



## **Standard Accounts Payable Business Rules**

# **Final**

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*Version 2.5*



## Document Control

### Change Record

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Table of Contents

1.	Introduction .....	1
2.	Procedures for Changing/Adding Standard Accounting Business Rules.....	2
3.	No Document Match Transactions .....	3
3.1	Royalties-Matching .....	3
	Examples .....	3
	Sources.....	4
3.2	Local Travel Reimbursement-Matching .....	5
	Examples .....	5
	Sources.....	5
3.3	Private Mail Carrier-Matching.....	6
	Examples .....	6
	Sources.....	6
3.4	Federal Technology Service (FTS) Telephone Bill-Matching .....	8
	Examples .....	8
	Sources.....	8
4.	Document Match Transactions.....	10
4.1	Training-Matching.....	10
	Examples .....	10
	Sources.....	10
4.2	Interagency Agreements (Memorandum of Understanding) (IAA/MOU)-Matching .....	11
	Examples .....	11
	Sources.....	11
4.3	Leased Personal Property-Matching.....	13
	Examples .....	13
	Sources.....	13
4.4	Relocation/Permanent Change of Station (PCS)-Matching .....	14
	Examples .....	14



Table of Contents

Sources.....	14
4.5 Leased Real Property-Matching.....	15
Examples .....	15
Sources.....	15
4.6 Leased Real Property General Services Administration (GSA)-Matching.....	16
Examples .....	16
Sources.....	16
4.7 Wireless Phone Charges-Matching.....	18
Examples .....	18
Sources.....	18
4.8 Landline Phone Charges-Matching .....	19
Examples .....	19
Sources.....	19
4.9 Centrally Billed Account (CBA) Travel-Matching.....	20
Examples .....	20
Sources.....	20
4.10 Invitational Travel-Matching.....	21
Examples .....	21
Sources.....	21
4.11 Employee Travel Reimbursement-Matching .....	22
Examples .....	22
Sources.....	22
4.12 Utilities-Matching.....	23
Examples .....	23
Sources.....	23
4.13 Contracts and Purchase Orders-Matching.....	24
Examples .....	24
Sources.....	24
4.14 Government Printing Office (GPO) Printing-Matching .....	26
Examples .....	26



Table of Contents

Sources.....	26
5. Other Transactions.....	28
5.1 Follow IRS and GSA Relocation Policy .....	28
Examples .....	28
Sources.....	28
5.2 Utilize Standard Travel Object Classes.....	29
Examples .....	29
Sources.....	29
5.3 Process Travel Payments on Accelerated basis .....	31
Examples .....	31
Sources.....	34
5.4 Utilize Standard Traveler Audit Requirements .....	36
Examples .....	36
Sources.....	36
5.5 IPAC transactions recorded on manual payment document upon receipt .....	37
Examples .....	37
Sources.....	38
5.6 Use PM046 to record unidentifiable IPAC transactions .....	39
Examples .....	39
Sources.....	39
5.7 Pay non-contract related invoices via Purchase Card whenever possible .....	40
Examples .....	40
Sources.....	40
5.8 Purchase Card: Develop process to pay weekly/daily .....	42
Examples .....	42
Sources.....	45
5.9 Cardholder/Approvers Performance Plans.....	46
Examples .....	47
Sources.....	47
5.10 Foreign Payments - ITS.Gov usage .....	51



Table of Contents

Examples .....	51
Sources.....	51
5.11 Modify Contract Policy to use U.S. Dollars .....	52
Examples .....	52
Sources.....	52
5.12 Centralize Invoice Delivery.....	53
Examples .....	53
Sources.....	53
5.13 Standardize Estimated Accrual Policy .....	54
Examples .....	55
Sources.....	55
5.14 Bureaus May, When Reasonable, Charge Prompt Pay Interest Penalties to Program Offices... 56	
Examples .....	56
Sources.....	56
5.15 Distribute General Services Administration (GSA) Leased Real Property via Summary Level Transfer .....	57
Examples .....	57
Sources.....	57
5.16 Expedited Processing for Recurring Payments, When Utilized .....	58
Examples .....	58
Sources.....	58
5.17 Modify Purchase Card to Accept Multiple Vendors.....	59
Examples .....	59
Sources.....	60



### 1. Introduction

As the financial management arm of the Department of Commerce, the Office of Financial Management (OFM) formulates and prescribes Department-wide financial management, accounting, fiscal policies, procedures and controls.

One of the Department's strategic initiatives is to standardize business processes across the agency. Standard business processes will allow proper leveraging of resources across the Department, increase the efficiency of financial management activities and facilitate a more standardized approach to systems and tool development. In support of this strategic initiative, along with supporting the implementation of the President's Management Agenda, OFM initiated a Business Process Re-engineering effort to identify potential recommendations in the Accounts Payable area. Phase I of the Accounts Payable Business Process Re-engineering (AP BPR) effort, was completed in March 2007. Once Phase I was completed, the Department invested both internal and external resources in analyzing and creating the implementation plans for these recommendations as part of Phase II of the AP BPR effort.

