



# FFM Business Use Cases for Procure-to-Pay

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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

##### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

##### Business Use Case Specific

- 2.1. Vendors are 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.
- 2.2. A federal agency has ordered the goods and the order or award obligation has already been established in the FM system.
- 2.3. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.



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

2.4. The vendor is not on the "Do Not Pay" list.

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

### Federal Records Management

3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.

3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).

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

3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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

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



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

### Typical Flow of Events

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



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		a. Receive invoice information from an OMB-approved electronic invoicing solution b. Receive notification of Program Office acceptance of vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor invoice information</li> <li>Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> </ul>
5	Receive accepted vendor invoice information from OMB-approved electronic invoicing solution and perform a three-way match of invoice, receipt of goods, and order or award information (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> <li>Receipt of goods information (receiving report, if used)</li> <li>Approved order or award information</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 (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 (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 b. Provide vendor (payee) information c. Request payment of approved vendor invoice (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>Approved vendor invoice</li> <li>Request for payment of approved vendor invoice</li> </ul>
9	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to pay approved vendor invoice, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments) c. Confirm difference between expenditure amount and obligation amount does not		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Request for payment of approved vendor invoice <sup>(FR)</sup></li> <li>Current Prompt Payment interest rate <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payment)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			



## 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)
10	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>Payment transaction <sup>(FR)</sup></li> <li>Disbursement confirmation information <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor receives payment</li> </ul>
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

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

### Business Scenario(s) Covered

- Operating Lease
- Capital Lease

### Business Actor(s)

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

### Synopsis

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

### Assumptions and Dependencies

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

#### Business Use Case Specific

- 2.1. Each vendor was selected during a Request-to-Procure process.
- 2.2. Assets being leased are owned by private entities.



## 040.FFM.L1.02 Leased Property

- 2.3. 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.
- 2.4. 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.
- 2.5. 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.
- 2.6. Both vendors use an OMB-approved electronic invoicing solution to invoice the agency.
- 2.7. The vendors are properly registered in federal acquisition systems.
- 2.8. Neither vendor is on the Do Not Pay list.
- 2.9. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
- 2.10. 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

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).
- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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



## 040.FFM.L1.02 Leased Property

**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		a. Inspect and accept the operating leased equipment (PRM.010.010 Property Acquisition/Receipt) b. Estimate liability accrual for operating lease payments (PRM.010.010 Property Acquisition/Receipt) c. Provide vendor (payee) information (PRM.010.010 Property Acquisition/Receipt) d. Request estimated liability accrual be established (PRM.010.010 Property Acquisition/Receipt) e. Update property records including custodian, location, and value (PRM.010.060 Property Control and Accountability)	<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 b. Receive and process request to establish operating lease liability accrual (FFM.090.030 Accrual and Liability Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Accepted property <sup>(FR)</sup></li> <li>Request for establishment of operating lease liability accrual <sup>(FR)</sup></li> <li>Estimated operating lease liability <sup>(FR)</sup></li> <li>Property record <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate liability accrual GL entries 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) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
4		a. Inspect and accept the capital leased equipment (PRM.010.010 Property Acquisition/Receipt) b. Determine property value and other property information (PRM.010.050 Property Valuation) 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> </ul>





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
		d. Provide vendor (payee) information (PRM.010.010 Property Acquisition/Receipt) e. Request estimated liability accruals be established (PRM.010.050 Valuation) f. Request estimated property value be established (PRM.010.050 Property Valuation) g. Update property record to including custodian, location, and value (PRM.010.060 Property Control and Accountability)		<ul style="list-style-type: none"> <li>Request for establishment of capital lease depreciation and liability accruals</li> <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	a. Receive and process vendor (payee) information b. Receive and process request for establishment of capital lease depreciation and liability accruals (FFM.090.030 Accrual and Liability Processing) c. Accrue depreciation (FFM.090.030 Accrual and Liability Processing) d. Accrue interest liability (FFM.090.030 Accrual and Liability Processing) e. Accrue principal liability (FFM.090.030 Accrual and Liability Processing) f. Establish property valuation (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Accepted property <sup>(FR)</sup></li> <li>Request for establishment of capital lease depreciation and liability accruals <sup>(FR)</sup></li> <li>Estimated capital lease depreciation <sup>(FR)</sup></li> <li>Estimated capital lease interest liability <sup>(FR)</sup></li> <li>Estimated capital lease principal liability <sup>(FR)</sup></li> <li>Request for establishment of capital property value <sup>(FR)</sup></li> <li>Estimated capital lease property value <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate depreciation accrual GL entries created with reference to source information</li> <li>Appropriate interest liability accrual GL entries created with reference to source information</li> <li>Appropriate principal liability accrual GL entries created with reference to source information</li> <li>Appropriate property valuation GL entries 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 <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7		a. Receive operating lease vendor's single and final invoice information from an OMB-approved electronic invoicing solution b. Receive notification of Program Office acceptance of vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Operating lease vendor invoice information</li> <li>Lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Accepted operating lease vendor invoice information</li> </ul>
8	Receive accepted operating lease vendor invoice information 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 b. Provide vendor (payee) information c. Request payment of approved vendor invoice (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 payment of approved vendor invoice</li> </ul>
12	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request for payment of approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments) c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) d. Establish payable and generate payment transaction		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Request for payment of approved vendor invoice <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.070 Payment Processing - Commercial Payments) e. Liquidate obligation (FFM.030.020 Obligation Management)			
13	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>• Certified disbursement schedule <sup>(FR)</sup></li> <li>• Appropriate payable GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement GL entries created with reference to source information</li> <li>• Vendor receives payment</li> </ul>



