

**DRAFT GUIDE FOR BASIC ACCOUNTING AND REPORTING
G-INVOICING**

PREPARED BY:

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U.S. DEPARTMENT OF THE TREASURY



Background

Since 1997, the U.S. Government Accountability Office (GAO) has disclaimed an opinion on the Financial Report (FR) of the U.S. Government. In its report, GAO cited a material weakness related to the Federal Government's inability to account for and eliminate Intragovernmental Transactions (IGT) activity between Federal agencies. Buy/Sell Intragovernmental differences play a significant part in the material weakness. G-Invoicing is being developed to offer a data exchange platform for Federal Program Agencies (FPAs) to communicate with one another. While it is not an accounting system, G-Invoicing will be a central repository to support the accounting of Buy/Sell transaction events.

Many FPAs are aware of challenges in the current Intragovernmental Buy/Sell environment: Not all FPAs utilize Interagency Agreements (IAAs) or complete the same IAA activities in parallel before they initiate the Intragovernmental Payment and Collection (IPAC) movement of funds. These deviations lead to unknown IPAC charges, potentially invalid charges, and a burdensome level of reconciliation. G-Invoicing will provide FPAs a necessary IAA brokering tool that does not exist today; IAA details can be agreed upon before accounting transactions are initiated or funds settle between FPA accounts. In addition, G-Invoicing provides a standard data set so all the FPAs are exchanging data in the same language.

G-Invoicing will be able to capture required/necessary data needed by both trading partners. After FPAs agree upon the data in the interagency agreement process (GT&C and Order), they must submit a performance transaction(s) in order to generate an IPAC for fund settlement. Due to system functionality and the use of analogous data standards, FPAs will see a vast reduction in the number of chargebacks and disputed transactions. G-Invoicing will be referenced to show differences such as accruals and help agencies with their liquidation process. These features not only help reconciliations between trading partners, but they also assist the efforts of Fiscal Service during the IGT quarterly scorecard process.

With streamlined efforts between trading partners, FPAs should realize cost savings from the synergies of working together. These synergies could be as simple as one agency not spending as much time on IPAC chargebacks, or another agency having fewer IGT scorecard issues or financial reporting discrepancies to explain and resolve. G-Invoicing will improve the quality and reliability of IGT Buy/Sell information, and ultimately assist FPAs with achieving their critical missions!

Reimbursable Buy/Sell activity and IAAs encompass a diverse set of operations and business events, many of which are unique to an FPA's critical mission. In addition, numerous stakeholders within an organization perform their own distinct tasks to ensure Buy/Sell transactions are processed, recorded, and reported correctly. G-Invoicing's very flexible data access model provides FPAs with many administration options that best suit their business needs. At the same time, FPAs should assess their business processes to evaluate the impact of the adoption of G-Invoicing.

Overview

G-Invoicing is an online platform for all FPA staff involved with IGT reimbursable activity (including funding officials, program officials, and payment approvers) to originate and settle Buy/Sell IAAs electronically. FPAs will use G-Invoicing to reflect their agreement on the funding terms and the accounting treatment of their reimbursable activity, and to exchange that data with one another for consistent financial reporting.

G-Invoicing will serve as:

- An agreement broker (the mechanism by which FPAs arrange and negotiate the terms of the IAA);
- A data exchange utility (the facilitation of the exchange of information between FPAs that ensures well-defined lines of communication); and
- A conduit for sharing data and exchanging information on Buy/Sell IGT activity.

Transitioning from a manual, paper-based IAA to G-Invoicing will allow FPAs to manage the processing and approval of each stage of the IGT Buy/Sell transaction lifecycle: The General Terms and Conditions (GT&Cs), Orders, Performance, and Funds Settlement stages. IPAC will continue to operate as the application for the settlement of funds between federal agencies; however, the IPAC transaction will be initiated through the Performance transaction within G-Invoicing

All IGT Buy/Sell activity will be accomplished through the use of the Federal Intragovernmental Data Standards (FIDS); The most recent listing (changes to FIDS will occur during the development/enhancement of G-Invoicing) can be viewed at: https://www.fiscal.treasury.gov/fsservices/gov/acctg/g_invoice/g_invoice_home.htm. The FIDS are designed to capture the necessary information that trading partners rely upon for the correct accounting of IGT Buy/Sell business events from initiation through settlement. When FPAs develop an IAA and complete the receipt/acceptance process with their trading partners, the records must leverage the FIDS to trigger accounting events related to the respective business activities of the Agreement Performance transaction. FPAs' consistent use and thorough communication of the FIDS facilitates the accurate recording of business events in every stage of the Buy/Sell transaction life cycle, and will be enforced through System Mapping and Validation Rules (SM&VR).

