Capital lease final vendor invoice</li> <li>Capital lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Approved capital lease final vendor invoice information</li> </ul>
23	a. Retrieve approved capital lease final vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing – Commercial Payments) b. Perform funds availability check (FFM.010.020 Fund Allocation and Control)		<ul style="list-style-type: none"> <li>Approved capital lease final vendor invoice information</li> <li>Capital lease vendor (payee) information</li> </ul>	<ul style="list-style-type: none"> <li>Confirmed funds availability</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
24	<ul style="list-style-type: none"> <li>a. Update capital lease vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Process approved capital lease final vendor invoice (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Capital lease vendor (payee) information</li> <li>• Approved capital lease final vendor invoice information</li> </ul>	<ul style="list-style-type: none"> <li>• Updated capital lease vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>• Payment transaction</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
25	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
26	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor receives payment</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
27	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
28		<p>a. After capital lease final vendor invoice is paid for equipment, equipment becomes property of government (PPM.010.040 Property Transfer, Disposal, or Retirement)</p> <p>b. Determine value of capital equipment adjusted by amortization (PPM 010.050 Property Valuation)</p> <p>c. Update property inventory record, including ownership of property (PPM.010.060 Property Control and Accountability)</p> <p>d. Request to adjust asset information (PPM 010.050 Property Valuation)</p> <p>e. Request close-out of capital lease (PPM.010.040 Property Transfer, Disposal, or Retirement)</p>	<ul style="list-style-type: none"> <li>• Capital lease agreement</li> <li>• Property inventory record</li> </ul>	<ul style="list-style-type: none"> <li>• Updated capital equipment property information</li> <li>• Updated property inventory record</li> <li>• Request to adjust asset information</li> <li>• Request close-out of capital lease</li> </ul>





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
29	<ul style="list-style-type: none"> <li>a. Receive request to close-out capital lease and deobligate remaining funds, as needed (FFM.030.020 Obligation Management)</li> <li>b. Reverse any remaining liability accruals, as needed (FFM.090.030 Accrual and Liability/Asset Processing)</li> <li>c. Receive and process request to adjust asset information (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)</li> </ul>		<ul style="list-style-type: none"> <li>• Request close-out of capital lease</li> <li>• Request to adjust asset information</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate de-obligation, liability accrual reversal, and asset adjustment GL entries created with reference to source information</li> </ul>
30	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.03 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 FAR 4.1102 for a complete list of exceptions). GSA SAM is a common source for establishing the vendor in the Acquisition (ACQ) system. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to the FM system.



## 040.FFM.L1.03 Acquiring Services

- 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 to route the vendor invoice information for review and approval. The agency retrieves 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.
- 2.4 The receiving report is optional unless required for matching.
- 2.5 The vendor is not on the “Do Not Pay” list.
- 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.

### 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.L1.03 Acquiring Services

- 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).

**FFMSR ID Reference(s):** 1.1.2; 2.2.1; 2.2.2; 2.1.2

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



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		<ul style="list-style-type: none"> <li>a. Receive notification of receipt of vendor services</li> <li>b. Provide vendor (payee) information</li> <li>c. Provide receipt of services information</li> </ul> (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>• Approved order or award</li> <li>• Notification of receipt of vendor's services (receiving report, if used)</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Request to record receiving accrual information</li> </ul>
2	<ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)</li> </ul>		<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Request to record receiving accrual information</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate liability accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		a. Receive and route for review and approval vendor invoice information b. Approve vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor invoice information</li> <li>Receipt of services information (receiving report, if used)</li> <li>Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>Approved vendor invoice information</li> </ul>
5	a. Retrieve 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)		<ul style="list-style-type: none"> <li>Approved vendor invoice information</li> <li>Vendor (payee) information</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Confirmed funds availability</li> </ul>



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	<p>a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. 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 (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>		<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice information</li> <li>• Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>• Payment transaction</li> </ul>



## 040.FFM.L1.03 Acquiring Services

### 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)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
8	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor receives payment</li> </ul>
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>





## 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

- 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.