## 040.FFM.L1.02 Leased Property

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
14	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
15		a. Receive capital lease vendor's initial invoice information from an OMB-approved electronic invoicing solution  b. Receive notification of Program Office acceptance of vendor invoice  (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Capital lease vendor invoice information</li> <li>Capital lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Accepted capital lease vendor invoice information</li> </ul>
16	Receive accepted capital lease vendor invoice information 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 information</li> </ul>	<ul style="list-style-type: none"> <li>Validated capital lease vendor invoice</li> </ul>
17		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>
18	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)
19		a. Approve capital lease vendor invoice b. Provide vendor (payee) information c. Request payment of approved vendor invoice (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 payment 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)
20	<ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request for payment of 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 and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</li> <li>e. Liquidate obligation (FFM.030.020 Obligation Management)</li> </ul>		<ul style="list-style-type: none"> <li>• Vendor (payee) information <sup>(FR)</sup></li> <li>• Request for payment of approved vendor invoice <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable GL entries created with reference to source information</li> <li>• Payment transaction</li> <li>• Appropriate obligation liquidation GL entries created with reference to source information</li> <li>• Appropriate accrual reversal GL entries created with reference to source information</li> </ul>





## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
21	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor receives payment</li> </ul>
22	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

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



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
26		a. Receive capital lease vendor's final invoice information from an OMB-approved electronic invoicing solution b. Receive notification of Program Office acceptance of vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Capital lease vendor final invoice information</li> <li>Capital lease agreement</li> </ul>	<ul style="list-style-type: none"> <li>Accepted capital lease vendor final invoice information</li> </ul>
27	Receive accepted capital lease vendor final invoice information 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 information</li> </ul>	<ul style="list-style-type: none"> <li>Validated capital lease vendor final invoice</li> </ul>
28		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>
29	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)
30		<ul style="list-style-type: none"> <li>a. Approve capital lease vendor final invoice</li> <li>b. Provide vendor (payee) information</li> <li>c. Request for payment of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)</li> </ul>	<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 payment of approved vendor invoice</li> </ul>
31	<ul style="list-style-type: none"> <li>a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)</li> <li>b. Receive and process request for payment of 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 and generate payment transaction</li> </ul>		<ul style="list-style-type: none"> <li>• Vendor (payee) information <sup>(FR)</sup></li> <li>• Request for payment of approved vendor invoice <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Updated vendor (payee) information</li> <li>• Appropriate payable GL entries created with reference to source information</li> <li>• Payment transaction</li> <li>• Appropriate obligation liquidation GL entries created with reference to source information</li> <li>• Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.070 Payment Processing – Commercial Payments) e. Liquidate obligation (FFM.030.020 Obligation Management)			
32	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>• Certified disbursement schedule <sup>(FR)</sup></li> <li>• Appropriate payable GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement GL entries created with reference to source information</li> <li>• Vendor receives payment</li> </ul>



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

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



## 040.FFM.L1.02 Leased Property

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
34		<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)
35	<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 <sup>(FR)</sup></li> <li>Property record <sup>(FR)</sup></li> <li>Request for close-out of capital lease <sup>(FR)</sup></li> <li>Value of capital equipment adjusted by depreciation <sup>(FR)</sup></li> <li>Request for updated valuation of capital equipment adjusted by depreciation <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Appropriate interest and principal liability accrual reversal GL entries created with reference to source information</li> <li>Appropriate property valuation GL entries created with reference to source information</li> <li>Appropriate deobligation GL entries created with reference to source information</li> <li>Property record</li> </ul>
36	<p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>





## 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

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

#### Business Use Case Specific

- 2.1. The 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.
- 2.2. The federal agency has ordered and received the services and the order or award obligation has already been established in the FM system.
- 2.3. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
- 2.4. The receiving report is optional unless required for matching.
- 2.5. The vendor is not on the Do Not Pay list.



