

G-INVOICING GUIDE FOR BASIC ACCOUNTING AND REPORTING

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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 Intra-governmental Transactions (IGT) activity between Federal entities. Buy/Sell Intra-governmental differences play a significant part in the material weakness. G-Invoicing was developed to offer a data exchange platform for Federal Entities (Entities) to communicate with one another. While it is not an accounting system, G-Invoicing is a central repository to support the accounting of Buy/Sell transaction events.

Many Entities are aware of challenges in the current Intra-governmental Buy/Sell environment: Not all Entities utilize Interagency Agreements (IAAs) for every good/service provided or complete the same IAA activities in parallel before they initiate the Intra-governmental 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 provides Entities a necessary IAA brokering tool that did not exist previously; IAA details can be agreed upon before accounting transactions are initiated or funds settle between Entity accounts. In addition, G-Invoicing provides a standard data set, so all the Entities are exchanging data in the same language.

G-Invoicing captures the required/necessary IAA governance and accounting data needed by both trading partners. After Entities agree upon the governance and accounting parameters for each IAA [General Terms and Conditions (GT&C) and Order], they must submit a performance transaction in G-Invoicing to generate an IPAC for fund settlement to occur. 7600EZ, a new streamlined process flow, was added to G-Invoicing with Release 5.0. The 7600EZ feature provides rapid processing and settlement for low dollar transactions, \$10,000 or less, consolidating the Order and Performance data elements. Due to system functionality and the use of analogous data standards, Entities will see a vast reduction in the number of chargebacks and disputed transactions. G-Invoicing will be referenced to show differences, such as those caused by accruals, and help entities with their fund's 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 standardized and streamlined efforts between trading partners, Entities should realize cost savings from the synergies of working together. These synergies could be as simple as one entity not spending as much time on IPAC chargebacks, or another entity 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 Entities with achieving their critical missions.

Intra-governmental reimbursable activities encompass a diverse set of operations and business events, many of which are unique to an Entity'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 Entities with many administration options that best suit their business needs. At the same time,

Entities should assess their business processes to evaluate the impact of the adoption of G-Invoicing.

Overview

G-Invoicing is an online platform for all Entity staff involved with IGT reimbursable activity (including funding officials, program officials, and performance managers) to originate and settle Buy/Sell IAAs electronically. Entities will use G-Invoicing to establish and maintain 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 Entities arrange and negotiate the terms of the IAA).
- A data exchange utility (the facilitation of the exchange of information between Entities 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 entering IAAs into G-Invoicing will allow Entities to manage the processing and approval of each stage of the IGT Buy/Sell transaction lifecycle: GT&Cs, Orders, Performance, and Funds Settlement stages. IPAC will continue to operate as the application for the settlement of funds between federal entities; 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 Intra-governmental Data Standards (FIDS); The most recent FIDS update (changes to FIDS will occur during the development/enhancement of G-Invoicing) can be viewed at: [G-Invoicing Webpage](#). 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 funds settlement. When Entities develop an IAA and complete the Performance Transaction process with their trading partners, the records must leverage the FIDS to trigger accounting events related to the respective business activities. Entities' 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 entities to communicate with each other. G-Invoicing now offers Entities 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 Entities to properly account for their Buy/Sell transactions using the U.S. Standard General Ledger (USSGL) Treasury Financial Manual (TFM) Supplement.

Please note - The Requesting Agency is the Buyer, and the Servicing 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 Entities onboard and begin conducting reimbursable IGT transactions in G-Invoicing, they may begin the exchange of agreement parameters within a GT&C. The Requesting Agency and the Servicing Agency will work collaboratively to complete a GT&C, which allows Entities 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 Requesting Agency and Servicing Agency, including roles and responsibilities for both Entities to ensure effective management of the IAA. GT&C data elements and information include contact information, agreement period dates, points of contact for each entity, 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 under one GT&C. A GT&C may have multiple Agency Location Codes (ALC) and an Order can only cite one ALC, but multiple lines of accounting.

Orders may be initiated by the Servicing Agency (Seller-Facilitated Order) or by the Requesting Agency (Buyer-Initiated Order). The Order Originating Partner Indicator (OOPI) is a required field on the GT&C that determines who will initiate the Orders under the GT&C. There cannot be a mixture of both Seller-Facilitated Orders (SFO) and Buyer-Initiated Orders (BIO) under a single GT&C. Note: Separate GT&Cs are required for SFO, BIO, and 7600EZ transactions.

G-Invoicing Events:

- Either the Requesting Agency (Buyer) or the Servicing Agency (Seller) begins the G-Invoicing document flow by creating a new GT&C. The Entity 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 their 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**.

Proprietary Entries for All Scenarios:

No IGT Buy/Sell proprietary entries are entered at this stage. Some budgetary entries may be posted when or before the GT&C is created. While the GT&C proceeds the actual order, it is not considered the obligating document. The obligating document is the Order that is subsequent to the GT&C; however, the Servicing Agency should be anticipating agreements for the upcoming fiscal year that do proceed the actual orders. Refer to Office of Management and Budget (OMB) Circular No. A-11 for budgetary guidance.

Order Stage

After both Entities have exchanged basic contact information and each partner's roles and responsibilities and have fully approved the GT&C, an Order can then be initiated. With the introduction of Seller-Facilitated Order functionality in Release 4.1, either the Requesting Agency or the Servicing Agency may initiate an Order within the application depending on the terms agreed upon within the associated GT&C. Another advantage to G-Invoicing that Entities will discover is that it allows staff members from assorted Entity departments to communicate and share knowledge without stressing over terminology. Just one example of a barrier to effective communication between Entities 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.

The Order is the funding section of the IAA that identifies the specific Requesting Agency requirements for the expected delivery of goods and/or services by the Servicing Agency, and the corresponding accounting treatment. When both trading partners provide all the required fields determined in the FIDS, an Order can be created. Note: Orders are not entered in G-Invoicing for 7600EZ transactions.

Both partners will select their respective Treasury Account Symbol (TAS) and enter their Business Event Type Code (BETC)¹, additional accounting information, and shipping/delivery details. Modifications may occur to Order data; however, they must be provided by the Buyer on Buyer-Initiated Orders (BIOs) or provided by the Seller on Seller-Facilitated Orders (SFOs).

G-Invoicing Events:

Buyer-Initiated Orders (BIO)

- The Buyer initiates an Order from an open GT&C. The Buyer completes the Order with a single, agreed upon Statutory Authority to govern the Order and supporting data onto the appropriate Order Schedule lines. The Buyer approves the Order.
- The Seller reviews the data entered by their trading partner and enters their 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. (See Federal Intra-governmental Data Standards (FIDS) on the G-Invoicing website for more information).
- The Seller approving the Order prompts the Order to become **Open**.
- The Seller performs services or provides goods, incurring obligations against the Order.
- 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 agree. Depending on the Freight on Board (FOB) Point selected, a Buyer's Performance Transaction is optional, unless the Buyer disagrees with the Seller's Performance Transaction. (See FOB Point definition below for more detail.)

¹ Entities cannot select a TAS on a G-Invoicing Order until it becomes available from the Shared Accounting Module (SAM).