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

- 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. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to the FM system.
- 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 to route the vendor invoice information for review and approval. The agency retrieves 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.
- 2.6 None of the vendors are on the "Do Not Pay" list.
- 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.



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

### 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).

<b>FFMSR ID Reference(s)</b>	1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2
<b>Initiating Event</b>	Work has been completed for each of the awards issued to three vendors from a single procurement request.



## 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)
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)	<ul style="list-style-type: none"> <li>• Vendor monthly financial and performance reports</li> <li>• Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor (payee) information for each vendor</li> <li>• Verified vendor monthly financial and performance reports</li> <li>• Request to record liability accruals for each vendor</li> </ul>
2	a. Receive and update vendor (payee) information b. Receive and process request to record liability accruals for each vendor (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>• Vendor (payee) information for each vendor</li> <li>• Request to record liability accruals for each vendor</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information for each vendor</li> <li>• Appropriate liability accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)
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)	<ul style="list-style-type: none"> <li>Vendor 1 paper invoice</li> </ul>	<ul style="list-style-type: none"> <li>Vendor 1 approved invoice information</li> </ul>
5	a. Retrieve 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)		<ul style="list-style-type: none"> <li>Approved Vendor 1 invoice information</li> <li>Vendor(payee) information</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Confirmed funds availability</li> </ul>
6	a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 1 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate obligation liquidation and payable GL</li> </ul>



## 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)
	<p>b. Process approved Vendor 1 invoice, 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 vendor (FFM.030.070 Payment Processing - Commercial payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>		<ul style="list-style-type: none"> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>entries created with reference to source information</li> <li>Payment transaction</li> </ul>



## 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)
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
8	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor 1 receives payment</li> </ul>
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)
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)	<ul style="list-style-type: none"> <li>• Vendor 2 and Vendor 3 invoice information</li> <li>• Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>• Approved Vendor 2 and Vendor 3 invoice information</li> </ul>
11	a. Retrieve approved vendor invoice and vendor (payee) 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)		<ul style="list-style-type: none"> <li>• Approved Vendor 2 and Vendor 3 invoice information</li> <li>• Vendor (payee) information</li> <li>• Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>• Successful two-way match for Vendor 2 and Vendor 3</li> <li>• Confirmed multi-year funds availability</li> </ul>
12	a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)		<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate obligation liquidation and payable GL</li> </ul>





## 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)
	<p>b. 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 calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payables and generate payment transactions (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Liquidate obligations (FFM.030.020 Obligation Management)</p>		<ul style="list-style-type: none"> <li>Approved Vendor 2 and Vendor 3 invoice information</li> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>entries created with reference to source information</li> <li>Payment transactions</li> </ul>



## 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)
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
14	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transactions</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor 2 and Vendor 3 receive payment</li> </ul>
15	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)
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)	<ul style="list-style-type: none"> <li>Vendor 3 project defect information</li> <li>Vendor 3 invoice credit memo information</li> </ul>	<ul style="list-style-type: none"> <li>Request for credit memo from Vendor 3</li> <li>Vendor 3 invoice credit memo information</li> </ul>
17	a. Retrieve Vendor 3 invoice credit memo and vendor (payer) information from Treasury (FFM.060.040 Public Receivable Credit Memo and Adjustment Processing) b. Update vendor (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)		<ul style="list-style-type: none"> <li>Vendor (payer) information</li> <li>Vendor 3 vendor invoice credit memo information</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payer) information</li> <li>Appropriate receivable GL entries created with reference to source information</li> </ul>
18	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)
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)	<ul style="list-style-type: none"> <li>Vendor 3 final invoice information</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Approved Vendor 3 invoice information</li> </ul>
20	a. Retrieve approved Vendor 3 invoice and vendor (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)		<ul style="list-style-type: none"> <li>Approved Vendor 3 final invoice information</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Confirmed funds availability</li> </ul>
21	a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Process approved Vendor 3 final invoice, including determining whether to accelerate payment,		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 3 final invoice</li> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate obligation liquidation and payable GL entries created with reference to source information</li> </ul>



