



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

Version 2.0



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## Purpose

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

Appendix A provides a list of the documents in the FFM Business Use Case Library.

## Business Use Case Structure

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

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



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

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

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

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

**Assumptions and Dependencies:** includes context information about events that have occurred prior to the first event identified in the business use case or outside of the business use case and dependencies on events accomplished in other business use cases. There are several common assumptions that are established for all business use cases. Additional assumptions or dependencies are included if needed for the specific business use case.



**FFMSR ID Reference(s):** includes a list of the Federal Financial Management System Requirements (FFMSR) that apply for the business use case.

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

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



## Procure-to-Pay Business Use Cases

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

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

**Business Scenario(s) Covered**

- Invoice into FM Solution
- Three-Way Match

**Business Actor(s)**

Procurement Office; Finance Office; Vendor

**Synopsis**

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

**Assumptions and Dependencies**

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. Vendors are established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM System.
9. A federal agency has ordered the goods and the order or award obligation has already been established in the FM system.
10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
11. The vendor is not on the "Do Not Pay" list.
12. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

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



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

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

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

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|---|---|---|--|--|
| 1 |   | a. Receive delivery of vendor's goods<br>b. Accept delivery of vendor's goods<br>c. Provide vendor (payee) information<br>d. Provide receipt of goods information<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved order or award</li> <li>Vendor's goods</li> </ul>  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of goods information (receiving report, if used)</li> </ul>                                 |
| 2 | a. Receive and update vendor (payee) information<br>b. Receive receipt of goods information (receiving report, if used)<br>c. Accrue the expense (FFM.090.030 Accrual and Liability Processing) |   | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of goods information (receiving report, if used)</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate accrual liability entry created with reference to source information</li> </ul> |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)  |   | <ul style="list-style-type: none"> <li>GL entries</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|---|---|--|--|--|
| 4 |   | a. Vendor enters invoice information into an OMB-approved electronic invoicing solution<br>b. Program Office receives notification of vendor invoice submission and reviews and accepts vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor invoice</li> <li>Receipt of goods information (receiving report, if used)</li> <li>Approved order or award</li> </ul>          | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> </ul>                                      |
| 5 | Receive accepted vendor invoice from OMB-approved electronic invoicing solution and perform a three-way match<br>(FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> <li>Receipt of goods information (receiving report, if used)</li> <li>Approved order or award</li> </ul> | <ul style="list-style-type: none"> <li>Successful three-way match</li> <li>Validated vendor invoice</li> </ul> |
| 6 |   | Request funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance)   | <ul style="list-style-type: none"> <li>Validated vendor invoice</li> </ul>   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>                         |
| 7 | Receive and process request for funds availability check<br>(FFM.010.020 Fund Allocation and Control)   |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>                                  |



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

### Typical Flow of Events

|   | FFM Event | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|---|-----------|--|---|--|
| 8 |           | a. Approve vendor invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020<br>Documentation of<br>Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |





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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|--|---|--|--|
| 9  | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing - Commercial Payment)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 10 |  | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|----|--|---------------|---|--|
| 11 | <ul style="list-style-type: none"> <li>a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>b. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Request for disbursement</li> <li>• Approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Appropriate payable entry liquidated with reference to source information</li> <li>• Appropriate disbursement- in-transit entry created with reference to source information</li> <li>• Certified disbursement schedule</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Vendor receives payment</li> </ul> |
| 12 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)   |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |



## 040.FFM.L1.02 Leased Property

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

### Business Scenario(s) Covered

- Operating Lease
- Capital Lease

### Business Actor(s)

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

### Synopsis

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



## 040.FFM.L1.02 Leased Property

### Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. Each vendor was selected during a Request-to-Procure process.
9. Assets being leased are owned by private entities.
10. Analysis has been completed and a determination made that one lease meets criteria for an operating lease and the other a capital lease, per FASAB guidelines.
11. Orders or awards and lease agreements for both leases have been completed and funds have been obligated. The obligated amount for capital lease includes present value of the lease payments as well as interest at the current Treasury interest rate.
12. Vendors are established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
13. Both vendors use an OMB-approved electronic invoicing solution to invoice the agency.
14. The vendors are properly registered in federal acquisition systems.
15. Neither vendor is on the Do Not Pay list.
16. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
17. The property record, which contains all needed data for effective personal property management (e.g., location, procurement, utilization, disposal, cost, evaluation, and control), for the operating lease has been established and includes all information required