Fiscal Service has emphasized that the key to addressing IGT Buy/Sell differences is for agencies to communicate with each other; G-invoicing now offers FPAs a tool to make this communication seamless! This reference guide will walk through the various stages of G-Invoicing and how that expanded communication will allow FPAs to properly account for their Buy/Sell transactions using the USSGL TFM Supplement.

Please note - The Ordering Agency is considered to be the Buyer and the Performing Agency is the Seller.

IGT Buy/Sell Transaction Stages & Events

Intragovernmental Buy/Sell Transaction Lifecycle				
Stage	GT&C	Order	Performance Transaction	Fund Settlement
Platform	G-Invoicing	G-Invoicing	G-Invoicing	IPAC
Buy/Sell Business Events	<ul style="list-style-type: none"> Trading partners' roles & responsibilities are identified Contact information and authorized officials are established Agency Officials will Establish & Approve GT&C 	<ul style="list-style-type: none"> Accounting terms of the IAA are completed Product requirements are detailed A fiscal obligation is created 	<ul style="list-style-type: none"> Goods/services are delivered/performed The exchange of goods/services (Delivered/Received) Accrual information is exchanged 	<ul style="list-style-type: none"> IPAC is initiated through the completion of the Performance Transaction Funds are transferred

General Terms & Conditions (GT&C) Stage

As FPAs onboard and begin conducting reimbursable IGT transactions in G-Invoicing, they may begin the exchange of central transaction details within a GT&C. The Ordering Agency and the Performing Agency will complete a GT&C, which allows FPAs to exchange contact information and set certain parameters and criteria that will apply to the subsequent referencing Orders.

The GT&C section identifies the general terms that govern Buy/Sell trades between the Ordering Agency and Performing Agency, including roles and responsibilities for both FPAs to ensure effective management of the IAA. GT&C data elements and information include contact information, agreement period dates, points of contact for each agency, and any terms for resolution or agreement termination. No fiscal obligations are created through the execution of the GT&C and no proprietary accounting events are recorded. An IAA must contain one GT&C and at least one Order, but may contain many Orders to one GT&C.

G-Invoicing Events:

- Either the Ordering Agency (Buyer) or the Performing Agency (Seller) begins the G-Invoicing document flow by creating a new GT&C. The FPA initiating the document enters their contact information, authorizing officials, agreement scope, roles, and any clauses.
- The initiating party reviews the GT&C and shares a draft with trading partner. Once all data is entered by both trading partners and submitted for approval, either trading partner may approve first.
- Both parties approve the GT&C, and the agreement becomes **Open for Orders**.

Proprietary Entries for All Scenarios:

No IGT Buy/Sell proprietary entries are entered at this stage.

Order Stage

After FPAs have exchanged basic contact information and each partner's roles and responsibilities, the next step is for the Ordering Agency to initiate an Order. Just one example of a barrier to effective communication between FPAs has been when staff members are responsible for negotiating IAAs, but don't have the necessary knowledge of accounting or information systems and are not prepared to make accounting/finance decisions for the agreement. Another advantage to G-Invoicing that FPAs will discover is that it allows staff members from assorted FPA departments to communicate and share knowledge without stressing over terminology.

The Order is the funding section of the IAA that identifies the specific Ordering Agency requirements for the expected delivery of products and/or services by the Performing Agency, and the corresponding accounting treatment. When both trading partners provide all the required fields determined in the FIDS, an Order can be created.

Only the Ordering Agency may initiate an Order from an approved GT&C within G-Invoicing. However, both partners will enter their respective TAS/BETC, additional accounting information, and shipping/delivery details. Modifications may occur to Order data, however they must be provided by the Buyer. Both FPAs' Program Officials and Funding Officials must approve the Order. After officials from both sides approve, the Order will be complete and "Open" to record the performance of goods/services ordered. After this point, Order data can only be edited with approved Order modifications through the automated interfaces. Order modifications cannot occur through the user interface.

G-Invoicing Events:

- The Buyer initiates an Order from an open GT&C. The Buyer completes the Order with their Statutory Authority and supporting data onto the appropriate Order Schedule lines. The Buyer approves the Order.
- The Seller enters their Statutory Authority and supporting data onto the Order Schedule lines on the Order draft, and reviews the data entered by their trading partner. The Seller approves the Order.
- The Seller approves the Order prompting the Order to become **Open**.
- The Seller incurs obligations against Order #1.
- Performance transactions may occur now that the Order is in Open status.
- An Order cannot be closed until the respective totals of Performance Transactions by the Buyer and Seller are in agreement. Depending on the FOB Point selected, a Buyer's Performance Transaction is optional, unless the Buyer disagrees with the Seller's Performance Transaction. (See FOB definition below for more detail.)