## 040.FFM.L1.03 Acquiring Services

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

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).
- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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

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



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive notification of receipt of vendor services b. Provide vendor (payee) information c. Provide receipt of services information (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Approved order or award</li> <li>Notification of receipt of 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 b. Receive receipt of services information (receiving report, if used) c. Accrue the expense (FFM.090.030 Accrual and Liability Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Receipt of services information (receiving report, if used) <sup>(FR)</sup></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) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
4		a. Receive vendor invoice information from an OMB-approved electronic invoicing solution b. Receive notification of Program Office acceptance of vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor invoice information</li> <li>Receipt of services information (receiving report, if used)</li> <li>Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> </ul>



## 040.FFM.L1.03 Acquiring Services

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	Receive accepted vendor invoice information from OMB-approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Validated vendor invoice</li> </ul>
6		Request funds availability check (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 (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>
8		a. Approve vendor invoice b. Provide vendor (payee) information c. Request payment of approved vendor invoice (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 payment of approved vendor invoice</li> </ul>
9	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request for payment of approved vendor invoice, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Request for payment of approved vendor invoice <sup>(FR)</sup></li> <li>Current Prompt Payment interest rate <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries 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)
	<p>Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			<ul style="list-style-type: none"> <li>Appropriate accrual reversal GL entries 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	<p>a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement)</p> <p>b. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p>		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>• Certified disbursement schedule <sup>(FR)</sup></li> <li>• Appropriate payable GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement GL entries created with reference to source information</li> <li>• Vendor receives payment</li> </ul>
11	<p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)</p>		<ul style="list-style-type: none"> <li>• GL entries</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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 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.

### Assumptions and Dependencies

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.



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

- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

### Business Use Case Specific

- 2.1. The estimated duration of the project is two years and multi-year funds are used.
- 2.2. Some invoices are received in one fiscal year and payment will be due in the next.
- 2.3. The award was issued to three vendors in a previous Procure-to-Pay use case.
- 2.4. Vendors are 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.
- 2.5. The Vendors 2 and 3 use an OMB-approved electronic invoicing solution to invoice the agency.
- 2.6. None of the vendors are on the "Do Not Pay" list.
- 2.7. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
- 2.8. Award closeout includes reviewing final invoices and payments.

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if





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needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).

- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive and verify three vendor monthly financial and performance reports b. Determine estimated accrual of liability for payment for each vendor c. Provide vendor (payee) information for each vendor d. Request liability accruals be recorded (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 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 b. Receive estimated accrual information c. Accrue liability for payment to each vendor (FFM.090.030 Accrual and Liability Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information for each vendor <sup>(FR)</sup></li> <li>Estimated accrual of liability for payment to each vendor <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information for each vendor</li> <li>Appropriate accrual GL entries created with reference to source information</li> </ul>
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
4		Receive Vendor 1 paper invoice at end of fiscal year and request a two-way match for validation (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor 1 paper invoice</li> </ul>	<ul style="list-style-type: none"> <li>Vendor 1 invoice information</li> <li>Request for two-way match to validate Vendor 1 invoice</li> </ul>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	Receive Vendor 1 invoice information and complete a two-way match between invoice and award information (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Vendor 1 invoice information</li> <li>Award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful two-way match</li> <li>Validated Vendor 1 invoice information</li> </ul>
6		Request multi-year funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Validated Vendor 1 invoice information</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 (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 b. Provide vendor (payee) information c. Request payment of approved vendor invoice (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 information</li> </ul>	<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Approved Vendor 1 invoice</li> <li>Request for payment of approved vendor invoice</li> </ul>
9	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request for payment of approved Vendor 1 invoice, including determining whether to accelerate payment, execute discounted early		<ul style="list-style-type: none"> <li>Vendor (payee) information<sup>(FR)</sup></li> <li>Request for payment of approved vendor invoice<sup>(FR)</sup></li> <li>Current Prompt Payment interest rate<sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries</li> </ul>