Seller-Facilitated Orders (SFO)

- The Seller initiates an Order from an open GT&C. The Seller completes the Order with a single, agreed upon Statutory Authority to govern the Order and supporting data onto the appropriate Order Schedule lines. The Seller approves the Order and shares it with the Buyer moving it to a **Shared with Partner 2** status.
- The Buyer reviews the data entered by their trading partners and enters their supporting data onto the Order Schedule lines on the Order draft. The Buyer approves the Order.
- The Buyer approving the Order prompts the Order to become **Open**.
- The Seller performs services or provides goods, incurring obligations against the Order.
- 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 agree. 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 Point 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 entities. The FIDS within the Order stage will affect the accounting treatment of transactions throughout the rest of the Buy/Sell lifecycle.

FIDS recorded within G-Invoicing that both Entities should reference for their accounting transactions:

- **Capitalized Asset Indicator** – Specifies if the item being sold is a capitalized asset of the Servicing Agency (i.e., “Inventory”). The Capitalized Asset indicator determines which USSGL scenario should be followed and is used by the Requesting Agency to determine the proper accounting entries needed to facilitate IGT eliminations. If the Capitalized Asset Indicator is “Yes,” Entities should refer to the [Intra-governmental Capital Asset and Inventory Buy/Sell Transactions Guidance](#).
- **Assisted Acquisitions Indicator** – Identifies whether the Order 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 reimbursable transactions between/to Entities, it will not capture any activities with a non-federal third party during assisted acquisitions. Entities should refer to the [Assisted Acquisition Guidance](#).
- **Advance Payment Indicator** - Identifies whether Advance Payments are allowed for the Orders supporting the respective GT&C. When authorized, the applicable statute must be referenced.
- **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 Transaction is required.

- **Constructive Receipt Days** – *The agreed-upon number of days a Buyer must 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 the Transaction Date or Performance Date.*

Proprietary Entries:

No IGT Buy/Sell proprietary entries are entered at this stage. Some budgetary entries may be posted when or before the Order is created. The obligating document is the Order that is subsequent to the GT&C. Refer to OMB Circular No. A-11 for budgetary guidance.

Performance and Fund Settlement Stages

In today’s Buy/Sell transaction process, there is no standard form or means for exchanging accrual information. Entities 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 Entities have loaded their GTAS files, it quickly becomes apparent when Entities 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 Entity 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.

Federal Accounting Standards Advisory Board (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. See Statement of Federal Financial Accounting Standards (SFFAS) No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, specifically paragraphs 34 through 45. By communicating with each other throughout the lifecycle of the transaction and using consistent policy for recording transactions, all Entities will have a better opportunity to report 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 Entities to communicate and share information with one another? Fiscal Service added 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 to include the physical delivery point for establishment of title transfer.

This determines which Performance Transaction initiates fund settlement, as reflected below:

- **Source** - Fund settlement is initiated by the Seller’s Performance transaction when Performance Type is ‘Delivered/Performed.’
- **Destination/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 data entered in 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. Entities will no longer manually create IPACs or submit bulk files to the IPAC system for Buy/Sell transactions. G-Invoicing will create the IPACs on the Entity's behalf. G-Invoicing will also retrieve the remittance advice from the IPAC system and update the associated Orders.

FIDS recorded within G-Invoicing which both Entities 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 later from work completion. The completion of this transaction would indicate a receivable and revenue recorded by the Seller and should be reciprocated with an expense and payable by the Buyer.*
- **Performance Date** – *The date on which the delivery of goods/completion of services takes place. The Performance Date drives the date at which accruals should be made for revenue/expense and accounts payable/accounts receivable. The Performance Date can be backdated while the prior period remains open during the first 3 days following the end of a period, or the first 5 days following the end of the fiscal year.*
- **Transaction Date** – *The date which an entity's authorized user enters the Performance Transaction into G-Invoicing. The Transaction Date initiates the IPAC Transaction and fund settlement. If a Transaction Date falls within the first 3 business days following the end of a period, or the first 5 business days following the end of the fiscal year, both accounting periods will be open and the Entities can choose a Performance Date in a different period, than that in which the Transaction Date occurs.*
- **Transfer Date** – *The date that funds are transferred into or out of the Treasury General Account (TGA). (Equivalent to IPAC's Accomplished Date).*
- **Accounting Period** – *The fiscal period that the transaction is reflected in the General Ledger, if applicable.*

G-Invoicing Events:

FOB Point – Source

- Seller submits Performance Transaction upon confirmation of delivery by carrier or receipt by Buyer with Performance Type 'Delivered/Performed'.
- Revenue/Expense accruals are recorded as of the Performance Date entered by the Seller.
 - Deferred Payment Performance Transaction would be used by the Seller to communicate performance which has occurred, but not yet billed.
- 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 upon confirmation of delivery by carrier or receipt by Buyer 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).

7600EZ Transactions (Optional)

The 7600EZ feature provides Entities with the flexibility to quickly process low dollar purchases and high-volume transactions. This process flow expedites transaction settlements by combining the Order and Performance stages into the 7600EZ Invoice. This process flow is optional for agency use and both trading partners must set their Feature Flag to Yes in G-Invoicing before this feature may be utilized. All 7600EZ Invoices must reference a unique, agreed-upon GT&C. It is important to note that GT&Cs can only support 7600EZ transactions OR regular BIO/SFO Orders, but not both. Thus, a specific GT&C between trading partners, indicating the desire to use the 7600EZ functionality is required. The timing of revenue recognition alongside the 7600EZ Invoice is contingent upon the trading partners making the determination of when to recognize the revenue prior to creating their GT&C and 7600EZ Invoice.

All 7600EZ Invoices will be initiated by the Servicing Agency. 7600EZ Invoices may be rejected by the Requesting Agency; however, funds will only reverse for rejections occurring within 30 calendar days of the 7600EZ Invoice Date. For backdated 7600EZ Invoices, the 30 calendar days is calculated from the Transaction Date when the invoice was created. For future dated 7600EZ Invoices, the 30 calendar days is calculated from the Performance Date supplied by the Servicing Agency. Rejections occurring after the 30 calendar days in the scenarios outlined above will be informational only and no funding will be reversed. When this occurs, the Requesting Agency will need to contact the Servicing Agency to have them reverse the transaction. The 7600EZ feature does not allow for partial rejections by the Requesting Agency. Any Received/Accepted submitted by the Requesting Agency will be informational only. All 7600EZ Invoices will settle at the Performance Date supplied by the Servicing Agency.

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

- **Capitalized Asset Indicator** – *Specifies if the item being sold is a capitalized asset of the Servicing Agency (i.e., “Inventory”). The Capitalized Asset indicator determines which USSGL scenario should be followed and is used by the Requesting Agency to determine the proper accounting entries needed to facilitate IGT eliminations. If the Capitalized Asset Indicator is “Yes,” Entities should refer to the [Intra-governmental Capital Asset and Inventory Buy/Sell Transactions Guidance](#).*
- **Assisted Acquisitions Indicator** – *Identifies whether the 7600EZ Invoice 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 reimbursable transactions between/to Entities, it will not capture any activities with a non-federal third party during assisted acquisitions. Entities should refer to the [Assisted Acquisition Guidance](#).*

- **Performance Date** – *The date on which the delivery of goods/completion of services takes place. The Performance Date drives the date at which accruals should be made for revenue/expense and accounts payable/accounts receivable. The Performance Date can be backdated while the prior period remains open during the first 3 days following the end of a period, or the first 5 days following the end of the fiscal year.*
- **Transaction Date** – *The date which an entity’s authorized user enters the Performance Transaction into G-Invoicing. The Transaction Date initiates the IPAC Transaction and fund settlement. If a Transaction Date falls within the first 3 business days following the end of a period, or the first 5 business days following the end of the fiscal year, both accounting periods will be open and the Entities can choose a Performance Date in a different period, than that in which the Transaction Date occurs.*
- **Transfer Date** – *The date that funds are transferred into or out of the Treasury General Account (TGA). (Equivalent to IPAC’s Accomplished Date).*
- **Accounting Period** – *The fiscal period that the transaction is reflected in the General Ledger, if applicable.*

G-Invoicing Events:

FOB Point – Source

- Seller submits 7600EZ with Performance Type ‘Delivered/Performed’ upon confirmation of delivery by carrier or receipt by Buyer.
- Revenue/Expense accruals are recorded as of the Performance Date entered by the Seller.
- An IPAC is automatically initiated to settle funds on the Transaction Date. (Not submitting a Performance Transaction infers the agreement with the Seller’s terms).