The FIDS completed within the Order stage convey a physical stamp of transaction type, period of performance, and other accounting requirements for both agencies. The FIDS within the Order stage will affect the accounting treatment of transactions throughout the rest of the transaction lifecycle.

FIDS recorded within G-Invoicing from which both FPAs should reference for their accounting transactions:

- **Capitalization Indicator** – *Identifies if the Performing Agency has capitalized the good. For example, the Performing Agency may have recognized the good as “Inventory.” This information is necessary for the Ordering Agency to make the proper accounting transactions that facilitate IGT eliminations.*
- **Assisted Acquisitions Indicator** – *Identifies whether the Agreement will accommodate Assisted Acquisitions. Through Assisted Acquisitions, the Servicing Agency provides acquisition support services on behalf of the Requesting Agency. The Requesting Agency may leverage the Servicing Agency’s administrative services and contracting vehicles to obtain goods/services from a third-party vendor. G-Invoicing will only capture the transactions between/to FPAs, it will not capture any activities with a non-federal third party during assisted acquisitions.*
- **Advance Payment Indicator** - *Identifies whether Advance Payments are allowed for the Orders supporting the respective GT&C.*
- **FOB Point** – *Specifies at what point the Seller transfers ownership of the goods/services to the Buyer. This also determines which Performance Transaction Type will initiate fund settlement (The Seller’s Delivered/Performed or the Buyer’s Received/Accepted.)*
 - **FOB Point: Source** – *The Buyer’s Performance Transactions are optional, unless the Buyer disagrees with the Seller’s Performance Transaction. An Order cannot be closed if the Buyer submits a Performance Transaction “Received/Accepted” that disagrees with the Seller’s Performance Transaction “Delivered/Performed”.*
 - **FOB Point: Destination/Other** – *The Seller’s “Delivered/Performed” transaction totals must equal the Buyer’s “Received/Accepted” totals before Orders can be closed. The Buyer’s Performance Transactions are required.*
- **Constructive Receipt Days** – *The agreed-upon number of days a Buyer has to respond to a Performance Transaction. If the Buyer does not submit a Performance Transaction within this time frame, fund settlement will automatically initiate from the Seller’s Delivered/Performed Performance Type. The Constructive Receipt Days timer begins on the later of Transaction Date or Performance Date.*

Proprietary Entries:

No IGT Buy/Sell proprietary entries are entered at this stage.

Performance and Fund Settlement Stages

In today's Buy/Sell transaction process, there is no standard form or means for exchanging accrual information. FPAs currently exchange this data informally via email using different formats, or they do not share it at all. Accountants responsible for recording USSGL entries try to record this data in their internal accounting systems before month-end, and this accounting information is in turn reported to the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Once both FPAs have loaded their GTAS files, it quickly becomes apparent when FPAs have recorded conflicting information. These differences can be significant, requiring subsequent research and resolution.

In addition, differences can exist from variations in policy interpretations, differences in delivery methods, and/or discrepancies in calculating the completion of services performed for continuous contracts. One example is when one FPA recognizes its accounting transactions at the shipping point, and its trading partner does not recognize events until the point at which goods are received. Another instance occurs when a Buyer and Seller cannot recognize revenue in a long-term contract at the same proportion of performance completed because both partners use different calculation methods.

FASAB guidance states that revenue is to be recognized as goods are delivered and as services are performed, or in proportion to the total amount of services performed. By communicating with each other throughout the lifecycle of the transaction and using consistent policy for recording transactions, all FPAs will have a better opportunity to record transactions to GTAS in a consistent manner, and thus reduce the number of IGT differences.

How exactly will G-invoicing accomplish the goal of allowing FPAs to communicate and share information with one another? Fiscal Accounting is adding a new stage to the Buy/Sell transaction process, called the Performance Transaction. The Buyer and Seller must agree on the FOB Point at the Order level. This determines which Performance transaction initiates fund settlement as seen below:

- **Source** - Fund settlement is initiated by the Seller's Performance transaction when Performance Type is 'Delivered/Performed'
- **Destination** - Fund settlement is initiated by the Buyer's Performance transaction when Performance Type is 'Received/Accepted' or after the constructive receipt days, previously agreed upon at the Order level, have expired
- **Other** - Fund settlement is initiated by the Buyer's Performance transaction when Performance Type is 'Received/Accepted' or after the constructive receipt days, previously agreed upon at the Order level, have expired

Based upon the Performance Date and Transaction Date, both the Buyer and Seller will be able to record the accrual in the same accounting period and for the same amount. This selection, along with the exchange of the applicable performance record, will determine the amount to be recorded for the accrual.