The Phase II AP BPR effort was based upon the recommendations and process analysis material that was produced in Phase I. Original recommendations were modified/updated as part of the Phase II effort whenever any of the following circumstances applied:

- Events have transpired since the conclusion of Phase I in March 2007 that impact the original recommendation.
- More detailed information has become available regarding the accounting event to which the original recommendation applies.
- After further analysis, recommendations were deemed to have a potentially low return on investment or did not meet the goal of standardization across the Accounts Payable function.

This document incorporates the Phase II recommendation results into Business Rules. These business rules promote policy, procedures, and tasks for the standardized Accounts Payable Processes. Bureau Finance Officers have approved these rules and it is expected that the rules will be followed by all.



## 2. Procedures for Changing/Adding Standard Accounting Business Rules

Bureaus must submit a formal request for adding or changing any of the AP BPR Business Rules. The formal request must include:

- Old Business Rule (if applicable)
- Proposed new business rule
- Definition and examples
- Reason for change (if applicable)
- Usage
- Internal Bureau review and approval.

The formal request must come to Office of Financial Management (OFM)/CBS Solutions Center (CSC) for review and comment. If needed, OFM/CSC will forward the request to the AP-BPR working group for review and approval.

If needed, the request will be forwarded to Office of General Counsel (OGC) for review and approval. Revisions as necessary will be made and routed back to the AP BPR working group for concurrence.

The request will then be forwarded to the Bureaus' Finance Officers for approval. Once approved, the request will be posted on the OFM Publications Website.

If the request is denied at any stage of the process, the submitter will be notified with the reason given for the denial.





### 3. No Document Match Transactions

#### 3.1 Royalties-Matching

The minimum standard does not require an undelivered obligation (UDO) to be established in advance of receiving the invoice, nor require receipt and acceptance documents to be recorded in the financial system. Approval of the invoice by the program office serves to verify funds are available to cover the payment, and that goods/services have been received and accepted.

Program offices determine the amount of Royalties based on the underlying project. Program offices generate various reports computing the amount of royalty payable using tracking systems/databases specific to the bureau. These reports are sent to Accounts Payable (AP) for payment. The reports are considered program office approved invoices by AP and are entered into the financial system for payment. AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

#### Examples

**Example 1:** NIST issues a purchase order to perform a study. Part of the study requires work that is covered by a royalty fee. The program office captures the details surrounding the royalty and the amount in the *Royalty Database*.

The program office prints how much royalty is owed and sends related payment details to the A/P office.

A/P treats the Royalty Database Output as a program office approved invoice.

A/P enters the invoice, approves the invoice, and payment is authorized in the financial system.

Payment is scheduled to Treasury for disbursing. Treasury disburses funds and provides confirmation/accomplishment information for recording in financial system.

**Example 2:** Computer Information Systems Publishing Software (CISPUB) is NTIS' tracking mechanism that generates a report that shows NTIS has sold a product creating revenue.

Accounting treats this report as the program office approved Royalty invoice.

Accounting enters the invoice, approves the invoice, and payment is authorized in the financial system.

Payment is scheduled to Treasury for disbursing. Treasury disburses funds and provides confirmation/accomplishment information for recording in the financial system.



### Sources

- 1. Source:** AP BPR Recommendation 4.3.15 Royalties  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Phase II Recommendation 2.13.1.1 Royalties  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.13.2.1 Standardize Royalties as No-Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
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## 3.2 Local Travel Reimbursement-Matching

The minimum standard does not require an undelivered obligation (UDO)/travel order to be established in advance of receiving the voucher, nor require receipt and acceptance documents to be recorded in the financial system. Approval of the voucher by the program office serves to verify funds are available to cover the payment, and that goods/services have been received and accepted.

This rule applies for Local Travel Reimbursements not processed through webTA. In some cases, the reimbursement amount exceeds \$999.99 and cannot be processed in webTA, and in other situations webTA is not utilized.

For those Local Travel Reimbursements processed using webTA see the related Business Rule (Number: TBD). For webTA Local Travel Reimbursements, a duplicate reimbursement request will not be approved or processed through an alternate system.

### Examples

**Example:** webTA is not utilized. PO creates approved voucher for local travel reimbursement in the financial system. AP receives the voucher, logs the receipt date/time. AP reviews voucher and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses funds and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.4.1 Local Travel Reimbursement  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.16.1.4 Local Travel Reimbursement  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.16.2.4 Standardize Local Travel Reimbursement as No-Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



### 3.3 Private Mail Carrier-Matching

The minimum standard does not require an undelivered obligation (UDO) to be established in advance of receiving the invoice, nor require receipt and acceptance documents to be recorded in the financial system. Approval of the invoice by the program office serves to verify funds are available to cover the payment, and that goods/services have been received and accepted.

Bureaus may do a 2-document (undelivered obligation, invoice) match or a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

Program Office (PO) requests service from carrier. Vendor performs carrier service.

Vendor sends invoice to Accounts Payable (AP). AP sends vendor invoice to PO. PO approves vendor invoice for payment. PO returns approved invoice to AP with specific Accounting Classification Code String (ACCS) for correctly recording funding.

AP enters invoice into the financial system for payment. AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing. Treasury disburses funds and provides confirmation/accomplishment information for recording in the financial system.