Adjustments

In today’s Buy/Sell environment, Entities spend a vast number 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 entity accounts, further complicating reconciliations and procurement work. However, as Buy/Sell data is exchanged within the G-Invoicing application, the number 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 Entities the ability to correct transactions via Adjustments through “negative” Performance Transactions, with the exception of 7600EZ transactions (see “7600EZ Transactions” above for more detail). Either Trading Partner may submit a negative Performance Transaction. Adjustments that initiate fund settlement are controlled by the FOB Point: Under FOB Source transactions, the Seller’s negative Performance adjustment would initiate fund settlement. Under FOB Destination transactions, the Buyer’s negative Performance adjustment would initiate fund settlement.

Adjustments must be submitted with a Performance Date that falls within the Performance Period of the Order. The Order must reference a prior (positive) Performance of the same type and the Order must be in an Open status.

G-Invoicing Events (with Adjustments):

FOB Point – Source

- Seller submits a Performance Transaction with Performance Type ‘Delivered/Performed’.
- Revenue and Expense 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 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 number 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 number 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	Proprietary Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/20XX	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of “Delivered/Performed”.	\$1,000	09/09/20XX	Both partners record Revenue/Expense ACCRUALS . Both partners record FUND SETTLEMENT to liquidate the accruals.
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type “Received/Accepted” (Informational Purposes Only.)	\$1,000	09/15/20XX	-
Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of “Received/Accepted”.	- \$200	10/01/20XX	-
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of “Delivered/Performed”.	- \$200	10/04/20XX	Both partners record Revenue/Expense ACCRUALS . Both partners record FUND SETTLEMENT to liquidate the accruals.
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/20XX	-

- **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

- 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 number 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	Proprietary Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/20XX	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of “Delivered/Performed”.	\$1,000	09/09/20XX	Both partners record Revenue/Expense ACCRUALS.
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type of “Received/Accepted”.	\$1,000	09/15/20XX	Both partners record FUND SETTLEMENT to liquidate the accruals.
Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of “Received/Accepted”.	- \$200	10/01/20XX	Both partners record FUND SETTLEMENT to liquidate the accruals.
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of “Delivered/Performed”.	- \$200	10/04/20XX	Both partners record Revenue/Expense ACCRUALS.
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/20XX	-

- **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.*

Accounting Scenarios

Although these transactions are not shown in this guidance, budgetary entries for apportionment, allotment, etc. would still need made in the accounting system when applicable.

Please note that throughout the following scenarios, as goods and services are delivered and payments are made, that certain entries could also require Transaction Codes B134, B234, B235, if funded by direct appropriation. This could also apply to reversals of these transactions. See TFM USSGL Supplement Section III for more details on these transactions.

Reimbursable Agreement without an Advance

Scenario 1: The Requesting and Servicing Agencies have entered an Order for \$1,000 in services. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX with Performance Date 9/30/20XX and reference the September 20XX Accounting Period.

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Servicing Agency’s Delivered/Performed transactions during the October Accounting Period, in line with the Transfer Date.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No.
- The Requesting Agency agrees with the Servicing Agency’s Delivered/Performed Transaction and does not create an informational Received/Accepted Transaction.²

Transaction 1: The agencies record the current-year undelivered order without an advance.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>			
SOURCE	FALSE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX			
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources			1,000		B306	422100 Unfilled Customer Orders Without Advance		1,000		A706
480100 Undelivered Orders – Obligations, Unpaid				1,000		421000 Anticipated Reimbursements			1,000	
						459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
						451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.						To record a reimbursable agreement without an advance that was previously anticipated.				

² The Requesting Agency has the option of, and is recommended, to provide a Received/Accepted transaction to reflect concurrence with Servicing Agency’s Delivered/Performed transaction but it is not a required action within the G-Invoicing application.

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions										
ORDER				PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE		TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE		
SOURCE	FALSE	NO		DELIVERED/PERFORMED		10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480100 Undelivered Orders – Obligations, Unpaid			1,000		B402	425100 Reimbursements Earned - Receivable		1,000		A714
490100 Delivered Orders – Obligations, Unpaid				1,000		422100 Unfilled Customer Orders Without Advance			1,000	
610000 Operating Expenses/Program Costs (RC24)			1,000			131000 Accounts Receivable (RC22)		1,000		
211000 Accounts Payable (RC22)				1,000		520000 Revenue From Services Provided (RC24)			1,000	
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record the completion of services and to accrue a liability.						To record revenue earned for the completion of services performed on a reimbursable order without an advance.				
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid			1,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		1,000		C186
490200 Delivered Orders – Obligations, Paid				1,000		425100 Reimbursements Earned – Receivable			1,000	
211000 Accounts Payable (RC22)			1,000			101000 Fund Balance With Treasury		1,000		
101000 Fund Balance With Treasury				1,000		131000 Accounts Receivable (RC22)			1,000	
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record a confirmed disbursement schedule where an unpaid delivered order was previously accrued. For nonfiduciary deposit funds, omit Budgetary Entry.						To record the collection of receivables for reimbursable services.				

Scenario 2: The Requesting and Servicing Agencies have entered an Order for \$1,000 in services. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX with Performance Date 9/30/20XX and reference the September 20XX Accounting Period.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Requesting Agency's Received/Accepted Transaction.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No
- The Requesting Agency disagrees with the amount on the Delivered/Performed Transaction, and on 10/02/20XX, they create a Received/Accepted Transaction for \$800.
- The Servicing Agency agrees and adjusts their Delivered/Performed Transaction on 10/04/20XX by -\$200, reconciling the variance with the Requesting Agency.

Transaction 1: The Entities record the current-year undelivered order without an advance.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	FALSE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX		
<u>REQUESTING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
461000 Allotments – Realized Resources		1,000		B306	422100 Unfilled Customer Orders Without Advance		1,000		A706
480100 Undelivered Orders – Obligations, Unpaid			1,000		421000 Anticipated Reimbursements			1,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
					451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	FALSE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	N/A		
<u>REQUESTING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
480100 Undelivered Orders – Obligations, Unpaid		1,000		B402	425100 Reimbursements Earned - Receivable		1,000		A714
490100 Delivered Orders – Obligations, Unpaid			1,000		422100 Unfilled Customers Orders Without Advance			1,000	
610000 Operating Expenses/Program Costs (RC24)		1,000			131000 Accounts Receivable (RC22)		1,000		
211000 Accounts Payable (RC22)			1,000		520000 Revenue From Services Provided (RC24)			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record the completion of services and to accrue a liability.					To record revenue earned for the completion of services performed on a reimbursable order without an advance.				