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

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



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|   | FFM Event | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)  |
|---|-----------|--|--|---|
| 1 |           | <p>a. Inspect and accept the operating leased equipment<br/>(PRM.010.010 Property Acquisition/Receipt)</p> <p>b. Estimate liability accrual for operating lease payments<br/>(PRM.010.010 Property Acquisition/Receipt)</p> <p>c. Provide vendor (payee) information<br/>(PRM.010.010 Property Acquisition/Receipt)</p> <p>d. Request estimated liability accrual be established<br/>(PRM.010.010 Property Acquisition/Receipt)</p> <p>e. Update property records including custodian, location, and value<br/>(PRM.010.060 Property Control and Accountability)</p> | <ul style="list-style-type: none"> <li>Operating leased equipment</li> <li>Operating lease agreement</li> <li>Property record</li> </ul> | <ul style="list-style-type: none"> <li>Accepted property</li> <li>Property record</li> <li>Estimated operating lease liability</li> <li>Vendor (payee) information</li> <li>Request for establishment of operating lease liability accrual</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)  |
|---|---|--|---|---|
| 2 | a. Receive and update vendor (payee) information<br>b. Receive and process request to establish operating lease liability accrual<br>(FFM.090.030 Accrual and Liability Processing) |  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Accepted property</li> <li>Request for establishment of operating lease liability accrual</li> <li>Estimated operating lease liability</li> <li>Property record</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual entry created for operating lease equipment with reference to source information</li> <li>Property record</li> </ul>   |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)   |  | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>   |
| 4 |   | a. Inspect and accept the capital leased equipment (PRM.010.010 Property Acquisition/Receipt)<br>b. Determine property value and other property information (PRM.010.050 Property Valuation)<br>c. Estimate capital lease depreciation and liability accrual for payments (PRM.010.050 Property Valuation) | <ul style="list-style-type: none"> <li>Capital leased equipment</li> <li>Capital lease agreement</li> <li>Property record</li> </ul>  | <ul style="list-style-type: none"> <li>Accepted property</li> <li>Property record</li> <li>Estimated capital lease property value</li> <li>Estimated capital lease interest liability</li> <li>Estimated capital lease principal liability</li> <li>Estimated capital lease depreciation</li> <li>Vendor (payee) information</li> <li>Request for establishment of capital</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|  | FFM Event | Non-FFM Event   | Input(s) | Output(s) / Outcome(s)   |
|--|-----------|---|----------|--|
|  |           | <p>d. Provide vendor (payee) information<br/>(PRM.010.010 Property Acquisition/Receipt)</p> <p>e. Request estimated liability accruals be established<br/>(PRM.010.050 Valuation)</p> <p>f. Request estimated property value be established<br/>(PRM.010.050 Property Valuation)</p> <p>g. Update property record to including custodian, location, and value<br/>(PRM.010.060 Property Control and Accountability)</p> |          | <p>lease depreciation and liability accruals</p> <ul style="list-style-type: none"> <li>Request for establishment of capital property value</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|---|--|---------------|---|--|
| 5 | <ul style="list-style-type: none"> <li>a. Receive and process vendor (payee) information</li> <li>b. Receive and process request for establishment of capital lease depreciation and liability accruals (FFM.090.030 Accrual and Liability Processing)</li> <li>c. Accrue depreciation (FFM.090.030 Accrual and Liability Processing)</li> <li>d. Accrue interest liability (FFM.090.030 Accrual and Liability Processing)</li> <li>e. Accrue principal liability (FFM.090.030 Accrual and Liability Processing)</li> <li>f. Establish property valuation (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Accepted property</li> <li>• Request for establishment of capital lease depreciation and liability accruals</li> <li>• Estimated capital lease depreciation</li> <li>• Estimated capital lease interest liability</li> <li>• Estimated capital lease principal liability</li> <li>• Request for establishment of capital property value</li> <li>• Estimated capital lease property value</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate depreciation accrual entry created with reference to source information</li> <li>• Appropriate interest liability accrual entry created with reference to source information</li> <li>• Appropriate principal liability accrual entry created with reference to source information</li> <li>• Appropriate property valuation entry created with reference to source information</li> <li>• Property record</li> </ul> |
| 6 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)   |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)  |
|----|--|---|---|---|
| 7  |  | a. Operating lease vendor enters single and final invoice information into an OMB-approved electronic invoicing solution<br><br>b. Program Office receives notification of operating lease vendor invoice submission and reviews and accepts vendor invoice<br><br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Operating lease vendor invoice</li> <li>Lease agreement</li> </ul> | <ul style="list-style-type: none"> <li>Accepted operating lease vendor invoice</li> </ul> |
| 8  | Receive accepted operating lease vendor invoice from OMB-approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments) |   | <ul style="list-style-type: none"> <li>Accepted operating lease vendor invoice</li> </ul>                 | <ul style="list-style-type: none"> <li>Validated vendor invoice</li> </ul>                |
| 9  |  | Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)   | <ul style="list-style-type: none"> <li>Validated operating lease vendor invoice</li> </ul>                | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>    |
| 10 | Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)   |   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>                    | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>             |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)   |
|----|-----------|---|---|--|
| 11 |           | a. Approve operating lease vendor single and final invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated operating lease vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved operating lease vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 12 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 13 |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---------------|--|--|
| 14 | <ul style="list-style-type: none"> <li>a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>• Appropriate payable entry liquidated with reference to source information</li> <li>• Appropriate disbursement-in -transit entry created with reference to source information</li> <li>• Certified disbursement schedule</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement-in -transit entry liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Vendor receives payment</li> </ul> |
| 15 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)  |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>               | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|----|---|--|---|--|
| 16 |   | a. Capital lease vendor enters initial invoice information into an OMB-approved electronic invoicing solution<br><br>b. Program Office receives notification of capital lease vendor invoice submission and reviews and accepts vendor invoice<br><br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Capital lease vendor invoice</li> <li>Capital lease agreement</li> </ul> | <ul style="list-style-type: none"> <li>Accepted capital lease vendor invoice</li> </ul>  |
| 17 | Receive accepted capital lease vendor invoice from OMB- approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Accepted capital lease vendor invoice</li> </ul>                         | <ul style="list-style-type: none"> <li>Validated capital lease vendor invoice</li> </ul> |
| 18 |   | Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)  | <ul style="list-style-type: none"> <li>Validated capital lease vendor invoice</li> </ul>                        | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   |
| 19 | Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)  |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>                          | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>            |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|----|-----------|--|---|--|
| 20 |           | a. Approve capital lease vendor invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated capital lease vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved capital lease vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 21 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 22 |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---------------|--|--|
| 23 | <ul style="list-style-type: none"> <li>a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>• Appropriate payable entry liquidated with reference to source information</li> <li>• Appropriate disbursement-in -transit entry created with reference to source information</li> <li>• Certified disbursement schedule</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement-in -transit entry liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Vendor receives payment</li> </ul> |
| 24 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)  |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>               | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 25 |   | a. Operating lease ends and equipment is returned<br>b. Update property record<br>c. Request close-out of operating lease<br>(PRM.010.040 Property Transfer, Disposal, or Retirement) | <ul style="list-style-type: none"> <li>Property record</li> <li>Operating lease agreement</li> <li>Payment of final operating equipment invoice</li> </ul> | <ul style="list-style-type: none"> <li>Returned equipment</li> <li>Request for operating lease close-out</li> <li>Property record</li> </ul>   |
| 26 | a. Receive and process request for close-out of operating lease<br>(FFM.010.020 Fund Allocation and Control)<br>b. Reverse remaining liability accruals, as needed<br>(FFM.090.030 Accrual and Liability Processing)<br>c. Deobligate remaining funds, as needed<br>(FFM.030.020 Obligation Management) |   | <ul style="list-style-type: none"> <li>Request for operating lease close-out</li> <li>Property Record</li> <li>Operating lease agreement</li> </ul>        | <ul style="list-style-type: none"> <li>Appropriate liability accrual reversal entry made with reference to source information</li> <li>Appropriate deobligation entry created with reference to source information</li> <li>Property record</li> </ul> |
| 27 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)   |   | <ul style="list-style-type: none"> <li>GL entries</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)   |
|----|--|---|---|--|
| 28 |  | a. Capital lease vendor enters final invoice information into an OMB-approved electronic invoicing solution<br>b. Program Office receives notification of capital lease vendor invoice submission<br>c. Program Office reviews and accepts vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Capital lease vendor final invoice</li> <li>Capital lease agreement</li> </ul> | <ul style="list-style-type: none"> <li>Accepted capital lease vendor final invoice</li> </ul>  |
| 29 | Receive accepted capital lease vendor final invoice from OMB-approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments) |   | <ul style="list-style-type: none"> <li>Accepted capital lease vendor final invoice</li> </ul>                         | <ul style="list-style-type: none"> <li>Validated capital lease vendor final invoice</li> </ul> |
| 30 |  | Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)   | <ul style="list-style-type: none"> <li>Validated capital lease vendor final invoice</li> </ul>                        | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>         |
| 31 | Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)   |   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>                                | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>                  |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|----|-----------|--|---|--|
| 32 |           | a. Approve capital lease vendor final invoice<br>b. Provide vendor (payee) information<br>c. Request for processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated capital lease vendor final invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved capital lease vendor final invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|--|---|--|--|
| 33 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved invoice (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 34 |  | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---------------|--|--|
| 35 | <ul style="list-style-type: none"> <li>a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>• Appropriate payable entry liquidated with reference to source information</li> <li>• Appropriate disbursement-in -transit entry created with reference to source information</li> <li>• Certified disbursement schedule</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement-in -transit entry liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Vendor receives payment</li> </ul> |
| 36 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)  |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>               | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)  |
|----|-----------|--|---|---|
| 37 |           | <p>a. Final capital lease invoice is paid for heavy equipment and equipment becomes property of government (PRM.010.040 Property Transfer, Disposal, or Retirement)</p> <p>b. Record ownership of property in the property management system (PRM.010.060 Property Control and Accountability)</p> <p>c. Determine value of capital equipment adjusted by depreciation (PRM 010.050 Property Valuation)</p> <p>d. Request updated valuation of property (PRM 010.050 Property Valuation)</p> <p>e. Close-out of capital lease (PRM.010.040 Property Transfer, Disposal, or Retirement)</p> | <ul style="list-style-type: none"> <li>Final capital lease payment</li> <li>Property record</li> <li>Capital lease agreement</li> <li>Accrued depreciation</li> </ul> | <ul style="list-style-type: none"> <li>Request for close-out of capital lease</li> <li>Value of capital equipment adjusted by depreciation</li> <li>Request for updated valuation of capital equipment adjusted by depreciation</li> <li>Property record</li> </ul> |