Fund settlement occurs upon completion of the Performance Transaction. Agencies will no longer be manually creating IPACs or submitting bulk files to the IPAC system for buy/sell transactions. G-Invoicing will create the IPACs on the agencies behalf. G-Invoicing will also retrieve the remittance advice from the IPAC system and update the associated Orders.

FIDS recorded within G-Invoicing from which both FPAs should reference for their accounting transactions:

- **Performance Type** – *Identifies the type of performance recorded (Delivered/Performed, Received/Accepted, Advance, and Deferred Payment will drive Accounting events; Shipped and Estimated Delivery will share information only.)*
 - **Delivered/Performed** – *A Seller completes this Performance Type to indicate it has transferred control of the goods/completed services.*
 - **Received/Accepted** – *A Buyer completes this Performance Type to indicate it has received the goods/services from the Seller.*
 - **Advance** – *The Performance Transaction Type used for transactions in which advance payments are settled prior to the delivery/performance of any goods/services. As delivery/performance occurs, entries are shared to liquidate the advance and to recognize revenue/expenses.*
 - **Deferred Payment** – *The Performance Transaction Type used for work in progress transactions to communicate the amount/percentage of work completed, but to settle funds at a later date from work completion.*
- **Performance Date** – *The date on which the delivery of goods/completion of services actually takes place. The Performance Date drives the date at which accruals should be made for revenue/expense and accounts payable/accounts receivable.*
- **Transaction Date** – *The date and time which an agency's authorized user enters the performance transaction into G-Invoicing. The Transaction Date initiates the IPAC transaction and fund settlement.*
- **Accomplished Date** – *The date in which IPAC data is sent back to G-Invoicing in the remittance file and the fund settlement is posted within CARS. In some cases, the Transaction Date and Accomplished Date may differ because of an IPAC cutoff at the end of a monthly reporting period, etc.*

G-Invoicing Events:

FOB Point – Source

- Seller submits Performance Transaction with Performance Type 'Delivered/Performed'.
- Accruals are recorded as of the Performance Date entered by the Seller, and an IPAC is automatically initiated to settle funds on the Transaction Date.
- Buyer may submit a Performance Transaction. (Not submitting a Performance Transaction infers the agreement with the Seller's terms).

FOB Point – Destination

- Seller submits Performance Transaction with Performance Type 'Delivered/Performed'. Constructive receipt days begin.
- Accruals are recorded as of the Performance Date based on the Seller's Performance Transaction with Performance Type 'Delivered/Performed'.
- Buyer submits Performance Transaction with Performance Type 'Received/Accepted'.
- An IPAC is created as of this Transaction Date (if completed before constructive receipt days expire).

FOB Point – Other

- Seller submits Performance Transaction with Performance Type 'Delivered/Performed'. Constructive receipt days begin.
- Accruals are recorded as of the Performance Date based on the Seller's Performance Transaction with Performance Type 'Delivered/Performed'.
- Buyer submits Performance Transaction with Performance Type 'Received/Accepted'.
- An IPAC is created as of this Transaction Date (if completed before constructive receipt days expire).

By the end of the Performance and/or Fund Settlement stages, both FPAs should have entered the following entries within the same accounting period, based on the respective G-Invoicing FIDs and FOB Point.

FOB POINT - SOURCE: The following transactions depict the flow of accounting events for the Performing and Ordering agencies when the **FOB Point** agreed upon at the Order stage is **Source**. The Performing Agency completes a Performance Transaction with the respective G-Invoicing Order and Performance FIDS presented below.

Reimbursable Agreement without an Advance:

FIDS on the Order and Performing Agency's Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE	FALSE	NO	DELIVERED/PERFORMED	09/30/2018	10/07/2018

ORDERING AGENCY		TC	PERFORMING AGENCY		TC
61000 Operating Expenses (RC 24)	B402		131000 Accounts Receivable (RC 22)	510000 Revenue from Goods Sold (RC 24)	A714
211000 Accounts Payable (RC 22)					
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
TC B107 records the payment and disbursement of funds not previously accrued.			TC A708 records the collection of revenue earned in the performing agency for a reimbursable agreement without an advance.		
211000 Accounts Payable (RC 22)	B110		101000 Fund Balance with Treasury	131000 Accounts Receivable (RC 22)	C186
101000 Fund Balance with Treasury					
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

Capital Asset Buy/Sell¹:

FIDS on the Order and Performing Agency's Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE	TRUE	NO	DELIVERED/PERFORMED	09/30/2018	10/07/2018
ORDERING AGENCY		TC	PERFORMING AGENCY		TC
175000 Equipment		B402	131000 Accounts Receivable (RC 22)		A714
211000 Accounts Payable (RC 22)			510000 Revenue From Goods Sold (RC 24)		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.			TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.		
880200 Purchases of Property, Plant, & Equipment (RC 24)		G120²	650000 Cost of Goods Sold (RC 24)		E408
880100 Offset for Purchases of Assets (RC 24)			152100 Inventory Purchased for Resale		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
To record activity for current-year purchases of inventory and related property.			To record cost of goods sold.		
211000 Accounts Payable (RC 22)		B110	101000 Fund Balance with Treasury		C186
101000 Fund Balance with Treasury			131000 Accounts Receivable (RC 22)		
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

¹ Also refer to "Intragovernmental Capital Asset and Inventory Buy/Sell Transactions" USSGL Implementation Guidance.

² The Performing Agency completes the 'Capitalization Indicator' FID on the Order so that the Ordering Agency will know to record the correct IGT elimination entries. The Ordering Agency records TC G120 for capital asset purchases if the Performing Agency's Capitalization Indicator is "TRUE", or TC D514 to record a cost capitalization offset if the Performing Agency's Capitalization Indicator is "FALSE".)

The Ordering Agency would record a capital asset (such as in TC B402) if its own capitalization threshold were met; however, there is no need to exchange this information with the Performing Agency.

Assisted Acquisition:³ G-Invoicing will only capture the transactions between/to FPAs, not activities with a non-federal third party. *The assisted acquisition functionality and its associated data elements are currently in the development stage. Tentative information surrounding assisted acquisitions is subject to change based on future G-Invoicing development requirements.*

FIDS on the Order and Performing Agency's Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE	FALSE	YES	DELIVERED/PERFORMED	09/30/2018	10/07/2018

ORDERING AGENCY		TC	PERFORMING AGENCY		TC
61000 Operating Expenses/Program Costs (RC 24)	211000 Accounts Payable (RC 22)	B402	131000 Accounts Receivable (RC 22)	51000 Revenue From Goods Sold (RC 24)	A714
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.			TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.		
175000 Equipment	661000 (N) Cost Capitalization Offset	D514			
PERFORMANCE DATE: 09/30/2018					
To record the reclassification of expenses to asset accounts.					
211000 Accounts Payable (RC 22)	101000 Fund Balance with Treasury	B110	101000 Fund Balance with Treasury	131000 Accounts Receivable (RC 22)	C186
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		
880200 (N) Purchases of Property, Plant, & Equipment	880100 (N) Offset for Purchases of Assets	G120			
PERFORMANCE DATE: 09/30/2018					
To record activity for current-year purchases of inventory and related property.					

³ Also, refer to "Assisted Acquisitions Guidance" within USSGL Implementation Guidance.

FOB POINT - Destination: The following transactions depict the flow of accounting events for the Performing and Ordering agencies when the **FOB Point** agreed upon at the Order stage is **Destination**. The Performing Agency completes a Performance Transaction (starting the constructive receipt days) and Revenue/Expense accruals will be generated. Next, the Ordering Agency completes a Performance Transaction with Performance Type of ‘Received/Accepted’ (or the number of constructive receipt days expires) along with the respective Order and Performance FIDS shown below, and fund settlement will be initiated.

Reimbursable Agreement without an Advance:

<u>FIDS on the Order and Performing Agency’s Performance Transactions</u>					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	FALSE	NO	DELIVERED/PERFORMED	09/30/2018	10/07/2018

<u>ORDERING AGENCY</u>		<u>TC</u>	<u>PERFORMING AGENCY</u>		<u>TC</u>
61000 Operating Expenses (RC 24)		B402	131000 Accounts Receivable (RC 22)		A714
211000 Accounts Payable (RC 22)			510000 Revenue from Goods Sold (RC 24)		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.			TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.		

<u>FIDS on the Order and Ordering Agency’s Performance Transactions</u>					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	FALSE	NO	RECEIVED/ACCEPTED	09/30/2018	10/07/2018

<u>ORDERING AGENCY</u>		<u>TC</u>	<u>PERFORMING AGENCY</u>		<u>TC</u>
211000 Accounts Payable (RC 22)		B110	101000 Fund Balance with Treasury		C186
101000 Fund Balance with Treasury			131000 Accounts Receivable (RC 22)		
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

Capital Asset Buy/Sell⁴:

FIDS on the Order and Performing Agency's Performance Transactions					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	TRUE	NO	DELIVERED/PERFORMED	09/30/2018	10/07/2018
ORDERING AGENCY		TC	PERFORMING AGENCY		TC
175000 Equipment		B402	131000 Accounts Receivable (RC 22)		A714
211000 Accounts Payable (RC 22)			510000 Revenue From Goods Sold (RC 24)		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.			TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.		
880200 Purchases of Property, Plant, & Equipment (RC 24)		G120	650000 Cost of Goods Sold (RC 24)		E408
880100 Offset for Purchases of Assets (RC 24)			152100 Inventory Purchased for Resale		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
To record activity for current-year purchases of inventory and related property.			To record cost of goods sold.		