Transaction 3: The Requesting Agency creates a Received/Accepted Transaction. If the constructive receipt days expire, the system will automatically create a Received/Accepted Transaction for the Requesting Agency for the full amount of the original Performance Transaction.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	FALSE	NO		RECEIVED/ACCEPTED	10/02/20XX	09/30/20XX	10/02/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid		800		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		800		C186
490200 Delivered Orders – Obligations, Paid			800		425100 Reimbursements Earned – Receivable			800	
211000 Accounts Payable (RC22)		800			101000 Fund Balance With Treasury		800		
101000 Fund Balance With Treasury			800		131000 Accounts Receivable (RC22)			800	
Accomplished Date: 10/02/20XX - Accounting Period 12					Accomplished Date: 10/02/20XX - Accounting Period 12				
To record a confirmed disbursement schedule where an unpaid delivered order was previously accrued. For nonfiduciary deposit funds, omit Budgetary Entry.					To record the collection of receivables for reimbursable services.				

Transaction 4: The Servicing Agency creates a negative Delivered/Performed Transaction to adjust the original transaction of \$1,000. The original order and the adjustment to the order occur in the same fiscal year. ***Please note that if the adjusting entry takes place in a following Fiscal Year from the original Order, then a prior-year adjustment entry (I.E. Transaction code D110) would be necessary.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	FALSE	NO		DELIVERED/PERFORMED	10/04/20XX	09/30/20XX	N/A		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid		200		B402R	422100 Unfilled Customer Orders Without Advance		200		A714R
480100 Undelivered Orders – Obligations, Unpaid			200		425100 Reimbursements Earned – Receivable			200	
211000 Accounts Payable (RC22)		200			520000 Revenue From Services Provided (RC24)		200		
610000 Operating Expenses/Program Costs (RC24)			200		131000 Accounts Receivable (RC22)			200	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				

To record a negative adjustment to the expenses and liability in the same year as the original order. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.	To record the negative adjustment to the accrual of revenue earned in the Servicing Agency for a reimbursable agreement without an advance in the same fiscal year as the original order.
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Scenario 3: The Requesting and Servicing Agencies have entered an Order for \$1,000 in services. The Servicing Agency creates a Deferred Payment Transaction on 10/01/20XX with backdated Performance Date 9/30/20XX and reference the prior September 20XX Accounting Period.

- FOB Point = Source or Destination
 - Fund settlement will occur via IPAC upon the completion of the Servicing Agency’s Delivered/Performed transactions during the October Accounting Period, in line with the Transfer Date.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No.
- The Requesting Agency agrees with the Servicing Agency’s Delivered/Performed Transaction and does not create an informational Received/Accepted Transaction.³

Transaction 1: The agencies record the current-year undelivered order without an advance.

FIDS on the Order and Servicing Agency’s Performance Transactions									
ORDER			PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE		TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE		
ANY	FALSE	NO	DEFERRED PAYMENT		10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		1,000		B306	422100 Unfilled Customer Orders Without Advance		1,000		A706
480100 Undelivered Orders – Obligations, Unpaid			1,000		421000 Anticipated Reimbursements			1,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
					451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

³ The Requesting Agency has the option of, and is recommended, to provide a Received/Accepted transaction to reflect concurrence with Servicing Agency’s Delivered/Performed transaction but it is not a required action within the G-Invoicing application.

Transaction 2: The Servicing Agency creates a Deferred Payment Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
ANY	FALSE	NO		DEFERRED PAYMENT	10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480100 Undelivered Orders – Obligations, Unpaid		1,000		B402	425100 Reimbursements Earned - Receivable		1,000		A714
490100 Delivered Orders – Obligations, Unpaid			1,000		422100 Unfilled Customer Orders Without Advance			1,000	
610000 Operating Expenses/Program Costs (RC24)		1,000			131000 Accounts Receivable (RC22)		1,000		
211000 Accounts Payable (RC22)			1,000		520000 Revenue From Services Provided (RC24)			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record the completion of services and to accrue a liability.					To record revenue earned for the completion of services performed on a reimbursable order without an advance.				

7600EZ Transactions

Scenario 1: The Requesting and Servicing Agencies have completed a GT&C for 7600EZ. The Servicing Agency created a 7600EZ Invoice for \$1,000 in services on 10/01/20XX with Performance Date 9/30/20XX and reference the September 20XX Accounting Period. This scenario assumes that the trading partners have agreed to the timing of revenue recognition outside of G-Invoicing, prior to creating their GT&C and 7600EZ Invoice, and that revenue recognition will happen at the same time as the fund settlement which takes place as a result of the 7600EZ Invoice.⁴

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Servicing Agency's 7600EZ Invoice(s) during the October Accounting Period, in line with the Transfer Date.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No.
- The Requesting Agency agrees with the Servicing Agency's 7600EZ Invoice(s) and does not create an informational Received/Accepted Transaction.⁵

Transaction 1: The agencies record the current-year undelivered order without an advance. (Since there is no Order for the 7600EZ, this step takes place outside of G-Invoicing).

FIDS on the Servicing Agency's 7600EZ Transactions									
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
SOURCE	FALSE	NO		7600EZ	10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		1,000		B306	422100 Unfilled Customer Orders Without Advance		1,000		A706
480100 Undelivered Orders – Obligations, Unpaid			1,000		421000 Anticipated Reimbursements			1,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
				451000 Apportionments			1,000		
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

⁴ For guidance on recognition of Exchange Revenue, refer to the "Statement of Federal Financial Accounting Standards 7: Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting" handbook.

⁵ The Requesting Agency has the option of, and is recommended, to provide a Received/Accepted transaction to reflect concurrence with Servicing Agency's Delivered/Performed transaction but it is not a required action within the G-Invoicing application.

Transaction 2: The Servicing Agency creates a 7600EZ Invoice.

FIDS on the Servicing Agency's 7600EZ Transactions											
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>		<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>				
SOURCE	FALSE	NO	7600EZ		10/01/20XX	09/30/20XX	10/01/20XX				
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC	
480100 Undelivered Orders – Obligations, Unpaid			1,000		B402	425100 Reimbursements Earned - Receivable		1,000		A714	
490100 Delivered Orders – Obligations, Unpaid				1,000		422100 Unfilled Customer Orders Without Advance			1,000		
610000 Operating Expenses/Program Costs (RC24)			1,000			131000 Accounts Receivable (RC22)		1,000			
211000 Accounts Payable (RC22)				1,000		520000 Revenue From Services Provided (RC24)			1,000		
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12					
To record the completion of services and to accrue a liability.						To record revenue earned for the completion of services performed on a reimbursable order without an advance.					
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC	
490100 Delivered Orders – Obligations, Unpaid			1,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		1,000		C186	
490200 Delivered Orders – Obligations, Paid				1,000		425100 Reimbursements Earned – Receivable			1,000		
211000 Accounts Payable (RC22)			1,000			101000 Fund Balance With Treasury		1,000			
101000 Fund Balance With Treasury				1,000		131000 Accounts Receivable (RC22)			1,000		
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12					
To record a confirmed disbursement schedule where an unpaid delivered order was previously accrued. For nonfiduciary deposit funds, omit Budgetary Entry.						To record the collection of receivables for reimbursable services.					