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)  |
|----|---|---------------|--|---|
| 38 | <p>a. Receive and process request for close-out capital lease (FFM.010.020 Fund Allocation and Control)</p> <p>b. Reverse any remaining interest and principal liability accruals, as needed (FFM.090.030 Accrual and Liability Processing)</p> <p>c. Deobligate remaining funds, as needed (FFM.030.020 Obligation Management)</p> <p>d. Receive and process request for updated valuation of capital equipment adjusted by depreciation (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)</p> |               | <ul style="list-style-type: none"> <li>Capital lease agreement</li> <li>Property record</li> <li>Request for close-out of capital lease</li> <li>Value of capital equipment adjusted by depreciation</li> <li>Request for updated valuation of capital equipment adjusted by depreciation</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate interest and principal liability accrual reversal entries created with reference to source information</li> <li>Appropriate property valuation entry created with reference to source information</li> <li>Appropriate deobligation entries created with reference to source information</li> <li>Property record</li> </ul> |
| 39 | <p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>   |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>   |



## 040.FFM.L1.03 Acquiring Services

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

**Business Scenario(s) Covered**

- Acquiring Services

**Business Actor(s)**

Procurement Office; Finance Office; Program Office; Vendor

**Synopsis**

Services previously ordered by a federal agency are received and accepted. An invoice is submitted by the Vendor and paid by the agency.

**Assumptions and Dependencies**

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The vendor is established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
9. The federal agency has ordered and received the services and the order or award obligation has already been established in the FM system.
10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
11. The receiving report is optional unless required for matching.
12. The vendor is not on the Do Not Pay list.
13. The vendor is properly registered in federal acquisition systems.
14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

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

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





## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|---|---|--|---|--|
| 1 |   | a. Receive vendor services<br>b. Accept delivery of vendor's services<br>c. Provide vendor (payee) information<br>d. Provide receipt of services information<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved order or award</li> <li>Vendor's services</li> </ul>  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of services information (receiving report, if used)</li> </ul>                              |
| 2 | a. Receive and update vendor (payee) information<br>b. Receive receipt of services information (receiving report, if used)<br>c. Accrue the expense<br>(FFM.090.030 Accrual and Liability Processing) |  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of services information (receiving report, if used)</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual entry created with reference to source information</li> </ul> |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)   |  | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|---|--|--|--|--|
| 4 |  | a. Vendor enters invoice information into an OMB-approved electronic invoicing solution<br>b. Program Office receives notification of vendor invoice submission and reviews and accepts vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor invoice</li> <li>Receipt of services information (receiving report, if used)</li> <li>Approved order or award</li> </ul> | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> </ul>              |
| 5 | Receive validated vendor invoice from OMB-approved electronic invoicing solution<br>(FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Validated vendor invoice</li> </ul>             |
| 6 |  | Request funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance)   | <ul style="list-style-type: none"> <li>Validated vendor invoice</li> </ul>   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul> |
| 7 | Receive and process request for funds availability check<br>(FFM.010.020 Fund Allocation and Control)                                      |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>          |



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|---|---|--|--|--|
| 8 |   | a. Approve vendor invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul>   |
| 9 | a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)<br>b. Receive approved vendor invoice (FFM.030.070 Payment Processing – Commercial Payments)<br>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)<br>d. Establish payable (FFM.030.070 Payment Processing – Commercial Payments)<br>e. Liquidate obligation (FFM.030.020 Obligation Management) |  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable entry created with reference to source information</li> <li>Appropriate obligation liquidation entry created with reference to source information</li> <li>Appropriate accrual reversal entry created with reference to source information</li> </ul> |



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|--|--|--|--|
| 10 |  | Request disbursement<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Request for disbursement</li> </ul>   |
| 11 | a. Receive and process disbursement request<br>(FFM.030.070 Payment Processing - Commercial Payments)<br>b. Initiate disbursement<br>(FFM.030.070 Payment Processing - Commercial Payments)<br>c. Generate disbursement schedule<br>(FFM.030.110 Payment Disbursement)<br>d. Certify payment of disbursement schedule<br>(FFM.030.110 Payment Disbursement)<br>e. Receive confirmation of disbursement<br>(FFM.030.120 Payment Confirmation) |  | <ul style="list-style-type: none"> <li>Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entry liquidated with reference to source information</li> <li>Appropriate disbursement- in-transit entry created with reference to source information</li> <li>Certified disbursement schedule</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor receives payment</li> </ul> |



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)  |
|----|---|---------------|--|---|
| 12 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting) |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul> |



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

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

### Business Scenario(s) Covered

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

### Business Actor(s)

Program Office; Finance Office; Vendors

### Synopsis

A procurement request for development of a complex project is prepared by a federal agency program with two funding sources used. The project is planned to take two years to complete, and the program is using multi-year funds. To help meet local small business development goals, three awards were issued from the one procurement request. As work progresses, monthly financial and performance reports are submitted by the vendors and progress is inspected by the agency. Accrued liability is established from the financial and performance reports until invoices are received. One vendor (Vendor 1) is given a waiver to submit paper invoices and the vendor submits it to the Program Office. Electronic invoices are submitted by Vendor 2 and Vendor 3. Invoices are validated using a two-way match. An invoice from Vendor 3 is found not valid by the match, reflecting the agency was billed too much. A credit memo is requested and received from Vendor 3 and the invoice is paid. After the final payments are made to all vendors, the award still has some obligated funds and during award closeout, the remaining funds are de-obligated.