Private Mail Carrier is defined as any vendor providing courier services except the United States Postal Service.

#### Examples

**Example:** Program Office (PO) requests service from vendor. Vendor picks up the item and performs the service requested. Vendor sends its invoice to AP for payment. AP sends the invoice to PO for approval. PO approves invoice for payment and applies the specific funding information (ACCS) as needed and returns to AP. AP enters invoice into financial system and approves for payment. Payment is scheduled to Treasury for disbursing. Treasury disburses funds and provides confirmation/accomplishment information for recording in the financial system.

#### Sources

- Source:** AP BPR Recommendation 4.3.9 Private Mail Carrier  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Recommendation 4.3.3 Federal Express  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.10.1.1 Private Mail Carrier



## Standard Accounts Payable Business Rules

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4. **Source:** AP BPR Phase II Recommendation 2.3.1.2 Federal Express

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation  
(AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

5. **Source:** AP BPR 4.10.2.1 Standardize Private Mail Carrier as No-Match

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6. **Source:** AP BPR 4.3.2.2 Standardize Federal Express as No-Match

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### 3.4 Federal Technology Service (FTS) Telephone Bill-Matching

The minimum standard does not require an undelivered obligation (UDO) to be established in advance of receiving the invoice, nor require receipt and acceptance documents to be recorded in the financial system. Program office retrieves detailed telephone usage data from GSA and provides to AP. This approved report serves to verify funds are available to cover the payment, and that goods/services have been received and accepted.

Bureaus may do a 2-document (undelivered obligation, invoice) match or a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

The reports are considered program office approved invoices by AP and are entered into the financial system. AP records the transaction as an Intergovernmental Payment and Collection (IPAC), which is **not** scheduled to Treasury for payment.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies in a paperless environment. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has already transferred the funds to the billing agency.

#### Examples

**Example:** PO executes a Memorandum of Understanding (MOU) with GSA for telephone services. PO makes copy of MOU available to AP. GSA initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. PO obtains detailed telecommunications charges from GSA and provides to AP. AP matches detailed charges to IPAC information (invoice). This is considered to be a program office approved invoice. AP enters IPAC invoice in financial system as a non-payment entry. (Money has already been disbursed via IPAC system).

#### Sources

- Source:** AP BPR Recommendation 4.5.1 FTS Phone Bill  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.20.1.2 FTS Phone Bill  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.20.2.2 Standardize FTS Phone Bill as No-Match



## Standard Accounts Payable Business Rules

**Version: 2.5**

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## 4. Document Match Transactions

### 4.1 Training-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system. Program offices (PO) approve the invoice for payment. AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

#### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the date/time of receipt of invoice and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns to AP. AP enters invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

#### Sources

- Source:** AP BPR Recommendation 4.3.12 Training  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.12.1.1 Training  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.12.2.1 Standardize Training as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
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## 4.2 Interagency Agreements (Memorandum of Understanding) (IAA/MOU)-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted. A fully executed IAA/MOU including signatures is required to establish the UDO.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system. Program offices (PO) approve the invoice for payment. AP records the transaction as an Intergovernmental Payment and Collection (IPAC), which is **not** scheduled to Treasury for payment.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has already transferred the funds to the billing agency.

### Examples

**Example:** PO executes an IAA with OPM for services. UDO established for an anticipated amount in the financial system. PO/Finance Office (FO) makes copy of IAA and UDO available to AP. OPM performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as a non-payment entry. (Money has already been disbursed via IPAC system). AP references UDO in the non-payment entry, liquidating the UDO.

### Sources

- Source:** AP BPR Recommendation 4.5.2 Interagency Agreements (MOU)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.21.1.3 Interagency Agreements  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
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## Standard Accounts Payable Business Rules

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3. **Source:** AP BPR 4.21.2.3 Standardize Interagency Agreements as 2-Way Match  
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### 4.3 Leased Personal Property-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it. Leased personal property may qualify for Expedited Recurring Payment treatment as specified in the Cash Management Handbook, Chapter 4 Section 5 paragraph .03(h). <http://www.osec.doc.gov/ofm/whatsnew.htm>

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system.

Program offices (PO) approve the invoice for payment. (This step is omitted after the initial approval if Expedited Recurring Payment treatment is used, as alternative procedures are utilized.)

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

#### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the receipt date/time, and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns invoice to AP. AP approves invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

#### Sources

- Source:** AP BPR Recommendation 4.3.7 Leased Personal Property  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.9.1.1 Leased Personal and Real Property  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.9.2.1 Standardize Leased Personal Property as 2-Way  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
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#### 4.4 Relocation/Permanent Change of Station (PCS)-Matching

The minimum standard requires an undelivered obligation (UDO)/travel order to be established before any expenses are incurred, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the voucher by the program office serves to verify that goods/services have been received and accepted.

Program offices (PO) create and approve vouchers for payment. AP receives and enters the vouchers into the financial system, referencing the UDO/travel order previously established in the financial system. AP approves the voucher, authorizes payment, and schedules payment to Treasury for disbursing.