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### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>			<p>created with reference to source information</p> <ul style="list-style-type: none"> <li>• Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
10	<p>a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement)</p> <p>b. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p>		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor 1 receives payment</li> </ul>
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
12		a. Receive Vendor 2's and Vendor 3's invoice information from an OMB-approved electronic invoicing solution at end of fiscal year b. Receive notification of Program Office acceptance of both vendor invoices (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor 2 and Vendor 3 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Accepted Vendor 2 and Vendor 3 invoice information</li> </ul>
13	a. Receive accepted vendor invoice information from OMB-approved electronic invoicing solution and perform a two-way match of Vendor 2 and Vendor 3 invoice and respective award information b. Request credit memo from Vendor 3 for overbilling (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted Vendor 2 and Vendor 3 invoice information</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>
14		Request multi-year funds availability check (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 multi-year funds availability check</li> </ul>
15	Receive and process request for multi-year funds availability check (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>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
16		a. Approve Vendor 2 invoice b. Provide vendor (payee) information c. Request payment of approved Vendor 2 invoice (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 payment of approved Vendor 2 invoice</li> </ul>
17	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request for payment of approved Vendor 2 invoice, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments) c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount		<ul style="list-style-type: none"> <li>Vendor (payee) information</li> <li>Request for payment of approved Vendor 2 invoice <sup>(FR)</sup></li> <li>Current Prompt Payment interest rate <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.020 Obligation Management) d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments) e. Liquidate obligation (FFM.030.020 Obligation Management)			
18	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursements (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>• Payment transaction</li> <li>• Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>• Certified disbursement schedule <sup>(FR)</sup></li> <li>• Appropriate payable GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>• Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>• Appropriate disbursement GL entries created with reference to source information</li> <li>• Vendor 2 receives payment</li> </ul>





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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
19	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
20		a. Receive credit memo from Vendor 3 in the program office b. Provide vendor (payee) information c. Request processing of Vendor 3 credit memo (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>
21	a. Receive and update vendor (payee) information b. Process Vendor 3 credit memo (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>
22		a. Receive Vendor 3 re-submitted invoice information from an OMB- approved electronic invoicing solution at end of fiscal year b. Receive notification of Program Office acceptance of Vendor 3 re-submitted invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor 3 re-submitted invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Request for payment of Vendor 3 re-submitted invoice</li> </ul>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
23	Perform two-way match of re-submitted Vendor 3 invoice and award information (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 information</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>
24		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>
25	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>
26		a. Approve Vendor 3 re-submitted invoice, as offset by credit memo b. Provide vendor (payee) information c. Request payment 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 payment of approved Vendor 3 invoice</li> </ul>
27	a. Receive and update vendor (payee) information b. Receive and process request for payment of approved Vendor 3 invoice, including determining whether to accelerate payment, execute discounted early		<ul style="list-style-type: none"> <li>Vendor (payee) information <sup>(FR)</sup></li> <li>Request for payment of approved Vendor 3 invoice <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> </ul>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Liquidate obligation (FFM.030.020 Obligation Management)</p>		<ul style="list-style-type: none"> <li>Current Prompt Payment interest rate (FR)</li> </ul>	<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
28	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor 3 receives payment</li> </ul>
29	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>
30		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> <li>Request for award closeout</li> </ul>



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Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
31	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>Request for award closeout <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>
32	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



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

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

### Business Scenario(s) Covered

- Four-Way Matching
- Late Payment of Invoice

### Business Actor(s)

Procurement Office; Finance Office; Requestors Receiving Office; Vendor

### Synopsis

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

### Assumptions and Dependencies

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

#### Business Use Case Specific

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



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- 2.2. 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.
- 2.3. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
- 2.4. The vendor submits a valid and proper invoice in compliance with Prompt Pay requirements.
- 2.5. The vendor provides Electronic Funds Transfer (EFT) information in compliance with Prompt Pay requirements.
- 2.6. The vendor is not on the "Do Not Pay" list.
- 2.7. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).
- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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