Note: There are no adjustments that can be made to a 7600EZ transaction. The Requesting Agency can only reject the entire transaction within the rejection window, in which case the funds will be immediately returned to the Servicing Agency and the accounting transactions will be the reverse of the originals.

Capital Asset Buy/Sell⁶

Scenario 1: The Requesting and Servicing Agencies have entered an Order for Equipment in the amount of \$5,000. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX with Performance Date 9/30/20XX and reference the September 20XX Accounting Period.

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Servicing Agency’s Delivered/Performed transactions during the October Accounting Period, in line with the Accomplished Date.
- Capitalization Indicator = True
- Assisted Acquisition Indicator = No
- The Equipment meets the capitalization threshold for the Requesting Agency, but the Requesting Agency creates a Received/Accepted Transaction for \$4,500 on 10/02/20XX, disagreeing with the Servicing Agency’s Delivered/Performed amount.
- The Servicing Agency agrees that the Requesting Agency is correct and creates a negative Delivered/Performed Transaction on 10/04/20XX to adjust original Delivered/Performed transaction.

Transaction 1: The Entities record the current-year undelivered order without an advance.

FIDS on the Order and Servicing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE		
SOURCE	TRUE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		5,000		B306	422100 Unfilled Customer Orders Without Advance		5,000		A706
480100 Undelivered Orders – Obligations, Unpaid			5,000		421000 Anticipated Reimbursements			5,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
					451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

⁶ Also refer to “Intra-governmental Capital Asset and Inventory Buy/Sell Transactions” USSGL Implementation Guidance.

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>		<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>	
SOURCE	TRUE	NO		DELIVERED/PERFORMED		10/01/20XX	09/30/20XX	10/01/20XX	
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480100 Undelivered Orders – Obligations, Unpaid		5,000		B402	425100 Reimbursements Earned – Receivable		5,000		A714
490100 Delivered Orders – Obligations, Unpaid			5,000		422100 Unfilled Customer Orders Without Advance			5,000	
175000 Equipment		5,000			131000 Accounts Receivable (RC22)		5,000		
211000 Accounts Payable (RC22)			5,000		510000 Revenue From Goods Sold (RC24)			5,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record the delivery of Equipment and to accrue a liability. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.					To record revenue earned in the Performing Agency for goods or services performed on a reimbursable order without an advance. 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.				
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
880200 Purchases of Property, Plant, & Equipment (RC24)		5,000		G120 ⁷	650000 Cost of Goods Sold (RC24)		5,000		E408
880100 Offset for Purchases of Assets (RC24)			5,000		152100 Inventory Purchased for Resale			5,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record activity for current-year purchases of PP&E.					To record cost of goods sold.				
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid		5,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		5,000		C186
490200 Delivered Orders – Obligations, Paid			5,000		425100 Reimbursements Earned - Receivable			5,000	
211000 Accounts Payable (RC22)		5,000			101000 Fund Balance With Treasury		5,000		
101000 Fund Balance With Treasury			5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/01/20XX - Accounting Period 12					Accomplished Date: 10/01/20XX - Accounting Period 12				
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Servicing Agency for reimbursable services.				

⁷ The Servicing Agency completes the 'Capitalization Indicator' FID on the Order so that the Requesting Agency will know to record the correct IGT elimination entries. The Requesting Agency records TC G120 for capital asset purchases if the Servicing Agency's Capitalization Indicator is "TRUE", or TC D514 to record a cost capitalization offset if the Servicing Agency's Capitalization Indicator is "FALSE".
The Requesting 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 Servicing Agency.

Transaction 3: Since the Requesting Agency does not agree with the amount, they create an informational Received/Accepted Transaction that does not match the Delivered/Performed Transaction created by the Servicing Agency. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only for the purpose of informing the Servicing Agency that adjustments may be needed.**

Transaction 4: The Servicing Agency agrees and creates a negative Delivered/Performed Transaction on 10/04/20XX for -\$500, which resolves the intra-governmental difference, and causes fund settlement of the \$500 to occur. The original order and the settlement occur in the same fiscal year. ***Please note that if the adjusting entry takes place in a following Fiscal Year from the original Order, then a prior-year adjustment entry (I.E. Transaction code D110) would be necessary.

FIDS on the Order and Servicing Agency's Performance Transactions										
ORDER					PERFORMANCE					
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR			PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE		
SOURCE	TRUE	NO			DELIVERED/PERFORMED	10/04/20XX	09/30/20XX	10/04/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC	
490100 Delivered Orders – Obligations, Unpaid		500		B402R	422100 Unfilled Customer Orders Without Advance		500		A714R	
480100 Undelivered Orders – Obligations, Unpaid			500		425100 Reimbursements Earned – Receivable			500		
211000 Accounts Payable (RC22)		500			510000 Revenue From Goods Sold (RC24)		500			
175000 Equipment			500		131000 Accounts Receivable (RC22)			500		
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12					
To record a negative adjustment in the same year as the original order. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.					To record a negative adjustment to the accrual of revenue earned in the Servicing Agency for a reimbursable agreement without an advance in the same fiscal year as the original order.					
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC	
880100 Offset for Purchases of Assets (RC24)		500		G120R	152100 Inventory Purchased for Resale		500		E408R	
880200 Purchases of Property, Plant, & Equipment (RC24)			500		650000 Cost of Goods Sold (RC24)			500		
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12					
To record a negative adjustment to activity for current-year purchases of PP&E.					To record a negative adjustment to cost of goods sold.					
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC	
490200 Delivered Orders – Obligations, Unpaid		500		B110R	425100 Reimbursements Earned - Receivable		500		C186R	
490100 Delivered Orders – Obligations, Paid			500		425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources			500		
101000 Fund Balance With Treasury		500			131000 Accounts Receivable (RC22)		500			
211000 Accounts Payable (RC22)			500		101000 Fund Balance With Treasury			500		
Accomplished Date: 10/04/20XX - Accounting Period 12					Accomplished Date: 10/04/20XX - Accounting Period 12					
To record funds received due to a negative adjustment in the same fiscal year as the original order.					To record a negative adjustment by the Servicing Agency for reimbursable services in the same fiscal year as the original order.					

Scenario 2: The Requesting and Servicing Agencies have entered an Order for Equipment in the amount of \$5,000. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX with Performance Date 9/30/20XX and references the September 20XX Accounting Period.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Requesting Agency’s Received/Accepted Transaction.
- Capitalization Indicator = True
- Assisted Acquisition Indicator = No
- The Equipment meets the capitalization threshold for the Requesting Agency, and the Requesting Agency creates a Received/Accepted Transaction for \$5,000 on 10/04/20XX, agreeing with the Servicing Agency’s Delivered/Performed amount.

Transaction 1: The Entities record the current-year undelivered order without an advance.

FIDS on the Order and Servicing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	TRUE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		5,000		B306	422100 Unfilled Customer Orders Without Advance		5,000		A706
480100 Undelivered Orders – Obligations, Unpaid			5,000		421000 Anticipated Reimbursements			5,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
					451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	TRUE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	N/A		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480100 Undelivered Orders – Obligations, Unpaid		5,000		B402	425100 Reimbursements Earned- Receivable		5,000		A714
490100 Delivered Orders – Obligations, Unpaid			5,000		422100 Unfilled Customer Orders Without Advance			5,000	
175000 Equipment		5,000			131000 Accounts Receivable (RC22)		5,000		
211000 Accounts Payable (RC22)			5,000		510000 Revenue From Goods Sold (RC24)			5,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record the delivery of Equipment and to accrue a liability. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.					To record revenue earned in the Performing Agency for goods or services performed on a reimbursable order without an advance. 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.				
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
880200 Purchases of Property, Plant, and Equipment (RC24)		5,000		G120 ²	650000 Cost of Goods Sold (RC24)		5,000		E408
880100 Offset for Purchases of Assets (RC24)			5,000		152100 Inventory Purchased for Resale			5,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record activity for current-year purchases of PP&E.					To record cost of goods sold.				