## 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)
	<p>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 vendor (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Net Vendor 3 invoice with Vendor 3 credit memo and determine payable amount (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Clear the receivable (FFM.060.050 Public Receivable Monitoring and Maintenance)</p> <p>f. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p>		<ul style="list-style-type: none"> <li>Vendor 3 credit memo information</li> </ul>	<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Appropriate receivable reversal GL entries created with reference to source information</li> </ul>



## 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)
	g. Liquidate obligation (FFM.030.020 Obligation Management)			
22	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>• Payment disbursement schedule information <sup>(FR)</sup></li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>• Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>• Vendor 3 receives payment</li> </ul>
23	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)
24		Request award closeout (ACQ.040.040 Contract Closeout)	<ul style="list-style-type: none"> <li>• Approved order or award information</li> <li>• Final invoice information</li> <li>• Confirmed payments</li> </ul>	<ul style="list-style-type: none"> <li>• Award closeout information</li> <li>• Request for award closeout</li> </ul>
25	Receive request for award closeout and de-obligate remaining award funds (FFM.030.020 Obligation Management)		<ul style="list-style-type: none"> <li>• Request for award closeout</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate de-obligation GL entries created with reference to source information</li> </ul>
26	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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 five (5) days after the payment due date because of an unexpected delay in approving the corrected invoice.

### 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





## 040.FFM.L2.02 Four-Way Match

- 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. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to 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 to route the vendor invoice information for review and approval. The agency retrieves 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.
- 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 vendor is not on the "Do Not Pay" list.
- 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.

### 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.L2.02 Four-Way Match

- 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).

**FFMSR ID Reference(s):** 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

**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)	<ul style="list-style-type: none"> <li>Approved order or award</li> <li>Notification of receipt of vendor's goods (receiving report, if used)</li> </ul>	<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request to record receiving accrual information</li> </ul>
2	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record receiving accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request to record receiving accrual information</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L2.02 Four-Way Match

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		<ul style="list-style-type: none"> <li>a. Receive notification some, but not all, of the goods received were accepted by Requestor 1</li> <li>b. Receive notification all of the goods received were accepted by Requestor 2</li> <li>c. Provide vendor (payee) information</li> <li>d. Request to adjust liability accrual based on acceptance notification (ACQ.040.020 Documentation of Delivery/Acceptance)</li> </ul>	<ul style="list-style-type: none"> <li>• Approved order or award</li> <li>• Receipt of goods information (receiving report, if used)</li> <li>• Requestor 1 acceptance/non-acceptance information (acceptance report, if used)</li> <li>• Requestor 2 acceptance/non-acceptance information (acceptance report, if used)</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Request to adjust liability accrual information</li> </ul>
5	<ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request to adjust liability accrual information (FFM.090.030 Accrual and Liability/Asset Processing)</li> </ul>		<ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Request to adjust liability accrual</li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate liability accrual adjustment GL entries created with reference to source information</li> </ul>
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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)	<ul style="list-style-type: none"> <li>• Vendor invoice information</li> <li>• Corrected vendor invoice information</li> <li>• Receipt of goods information</li> <li>• Requestor 1 acceptance/non-acceptance information</li> <li>• Requestor 2 acceptance/non-acceptance information</li> <li>• Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>• Approved vendor invoice information</li> </ul>



## 040.FFM.L2.02 Four-Way Match

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	<p>a. Retrieve approved vendor invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>b. Match invoice, award, receipt of goods, and acceptance information (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)</p>		<ul style="list-style-type: none"> <li>Approved vendor invoice information</li> <li>Requestor 1 acceptance/non-acceptance information</li> <li>Requestor 2 acceptance/non-acceptance information</li> <li>Receipt of goods information</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful four-way match</li> <li>Confirmed funds availability</li> </ul>
9	<p>a. Update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. 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)</p>		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor invoice information</li> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>Payment transaction</li> </ul>



## 040.FFM.L2.02 Four-Way Match

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			



## 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. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor receives payment, including late payment interest and penalties</li> </ul>
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>





## 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. The requests to purchase the items are authorized and one of the purchase requests requires an obligation of funds prior to purchase. The items are ordered by the Program Office administrative assistant who is a designated Purchase Card Account Holder. The items are delivered to the Program Office. The charge card account statement invoice is received and approved, and payment is made to the Charge Card Issuer Company. Charge card charge information is reconciled with the Program Office's purchase card receipts and charge card charge line of accounting information is provided to the Finance Office.