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



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

### Typical Flow of Events

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





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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		a. Receive notification some, but not all, of the goods received were accepted by Requestor 1 b. Receive notification all of the goods received were accepted by Requestor 2 c. Provide vendor (payee) information d. Create an acceptance report for Requestor 1 e. Create an acceptance report for Requestor 2 (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Approved order or award</li> <li>Notifications of acceptance/non-acceptance of 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>Requestor 1 acceptance report information</li> <li>Requestor 2 acceptance report information</li> </ul>
5	a. Receive and update vendor (payee) information b. Receive acceptance report information c. Adjust the accrued expense (FFM.090.030 Accrual and Liability Processing)		<ul style="list-style-type: none"> <li>Vendor (payee) information<sup>(FR)</sup></li> <li>Requestor 1 acceptance report information<sup>(FR)</sup></li> <li>Requestor 2 acceptance report information<sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate accrual adjustment GL entries created with reference to source information</li> </ul>
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated<sup>(FR)</sup></li> </ul>



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7		a. Receive vendor invoice information from an OMB-approved electronic invoicing solution b. Receive notification of Program Office acceptance of vendor invoice unaware some of the goods were not accepted (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor invoice information</li> <li>Receipt information (Receiving Report)</li> <li>Approved order or award</li> </ul>	<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> </ul>
8	a. Receive accepted vendor invoice information from OMB-approved electronic invoicing solution b. Perform a four-way match of invoice, award, receipt of goods (Receiving Report), and acceptance information (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted vendor invoice information</li> <li>Requestor 1 acceptance report information</li> <li>Requestor 2 acceptance report information</li> <li>Receipt of goods information (Receiving Report)</li> <li>Approved order or award information</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. Request corrected invoice reflecting results of acceptance reports b. Receive vendor corrected invoice information from an OMB-approved electronic invoicing solution c. Receive notification of Program Office acceptance of corrected vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Invalidated vendor invoice</li> <li>Requestor 1 acceptance report information</li> <li>Requestor 2 acceptance report information</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 information</li> </ul>
10	a. Receive accepted corrected vendor invoice information from OMB-approved electronic invoicing solution b. Perform a four-way match of corrected invoice, award, receipt of goods (Receiving Report), and acceptance report information (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted corrected vendor invoice information</li> <li>Requestor 1 acceptance report information</li> <li>Requestor 2 acceptance report information</li> <li>Receipt of goods information (Receiving Report)</li> <li>Approved order or award information</li> </ul>	<ul style="list-style-type: none"> <li>Successful four-way match</li> <li>Validated corrected vendor invoice information</li> </ul>
11		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Validated corrected vendor invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>



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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
12	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>
13		a. An unexpected change in personnel results in the delayed approval of the corrected invoice  b. Provide vendor (payee) information  c. Request payment of approved vendor invoice (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 payment of approved vendor invoice</li> </ul>
14	a. Receive and update vendor (payee) information (FFM.030.010 Payee Setup and Maintenance)  b. Receive and process request for payment of approved vendor invoice, including retrieving current Prompt Payment interest rate and calculating late payment interest and penalties, payment date, and total amount due to vendor (FFM.030.070 Payment Processing – Commercial Payments)		<ul style="list-style-type: none"> <li>Vendor (payee) information (FR)</li> <li>Request for payment of approved vendor invoice (FR)</li> <li>Current Prompt Payment interest rate (FR)</li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor (payee) information</li> <li>Appropriate payable GL entries created with reference to source information</li> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>



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

### Typical Flow of Events

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



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

Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
15	<p>a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement)</p> <p>b. Generate disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)</p> <p>d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)</p>		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor receives payment, including late payment interest and penalties</li> </ul>



## 040.FFM.L2.03 Purchase Card

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

### Business Scenario(s) Covered

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

### Business Actor(s)

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

### Synopsis

Two requests for items within the threshold of a purchase card are submitted by a Program Office employee. The requests to purchase the items are authorized and one of the purchase requests requires an obligation of funds prior to purchase. The items are ordered by the Program Office administrative assistant who is a designated Purchase Card Account Holder. The items are delivered to the Program Office. The charge card account statement is received and is reconciled with the Program Office's purchase card receipts without discrepancies. The charge card account statement is approved and payment is made to the Charge Card Issuer Company.

### Assumptions and Dependencies

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

#### Business Use Case Specific

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



## 040.FFM.L2.03 Purchase Card

- 2.2. The agency has documentation of the appointment or designation of the purchase card account holder and completion of periodic purchase card account holder training.
- 2.3. The purchase card transactions are within the agency-defined single purchase spending limit and monthly purchase spending and transaction limits for the purchase card account.
- 2.4. The item vendors do not fall under a blocked merchant category code (MCC).
- 2.5. When the government established the contract with the charge card issuer company, the company established and keeps up-to-date its entity and payment information in the GSA System for Award Management (SAM). The most current company information is retrieved from GSA SAM using the charge card issuer company's Unique Entity Identifier (UEI) provided with obligation and payment requests.
- 2.6. The agency is not using a charge card "Daily Pay" capability and has a policy requiring review and approval of charge card account statement transactions before a payable is established.

