



internet payment platform

*U.S. Department of Defense
Finance Process Review Committee Meeting
November 15th, 2011*



Financial Management Service

Agenda



- Introductions
- Treasury's Standard InterAgency Agreement (IAA)
- IPP Intra-Gov Buy/Sell Program Overview
- Upcoming Pilot
- Contact Info

Current issues with intra-governmental buy/sell transaction processing:

- GAO 2010 audit found significant differences (\$25.7B) in intra-governmental buy/sell activity and balances
- Reconciliation process for buy/sell transactions is difficult and labor intensive
- Limited visibility into buy/sell transactions between government agencies
- Example: In 2/2007 DoD OIG found that issues with DoD/GSA MIPRS caused \$1B - \$2B of DoD funds to either expire or otherwise be unavailable to support DoD operations.

Standard Inter-Agency Agreement (IAA) Form



- The IAA is a standard template for conducting buy/sell transactions between Federal trading partners:
- The IAA was developed to:
 - Address a long standing material weakness on the U.S. Government's Financial Report
 - Better manage reimbursable activity between federal agencies
 - Reduce reconciliation required for agencies.
 - Provide the foundation for the automation of the standard processes and data

Standard Inter-Agency Agreement (IAA) Form



- Facilitates agreements utilizing standard data elements and business processes
- Ensures communication between trading partners prior to the settlement of buy/sell transactions
- Provides for receipt and acceptance of authorized work and allows for both trading partners to validate their information is correct
- Assists in the accounting and reconciliation of buy/sell transactions between trading partners
- Supports FMLoB Reimbursable Standard Business Processes
- Already being used by some DoD components

One Form with Two Sections (Treasury FMS form numbers 7600A & 7600B):

- General Terms and Conditions (GT&C) - 7600A
- Order Requirements and Funding Information (Order) - 7600B
 - Reduces effort as GT&C information is captured once and used with many orders
 - We have done a cross walk with the MIPR form to verify that all fields are included in the IAA

General Terms and Conditions:

- Captures the partnership/relationship between the parties
- Identifies the:
 - Agencies entering into the agreement (trading partners)
 - Authority permitting the agreement, and
 - Agreement action, period, and type
- Must contain at least one order

Order Requirements and Funding Information

- Contains specific information:
 - Products/Services being exchanged
 - Bona fide need
 - Funding information – accounting data elements
 - Shipping information
 - Authorization and points of contact for the Buyer and Seller

Project Goals:

- Ensure that trading partners are in **agreement** and have **correct information prior to the settlement** of buy/sell transactions
- Provide a **common identifier** for GT&C's and orders
 - Each trading partner retains their own identifiers
- Facilitate a **standard** business process for agencies buy/sell activity
- Improve buy/sell management and **controls**
- **Reduce** reconciliation and elimination **effort**
- Support the **complete process** from GT&C to settlement confirmation in one central location
- Provide **visibility** for both trading partners throughout the transaction lifecycle

Project Approach:

- Leverage the current IPP commercial capabilities and best practices along with IPAC's Intra-governmental settlement capabilities
- Enhance and integrate the two platforms to allow IPP to serve as a front-end to IPAC and automate support for buy/sell transactions
- Support new standard IAA by implementing a **digital** version in IPP
- Initially enter IAA's directly into IPP; in a later phase support integration and submission via agency systems
- Implement proactive controls to ensure that only valid reference data values are used (BPN, TAS/BETC, etc.)

IPP Intra-governmental Buy/Sell Status



- Phase I released in May 2011
- Phase II will be released in early December 2011
- Next step is to pilot the new capabilities with a specific group of agencies and transactions
- Goal for the pilot is to gain feedback from government agencies on how to improve the automated reimbursable process
- Currently seeking participants for the IPP Buy/Sell Pilot

- Pilot will involve bureaus using IPP to process buy/sell transfers with other bureaus either within or outside of their departments.
- IPP will identify bureaus, agencies and departments to participate based on various criteria, such as:
 - Whether the agency is an existing IPP customer
 - Whether the agency has at least one Trading Partner participating in the Pilot
 - If more than one of the agency's Trading Partners are also Pilot participants
 - If the agency has identified a well-defined set of transactions that can be processed thru the entire buy/sell process within the pilot timeframe.
 - If the set of transactions that the agency has identified is different from those chosen by other Pilot participants
- These are not requirements! They are factors that we will consider in selecting participants
- The pilot will not include Assisted Acquisitions or Advance Payments.