### 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



## 040.FFM.L2.03 Purchase Card

- 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.
- 2.6 The agency retrieves summary and detail charge card charges information from GSA SmartPay.
- 2.7 The agency is not using a charge card "Daily Pay" capability and has a policy requiring review and approval of charge card account statement invoices before a payable is established.
- 2.8 Although agencies may use other OMB-approved electronic invoicing solutions, the charge card issuer company uploads invoice information into the Treasury Invoice Processing Platform (IPP). The agency uses Treasury IPP to route the vendor invoice information for review and approval. The agency retrieves approved vendor invoice and invoice credit memo information from Treasury IPP.
- 2.9 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.
- 2.10 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.



## 040.FFM.L2.03 Purchase Card

- 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).

**FFMSR ID Reference(s):** 1.1.2; 2.1.2; 2.2.1; 2.2.2

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



## Use Case 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)	<ul style="list-style-type: none"> <li>• Purchase Request 1 information</li> <li>• Purchase Request 2 information</li> </ul>	<ul style="list-style-type: none"> <li>• Purchase Request 1 vendor and price information</li> <li>• Purchase Request 2 vendor and price information</li> <li>• Request for funds availability check</li> </ul>
2	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		<ul style="list-style-type: none"> <li>• Request for funds availability check</li> </ul>	<ul style="list-style-type: none"> <li>• Funds availability response</li> </ul>



## Use Case 040.FFM.L2.03 Purchase Card

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3		<ul style="list-style-type: none"> <li>a. Receive authorization from Approving Official to purchase items</li> <li>b. Order and pay for Purchase Request 1 items using purchase card</li> <li>c. Request obligation of funds for Purchase Request 2 which meets threshold for requiring an obligation of funds</li> <li>d. Order and pay for Purchase Request 2 items using purchase card</li> </ul> (Program Mission Activity)	<ul style="list-style-type: none"> <li>• Funds availability response</li> <li>• Purchase Request 1 vendor and price information</li> <li>• Purchase Request 2 vendor and price information</li> </ul>	<ul style="list-style-type: none"> <li>• Request to obligate funds for Purchase Request 2, including charge card issuer company's UEI</li> <li>• Purchase card receipts information</li> </ul>
4	<ul style="list-style-type: none"> <li>a. Retrieve charge card issuer company information from GSA and update charge card issuer company (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request to obligate funds for Purchase Request 2 (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Request to obligate funds for Purchase Request 2, including charge card issuer company's UEI</li> </ul>	<ul style="list-style-type: none"> <li>• Updated charge card issuer company (payee) information</li> <li>• Appropriate obligation GL entries created with reference to source documentation</li> </ul>



## Use Case 040.FFM.L2.03 Purchase Card

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
6		a. Receive and route for review and approval charge card account statement invoice information  b. Approve charge card account statement invoice information (ACQ.050.030 Purchase Card Reconciliation)	<ul style="list-style-type: none"> <li>Charge card account statement invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Approved charge card account statement invoice information</li> </ul>



## Use Case 040.FFM.L2.03 Purchase Card

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7	<p>a. Retrieve approved charge card account statement invoice information from Treasury (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>b. Retrieve summary and detail charge card charges information from GSA and determine charge card invoice default line of accounting information (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)</p>		<ul style="list-style-type: none"> <li>Approved charge card account statement invoice information, including charge card issuer company's UEI</li> <li>Summary and detail charge card charges information</li> </ul>	<ul style="list-style-type: none"> <li>Charge card invoice default line of accounting information</li> <li>Confirmed funds availability</li> </ul>
8	<p>a. Retrieve charge card issuer company information from GSA and update charge card issuer company (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. Process approved charge card account statement invoice, including</p>		<ul style="list-style-type: none"> <li>Approved charge card account statement invoice, including charge card issuer company's UEI</li> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>Updated charge card issuer company (payee) information</li> <li>Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>Payment transaction</li> </ul>