FIDS on the Order and Ordering Agency's Performance Transactions					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	TRUE	NO	RECEIVED/ACCEPTED	09/30/2018	10/07/2018
ORDERING AGENCY		TC	PERFORMING AGENCY		TC
211000 Accounts Payable (RC 22)		B110	101000 Fund Balance with Treasury		C186
101000 Fund Balance with Treasury			131000 Accounts Receivable (RC 22)		
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

⁴ Also refer to "Intragovernmental Capital Asset and Inventory Buy/Sell Transactions" USSGL Implementation Guidance.

Assisted Acquisition⁵: G-Invoicing only will capture the transactions between/to FPAs, not activities with a non-federal third party. *The assisted acquisition functionality is currently in the development stage. Tentative information surrounding assisted acquisitions is subject to change based on future development requirements.*

FIDS on the Order and Performing Agency's Performance Transactions					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	FALSE	YES	DELIVERED/PERFORMED	09/30/2018	10/07/2018
ORDERING AGENCY		TC	PERFORMING AGENCY		TC
61000 Operating Expenses/Program Costs (RC 24)		B402	131000 Accounts Receivable (RC 22)		A714
211000 Accounts Payable (RC 22)			510000 Revenue From Goods Sold (RC 24)		
PERFORMANCE DATE: 09/30/2018			PERFORMANCE DATE: 09/30/2018		
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.			TC A714 includes revenue accounts for both goods and services. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.		
175000 Equipment		D514			
661000 (N) Cost Capitalization Offset					
PERFORMANCE DATE: 09/30/2018					
To record the reclassification of expenses to asset accounts.					
880200 (N) Purchases of Property, Plant, & Equipment		G120			
880100 (N) Offset for Purchases of Assets					
PERFORMANCE DATE: 09/30/2018					
To record activity for current-year purchases of inventory and related property.					

FIDS on the Order and Ordering Agency's Performance Transactions					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	FALSE	YES	RECEIVED/ACCEPTED	09/30/2018	10/07/2018
ORDERING AGENCY		TC	PERFORMING AGENCY		TC
211000 Accounts Payable (RC 22)		B110	101000 Fund Balance with Treasury		C186
101000 Fund Balance with Treasury			131000 Accounts Receivable (RC 22)		
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

⁵ Also, refer to "Assisted Acquisitions Guidance" within USSGL Implementation Guidance.

Reimbursable Agreement with an Advance: The Performing Agency initiates the Advance Performance Transaction to generate an advance payment/collection of funds, regardless of whether the FOB Point domain value is Source or Destination.

FIDS on the Order and Performing Agency's Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE or DESTINATION	FALSE	NO	ADVANCE	N/A	10/07/2018

ORDERING AGENCY	TC	PERFORMING AGENCY	TC
141000 Advances and Prepayments (RC 23)	B308	101000 Fund Balance with Treasury	C182
101000 Fund Balance with Treasury		231000 Liability for Advances and Prepayments (RC 23)	
ACCOMPLISHED DATE: 10/07/2018		ACCOMPLISHED DATE: 10/07/2018	
To record current-year undelivered orders with an advance.		To record a collection of an advance for an unfilled customer order.	

Liquidation of a Reimbursable Agreement with an Advance: Like the initiation of an advance, only the Performing Agency may originate the liquidation after the completion of delivery/performance and a completed Performance Transaction of "Delivered/Performed." This is true regardless of which FOB Type is selected.

FIDS on the Order and Performing Agency's Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE or DESTINATION	FALSE	NO	DELIVERED/PERFORMED	10/31/2018	11/07/2018

ORDERING AGENCY	TC	PERFORMING AGENCY	TC
610000 Operating/Program Expenses (RC 24)	B308	231000 Liability for Advances and Prepayments (RC 23)	C182
141000 Advances and Prepayments (RC 23)		520000 Revenue from Services Provided (RC 24)	
ACCOMPLISHED DATE: 10/31/2018		ACCOMPLISHED DATE: 10/31/2018	
To record current-year undelivered orders with an advance.		To record a collection of an advance for an unfilled customer order.	