##### Examples

**Example:** UDO/travel order established in the financial system. AP receives the PO approved voucher and related receipts with UDO/travel order identified, logs the date/time received, and enters voucher in the financial system. AP approves voucher referencing UDO/travel order and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

##### Sources

1. **Source:** AP BPR Recommendation 4.4.2 Relocation / PCS (RITA)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
2. **Source:** AP BPR Phase II Recommendation 2.18.1.4 Relocation / PCS (RITA)  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
3. **Source:** AP BPR 4.18.2.4 Standardize Relocation/PCS as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
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## 4.5 Leased Real Property-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it. Leased real property may qualify for Expedited Recurring Payment treatment as specified in the Cash Management Handbook, Chapter 4 Section 5 paragraph .03(h). <http://www.osec.doc.gov/ofm/whatsnew.htm>

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system.

Program offices (PO) approve the invoice for payment. (This step is omitted after the initial approval if Expedited Recurring Payment treatment is used, as alternative procedures are utilized.)

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the receipt date/time, and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns invoice to AP. AP approves invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.3.8 Leased Real Property  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.9.1.2 Leased Personal and Real Property  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.9.2.9 Standardize Leased Real Property as 2-Way Match  
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## 4.6 Leased Real Property General Services Administration (GSA)-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system. Program offices (PO) approve the invoice for payment. AP records the transaction as an Intergovernmental Payment and Collection (IPAC), which is **not** scheduled to Treasury for payment.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has transferred the funds to the billing agency.

### Examples

**Example:** UDO established in the financial system. GSA initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as a non-payment entry. (Money has already been disbursed via IPAC system). AP references UDO in the non-payment entry, liquidating the UDO.

### Sources

- Source:** AP BPR Recommendation 4.5.3 Leased Real Property GSA  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.22.1.1 Leased Commercial and Real Property GSA  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
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- Source:** AP BPR 4.22.2.1 Standardize Leased Real Property GSA as 2-Way Match



## Standard Accounts Payable Business Rules

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## 4.7 Wireless Phone Charges-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it. Wireless Phone charges may qualify for Expedited Recurring Payment treatment as specified in the Cash Management Handbook, Chapter 4 Section 5 paragraph .03(h). <http://www.osec.doc.gov/ofm/whatsnew.htm>

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system.

Program offices (PO) approve the invoice for payment. (This step is omitted after the initial approval if Expedited Recurring Payment treatment is used, as alternative procedures are utilized.)

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the date/time of receipt of invoice and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns to AP. AP approves invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.3.14 Wireless Phone Carrier  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.7.1.1 Wireless Phone Charges  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.7.2.1 Standardize Wireless Phone Charges as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010





## 4.8 Landline Phone Charges-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it. Landline Phone charges may qualify for Expedited Recurring Payment treatment as specified in the Cash Management Handbook, Chapter 4 Section 5 paragraph .03(h). <http://www.osec.doc.gov/ofm/whatsnew.htm>

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system.

Program offices (PO) approve the invoice for payment. (This step is omitted after the initial approval if Expedited Recurring Payment treatment is used, as alternative procedures are utilized.)

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the date/time of receipt of invoice and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns to AP. AP approves invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.3.6 Landline Phone Carrier  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.8.1.1 Landline Phone Carrier  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.8.2.1 Standardize Landline Phone Carrier as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 4.9 Centrally Billed Account (CBA) Travel-Matching

The minimum standard requires an undelivered obligation (UDO)/travel order to be established before the tickets are issued and charged on the centrally billed account, but does not require receipt and acceptance documents to be recorded in the financial system. Approval of the UDO/travel order verifies funds are available to cover the tickets. The CBA invoice is paid per the contract in its entirety. Program Office (PO) monitors travel and if a trip is cancelled, the PO requests the travel management center (TMC) to cancel the tickets. If the tickets have already been issued, the TMC requests a credit to the CBA which appears in a subsequent statement. AP and the PO monitors and reconciles the charges and credits to ensure proper funds usage.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

AP enters the invoice into the financial system, referencing the UDO/travel orders previously established in the financial system.

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO/travel order established in the financial system. AP receives the invoice, logs the date/time of receipt of invoice and identifies applicable UDO/travel orders. AP approves invoice referencing UDO/travel orders and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.3.1 Centrally Billed Account (CBA)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.1.1.3 CBA - Travel  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.1.2.3 Standardize CBA – Travel for 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 4.10 Invitational Travel-Matching

The minimum standard requires an undelivered obligation (UDO)/travel order to be established in advance of receiving the voucher, but does not require receipt and acceptance documents to be recorded in the financial system. Approval of the UDO/travel order verifies funds are available to cover the payment and approval of the voucher verifies the goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

Program offices (PO) create and approve vouchers for payment. AP receives and enters the vouchers into the financial system, referencing the UDO/travel order previously established in the financial system. AP approves the voucher, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO/travel order established in the financial system. AP receives the PO approved voucher and related receipts with UDO/travel order identified, logs the date/time received, and enters voucher in the financial system. AP approves voucher referencing UDO/travel order and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- 1. Source:** AP BPR Recommendation 4.3.5 Invitational Travel  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Phase II Recommendation 2.5.1.3 Invitational Travel  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.5.2.3 Standardize Invitational Travel as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



### 4.11 Employee Travel Reimbursement-Matching

The minimum standard requires an undelivered obligation (UDO)/travel order to be established in advance of receiving the voucher, but does not require receipt and acceptance documents to be recorded in the financial system. Approval of the UDO/travel order verifies funds are available to cover the payment and approval of the voucher verifies the goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

Program offices (PO) create and approve vouchers for payment. AP receives and enters the vouchers into the financial system, referencing the UDO/travel order previously established in the financial system. AP approves the voucher, authorizes payment, and schedules payment to Treasury for disbursing.