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

### Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The estimated duration of the project is two years and multi-year funds are used.
9. Some invoices are received in one fiscal year and payment will be due in the next.
10. The contract was awarded to three vendors in a previous Procure-to-Pay use case.
11. Vendors are established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
12. The Vendors 2 and 3 use an OMB-approved electronic invoicing solution to invoice the agency.
13. None of the vendors are on the "Do Not Pay" list.
14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
15. Award closeout includes reviewing final invoices and payments.

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



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

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)   |
|---|--|---|---|--|
| 1 |  | a. Receive and verify three vendor monthly financial and performance reports<br>b. Determine estimated accrual of liability for payment for each vendor<br>c. Provide vendor (payee) information for each vendor<br>d. Request liability accruals be recorded<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor monthly financial and performance reports</li> <li>Order or award</li> <li>Award information</li> </ul>           | <ul style="list-style-type: none"> <li>Vendor (payee) information for each vendor</li> <li>Verified vendor monthly financial and performance reports</li> <li>Estimated accrual of liability for payment to each vendor</li> </ul> |
| 2 | a. Receive and update vendor (payee) information<br>b. Receive estimated accrual information<br>c. Accrue liability for payment to each vendor<br>(FFM.090.030 Accrual and Liability Processing) |   | <ul style="list-style-type: none"> <li>Vendor (payee) information for each vendor</li> <li>Estimated accrual of liability for payment to each vendor</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information for each vendor</li> <li>Appropriate accrual entries created with reference to source information</li> </ul>   |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)  |   | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |





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

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|---|--|--|---|--|
| 4 |  | Receive Vendor 1 paper invoice at end of fiscal year and request a two-way match for validation<br>(ACQ.040.020 Documentation of Delivery/Acceptance)                          | <ul style="list-style-type: none"> <li>Vendor 1 paper invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Request for two-way match to validate Vendor 1 invoice</li> </ul>   |
| 5 | Receive Vendor 1 invoice and complete a two-way match<br>(FFM.030.070 Payment Processing - Commercial Payments)  |  | <ul style="list-style-type: none"> <li>Vendor 1 invoice</li> <li>Award information</li> <li>Estimated accrual of liability</li> </ul> | <ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Validated Vendor 1 invoice</li> </ul>   |
| 6 |  | Request multi-year funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance)  | <ul style="list-style-type: none"> <li>Validated Vendor 1 invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Request for multi-year funds availability check</li> </ul>  |
| 7 | Receive and process request for multi-year funds availability check<br>(FFM.010.020 Fund Allocation and Control) |  | <ul style="list-style-type: none"> <li>Request for multi-year funds availability check</li> </ul>                                     | <ul style="list-style-type: none"> <li>Multi-year funds availability response</li> </ul>   |
| 8 |  | a. Approve Vendor 1 invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Multi-year funds availability response</li> <li>Validated Vendor 1 invoice</li> </ul>          | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 1 invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 9  | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved Vendor 1 invoice (FFM.030.070 Payment Processing - Commercial payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved Vendor 1 invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 10 |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved Vendor 1 invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|----|--|---------------|---|--|
| 11 | <p>a. Receive and process Vendor 1 invoice disbursement request<br/>(FFM.030.070 Payment Processing - Commercial Payments)</p> <p>b. Initiate payment<br/>(FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Generate disbursement schedule<br/>(FFM.030.110 Payment Disbursement)</p> <p>d. Certify payment of disbursement schedule<br/>(FFM.030.110 Payment Disbursement)</p> <p>e. Receive confirmation of disbursement<br/>(FFM.030.120 Payment Confirmation)</p> |               | <ul style="list-style-type: none"> <li>Request for disbursement</li> <li>Approved Vendor 1 invoice</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entry liquidated with reference to source information</li> <li>Appropriate disbursement- in-transit entry created with reference to source information</li> <li>Certified disbursement schedule</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor 1 receives payment</li> </ul> |
| 12 | <p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br/>(FFM.090.020 General Ledger Posting)</p>  |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)  |
|----|---|---|--|---|
| 13 |   | <p>a. Vendor 2 and Vendor 3 enter invoice information into an OMB-approved electronic invoicing solution at end of fiscal year</p> <p>b. Program Office receives notification of vendor invoice submission and reviews and accepts both vendor invoices</p> <p>(ACQ.040.020 Documentation of Delivery/Acceptance)</p> | <ul style="list-style-type: none"> <li>Vendor 2 and Vendor 3 invoices</li> </ul>                                     | <ul style="list-style-type: none"> <li>Accepted Vendor 2 and Vendor 3 invoices</li> </ul>   |
| 14 | <p>a. Receive accepted vendor invoices from OMB-approved electronic invoicing solution and perform a two-way match for Vendor 2 and Vendor 3 invoices</p> <p>b. Request credit memo from Vendor 3 for overbilling</p> <p>(FFM.030.070 Payment Processing - Commercial Payments)</p> |   | <ul style="list-style-type: none"> <li>Accepted Vendor 2 and Vendor 3 invoices</li> <li>Award information</li> </ul> | <ul style="list-style-type: none"> <li>Successful two-way match for Vendor 2</li> <li>Validated Vendor 2 invoice</li> <li>Partially successful two-way match for Vendor 3 invoice</li> <li>Request for credit memo from Vendor 3</li> </ul> |
| 15 |   | <p>Request multi-year funds availability check</p> <p>(ACQ.040.020 Documentation of Delivery/Acceptance)</p>  | <ul style="list-style-type: none"> <li>Validated Vendor 2 invoice</li> </ul>   | <ul style="list-style-type: none"> <li>Request for multi-year funds availability check</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|--|--|--|--|
| 16 | Receive and process request for multi-year funds availability check<br>(FFM.010.020 Fund Allocation and Control) |  | <ul style="list-style-type: none"> <li>Request for multi-year funds availability check</li> </ul>                            | <ul style="list-style-type: none"> <li>Multi-year funds availability response</li> </ul>   |
| 17 |  | a. Approve Vendor 2 invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved Vendor 2 invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Multi-year funds availability response</li> <li>Validated Vendor 2 invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 2 invoice</li> <li>Request for processing of approved Vendor 2 invoice</li> </ul> |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)  |
|----|--|---|--|---|
| 18 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved Vendor 2 invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payables (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved Vendor 2 invoice</li> <li>• Request for processing of approved Vendor 2 invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with</li> <li>• reference to source information</li> </ul> |
| 19 |  | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved Vendor 2 invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>  |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|----|--|---------------|---|--|
| 20 | <p>a. Receive and process Vendor 2 disbursement request (FFM.030.070 Payment Processing -Commercial Payments)</p> <p>b. Initiate payments (FFM.030.070 Payment Processing -Commercial Payments)</p> <p>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>e. Receive confirmation of disbursements (FFM.030.120 Payment Confirmation)</p> |               | <ul style="list-style-type: none"> <li>Request for disbursement</li> <li>Approved Vendor 2 invoice</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entries liquidated with reference to source information</li> <li>Appropriate disbursement- in-transit entry created with reference to source information</li> <li>Certified disbursement schedule</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor 2 receives payment</li> </ul> |
| 21 | <p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>  |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|---|--|--|--|
| 22 |   | a. Receive credit memo from Vendor 3 in the program office<br>b. Provide vendor (payee) information<br>c. Request processing of Vendor 3 credit memo<br>(ACQ.040.020 Documentation of Delivery/Acceptance)   | <ul style="list-style-type: none"> <li>Credit memo from Vendor 3 for accidental overbilling on previously submitted invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request for processing of Vendor 3 credit memo</li> </ul>                                 |
| 23 | a. Receive and update vendor (payee) information<br>b. Process Vendor 3 credit memo<br>(FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request for processing of Vendor 3 credit memo</li> </ul>   | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable entry created with reference to source information</li> </ul> |
| 24 |   | a. Vendor 3 re-submits invoice information into an OMB- approved electronic invoicing solution at end of fiscal year<br>b. Program Office receives notification of vendor invoice submission and reviews and accepts Vendor 3 re-submitted invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor 3 re-submitted invoice</li> </ul>  | <ul style="list-style-type: none"> <li>Request for processing of Vendor 3 re-submitted invoice</li> </ul>  |