Work In Progress Completed within a Reimbursable Agreement (Deferred Payment): A Performance Type of “Deferred Payment” may be used to communicate work completed and revenue earned, but in which the fund settlement should be withheld until a later date. The Deferred Payment option may be common for long-term Buy/Sell projects such as construction or other work in progress events. FPAs will share completion information via the Performance Transaction and record accruals, but initiate fund settlement within a separate transaction.

FIDS on the Order and Performing Agency’s Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE or DESTINATION	FALSE	NO	DEFERRED PAYMENT	09/25/2018	10/07/2018

ORDERING AGENCY	TC	PERFORMING AGENCY	TC
61000 Operating Expenses (RC 24)	B402	131000 Accounts Receivable (RC 22)	A714
211000 Accounts Payable (RC 22)		510000 Revenue from Goods Sold (RC 24)	
PERFORMANCE DATE: 09/25/2018		PERFORMANCE DATE: 09/25/2018	
(Assumes a title has been passed when the goods are received.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.		TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.	

Fund Settlement for Work In Progress Completed within a Reimbursable Agreement (Deferred Payment): Whenever the FPAs determine that a payment is necessary, a new Performance Transaction must be initiated to settle funds. The FOB Point agreed upon (Source or Destination) would control which agency will initiate the settlement.

FOB POINT: SOURCE

FIDS on the Order and Performing Agency’s Performance Transactions					
ORDER			PERFORMANCE		
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE	PERFORMANCE DATE	ACCOMPLISHED DATE
SOURCE	FALSE	NO	DELIVERED/PERFORMED	09/25/2018	10/07/2018

ORDERING AGENCY	TC	PERFORMING AGENCY	TC
211000 Accounts Payable (RC 22)	B110	101000 Fund Balance with Treasury	C186
101000 Fund Balance with Treasury		131000 Accounts Receivable (RC 22)	
ACCOMPLISHED DATE: 10/07/2018		ACCOMPLISHED DATE: 10/07/2018	
To record a confirmed disbursement schedule previously accrued.		To record the collection of receivables in the performing agency for reimbursable services.	

FOB POINT: DESTINATION

<u>FIDS on the Order and Ordering Agency's Performance Transactions</u>					
<u>ORDER</u>			<u>PERFORMANCE</u>		
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>
DESTINATION	FALSE	NO	RECEIVED/ACCEPTED	09/25/2018	10/07/2018

ORDERING AGENCY		TC	PERFORMING AGENCY		TC
211000 Accounts Payable (RC 22)	101000 Fund Balance with Treasury	B110	101000 Fund Balance with Treasury	131000 Accounts Receivable (RC 22)	C186
ACCOMPLISHED DATE: 10/07/2018			ACCOMPLISHED DATE: 10/07/2018		
To record a confirmed disbursement schedule previously accrued.			To record the collection of receivables in the performing agency for reimbursable services.		

Adjustments

In today’s Buy/Sell environment, FPAs spend a vast amount of resources on IPAC chargebacks. They experience sizable levels of adjustments and modification transactions near the end of accounting periods in attempts to correctly account for reimbursable activity. In addition, chargebacks add to the complexity of reconciliations of Fund Balance With Treasury, Order balances, and other metrics. In some cases, chargebacks and adjustments can continue to shuffle back and forth between agency accounts, further complicating reconciliations and procurement work. However, as Buy/Sell data is exchanged within the G-Invoicing application, the amount of chargebacks will be appreciably reduced. Required data needed by trading partners will be recorded within G-Invoicing and readily available to reference in any events of disputed transactions.

G-Invoicing will offer FPAs the ability to correct transactions via Adjustments through “negative” Performance Transactions. Adjustments are controlled by the FOB Point: Under FOB Source transactions, the Seller may adjust; Under FOB Destination, the Buyer may adjust.

G-Invoicing Events (with Adjustments):

FOB Point – Source

- Seller submits a Performance Transaction with Performance Type ‘Delivered/Performed’.
 - Both partners record accruals as of the Performance Date, based on the Seller’s Performance Transaction, and an IPAC is automatically initiated to settle funds on the Transaction Date.
 - Buyer submits an informational Performance Transaction with Performance Type “Received/Accepted”.
- *Later, adjustments are deemed necessary by the Buyer***
- After determining a refund is needed, the Buyer submits a **negative** Performance Transaction to the Seller, showing the amount of goods/services it does not accept. No funds are settled in IPAC.
 - The Seller completes a **negative** Performance Transaction to adjust the original fund settlement down to the correct amount of goods/services accepted by the Buyer. An IPAC is automatically initiated to settle funds on the Transaction Date.