#### Examples

**Example:** UDO established in the financial system. AP receives the PO approved voucher and related receipts with UDO identified, logs the date/time received, and enters voucher in the financial system. AP approves voucher referencing UDO/travel order and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

#### Sources

- 1. Source:** AP BPR Recommendation 4.4.3 Travel Card Holder Reimbursement  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Phase II Recommendation 2.19.1.1 Traveler Reimbursement  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.19.2.1 Standardize Traveler Reimbursement to be 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 4.12 Utilities-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that goods/services have been received and accepted.

Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it. Utilities may qualify for Expedited Recurring Payment treatment as specified in the Cash Management Handbook, Chapter 4 Section 5 paragraph .03(h).

<http://www.osec.doc.gov/ofm/whatsnew.htm>

AP enters the invoice into the financial system, referencing the UDO previously established in the financial system.

Program offices (PO) approve the invoice for payment. (This step is omitted after the initial approval if Expedited Recurring Payment treatment is used.)

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

### Examples

**Example:** UDO established in the financial system. AP receives the invoice, logs the receipt date/time, and sends to PO for approval. PO approves invoice and identifies which UDO is applicable and returns invoice to AP. AP approves invoice referencing UDO and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

### Sources

- Source:** AP BPR Recommendation 4.3.13 Utilities: Water, Electric, Gas  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.6.1.1 Utilities  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.6.2.1 Standardize Utilities as 2-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



### 4.13 Contracts and Purchase Orders-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, but does not require receipt and acceptance documents to be recorded in the financial system for purchase of **services**. At the option of the Contracting Officer, a receipt document may be required to be recorded in the financial system. Once funds are determined to be available, approval of the invoice by the program office serves to verify that services have been received and accepted. Bureaus may do a 3-document (undelivered obligation, receipt document, invoice) match if their business process efficiently supports it.

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, **and** requires receipt documents to be recorded in the financial system for purchase of **goods**. Approval of the invoice by the program office indicates authority to pay after the receipt document has been recorded.

AP enters the invoice for into the financial system, referencing the UDO and receipt ticket (if applicable) previously established in the financial system. Program offices (PO) approve the invoice for payment.

AP approves the invoice, authorizes payment, and schedules payment to Treasury for disbursing.

#### Examples

**Example:** UDO established in the financial system. Goods are received and a receipt ticket is established in the financial system. AP receives the invoice, logs the receipt date/time, and sends to PO for approval. PO approves invoice and identifies UDO and receipt ticket reference and returns to AP. AP approves invoice referencing UDO and receipt ticket and authorizes payment. Payment is scheduled to Treasury for disbursing. Treasury disburses and provides confirmation/accomplishment information for recording in the financial system.

#### Sources

- 1. Source:** AP BPR Recommendation 4.3.2 Contracts  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Recommendation 4.3.11 Purchase Orders  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 3. Source:** AP BPR Phase II Recommendation 2.2.1.1 Contracts and Purchase Orders  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008



## Standard Accounts Payable Business Rules

Version: 2.5

4. **Source:** AP BPR 4.2.2.1 Standardize Purchase Orders and Contracts – Matching  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



#### 4.14 Government Printing Office (GPO) Printing-Matching

The minimum standard requires an undelivered obligation (UDO) to be established in advance of receiving the invoice, **and** requires receipt documents to be recorded in the financial system. Approval of the invoice by the program office indicates authority to pay after the receipt document has been recorded.

AP enters the invoice into the financial system, referencing the UDO and receipt ticket previously established in the financial system. Program offices (PO) approve the invoice for payment. AP records the transaction as an Intergovernmental Payment and Collection (IPAC), which is **not** scheduled to Treasury for payment.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has already transferred the funds to the billing agency.

This rule is dependent on deployment of the Census Printing Management System interface (CPMS) for Bureaus who are using the Core Financial System by Commerce Business Systems. Bureaus not using CPMS are not required to process GPO Printing as a 3-document match.

#### Examples

**Example:** UDO established in the financial system. Printed goods are received and a receipt ticket is established in the financial system. GPO initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO and receipt ticket reference and returns to AP. AP enters IPAC invoice in financial system as a non-payment entry. (Money has already been disbursed via IPAC system). AP references UDO in the non-payment entry, liquidating the UDO.