## Use Case 040.FFM.L2.03 Purchase Card

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>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)</p> <p>c. Confirm difference between expenditure amount and Purchase Request 2 obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Liquidate obligation for Purchase Request 2</p>			





Use Case 040.FFM.L2.03 Purchase Card				
Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.020 Obligation Management)			
9	<ul style="list-style-type: none"> <li>a. If appropriate, warehouse payment transaction until time for disbursement</li> <li>b. Generate and provide payment disbursement schedule information to Treasury</li> <li>c. Retrieve summary disbursement schedule acceptance information from Treasury</li> <li>d. Generate and provide summary disbursement schedule certification information to Treasury</li> <li>e. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> </ul>		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>• Payment disbursement schedule information <sup>(FR)</sup></li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>• Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>• Charge card issuer company receives payment</li> </ul>
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## Use Case 040.FFM.L2.03 Purchase Card

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11		a. Reconcile summary and detail charge card charges information, Purchase Request information, and purchase card receipts information  b. Provide charge card charge line of accounting information (ACQ.050.030 Purchase Card Reconciliation)	<ul style="list-style-type: none"> <li>Summary and detail charge card charges information</li> <li>Purchase Request 1 information</li> <li>Purchase Request 2 information</li> <li>Purchase card receipts information</li> </ul>	<ul style="list-style-type: none"> <li>Charge card charge line of accounting information</li> </ul>
12	a. Receive charge card charge line of accounting information and determine adjustments to charge card invoice default line of accounting information  b. Generate journal vouchers to adjust obligation and expense line of accounting information  (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>Charge card charge line of accounting information</li> <li>Charge card invoice default line of accounting information</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate obligation and expense adjustment GL entries created with reference to source information</li> </ul>
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger  (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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.

#### 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.



## 040.FFM.L2.04 Novation

- 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. Regardless of the source of vendor information, the vendor (payee) information is provided by the ACQ system to the FM system.
- 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 to route the vendor invoice information for review and approval. The agency retrieves 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.
- 2.8 Neither vendor is on the "Do Not Pay" list.
- 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).



## 040.FFM.L2.04 Novation

- 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).

**FFMSR ID Reference(s):** 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

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



## Use Case 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)	<ul style="list-style-type: none"> <li>Approved order or award</li> <li>Receipt and acceptance of goods and services information (receiving report, if used)</li> </ul>	<ul style="list-style-type: none"> <li>Vendor 1 (payee) information</li> <li>Request to record Vendor 1 receiving and acceptance accrual information</li> </ul>
2	a. Receive and update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record Vendor 1 receiving and acceptance accrual information (FFM.090.030 Accrual and Liability/Asset Processing)		<ul style="list-style-type: none"> <li>Vendor 1 (payee) information</li> <li>Request to record Vendor 1 receiving and acceptance accrual information</li> </ul>	<ul style="list-style-type: none"> <li>Updated Vendor 1 (payee) information</li> <li>Appropriate Vendor 1 liability accrual GL entries created with reference to source information</li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM 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)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
4		<p>a. Receive novation request from Vendor 1 (ACQ.040.030 Contract Modification)</p> <p>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)</p> <p>c. Receive and route for approval Vendor 2 invoice information (ACQ.040.020 Documentation of Delivery/Acceptance)</p> <p>d. Reject Vendor 2 invoice pending evaluation of the novation request (ACQ.040.020 Documentation of Delivery/Acceptance)</p>	<ul style="list-style-type: none"> <li>• Novation request from Vendor 1</li> <li>• Vendor 2 invoice information</li> <li>• Vendor 2 (payee) information</li> <li>• Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>• Request to Vendor 1 and 2 for additional documentation necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest</li> <li>• Rejected Vendor 2 invoice information</li> </ul>