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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|---|--|--|--|
| 25 | Perform two-way match of re-submitted Vendor 3 invoice (FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Credit memo from Vendor 3</li> <li>Vendor 3 re-submitted invoice</li> <li>Award information</li> </ul>            | <ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Validated Vendor 3 re-submitted invoice, as offset by credit memo</li> </ul>                        |
| 26 |   | Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)  | <ul style="list-style-type: none"> <li>Validated Vendor 3 re-submitted invoice, as offset by credit memo</li> </ul>                                      | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   |
| 27 | Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)            |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>  |
| 28 |   | a. Approve Vendor 3 re-submitted invoice, as offset by credit memo<br>b. Provide vendor (payee) information<br>c. Request processing of approved Vendor 3 invoice (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated Vendor 3 re-submitted invoice, as offset by credit memo</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 3 invoice</li> <li>Request for processing of approved Vendor 3 invoice</li> </ul> |



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

### Typical Flow of Events

|           | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|-----------|---|---|--|--|
| <b>29</b> | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information</li> <li>b. Receive approved Vendor 3 invoice<br/>(FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount<br/>(FFM.030.020 Obligation Management)</li> <li>d. Establish payable<br/>(FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation<br/>(FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved Vendor 3 invoice</li> <li>• Request for processing of approved Vendor 3 invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| <b>30</b> |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|----|---|---------------|---|--|
| 31 | <p>a. Receive and process disbursement request (FFM.030.070 Payment Processing -Commercial Payments)</p> <p>b. Initiate payment (FFM.030.070 Payment Processing -Commercial Payments)</p> <p>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p> |               | <ul style="list-style-type: none"> <li>Request for disbursement</li> <li>Approved Vendor 3 invoice</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entry liquidated with reference to source information</li> <li>Appropriate disbursement- in-transit entry created with reference to source information</li> <li>Certified disbursement schedule</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor 3 receives payment</li> </ul> |
| 32 | <p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>   |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|--|--|--|--|
| 33 |  | Request award closeout (ACQ.040.040 Contract Closeout) | <ul style="list-style-type: none"> <li>Award information</li> <li>Final invoices' information</li> <li>Confirmed payments</li> </ul> | <ul style="list-style-type: none"> <li>Award closeout information</li> </ul>   |
| 34 | Receive request for award closeout and liquidate outstanding obligations and accruals (FFM.090.030 Accrual and Liability Processing) |  | <ul style="list-style-type: none"> <li>Award closeout information</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate obligation liquidation entries created with reference to source information</li> <li>Appropriate accrual reversal entries created with reference to source information</li> </ul> |
| 35 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)   |  | <ul style="list-style-type: none"> <li>GL entries</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

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

**Business Scenario(s) Covered**

- Four-Way Matching
- Prompt Payment

**Business Actor(s)**

Procurement Office; Finance Office; Requestors Receiving Office; Vendor

**Synopsis**

The Procurement Office has established a single award to a Vendor for goods to fulfill two procurement requests from different offices within the same federal agency (Requestor). The goods were ordered and delivered to the federal agency receiving location (Receiving Office) and receipt information (Receiving Report) is created. The goods were transferred to the requesting federal agency offices (Requestors). One of the Requestors (Requestor 1) inspected and accepted only some of the goods; the other Requestor (Requestor 2) accepted all the goods delivered. The Vendor invoices the agency for the delivered goods. The agency approves for payment based on the Requestors' acceptance reports. The agency makes its payment five (5) days after the date the payment was due.