#### Sources

- Source:** AP BPR Recommendation 4.5.4 Printing

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.23.1.3 Printing

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008





## Standard Accounts Payable Business Rules

Version: 2.5

- 3. Source:** AP BPR 4.23.2.3 Standardize Printing as 3-Way Match  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 5. Other Transactions

### 5.1 Follow IRS and GSA Relocation Policy

Bureaus will follow IRS Relocation policy in all relocations processed. See the IRS website at [http://www.irs.gov/pub/irs-tege/fringe\\_benefit\\_fslg.pdf](http://www.irs.gov/pub/irs-tege/fringe_benefit_fslg.pdf) for additional information.

Bureaus will follow GSA Relocation Procedures in chapter 302 of the Federal Travel Regulations in all relocations processed. See the GSA website at <http://www.gsa.gov/portal/ext/public/site/FTR/file/FTR302TOC.html/category/21869/hostUri/portal> for additional information.

See the Departmental Travel Handbook (June 2008) Section C302-1 for Relocation Allowance general rules at [http://www.osec.doc.gov/oas/travel/Travel\\_Handbook\\_June08.pdf](http://www.osec.doc.gov/oas/travel/Travel_Handbook_June08.pdf).

#### Examples

**Example:** (Not applicable)

#### Sources

- Source:** AP BPR Recommendation 4.4.2 Relocation/PCS (RITA)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.18.1.1 Relocation/PCS (RITA)  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.18.2.1 Follow IRS Relocation Policy  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 5.2 Utilize Standard Travel Object Classes

Utilize standard travel object classes to the second level (Fourth Digit). This original recommendation has been expanded to standardize **all** object classes used in the department to the eighth digit. The standardized object class listings are available at <http://www.osec.doc.gov/ofm/whatsnew.htm>.

Procedures for adding or deleting standard object classes or updating the definitions of standard object classes are in the DOC Standardized Object Classes Definition Document posted at the above website, and listed below for convenience.

### PROCEDURES FOR CHANGING/ADDING STANDARDIZED OBJECT CLASSES

Bureaus must submit a formal request for adding or changing any of the standardized object classes (OMB and Non OMB). The formal request must include:

1. Old object class number (if applicable)
2. Proposed new number
3. Definition
4. Reason for change (if applicable)
5. Usage
6. Category (OMB / Non OMB)
7. Internal Bureau review and signature approval from Bureau Budget Office.

The formal request must come to Office of Financial Management (OFM)/CBS Solutions Center (CSC) for review and comment. If needed, OFM/CSC will forward the request to the AP-BPR Object Class working group for review and approval.

If no changes to the formal request are needed the request will be forwarded to Office of Executive Budget (OEB) and Office of Financial Policy and Assistance (OFPA) for approval. If changes are needed, the request will be returned to submitter for revision. Revisions will need to go through the approval process again.

If OFPA approves the request, the submitter will be notified of the approval, and the changes will be posted on the OFM Policy Handbook Website.

If the request is denied at any stage of the process, the submitter will be notified with the reason given for the denial.

### Examples

**Example:** (Not Applicable)

### Sources

- |                     |  |
|---------------------|--|
| <b>1. Source:</b>   | AP BPR Recommendation 4.6.8 Examining Data Elements: Standard Transaction Codes and Object Classes                                       |
| <b>Document ID:</b> | Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc) |



## Standard Accounts Payable Business Rules

Version: 2.5

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2. **Source:** AP BPR Phase II Recommendation 2.30.1.1 Standard Travel Object Class Codes  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
3. **Source:** AP BPR 4.30.2.1 Standard Travel Object Class Codes  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



### 5.3 Process Travel Payments on Accelerated basis

Expedite payment of centrally billed travel expenses to increase rebates to Government.

This assumes the files from the outside vendors for reconciliation are correct when received by the Bureaus.

Currently, the bureaus pay the travel centrally billed bank card invoices based on a monthly statement after reconciliation. This provides rebates back to the government computed on two criteria: Volume of transactions and timeliness of payment.

The volume rebate percentage differs by business line (purchase, travel, and fleet) and uses the Monthly rebate table. The percentages range depending on Annual Charge Volume from 75 basis points (.75%) to 89 basis points (.89%) for the travel table. The Weekly purchase rebate table ranges from 123 basis points (1.23%) to 137 basis points (1.37%). In order to use the weekly rebate table, the entire department (**all** bureaus in the travel business line) must pay weekly and then issue a modification to the servicing bank's task order.

By changing to a weekly statement cycle, the minimum percentage goes up by .48%. If the bureaus change to a daily statement cycle the minimum percentage increases by .52%.

Timeliness of Payment criteria is based on file turn days. This means the average length of time a charge is outstanding on a statement. The actual formula is (Average outstanding balance over trailing 12 months/volume for trailing 12 months) x number of days (365). It's a rolling average over 12 months. For estimating purposes, we can use the following formula:

30 day cycle/2 (half the transactions will be greater than 15 days and half the transactions will be less than 15 days so divide by 2) + pays in 3 days=  $(30/2)+3=18$  days. The basis points attributable to 18 days are 27.

7 day cycle (weekly) + pays in 3 days =  $(7/2)+3=6.5$  days rounded up to 7 days or 39 basis points.

A daily cycle gets the following: (1 day cycle/2) plus same day payment =0.5 days rounded up to 1 day or 44 basis points.

The rebate is calculated by multiplying the percentage by the spend amount for the period.