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).
- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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

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





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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive two requests to purchase items within the threshold of a purchase card b. Perform market research and identify vendors and prices of items to satisfy Purchase Request 1 and Purchase Request 2 c. Request funds availability check for Purchase Requests 1 and 2 (Program Mission Activity)	<ul style="list-style-type: none"> <li>Two purchase requests for items within the threshold of a purchase card</li> </ul>	<ul style="list-style-type: none"> <li>Purchase Request 1 vendor and price information</li> <li>Purchase Request 2 vendor and price information</li> <li>Request for funds availability check</li> </ul>
2	Receive and process request for funds availability check (FFM.010.020 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. Receive authorization from Approving Official to purchase items b. Order and pay for Purchase Request 1 items using purchase card c. Request obligation of funds for Purchase Request 2 which meets threshold for requiring an obligation of funds d. Order and pay for Purchase Request 2 items using purchase card (Program Mission Activity)	<ul style="list-style-type: none"> <li>Funds availability response</li> <li>Purchase Request 1 vendor and price information</li> <li>Purchase Request 2 vendor and price information</li> </ul>	<ul style="list-style-type: none"> <li>Request to obligate funds for Purchase Request 2, including charge card issuer company's UEI</li> </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. Retrieve company information from GSA SAM using UEI, and update charge card issuer company (payee) information (FFM.030.010 Payee Setup and Maintenance)</p> <p>b. Receive and process request to obligate funds for Purchase Request 2 (FFM.030.020 Obligation Management)</p>		<ul style="list-style-type: none"> <li>Request to obligate funds for Purchase Request 2, including charge card issuer company's UEI <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated charge card issuer company (payee) information</li> <li>Appropriate obligation GL entries created with reference to source documentation</li> </ul>
5	<p>Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)</p>		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6		a. Receive charge card account statement and request Program Office reconciliation against purchase card requests and receipts  b. Receive Program Office validation of charge card account statement transactions  c. Request funds availability check  (ACQ.050.030 Purchase Card Reconciliation)	<ul style="list-style-type: none"> <li>Charge card account statement</li> <li>Program Office validation of charge card account statement transactions</li> </ul>	<ul style="list-style-type: none"> <li>Validated charge card account statement</li> <li>Request for funds availability check</li> </ul>
7	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>
8		a. Approve charge card account statement  b. Request payment of charge card account statement  (ACQ.050.030 Purchase Card Reconciliation)	<ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated charge card account statement</li> </ul>	<ul style="list-style-type: none"> <li>Approved charge card account statement</li> <li>Request for payment of approved charge card account statement, including charge card issuer company's UEI</li> </ul>
9	a. Retrieve company information from GSA SAM using UEI, and update charge card issuer company (payee) information		<ul style="list-style-type: none"> <li>Request for payment of approved charge card account statement, including charge card issuer company's UEI <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated charge card issuer company (payee) information</li> <li>Appropriate payable GL entries created with</li> </ul>



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>(FFM.030.010 Payee Setup and Maintenance)</p> <p>b. Receive and process request for payment of approved charge card account statement, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to charge card issuer company</p> <p>(FFM.030.070 Payment Processing – Commercial Payments)</p> <p>c. Complete two-way match between charge card account statement and Purchase Request 2 obligation information (no match found for Purchase Request 1)</p> <p>d. Confirm difference between expenditure amount and Purchase Request 2 obligation amount does not</p>		<ul style="list-style-type: none"> <li>Current Prompt Payment interest rate <sup>(FR)</sup></li> </ul>	<p>reference to source information</p> <ul style="list-style-type: none"> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> </ul>



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
	<p>exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>e. Establish payable and generate payment transaction (FFM.030.070 Payment Processing – Commercial Payments)</p> <p>f. Liquidate obligation for Purchase Request 2 (FFM.030.020 Obligation Management)</p>			



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

### Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
10	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Charge card issuer company receives payment</li> </ul>
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 040.FFM.L2.04 Novation

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

### Business Scenario(s) Covered

- Novation

### Business Actor(s)

Procurement Office, Finance Office; Vendor

### Synopsis

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

### Assumptions and Dependencies

#### General

- 1.1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
- 1.2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
- 1.3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
- 1.4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
- 1.5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
- 1.6. All predecessor activities required to trigger the Initiating Event have been completed.
- 1.7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.