## Use Case 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 g. Request to record Vendor 2 obligation of funds (ACQ.040.030 Contract Modification)	<ul style="list-style-type: none"> <li>Additional documentation necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest</li> </ul>	<ul style="list-style-type: none"> <li>Executed novation agreement</li> <li>Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> <li>Vendor 1 (payee) information</li> <li>Request to record Vendor 1 unfilled order de-obligation of funds</li> <li>Vendor 2 (payee) information</li> <li>Request to record Vendor 2 obligation of funds</li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
6	<ul style="list-style-type: none"> <li>a. Receive and update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request to record Vendor 1 unfilled order de-obligation of funds associated (FFM.030.020 Obligation Management)</li> <li>c. Receive and update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>d. Receive and process request to record Vendor 2 obligation of funds (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Vendor 1 (payee) information</li> <li>• Request to record Vendor 1 unfilled order de-obligation of funds</li> <li>• Vendor 2 (payee) information</li> <li>• Request to record Vendor 2 obligation of funds</li> </ul>	<ul style="list-style-type: none"> <li>• Updated Vendor 1 (payee) information</li> <li>• Appropriate Vendor 1 de-obligation GL entries created with reference to source information</li> <li>• Updated Vendor 2 (payee) information</li> <li>• Appropriate Vendor 2 obligation GL entries created with reference to source information</li> </ul>
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
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)	<ul style="list-style-type: none"> <li>• Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> <li>• Resubmitted Vendor 2 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>• Request to record reversal of liability accrual associated with Vendor 1</li> <li>• Request to record liability accrual to be associated with Vendor 2 for goods and services previously accepted</li> <li>• Approved resubmitted Vendor 2 invoice information</li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
9	a. Retrieve and update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to record reversal of liability accrual associated with Vendor 1 (FFM.090.030 Accrual and Liability/Asset Processing) c. Retrieve and 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)		<ul style="list-style-type: none"> <li>Updated Vendor 1 (payee) information</li> <li>Request to record reversal of liability accrual associated with Vendor 1</li> <li>Updated Vendor 2 (payee) information</li> <li>Request to record liability accrual to be associated with Vendor 2 for goods and services previously accepted</li> </ul>	<ul style="list-style-type: none"> <li>Updated Vendor 1 (payee) information</li> <li>Appropriate liability accrual reversal GL entries for Vendor 1 created with reference to source information</li> <li>Updated Vendor 2 (payee) information</li> <li>Appropriate liability accrual GL entries for Vendor 2 created with reference to source information</li> </ul>
10	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
11	<p>a. Retrieve and process approved resubmitted Vendor 2 invoice and vendor (payee) information from Treasury (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>b. Match invoice, order and receiving information (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Perform funds availability check (FFM.010.020 Fund Allocation and Control)</p>		<ul style="list-style-type: none"> <li>Approved resubmitted Vendor 2 invoice information</li> <li>Vendor 2 (payee) information</li> <li>Receipt and acceptance of goods and services information</li> <li>Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> </ul>	<ul style="list-style-type: none"> <li>Successful three-way match</li> <li>Confirmed funds availability</li> </ul>
12	<p>a. Update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. Process approved vendor invoice, 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</p>		<ul style="list-style-type: none"> <li>Vendor 2 (payee) information</li> <li>Approved resubmitted Vendor 2 invoice information</li> <li>Current Prompt Payment interest rate</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor 2 (payee) information</li> <li>Appropriate obligation liquidation and payable GL entries created with reference to source information</li> <li>Payment transaction</li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
	<p>payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			
13	<p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## Use Case 040.FFM.L2.04 Novation

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
14	a. If appropriate, warehouse payment transaction until time for disbursement b. Generate and provide payment disbursement schedule information to Treasury c. Retrieve 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)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Summary disbursement schedule acceptance information</li> </ul>	<ul style="list-style-type: none"> <li>Payment disbursement schedule information <sup>(FR)</sup></li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement confirmation GL entries created with reference to source information</li> <li>Summary disbursement schedule certification information <sup>(FR)</sup></li> <li>Vendor 2 receives payment</li> </ul>
15	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>