#### Examples

##### **Example 1:** Volume Rebate

Current rebate tables used: **30-Day Billing Cycle, 30-Day Pay – Sales Refund (Monthly).**



## Standard Accounts Payable Business Rules

Version: 2.5

Purchase	
Annual Charge Volume	Rebate Basis Points
\$100,000,000	109
\$150,000,000	115
\$200,000,000	116
\$250,000,000	117
\$300,000,000	118
\$350,000,000	119
\$400,000,000	120

Travel	
Annual Charge Volume	Rebate Basis Points
\$60,000,000	75
\$70,000,000	84
\$80,000,000	85
\$100,000,000	86
\$120,000,000	87
\$140,000,000	88
\$160,000,000	89

Fleet
Rebate Basis Points
60

Entire DOC Travel Central Billed Amount (Spend) for year: \$60,000,000. Rebate calculated at 75 basis points. ( $\$60,000,000 \times .0075 = \$450,000$ ) If Spend increased to \$100,000,000, the rebate calculation would use 86 basis points. ( $\$100,000,000 \times .0086 = \$860,000$ ) If Spend increased to \$160,000,000 the basis points would jump to 89. ( $\$160,000,000 \times .0089 = \$1,424,000$ )

If all of DOC paid on a **weekly** cycle, and DOC changed the Task Order with the bank to use the **Weekly Pay – Sales Refund** rebate table the following potential rebates could be earned:

Purchase	
Annual Charge Volume	Rebate Basis Points
\$100,000,000	157
\$150,000,000	163
\$200,000,000	164
\$250,000,000	165
\$300,000,000	166
\$350,000,000	167
\$400,000,000	168

Travel	
Annual Charge Volume	Rebate Basis Points
\$60,000,000	123
\$70,000,000	132
\$80,000,000	133
\$100,000,000	134
\$120,000,000	135
\$140,000,000	136
\$160,000,000	137

Fleet
Rebate Basis Points
108

Entire DOC Travel Central Billed Amount (Spend) for year: \$60,000,000. Rebate calculated at 123 basis points. ( $\$60,000,000 \times .0123 = \$738,000$ ) If Spend increased to \$100,000,000, the rebate calculation would use 134 basis points. ( $\$100,000,000 \times .0134 = \$1,340,000$ ) If Spend increased to \$160,000,000 the basis points would jump to 137. ( $\$160,000,000 \times .0137 = \$2,192,000$ )



If all of DOC paid on a **daily** cycle, and DOC changed the Task Order with the bank to use the **Daily Pay – Sales Refund** rebate table the following potential rebates could be earned:

Purchase		Travel		Fleet
Annual Charge Volume	Rebate Basis Points	Annual Charge Volume	Rebate Basis Points	Rebate Basis Points
\$100,000,000	161	\$60,000,000	127	112
\$150,000,000	167	\$70,000,000	136	
\$200,000,000	168	\$80,000,000	137	
\$250,000,000	169	\$100,000,000	138	
\$300,000,000	170	\$120,000,000	139	
\$350,000,000	171	\$140,000,000	140	
\$400,000,000	172	\$160,000,000	141	

Entire DOC Travel Central Billed Amount (Spend) for year: \$60,000,000. Rebate calculated at 127 basis points. ( $\$60,000,000 \times .0127 = \$762,000$ ) If Spend increased to \$100,000,000, the rebate calculation would use 138 basis points. ( $\$100,000,000 \times .0138 = \$1,380,000$ ) If Spend increased to \$160,000,000 the basis points would jump to 141. ( $\$160,000,000 \times .0141 = \$2,256,000$ )

**Example 2:** Timeliness Rebate

If a bureau has \$1,000,000 in spend for a quarter on the centrally billed travel card (ignoring purchase and fleet for the moment), and is currently on a 30 day statement cycle and pays the invoice within 3 days of receipt of the invoice, the bureau would receive X in rebate. How much is the X?

File Turn = 30 day cycle / 2 + pays in 3 days = 18 days

$$\$1,000,000 \times (18 \text{ days} = .0027) = \$2,700$$

If the bureau changes to a **weekly** statement cycle and still pays within 3 days of receipt of the invoice, how does X change?

File Turn = 7 day cycle / 2 + pays in 3 days = 6.5 days = round to 7 days

$$\$1,000,000 \times (7 \text{ days} = .0039) = \$3,900$$

If the bureau pays on a **daily** statement cycle, how does X change?