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

### Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The contract was awarded to a vendor in a previous Procure-to-Pay use case.
9. The vendor is established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
11. The vendor submits a valid and proper invoice in compliance with Prompt Pay requirements.
12. The vendor provides Electronic Funds Transfer (EFT) information in compliance with Prompt Pay requirements.
13. The vendor is not on the "Do Not Pay" list.
14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

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

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



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

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)   |
|---|--|--|---|--|
| 1 |  | a. Receive goods<br>b. Provide vendor (payee) information<br>c. Create receipt of goods information (Receiving Report)<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved order or award</li> <li>Vendor's goods</li> </ul>                                     | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of goods information (Receiving Report)</li> </ul>  |
| 2 | a. Receive and update vendor (payee) information<br>b. Receive receipt of goods information (Receiving Report)<br>c. Accrue the expense (FFM.090.030 Accrual and Liability Processing) |  | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Receipt of goods information (Receiving Report)</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate accrual liability entry created with reference to source information</li> </ul> |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)   |  | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)  |
|---|--|---|--|---|
| 4 |  | a. Inspect and accept some, but not all, of the goods, return unaccepted goods (Requestor 1)<br>b. Inspect and accept all of the goods delivered (Requestor 2)<br>c. Provide vendor (payee) information<br>d. Create an acceptance report (Requestor 1)<br>e. Create an acceptance report (Requestor 2)<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved order or award</li> <li>Vendor's goods</li> <li>Receipt of goods information (Receiving Report)</li> </ul>     | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Acceptance report (Requestor 1)</li> <li>Acceptance report (Requestor 2)</li> </ul>                    |
| 5 | a. Receive and update vendor (payee) information<br>b. Receive acceptance reports<br>c. Adjust the accrued expense<br>(FFM.090.030 Accrual and Liability Processing) |   | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Acceptance report (Requestor 1)</li> <li>Acceptance report (Requestor 2)</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate accrual adjustment entries created with reference to source information</li> </ul> |
| 6 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)                                |   | <ul style="list-style-type: none"> <li>GL entries</li> </ul>   | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>   |





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

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event  | Input(s)  | Output(s) / Outcome(s)  |
|---|---|--|---|---|
| 7 |   | a. Vendor enters invoice information into an OMB-approved electronic invoicing solution<br>b. Program Office receives notification of vendor invoice submission and reviews the vendor invoice<br>c. Program Office accepts vendor invoice unaware some of the goods were not accepted<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor invoice</li> <li>Receipt information (Receiving Report)</li> <li>Approved order or award</li> </ul>   | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> </ul>   |
| 8 | a. Receive accepted vendor invoice from OMB-approved electronic invoicing solution<br>b. Perform a four-way match of invoice to the award, receipt information (Receiving Report), and acceptance reports<br>(FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Accepted vendor invoice</li> <li>Acceptance report (Requestor 1)</li> <li>Acceptance report (Requestor 2)</li> <li>Receipt of goods information (Receiving Report)</li> <li>Approved order or award</li> </ul> | <ul style="list-style-type: none"> <li>Unsuccessful four-way match</li> <li>Invalidated vendor invoice</li> </ul> |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|--|--|--|--|
| 9  |  | a. Program Office requests corrected invoice reflecting results of acceptance reports<br>b. Vendor enters corrected invoice information into an OMB-approved electronic invoicing solution<br>c. Program Office receives notification of vendor invoice submission and reviews and reviews the invoice<br>d. Program Office accepts corrected vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Invalidated vendor invoice</li> <li>Acceptance report (Requestor 1)</li> <li>Acceptance report (Requestor 2)</li> <li>Receipt of goods information (Receiving Report)</li> </ul>                                | <ul style="list-style-type: none"> <li>Request to vendor for corrected invoice</li> <li>Accepted corrected vendor invoice</li> </ul> |
| 10 | a. Receive accepted vendor invoice from OMB-approved electronic invoicing solution<br>b. Perform a four-way match of corrected invoice to the award, receipt of goods information (Receiving Report), and acceptance reports<br>(FFM.030.070 Payment Processing - Commercial Payments) |  | <ul style="list-style-type: none"> <li>Accepted corrected vendor invoice</li> <li>Acceptance report (Requestor 1)</li> <li>Acceptance report (Requestor 2)</li> <li>Receipt of goods information (Receiving Report)</li> <li>Order or award</li> </ul> | <ul style="list-style-type: none"> <li>Successful four-way match</li> <li>Validated corrected vendor invoice</li> </ul>              |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)  |
|----|---|---|---|---|
| 11 |   | Request funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance)  | <ul style="list-style-type: none"> <li>Validated corrected vendor invoice</li> </ul>                                      | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>  |
| 12 | Receive and process request for funds availability check<br>(FFM.010.020 Fund Allocation and Control) |   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>                                    | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>   |
| 13 |   | a. Approve corrected invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated corrected vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request for processing of approved vendor invoice</li> </ul> |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 14 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved vendor invoice (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing – Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 15 |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---------------|--|--|
| 16 | <p>a. Receive and process disbursement invoice payment request (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>b. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p> |               | <ul style="list-style-type: none"> <li>Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entry liquidated with reference to source information</li> <li>Certified disbursement schedule</li> <li>Appropriate disbursement-in-transit entry created with reference to source information</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement-in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor receives payment</li> </ul> |



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

### Typical Flow of Events

|    | FFM Event   | Non-FFM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|---|--|--|--|
| 17 |   | a. Receive vendor request for interest payment because invoice payment was received five (5) days after due date<br>b. Validate that the invoice was proper and paid five (5) days after the due date<br>c. Use current interest calculator to determine interest due<br>d. Request funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor request for interest payment</li> <li>Federal interest calculator</li> </ul>                   | <ul style="list-style-type: none"> <li>Validated vendor claim for five-day interest payment</li> <li>Amount of interest due</li> <li>Request for funds availability check</li> </ul> |
| 18 | Receive and process request for funds availability check<br>(FFM.010.020 Fund Allocation and Control) |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> <li>Amount of interest due</li> </ul>                       | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>  |
| 19 |   | a. Approve vendor claim for five-day interest payment<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor interest payment<br>(ACQ.040.020 Documentation of Delivery/Acceptance)  | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated vendor claim for five- day interest payment</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor claim for five- day interest payment</li> </ul>   |



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

### Typical Flow of Events

|           | FFM Event  | Non-FFM Event   | Input(s)  | Output(s) / Outcome(s)   |
|-----------|--|---|---|--|
| <b>20</b> | a. Receive and update vendor (payee) information<br>b. Receive approved vendor claim for five-day interest payment<br>(FFM.030.070 Payment Processing - Commercial Payments) |   | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor claim for five-day interest payment</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable entry created with reference to source information</li> </ul> |
| <b>21</b> |  | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Approved vendor claim for five-day interest payment</li> </ul>                                     | <ul style="list-style-type: none"> <li>Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FFM Event  | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|--|---------------|--|--|
| 22 | <ul style="list-style-type: none"> <li>a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>b. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</li> <li>e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</li> </ul> |               | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>• Appropriate payable entry liquidated with reference to source information</li> <li>• Certified disbursement schedule</li> <li>• Appropriate disbursement-in-transit entry created with reference to source information</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement-in-transit liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Vendor receives payment</li> </ul> |
| 23 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)   |               | <ul style="list-style-type: none"> <li>• GL entries</li> </ul>               | <ul style="list-style-type: none"> <li>• Appropriate GL accounts updated</li> </ul>  |