#### Business Use Case Specific

- 2.1. The federal agency has already ordered the goods and services and established an obligation in the FM system.
- 2.2. The order/award with Vendor 1 is not completely fulfilled with the delivery of goods and services by Vendor 1.
- 2.3. The contracting officer assigned to Vendor 1's order/award is also assigned the responsibility for Vendor 2's order/award.



## 040.FFM.L2.04 Novation

- 2.4. No comments or objections to the proposed novation are received after notification to the contract administration office and contracting office affected by a proposed novation.
- 2.5. Government counsel reviewed novation agreement for legal sufficiency and found no issues.
- 2.6. Vendors are 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.
- 2.7. Neither vendor is on the Do Not Pay list.
- 2.8. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

### Federal Records Management

- 3.1. In accordance with National Archives General Records Schedules (GRS) and other Federal records management standards, the types of digital objects received or created during FFM events (Business Use Case Inputs or Outputs) that are considered FFM Federal records (ERM.010.010, ERM.010.020) are specified with a superscript (FR). FFM Federal records are managed as temporary Federal records unless they stand out as having permanent value because of high dollar value, media attention, historical value, research value, or other extenuating circumstances.
- 3.2. For each type of FFM Federal record, a retention period is established (ERM.010.030) and, if special circumstances occur such as an order, law, or business justification, a temporary Federal records retention period is changed (ERM.030.040) or a permanent Federal record retention period is extended (ERM.040.040).
- 3.3. During the retention period of an FFM Federal record: appropriate access levels are maintained (ERM.020.010); associated metadata (e.g., record identifier, creator, creation date, security classification, access rights) and an audit trail of changes to Federal record content, metadata, and access level are maintained (ERM.020.020); if a litigation hold is placed, the Federal record is locked down until the litigation hold is lifted to ensure no changes can be made (ERM.020.030); if needed to satisfy a Freedom of Information Act, Congressional, or e-discovery request, the Federal record is made available (ERM.020.040); and if needed because of technology obsolescence, the Federal record is migrated to another repository to serve out its retention period (ERM.020.050).
- 3.4. Once an FFM Federal record has met its records retention period, it is disposed (ERM.030.010, ERM.030.020, ERM.030.030) or transferred to NARA (ERM.040.010, ERM.040.020, ERM.040.030).

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

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





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

### Typical Flow of Events

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



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

### Typical Flow of Events

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



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

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
5		<ul style="list-style-type: none"> <li>a. Receive and evaluate additional documentation supporting Vendor 1's novation request</li> <li>b. Notify affected stakeholders, complete the novation request evaluation, determine that recognizing Vendor 2 as a successor in interest is in the government's interest, and execute novation agreement</li> <li>c. Issue modification to Vendor 1 order or award to incorporate a summary of the novation agreement and recognize Vendor 2 as successor</li> <li>d. Provide Vendor 1 (payee) information</li> <li>e. Request unfilled order deobligation of funds associated with Vendor 1</li> <li>f. Provide Vendor 2 (payee) information</li> <li>g. Request obligation of funds associated with Vendor 2</li> </ul> <p>(ACQ.040.030 Contract Modification)</p>	<ul style="list-style-type: none"> <li>• Additional documentation necessary to evaluate the proposed agreement and recognize Vendor 2 as a successor in interest</li> </ul>	<ul style="list-style-type: none"> <li>• Executed novation agreement</li> <li>• Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> <li>• Vendor 1 (payee) information</li> <li>• Request to deobligate funds associated with Vendor 1 unfilled order</li> <li>• Vendor 2 (payee) information</li> <li>• Request to obligate funds associated with Vendor 2</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	a. Receive and update Vendor 1 (payee) information (FFM.030.010 Payee Setup and Maintenance) b. Receive and process request to deobligate funds associated with Vendor 1 unfulfilled order (FFM.030.020 Obligation Management) c. Receive and update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance) d. Receive and process request to obligate funds associated with Vendor 2 (FFM.030.020 Obligation Management)		<ul style="list-style-type: none"> <li>Vendor 1 (payee) information <sup>(FR)</sup></li> <li>Request to deobligate funds associated with Vendor 1 unfulfilled order <sup>(FR)</sup></li> <li>Vendor 2 (payee) information <sup>(FR)</sup></li> <li>Request to obligate funds associated with Vendor 2 <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated Vendor 1 (payee) information</li> <li>Appropriate Vendor 1 deobligation GL entries created with reference to source information</li> <li>Updated Vendor 2 (payee) information</li> <li>Appropriate Vendor 2 obligation GL entries created with reference to source documentation</li> </ul>
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated<sup>(FR)</sup></li> </ul>