IPP Buy / Sell Pilot



- Pilot is scheduled to run January through May 2012
- Kick off and training meeting will be held on 1/10/2012
- Weekly meetings with all Pilot participants
- Participating agencies will need to provide written feedback to the IPP team by the end of May 2012
- At the end of the Pilot agencies are encouraged to continue to use IPP

Beyond the Pilot:

- Incorporate agency feedback on proposed changes
- Determine schedule of future enhancements and deliverables
- Implement the new standard process and automated solutions government-wide

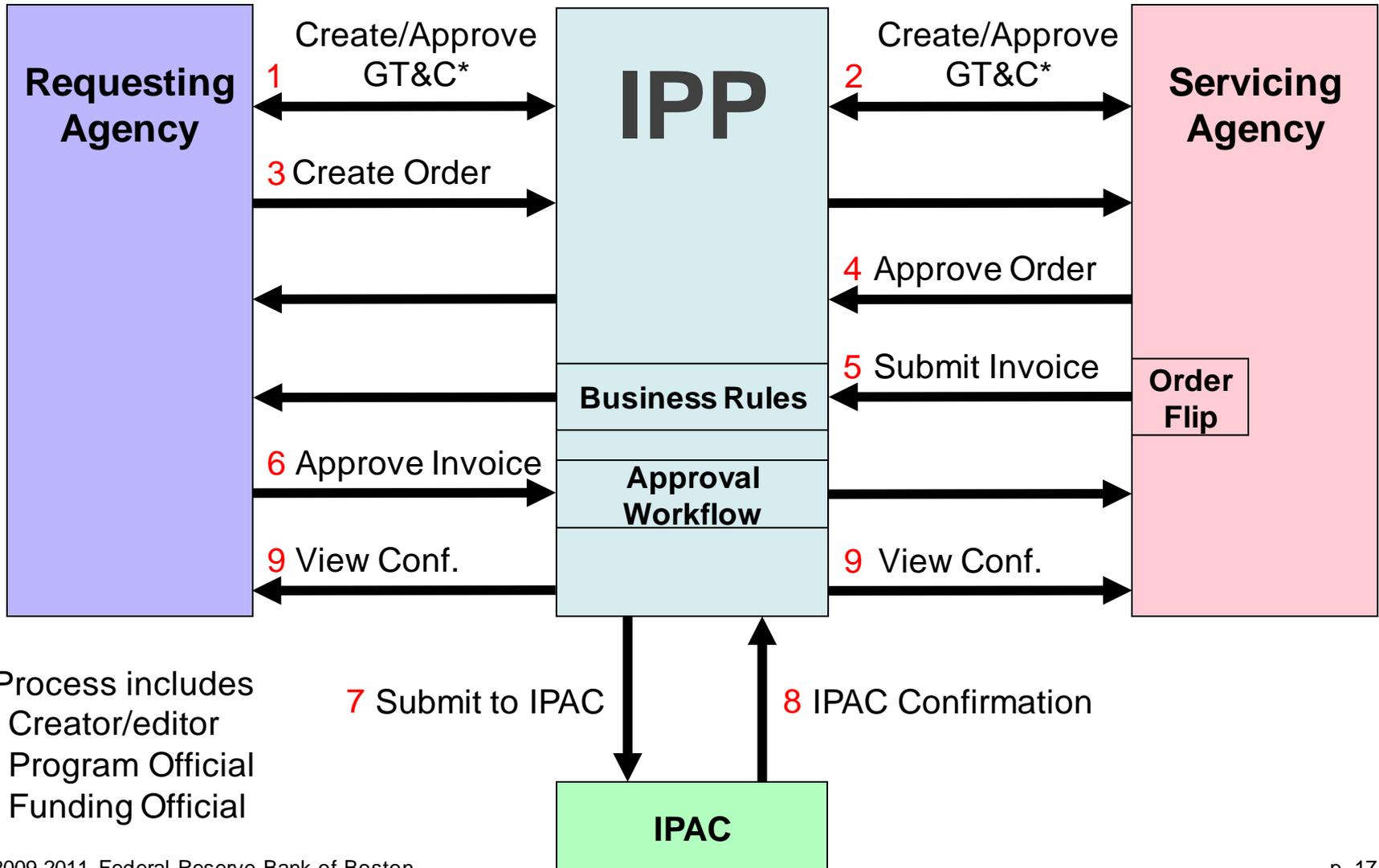
Agencies Who Have Agreed to Participate

- Bureau of Engraving and Printing
- Bureau of the Public Debt
- Government Printing Office

Agencies Considering Participation in the Pilot

- DHS
- DoD (discussions with DFAS, DLA, Air Force and OSD)
- GSA
- HHS
- NOAA
- NRC
- OPM

IPP Intra-Gov Buy / Sell Information Flow Overview



Agency Effort Required

- Outreach to trading partners
- Agreement on transactions that will be processed through IPP
- IPP configuration and setup with the IPP Agency Implementation Team
- QA and user acceptance testing of the agency's configuration
- Use of the system to process transactions
- Periodic meetings with Pilot group
- Documentation and submission of findings

To start the IPP implementation process:

- Evaluate IPP capabilities and agency requirements
- Identify Trading Partners
- Identify pilot transactions
- Sign an Agency Participation Agreement
- Name an Executive Sponsor, establish a Pilot team and designate a Project Manager
- Initiate project!

Intra-Governmental Business Rules:

TFM Volume I, Part 2, Chapter 4700 Appendix 10

<http://www.fms.treas.gov/tfm/vol1/v1p2c470.pdf>

Standard Inter-Agency Agreement form:

<http://www.fms.treas.gov/finstandard/forms.html>

Subscribe to email updates:

<http://www.fms.treas.gov/finstandard/index.html>

Look under: Publications

Financial Management Standards and Guidance

Information and Contacts

Please forward questions and comments to:

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