Reimbursable Agreement without an Advance, Adjustments Necessary. FOB Source.				
G-Invoicing Initiator	G-Invoicing Event	Amount	Transaction Date	Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/2018	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of “Delivered/Performed”.	\$1,000	09/09/2018	Both partners record Revenue/Expense ACCRUALS . Both partners record FUND SETTLEMENT .
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type “Received/Accepted” (Informational Purposes Only.)	\$1,000	09/15/2019	-

Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of "Received/Accepted".	- \$200	10/09/2018	-
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of "Delivered/Performed".	- \$200	10/12/2018	Both partners record Revenue/Expense ACCRUALS . Both partners record FUND SETTLEMENT .
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/2018	-

- **FOB Point: Source** – *The Buyer’s Performance Transactions are optional, unless the Buyer disagrees with the Seller’s Performance Transaction. An Order cannot be closed if the Buyer submits a Performance Transaction “Receives/Accepted” that disagrees with the Seller’s Performance Transaction “Delivered/Performed”.*
- **FOB Point: Destination/Other** – *The Seller’s “Delivered/Performed” transaction totals must equal the Buyer’s “Received/Accepted” totals before Orders can be closed. The Buyer’s Performance Transactions are required.*

FOB Point – Destination

- Seller submits Performance Transaction with Performance Type ‘Delivered/Performed’. Constructive receipt days begin.
- Both partners record accruals as of the Performance Date, based on the Seller’s Performance Transaction.
- Buyer submits Performance Transaction with Performance Type ‘Received/Accepted’.
- An IPAC is created as of this Transaction Date (if completed before constructive receipt days expire) and funds settle.

Later, adjustments are deemed necessary by the Buyer

- After determining a refund is needed, the Buyer submits a **negative** Performance Transaction to the Seller, showing the amount of goods/services it does not accept. An IPAC is automatically initiated to settle funds on the Transaction Date.
- The Seller’s “Delivered/Performed” transaction totals must equal the Buyer’s “Received/Accepted” totals before Orders can be closed.

Reimbursable Agreement without an Advance, Adjustments Necessary. FOB Destination.				
G-Invoicing Initiator	G-Invoicing Event	Amount	Transaction Date	Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/2018	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of "Delivered/Performed".	\$1,000	09/09/2018	Both partners record Revenue/Expense ACCRUALS .
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type of "Received/Accepted".	\$1,000	09/15/2019	Both partners record FUND SETTLEMENT .
Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of "Received/Accepted".	- \$200	10/09/2018	Both partners record FUND SETTLEMENT .
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of "Delivered/Performed".	- \$200	10/12/2018	Both partners record Revenue/Expense ACCRUALS .
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/2018	-

Conclusion

Fiscal Service's intent is to provide onboarding FPAs the flexibility required to meet their varied business process needs, while also ensuring there are enough standardization and process steps to address the accounting challenges that affect the government today. With G-Invoicing, FPAs will have a mechanism to share information with one another, laying the groundwork to drive improved transaction processing and financial reporting, and to drive efficiency of operations Governmentwide! Efforts should begin now to start along the road towards full G-Invoicing implementation.

Disclaimers

- As FPAs are negotiating their GT&C and Order, they may see Budgetary accounting events at different stages of the transaction lifecycle than their trading partners. The enactment of an appropriation, the apportionment of funds by OMB, and the allotment of authority may all occur before or during this stage. In addition, some budgetary events may vary depending on the types of funds and their authority prior to the Order Stage. Agencies should utilize FIDS from G-Invoicing when appropriate, and use professional discernment and refer to the Transaction Codes already in the USSGL TFM Supplement III, for budgetary accounting entries. Ultimately, agencies should refer to their respective budget office and OMB Circular No. A-11 to ensure budgetary entries are properly recorded.
- Each FPA's accounting office must verify the accuracy of the transactions retrieved from IPAC and G-Invoicing. FPAs follow standard procedures to record the transactions applicable to their TAS as of the accomplished/transaction date reflected in IPAC and G-Invoicing. Further, each FPA is still responsible for their own Anti-Deficiency Act (ADA) monitoring.
- Reporting requirements for CARS and GTAS will not be affected by the implementation of G-Invoicing.
- G-Invoicing accommodates Buy/Sell, reimbursable exchange transactions, in which one federal agency provides goods or services to another federal agency and funds are exchanged.
 - Fiduciary (Investments & Borrowings), Retirement and Insurance Transfer System (RITS), Treasury Receivable Accounting and Collection System (TRACS), Grants, Pension, and non-Buy/Sell activity will still be maintained in IPAC.
 - Non-expenditure transfers should be managed in the appropriate CARS modules.
 - Payments to state and local governments should continue to be disbursed through other payment mechanisms.