## 040.FFM.L2.03 Purchase Card

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

### Business Scenario(s) Covered

- Purchase Card
- PCard Purchase of Operating Materials and Supplies
- Non-Matching

### Business Actor(s)

Federal Employee Purchase Card Holder; Finance Office; Vendor; Purchase Card Company

### Synopsis

A request for an item is submitted by a federal Program Office employee. The item requested is within the threshold of a purchase card so the item is ordered by the Program Office administrative assistant (Federal Employee Purchase Card Holder) from a Vendor's catalog using the purchase card and the item is delivered to the Program Office. The Program Office's purchase card account statement is received by the administrative assistant from the Purchase Card Company and is reconciled with the Program Office's purchase card receipts without discrepancies. The purchase card account statement is approved by an authorized official in the Program Office for payment and payment is made to the Purchase Card Company.



## 040.FFM.L2.03 Purchase Card

### Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The Program Office does not require funds be committed or obligated for purchase card purchases.
9. The Program Office administrative assistant is an authorized purchase card holder and has the appropriate delegation of authority to make the purchase.
10. The vendor is established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
11. The Vendor does not fall under a blocked merchant category code.
12. The requested item has been ordered and received before the purchase card account statement arrives.

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

**Initiating Event:** Program Office administrative assistant receives the purchase card account statement.



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

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event   | Input(s)   | Output(s) / Outcome(s)  |
|---|---|---|--|---|
| 1 |   | a. Validate purchase card account statement against receipts<br>b. Reconcile purchase card account statement<br>c. Request funds availability check<br>(ACQ.050.030 Purchase Card Reconciliation) | <ul style="list-style-type: none"> <li>Purchase card account statement</li> <li>Purchase card receipts</li> <li>Prior month purchase card account statement</li> <li>Record of prior month approved payment</li> </ul> | <ul style="list-style-type: none"> <li>Validated and reconciled purchase card account statement (non-matching)</li> <li>Request for funds availability check</li> </ul> |
| 2 | Receive and process request for funds availability check (FFM.010.020 Funds Allocation and Control) |   | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>   | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>   |
| 3 |   | a. Approve purchase card account statement<br>b. Provide vendor (payee) information<br>c. Request payment<br>(ACQ.050.030 Purchase Card Reconciliation)   | <ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated purchase card account statement</li> </ul>   | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved purchase card account statement</li> <li>Request for payment</li> </ul>             |



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

### Typical Flow of Events

|   | FFM Event  | Non-FFM Event | Input(s)  | Output(s) / Outcome(s)   |
|---|--|---------------|---|--|
| 4 | <p>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. Receive and process approved purchase card account statement (no-way match) (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>d. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>e. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>f. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p> |               | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved purchase card account statement</li> <li>• Request for payment</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Certified disbursement schedule</li> <li>• Appropriate disbursement- in-transit entry created with reference to source information</li> <li>• Disbursement confirmation information</li> <li>• Appropriate disbursement- in-transit entry liquidated with reference to source information</li> <li>• Appropriate disbursement entry created with reference to source information</li> <li>• Purchase Card Company receives payment</li> </ul> |



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

### Typical Flow of Events

|   | FFM Event   | Non-FFM Event | Input(s)   | Output(s) / Outcome(s)  |
|---|---|---------------|--|---|
| 5 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting) |               | <ul style="list-style-type: none"> <li>GL entries</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul> |



## 040.FFM.L2.04 Novation

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

### Business Scenario(s) Covered

- Novation

### Business Actor(s)

Procurement Office, Finance Office; Vendor

### Synopsis

Vendor 1 is purchased by Vendor 2. Vendor 1 is under contract to the government and has not completed the contracted work. The work is to be completed by Vendor 2. An invoice is submitted along with the novation request by Vendor 2. The novation request is forwarded for approval and the invoice is returned to Vendor 2 pending novation approval. The novation agreement and its effective date, a list of all impacted contracts, and other documentation is submitted by Vendor 1 upon request. Upon novation approval, changes are made to vendor information and any open financial management documents to reflect the impact of the novation. Additionally, the invoice is resubmitted and paid.



## 040.FFM.L2.04 Novation

### Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The government has decided the novation is in its best interest.
9. The Contracting Officer completes the necessary contract modification for the novation and validates Vendor 2 information with federal acquisition information.
10. The novation request is approved by whomever the agency has provided the authority.
11. Vendors are established in the GSA System for Award Management (SAM) and in the Acquisition (ACQ) system. The vendor information is provided by the ACQ system to the FM system.
12. Neither vendor is on the Do Not Pay list.
13. The government has already received and accepted Vendor 2's goods and services.
14. When the invoice is returned, Vendor 2 is notified that payment will be delayed pending approval of the novation.
15. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

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

**Initiating Event:** The government receives a novation request along with an invoice from Vendor 2.



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

### Typical Flow of Events

|   | FM Event | Non-FM Event   | Input(s)   | Output(s) / Outcome(s)  |
|---|----------|--|--|---|
| 1 |          | <p>a. Return Vendor 2 invoice pending approval of novation request (ACQ.040.020 Documentation of Delivery/Acceptance)</p> <p>b. Identify and request additional documentation and certification requirements for novation (ACQ.040.030 Contract Modification)</p> <p>c. Provide vendor (payee) information (ACQ.040.020 Documentation of Delivery/Acceptance)</p> <p>d. Request processing of a liability accrual for the invoice (ACQ.040.020 Documentation of Delivery/Acceptance)</p> | <ul style="list-style-type: none"> <li>• Vendor 2 invoice</li> <li>• Novation request</li> </ul> | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Returned invoice</li> <li>• Request for additional documentation and certifications for novation</li> <li>• Request for processing of a liability accrual</li> </ul> |