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

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
8		a. Receive and accept resubmitted Vendor 2 invoice information from an OMB-approved electronic invoicing solution b. Provide Vendor 1 (payee) information c. Request reversal of liability accrual associated with Vendor 1 d. Provide Vendor 2 (payee) information e. Request liability accrual for previously accepted goods and services be associated with Vendor 2 (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> <li>Resubmitted Vendor 2 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Accepted resubmitted Vendor 2 invoice information</li> <li>Updated Vendor 1 (payee) information</li> <li>Request for reversal of liability accrual associated with Vendor 1</li> <li>Updated Vendor 2 (payee) information</li> <li>Request for liability accrual to be associated with Vendor 2 for goods and services previously accepted</li> </ul>



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

### Typical Flow of Events

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



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

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
11	Receive accepted Vendor 2 invoice information from OMB-approved electronic invoicing solution and perform a three-way match (FFM.030.070 Payment Processing - Commercial Payments)		<ul style="list-style-type: none"> <li>Accepted resubmitted Vendor 2 invoice information</li> <li>Receipt and acceptance of goods and services information (receiving report, if used)</li> <li>Vendor 1 order or award modification incorporating a summary of the novation agreement and recognizing Vendor 2 as successor</li> </ul>	<ul style="list-style-type: none"> <li>Successful three-way match</li> <li>Validated Vendor 2 invoice information</li> </ul>
12		Request funds availability check for validated Vendor 2 invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Validated Vendor 2 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Request for funds availability check</li> </ul>
13	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>
14		a. Approve resubmitted Vendor 2 invoice b. Provide Vendor 2 (payee) information c. Request payment of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance)	<ul style="list-style-type: none"> <li>Funds availability response</li> <li>Validated Vendor 2 invoice information</li> </ul>	<ul style="list-style-type: none"> <li>Vendor 2 (payee) information</li> <li>Approved Vendor 2 invoice information</li> <li>Request for payment of approved vendor invoice</li> </ul>
15	a. Receive and update Vendor 2 (payee) information (FFM.030.010 Payee Setup and Maintenance)		<ul style="list-style-type: none"> <li>Vendor 2 (payee) information <sup>(FR)</sup></li> <li>Request for payment of approved vendor invoice <sup>(FR)</sup></li> </ul>	<ul style="list-style-type: none"> <li>Updated vendor 2 (payee) information</li> <li>Appropriate payable GL entries created with</li> </ul>



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

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
	<p>b. Receive and process request for payment of approved vendor invoice, including determining whether to accelerate payment, execute discounted early payment, or include late payment interest and penalties, retrieving current Prompt Payment interest rate, and calculating payment date and total amount due to vendor (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>c. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)</p> <p>d. Establish payable and generate payment transaction (FFM.030.070 Payment Processing - Commercial Payments)</p> <p>e. Liquidate obligation</p>		<ul style="list-style-type: none"> <li>Current Prompt Payment interest rate <sup>(FR)</sup></li> </ul>	<p>reference to source information</p> <ul style="list-style-type: none"> <li>Payment transaction</li> <li>Appropriate obligation liquidation GL entries created with reference to source information</li> <li>Appropriate accrual reversal GL entries created with reference to source information</li> </ul>





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

### Typical Flow of Events

	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
	(FFM.030.020 Obligation Management)			
16	a. If appropriate, warehouse payment transaction until time for disbursement (FFM.030.110 Payment Disbursement) b. Generate disbursement schedule (FFM.030.110 Payment Disbursement) c. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) d. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)		<ul style="list-style-type: none"> <li>Payment transaction</li> <li>Disbursement confirmation information</li> </ul>	<ul style="list-style-type: none"> <li>Certified disbursement schedule <sup>(FR)</sup></li> <li>Appropriate payable GL entries liquidated with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries created with reference to source information</li> <li>Appropriate disbursement-in-transit GL entries liquidated with reference to source information</li> <li>Appropriate disbursement GL entries created with reference to source information</li> <li>Vendor 2 receives payment</li> </ul>
17	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		<ul style="list-style-type: none"> <li>GL entries</li> </ul>	<ul style="list-style-type: none"> <li>Appropriate GL accounts updated <sup>(FR)</sup></li> </ul>



## 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