Transaction 3: The Requesting Agency creates a Received/Accepted Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	TRUE	NO		RECEIVED/ACCEPTED	10/04/20XX	09/30/20XX	10/04/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid		5,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		5,000		C186
490200 Delivered Orders – Obligations, Paid			5,000		425100 Reimbursements Earned – Receivable			5,000	
211000 Accounts Payable (RC22)		5,000			101000 Fund Balance With Treasury		5,000		
101000 Fund Balance With Treasury			5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/04/20XX - Accounting Period 12					Accomplished Date: 10/04/20XX - Accounting Period 12				
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Servicing Agency for reimbursable services.				

Assisted Acquisition⁸

Scenario 1: The Requesting Agency is utilizing the purchasing contract of the Servicing Agency to buy an asset from a non-federal, third-party vendor for \$5,000. According to the agreement, the Requesting Agency will pay the Servicing Agency, which in turn will pay the non-federal vendor for the asset. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX, with Performance Date 9/30/20XX, and references the September 20XX Accounting Period.

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Servicing Agency’s Delivered/Performed transactions during the October Accounting Period, in line with the Accomplished Date.
- Capitalization Indicator = False⁹
- Assisted Acquisition Indicator = True
- The Requesting Agency agrees with the Servicing Agency’s Delivered/Performed Transaction and completes a Received/Accepted transaction in the same amount.

Transaction 1: The Entities record the current-year undelivered order without an advance.

FIDS on the Order and Servicing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE		
SOURCE	FALSE	YES		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		5,000		B306	422100 Unfiled Customer Orders Without Advance		5,000		A706
480100 Undelivered Orders – Obligations, Unpaid			5,000		421000 Anticipated Reimbursements			5,000	
					459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment		1,000		A123
					451000 Apportionments			1,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12				
To record current-year undelivered orders without an advance.					To record a reimbursable agreement without an advance that was previously anticipated.				

⁸ G-Invoicing will only capture the transactions between/to Entities, not activities with a non-federal third party. Also, refer to “Assisted Acquisitions Guidance” within USSGL Implementation Guidance.

⁹ While the Requesting Agency is obtaining an asset, the Servicing Agency never has the asset capitalized, which is the intent of the Capitalization Indicator.

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions										
ORDER				PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE			
SOURCE	FALSE	YES		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	10/01/20XX			
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480100 Undelivered Orders – Obligations, Unpaid			5,000		B402	425100 Reimbursements Earned- Receivable		5,000		A714
490100 Delivered Orders – Obligations, Unpaid				5,000		422100 Unfilled Customer Orders Without Advance			5,000	
610000 Operating Expenses/Program Costs (RC24)			5,000			131000 Accounts Receivable (RC22)		5,000		
211000 Accounts Payable (RC22)				5,000		510000 Revenue From Goods Sold (RC24)			5,000	
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12					
To record the delivery of Equipment and to accrue a liability. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.					To record revenue earned in the Performing Agency for goods or services performed on a reimbursable order without an advance. 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.					
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
175000 Equipment			5,000		D514					
661000 (N) Cost Capitalization Offset				5,000						
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12					
To record activity for current-year purchases of PP&E.										
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
880200 (N) Purchases of Property, Plant, and Equipment			5,000		G120					
880100 (N) Offset for Purchases of Assets				5,000						
Performance Date: 9/30/20XX - Accounting Period 12					Performance Date: 9/30/20XX - Accounting Period 12					
To record activity for current-year purchases of PP&E.										
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490100 Delivered Orders – Obligations, Unpaid			5,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		5,000		C186
490200 Delivered Orders – Obligations, Paid				5,000		425100 Reimbursements Earned- Receivable			5,000	
211000 Accounts Payable (RC22)			5,000			101000 Fund Balance With Treasury		5,000		
101000 Fund Balance With Treasury				5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/01/20XX - Accounting Period 12					Accomplished Date: 10/01/20XX - Accounting Period 12					
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Servicing Agency for reimbursable services.					

Transaction 3: The Requesting Agency creates a Received/Accepted Transaction that matches the Delivered/Performed Transaction created by the Servicing Agency. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only.**

Scenario 2: The Requesting Agency is utilizing the purchasing contract of the Servicing Agency to buy an asset from a non-federal, third-party vendor for \$5,000. According to the agreement, the Requesting Agency will pay the Servicing Agency, which in turn will pay the non-federal vendor for the asset. The Servicing Agency creates a Delivered/Performed Transaction on 10/01/20XX, with Performance Date 9/30/20XX, and references the September 20XX Accounting Period.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Requesting Agency’s Received/Accepted Transaction.
- Capitalization Indicator = False¹⁰
- Assisted Acquisition Indicator = True
- The Requesting Agency does not respond to the Servicing Agency’s Delivered/Performed Transaction and Constructive Receipt Days elapses. The G-Invoicing application will create a Received/Accepted transaction in the same amount.

Transaction 1: The Entities record the current-year undelivered order without an advance.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>		
DESTINATION	FALSE	YES		DELIVERED/PERFORMED			10/01/20XX	09/30/20XX	10/01/20XX		
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY			DEBIT	CREDIT	TC
461000 Allotments – Realized Resources			5,000		B306	422100 Unfilled Customer Orders Without Advance			5,000		A706
480100 Undelivered Orders – Obligations, Unpaid				5,000		421000 Anticipated Reimbursements				5,000	
						459000 Apportionments – Anticipated Resources – Programs Subject to Apportionment			1,000		A123
					451000 Apportionments				1,000		
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12					
To record current-year undelivered orders without an advance.						To record a reimbursable agreement without an advance that was previously anticipated.					

¹⁰ While the Requesting Agency is obtaining an asset, the Servicing Agency never has the asset capitalized, which is the intent of the Capitalization Indicator.

Transaction 2: The Servicing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>			
DESTINATION	FALSE	YES	DELIVERED/PERFORMED		10/01/20XX	09/30/20XX	N/A			
<u>REQUESTING AGENCY</u>			<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
480100 Undelivered Orders – Obligations, Unpaid			5,000		B402	425100 Reimbursements Earned - Receivable		5,000		A714
490100 Delivered Orders – Obligations, Unpaid				5,000		422100 Unfilled Customer Orders Without Advance			5,000	
610000 Operating Expenses/Program Costs (RC24)			5,000			131000 Accounts Receivable (RC22)		5,000		
211000 Accounts Payable (RC22)				5,000		510000 Revenue From Goods Sold (RC24)			5,000	
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record the delivery of Equipment and to accrue a liability. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.						To record revenue earned in the Performing Agency for goods or services performed on a reimbursable order without an advance. 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.				
<u>REQUESTING AGENCY</u>			<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
175000 Equipment			5,000		D514					
661000 (N) Cost Capitalization Offset				5,000						
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record reclassification of expenses to asset accounts.										
<u>REQUESTING AGENCY</u>			<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
880200 (N) Purchases of Property, Plant, and Equipment			5,000		G120					
880100 (N) Offset for Purchases of Assets				5,000						
Performance Date: 9/30/20XX - Accounting Period 12						Performance Date: 9/30/20XX - Accounting Period 12				
To record activity for current-year purchases of PP&E.										