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

### Typical Flow of Events

|   | FM Event  | Non-FM Event | Input(s)  | Output(s) / Outcome(s)   |
|---|---|--------------|---|--|
| 2 | a. Receive and update vendor (payee) information<br>(FFM.030.010 Payee Setup and Maintenance)<br>b. Receive and process request for processing of a liability accrual<br>(FFM.090.030 Accrual and Liability Processing) |              | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Returned invoice</li> <li>Request for processing of a liability accrual</li> </ul> | <ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual entry created with reference to source information</li> </ul> |
| 3 | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting)   |              | <ul style="list-style-type: none"> <li>GL entries</li> </ul>  | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



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

### Typical Flow of Events

|   | FM Event   | Non-FM Event  | Input(s)   | Output(s) / Outcome(s)  |
|---|--|---|--|---|
| 4 |  | <ul style="list-style-type: none"> <li>a. Receive additional documentation and certifications and approve novation request (ACQ.040.030 Contract Modification)</li> <li>b. Request update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2) (ACQ.040.030 Contract Modification)</li> <li>c. Request for update to Vendor 1 and Vendor 2 financial management records to reflect novation (ACQ.040.020 Documentation of Delivery/Acceptance)</li> </ul> | <ul style="list-style-type: none"> <li>• Complete novation request documentation, including Vendor 1's contract list and associated contracts</li> </ul>   | <ul style="list-style-type: none"> <li>• Approved novation request</li> <li>• Request for update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2)</li> <li>• Request to update vendor 1 and 2 financial management records to reflect novation</li> </ul> |
| 5 | <ul style="list-style-type: none"> <li>a. Receive and process request for update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2)</li> <li>b. Receive and process request to update Vendor 1 and Vendor 2 financial management records to reflect novation (FFM.030.010 Payee Set-up and Maintenance)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Request for update to Vendor 1 and Vendor 2 payee information (e.g., contracts they support)</li> <li>• Request to update Vendor 1 and Vendor 2 financial management records to reflect novation</li> </ul> | <ul style="list-style-type: none"> <li>• Vendor 1 and Vendor 2 payee information updated</li> <li>• Appropriate Vendor 1 and Vendor 2 financial management records updated with reference to source information</li> </ul>  |



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

### Typical Flow of Events

|    | FM Event  | Non-FM Event   | Input(s)   | Output(s) / Outcome(s)   |
|----|---|--|--|--|
| 6  | Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)<br>(FFM.090.020 General Ledger Posting) |  | <ul style="list-style-type: none"> <li>GL entries</li> </ul>                           | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>      |
| 7  |   | Receive and accept re-submitted Vendor 2 invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Vendor 2 invoice resubmittal</li> </ul>         | <ul style="list-style-type: none"> <li>Accepted Vendor 2 invoice</li> </ul>            |
| 8  | Receive accepted vendor invoice<br>(FFM.030.070 Payment Processing - Commercial Payments)   |  | <ul style="list-style-type: none"> <li>Accepted Vendor 2 invoice</li> </ul>            | <ul style="list-style-type: none"> <li>Validated Vendor 2 invoice</li> </ul>           |
| 9  |   | Request funds availability check<br>(ACQ.040.020 Documentation of Delivery/Acceptance)                 | <ul style="list-style-type: none"> <li>Validated Vendor 2 invoice</li> </ul>           | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul> |
| 10 | Receive and process request for funds availability check<br>(FFM.010.020 Fund Allocation and Control)                                 |  | <ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul> | <ul style="list-style-type: none"> <li>Funds availability response</li> </ul>          |



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

### Typical Flow of Events

|    | FM Event | Non-FM Event   | Input(s)  | Output(s) / Outcome(s)   |
|----|----------|--|---|--|
| 11 |          | a. Approve vendor invoice<br>b. Provide vendor (payee) information<br>c. Request processing of approved vendor invoice<br>(ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>Validated Vendor 2 invoice</li> <li>Funds availability response</li> </ul> | <ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved vendor invoice</li> <li>Request for processing of approved vendor invoice</li> </ul> |



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

### Typical Flow of Events

|    | FM Event  | Non-FM Event  | Input(s)   | Output(s) / Outcome(s)   |
|----|---|---|--|--|
| 12 | <ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</li> <li>d. Establish payable (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul> |   | <ul style="list-style-type: none"> <li>• Vendor (payee) information</li> <li>• Approved vendor invoice</li> <li>• Request for processing of approved vendor invoice</li> </ul> | <ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable entry created with reference to source information</li> <li>• Appropriate obligation liquidation entry created with reference to source information</li> <li>• Appropriate accrual reversal entry created with reference to source information</li> </ul> |
| 13 |   | Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance) | <ul style="list-style-type: none"> <li>• Approved vendor invoice</li> </ul>  | <ul style="list-style-type: none"> <li>• Request for disbursement</li> </ul>   |



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

### Typical Flow of Events

|    | FM Event   | Non-FM Event | Input(s)   | Output(s) / Outcome(s)   |
|----|--|--------------|--|--|
| 14 | <p>d. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>f. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>g. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>h. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p> |              | <ul style="list-style-type: none"> <li>Request for disbursement</li> </ul> | <ul style="list-style-type: none"> <li>Appropriate payable entry liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit entry created with reference to source information</li> <li>Certified disbursement schedule</li> <li>Disbursement confirmation information</li> <li>Appropriate disbursement-in-transit entry liquidated with reference to source information</li> <li>Appropriate disbursement entry created with reference to source information</li> <li>Vendor receives payment</li> </ul> |
| 15 | <p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>  |              | <ul style="list-style-type: none"> <li>GL entries</li> </ul>               | <ul style="list-style-type: none"> <li>Appropriate GL accounts updated</li> </ul>  |



## Appendix A: FFM Business Use Case Library Documents

### Library Document Content

**FFM Business Use Case Library**

**010 Budget Formulation-to-Execution**

**020 Acquire-to-Dispose**

**030 Request-to-Procure**

**040 Procure-to-Pay**

**050 Bill-to-Collect**

**060 Record-to-Report**

**070 Agree-to-Reimburse**

**080 Apply-to-Perform**

**090 Hire-to-Retire**

**100 Book-to-Reimburse**

**110 Apply-to-Repay**

### Business Use Case Document Name

FFM Business Use Case Library Overview

FFM Use Cases 010 Budget Formulation-to-Execution

FFM Use Cases 020 Acquire-to-Dispose

FFM Use Cases 030 Request-to-Procure

FFM Use Cases 040 Procure-to-Pay

FFM Use Cases 050 Bill-to-Collect

FFM Use Cases 060 Record-to-Report

FFM Use Cases 070 Agree-to-Reimburse

FFM Use Cases 080 Apply-to-Perform

FFM Use Cases 090 Hire-to-Retire

FFM Use Cases 100 Book-to-Reimburse

FFM Use Cases 110 Apply-to-Repay