Transaction 3: The constructive receipt days expire, and G-Invoicing systematically creates a Received/Accepted Transaction.

FIDS on the Order and Servicing 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>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>			
DESTINATION	FALSE	YES		RECEIVED/ACCEPTED		10/19/20XX	09/30/20XX	10/19/20XX			
<u>REQUESTING AGENCY</u>			<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>SERVICING AGENCY</u>			<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
490100 Delivered Orders – Obligations, Unpaid			5,000		B110	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources			5,000		C186
490200 Delivered Orders – Obligations, Paid				5,000		425100 Reimbursements Earned - Receivable				5,000	
211000 Accounts Payable (RC22)			5,000			101000 Fund Balance With Treasury			5,000		
101000 Fund Balance With Treasury				5,000		131000 Accounts Receivable (RC22)				5,000	
Accomplished Date: 10/19/20XX - Accounting Period 1						Accomplished Date: 10/19/20XX - Accounting Period 1					
To record a confirmed disbursement schedule previously accrued.						To record the collection of receivables in the Servicing Agency for reimbursable services.					

Reimbursable Agreement with an Advance

Scenario 1: The Requesting and Servicing Agency created an Order and agreed to settle funds in advance of goods being delivered. The Servicing Agency enters an Advance Transaction on 08/06/20XX to generate an advance payment/collection of funds for \$1,000. On 10/01/20XX, the Servicing Agency liquidated the advance by creating a Delivered/Performed Transaction for \$1,000, with a Performance Date of 09/30/20XX, and references the September 20XX Accounting Period.

- FOB Point = Source or Destination
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No
- On 10/04/20XX, the Requesting Agency creates an informational negative Received/Accepted Transaction for \$800 to indicate to the Servicing Agency that an adjustment is needed.
- The Servicing Agency agrees and adjusts the original Delivered/Performed Transaction on 10/04/20XX by -\$200.

Transaction 1: The Servicing Agency creates an Advance Performance Transaction.

FIDS on the Order and Servicing Agency's Performance Transactions									
ORDER			PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE			TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE	
ANY	FALSE	NO	ADVANCE			08/06/20XX	N/A	08/06/20XX	
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
461000 Allotments – Realized Resources		1,000		B308	422200 Unfilled Customer Orders With Advance		1,000		C182
480200 Undelivered Orders – Obligations, Prepaid/Advanced			1,000		421000 Anticipated Reimbursements			1,000	
141000 Advances and Prepayments (RC 23)		1,000			101000 Fund Balance With Treasury		1,000		
101000 Fund Balance With Treasury			1,000		231000 Liability for Advances and Prepayments (RC 23)			1,000	
Accomplished Date: 08/06/20XX - Accounting Period 11					Accomplished Date: 08/06/20XX - Accounting Period 11				
To record current-year undelivered orders with an advance. (Some agencies may need to post TC B306, depending on each agency's posting logic.)					To record a collection of an advance for an unfilled customer order.				

Transaction 2: The Servicing Agency liquidates the Advance by creating a Delivered/Performed Transaction.

Note: Fund settlement will not occur for the Delivered/Performed or Received/Accepted scenarios below regardless of the FOB Point selected (Source or Destination) since fund settlement already occurred during the Advance performance transaction.

FIDS on the Order and Servicing Agency's Performance Transactions										
ORDER				PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	TRANSFER DATE			
ANY	FALSE	NO		DELIVERED/PERFORMED	10/01/20XX	09/30/20XX	N/A			
REQUESTING AGENCY			DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
480200 Undelivered Orders – Obligations, Prepaid/Advanced			1,000		B604	425200 Reimbursements Earned – Collected From Federal/Non-Federal Exception Sources		1,000		A711
490200 Delivered Orders – Obligations, Paid				1,000		422200 Unfilled Customer Orders With Advance			1,000	
610000 Operating Expenses/Program Costs (RC24)			1,000			231000 Liability for Advances and Prepayments (RC 23)		1,000		
141000 Advances and Prepayments (RC 23)				1,000		510000 Revenue From Goods Sold (RC24)			1,000	
Performance Date: 09/30/20XX - Accounting Period 12						Performance Date: 09/30/20XX - Accounting Period 12				
To record the current-year expended authority where the undelivered order was prepaid or advanced. The current-year authority is the same as the original order.						To record earned revenue related to a reimbursable agreement or other income from a federal agency.				

Transaction 3: The Requesting Agency creates an informational negative Received/Accepted Transaction on 10/04/20XX for \$800 to indicate disagreement with the Servicing Agency's Delivered/Performed Transaction. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only for the purpose of informing the Servicing Agency that adjustments may be needed.**

Transaction 4: The Servicing Agency agrees with the Requesting Agency’s Received/Accepted Transaction and creates a negative Delivered/Performed Transaction to correct the liquidation. The original order and the adjustment to the order occur in the same fiscal year.

FIDS on the Order and Servicing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>			<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>TRANSFER DATE</u>	
ANY	FALSE	NO	DELIVERED/PERFORMED			10/04/20XX	09/30/20XX	N/A	
REQUESTING AGENCY		DEBIT	CREDIT	TC	SERVICING AGENCY		DEBIT	CREDIT	TC
490200 Delivered Orders – Obligations, Paid		200		B604R	422200 Unfilled Customer Orders With Advance		200		A711R
480200 Undelivered Orders – Obligations, Prepaid/Advanced			200		425200 Reimbursements Earned – Collected From Federal/ Non-Federal Exception Sources			200	
141000 Advances and Prepayments (RC 23)		200			510000 Revenue From Goods Sold (RC24)		200		
610000 Operating Expenses/Program Costs (RC24)			200		231000 Liability for Advances and Prepayments (RC 23)			200	
Performance Date: 09/30/20XX – Accounting Period 12					Performance Date: 09/30/20XX – Accounting Period 12				
To record a negative adjustment to the delivery of goods in which the Order was prepaid or advanced. The adjustment occurs the same fiscal year as the original order.					To record a negative adjustment to the collection of revenue earned related to a reimbursable agreement in the same fiscal year as the original order.				

G-Invoicing Business Rules

Fiscal Service established a mandate in the [Treasury Financial Manual \(TFM\)](#) for the use of Government Invoicing (G-Invoicing) to facilitate Buy/Sell Intra-governmental Transactions (IGT). The mandate required new Buy/Sell activity to be implemented by October 2022 and all In-Flight activity to be converted by October 2025. Fiscal service will monitor Entity compliance to meet the G-Invoicing mandate by defining metrics and thresholds to measure compliance levels and communicating those levels to the Entity. One way in which Fiscal Service will measure an Entity's compliance will be a comparison between the data that an Entity reports in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) and the Performance Transactions created in G-Invoicing. This document defines the G-Invoicing specifications needed to compare with bulk file data entered by agencies into GTAS, for this purpose of measuring agency compliance with the G-Invoicing mandate.

Certain transactions an Entity completes in G-Invoicing create the need to post accounting journal entries within the Entity's internal accounting records. These journal entries feed the Entity's trial balance, thereby, impacting the Entity's financial statement lines and reciprocal categories (RCs), specifically RC22 Accounts Receivable/Payable, RC23 Advances and Prepayments to/from Others, and RC24 Buy/Sell Revenue/Costs. The rules describe the various types of G-Invoicing transactions that are expected to affect the previously mentioned RCs. The dollar amounts derived from these rules will be used as the basis for comparison with the GTAS data. Percentages calculated from this comparison will be used to measure the compliance based on a metric of percentage thresholds which include a traffic light rating Green, Yellow, and Red to be reflected on the IGT scorecard. The percentage thresholds will be incrementally increased each Fiscal Year (FY).

Performance Transaction Types

The types of G-Invoicing Transactions are Delivered/Performed, Received/Accepted, Advance, and Deferred Payment. The Business Rules surrounding these Performance Transactions can be found at [TFM Volume 1, Part 2, Chapter 4700, Appendix 8, Section 2.6.](#)

Delivered/Performed: Performance Transaction submitted by the Seller to indicate that they have transferred control or performed the good/service to the Buyer. The completion of this transaction would indicate a receivable/revenue being recorded by the Seller and should be reciprocated with expense/payable recorded by the Buyer. If the Order is operating under FOB Point of Source, this Performance Transaction will automatically initiate settlement through the IPAC application.

Received/Accepted: Performance Transaction submitted by the Buyer to indicate receipt and acceptance of the goods/services from the Seller, which will occur after the Seller has completed a Delivered/Performed transaction. If the Order is operating under FOB Point of Destination, this Performance Transaction will automatically initiate settlement through the IPAC application. If receipt and acceptance is not provided by the expiration of the agreed upon Constructive Receipt Days, automatic receipt and acceptance will be generated through G-Invoicing to align with the Seller's Delivered/Performed transaction and initiate settlement.

Advance: Performance Transaction submitted by the Seller to collect an advance payment from the Buyer. The Seller will be able to initiate the Advance Performance Transaction to generate an advance collection/payment of funds regardless of FOB Point domain value. Completion of this Performance Transaction will automatically initiate fund settlement through the IPAC application. Any Delivered/Performed transactions against Schedules with an advance balance will not initiate settlement but should be used to draw down the advance balance on the Schedule. Upon, completion of settlement of an advance payment, the Buyer and Seller must record the appropriate asset and liability to reflect the advanced balance.

Calculation: Advance Payment – Delivered/Performed = Open advance/prepaid balance

Deferred Payment: Performance Transaction submitted by the Seller to communicate work completed, **but not yet billed**. This Performance Transaction does not initiate fund settlement through the IPAC application and is designed to only communicate the amount of work completed by the Seller. The amount of Deferred Payment cannot exceed the undelivered balance on the Schedule. Deferred Payment transactions reduce the amount of the undelivered balance for that Accounting Period. For Deferred Payments transactions, the amount of the accrual entry will equal the amount of the Deferred Payment transaction in G-Invoicing. The Deferred Payment transaction completed in G-Invoicing is only applicable to the Accounting Period referenced on the Performance Transaction (must be an open Accounting Period). G-Invoicing will consider this Deferred Payment amount as life-to-date and any subsequent Deferred Payment transactions submitted for the same Accounting Period will override the previous Deferred Payment transaction. The Performance Transactions completed by the Seller and Buyer should be reconciled by both entities, at a minimum, on a quarterly basis to ensure both parties agree.

Recording Capitalized Assets: When the Capitalization Indicator on a Performance Transaction is True, Federal entities should follow the [Intra-governmental Capital Asset and Inventory Buy/Sell Transactions document](#) concerning USSGL guidance on capitalized assets located on Fiscal Service’s website. This guidance demonstrates where these USSGL accounts are cross walked allowing for proper intra-governmental eliminations at year-end. The completion of a Performance Transaction where the Capitalization Indicator is True would indicate a Receivable/Revenue from Goods Sold along with a COGS/Inventory Asset being recorded by the Seller which should be reciprocated by the Buyer with a capital asset/payable and a Purchase of Asset/Purchase of Asset Offset transaction recorded. The use of the Purchase of Asset/Purchase of Asset Offset accounts allows the Buyer to properly record their capital asset on their books, while moving the transaction over to the federal reciprocal category accounts, thus reciprocating the Sellers transactions, and eliminating intra-governmental differences.

Business Rules by Reciprocal Category

1 Buyer Business Rules

1.1 RC22 (22.2 - Accounts Payable, and Other Liabilities)

- 1.1.1 Delivered/Performed Transactions that are FOB point value domain Source on non-advance order/line/schedule that have not settled.
- 1.1.2 Delivered/Performed Transactions that are FOB point value domain Destination on non-advance order/line/schedule, that do not have corresponding settled Received/Accepted Transactions.
- 1.1.3 Active Deferred Payment Transactions.

1.2 RC23 (5 - Advances to Others and Prepayments)

- 1.2.1 Advance Performance Transactions that have settled, less Delivered/Performed Transactions on an advanced order/line/schedule.

1.3 RC 24 (7.3 - Buy/Sell Costs)

- 1.3.1 Delivered/Performed Transactions order/line/schedule where capitalization indicator is False.
- 1.3.2 7600EZ Transactions where capitalization indicator is False.
- 1.3.3 Deferred Payment Transactions order/line/schedule where capitalization indicator is False.

1.4 RC 24 (7.4 - Purchase of Assets)

- 1.4.1 Delivered/Performed Transaction order/line/schedule where capitalization indicator is True.
- 1.4.2 7600EZ Transactions where capitalization indicator is True.
- 1.4.3 Deferred Payment Transactions order/line/schedule where capitalization indicator is True.

1.5 RC 24 (12.3 - Purchase of Assets Offset)

- 1.5.1 Delivered/Performed Transaction order/line/schedule where capitalization indicator is True.
- 1.5.2 7600EZ Transactions where capitalization indicator is True.
- 1.5.3 Deferred Payment Transactions order/line/schedule where capitalization indicator is True.

2 Seller Business Rules

2.1 RC22 (3.4 - Accounts Receivable)

- 2.1.1 Delivered/Performed Transactions that are FOB Point domain value Source on non-advance order/line/schedule that have not settled.
- 2.1.2 Delivered/Performed Transactions that are FOB Point domain value Destination on non-advance order/line/schedule, that do not have corresponding settled Received/Accepted Transactions.
- 2.1.3 Active Deferred Payment Transactions.

2.2 RC23 (25 - Advances from Others and Deferred Credits)

- 2.2.1 Advance Performance Transactions that have settled, less Delivered/Performed Transactions on an advanced order/line/schedule.

2.3 RC 24 (12.2 - Buy/Sell Revenue)

- 2.3.1 Delivered/Performed Transactions.
- 2.3.2 7600EZ Transactions.
- 2.3.3 Deferred Payment Transactions.

2.4 RC 24 (7.3 - Buy/Sell Costs)

- 2.4.1 Delivered/Performed Transactions order/line/schedule where capitalization indicator is True.
- 2.4.2 7600EZ Transactions where capitalization indicator is True.
- 2.4.3 Deferred Payment Transactions order/line/schedule where capitalization indicator is True.

Conclusion

Fiscal Service's intent is to provide onboarding Entities 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, Entities 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!

Disclaimers

- As Entities 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 Entity's accounting office must verify the accuracy of the transactions retrieved from IPAC and G-Invoicing. Entities 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 Entity 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 entity provides goods or services to another federal entity 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.