File Turn = 1 day cycle / 2 + pays same day = 0.5 days = round to 1 day



$\$1,000,000 \times .0044 = \$4,400$

## Productivity Refund - CBA Travel Card

File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)
45	0	35	10	25	20	15	30	4	41
44	1	34	11	24	21	14	31	3	42
43	2	33	12	23	22	13	32	2	43
42	3	32	13	22	23	12	33	1	44
41	4	31	14	21	24	11	34		
40	5	30	15	20	25	10	35		
39	6	29	16	19	26	9	36		
38	7	28	17	18	27	8	38		
37	8	27	18	17	28	7	39		
36	9	26	19	16	29	6	40		

## Sources

- Source:** AP BPR Recommendation 4.3.1 Centrally Billed Account (CBA)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.1.1.1 Centrally Billed Account (CBA) - Travel  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.1.2.1 Process Travel Payments on Accelerated basis (Dependent on AdTrav)  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010





## Standard Accounts Payable Business Rules

Version: 2.5

- 4. Source:** Email from Valerie L. Mawdsley, Vice President, JPMorgan, Relationship Manager, Federal Card Solutions
- Document ID:** DOC Rebate tables for Jennifer 11-2010.xlsx
- Publication Date:** October 31, 2010



## 5.4 Utilize Standard Traveler Audit Requirements

Utilize a standard policy for travel reimbursement audits. For recommended efficiency, the Finance Office audits travel vouchers based on a random sample. However, if the error rates are substantial, requiring sample sizes to become overly large, the Finance Office will audit 100% of vouchers prior to payment.

At a minimum, the bureau Finance Offices will audit per the following: (a) A pre-audit process at each bureau involves validating certain data such as receipts, signature, etc., (b) for relocation vouchers, a 100% audit is required prior to payment, (c) for local travel vouchers, an audit is not required, and (d) a minimum of 10% of all other travel vouchers are to be audited after payment.

### Examples

**Example:** (Not applicable)

### Sources

- Source:** AP BPR Recommendation 4.4.3 Travel Card Holder Reimbursement  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.19.1.2 Traveler Reimbursement  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.19.2.2 Standardize Traveler Audit Requirements  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 5.5 IPAC transactions recorded on manual payment document upon receipt

Standardize the use of the manual payment process (PM041) to record Intergovernmental Payment and Collection (IPAC) transactions when received and linked to invoices when the ACCS is identified (CFS Bureaus only).

Create an unapproved PM041 transaction for the total IPAC amount. Once the IPAC information is approved, and identified ACCS information is available (an undelivered order is recorded), create and approve the PM003 (vendor invoice) transaction with linkage to the PM041 transaction and Undelivered Order (UDO). Approve the PM041 transaction to record accomplishment by Treasury.

For those bureaus **not** using Core Financial System by Commerce Business Systems, use a manual payment document type to record the IPAC when received, referencing undelivered orders/ACCS data as applicable.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has already transferred the funds to the billing agency.

### Examples

**Example 1 CFS Bureaus:** PO executes an IAA with OPM for services. UDO established for an anticipated amount in the financial system. PO/FO makes copy of IAA and UDO available to AP. OPM performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP records an unapproved PM041 transaction for total IPAC amount. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as PM003 referencing the UDO as a non-payment entry. (Money has already been disbursed via IPAC system). AP approves the PM041 to record accomplishment.

**Example 2 Non-CFS Bureaus:** PO executes an IAA with OPM for services. UDO established for an anticipated amount in the financial system. PO/FO makes copy of IAA and UDO available to AP. OPM performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP creates a manual payment document type in the financial system. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in the financial system as vendor invoice referencing the UDO. AP completes Manual Payment Document referencing invoice and UDO. AP approves Manual Payment Document recording the accomplishment. (Money has already been disbursed via IPAC system).



### Sources

- 1. Source:** AP BPR Recommendation 4.5.2 Interagency Agreements (MOU)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Phase II Recommendation 2.21.1.1 Interagency Agreements  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.21.2.1 Process IPAC transactions on PM041 on receipt  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 5.6 Use PM046 to record unidentifiable IPAC transactions

When Intergovernmental Payment and Collection transactions are not immediately identifiable, they should be recorded against a default ACCS using PM046. As the transactions are identified and processed using PM003 and PM041, the PM046 is populated with the invoiced amounts. Releasing the detail transactions on the PM046 allows the default ACCS to be reclassified to the correct ACCS.

Allows unidentifiable IPACS transaction to be reported on bureau SF224 timely, and eliminate the Treasury statement of differences.

This rule applies only to those bureaus using Core Financial System (CFS) by Commerce Business Systems.

### Examples

**Example 1 CFS Bureaus:** PO executes an IAA with Agency for services. UDO established for an anticipated amount in the financial system. PO/FO makes copy of IAA and UDO available to AP. Agency performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed, but cannot immediately identify the applicable UDO. AP records the unidentifiable transaction on PM046. AP researches and identifies the PO that executed the IAA. AP records an unapproved PM041 transaction for total IPAC amount. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as PM003 referencing the UDO as a non-payment entry. (Money has already been disbursed via IPAC system). AP approves the PM041 to record accomplishment. AP releases the detail transactions showing on the PM046 (after the PM003 and PM041 are approved) to complete the transaction and reclassifies the default ACCS to the correct ACCS.

### Sources

- Source:** AP BPR Recommendation 4.5.2 Interagency Agreements (MOU)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.21.1.2 Interagency Agreements  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.21.2.2 Use PM046 to record unidentifiable IPAC transactions  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010



## 5.7 Pay non-contract related invoices via Purchase Card whenever possible

Expand use of purchase card to increase rebates to the Government.  
Use the purchase card to make payments to those vendors currently receiving checks/EFTs that already accept credit cards for purchases of supplies and services within the micro purchase threshold. Some examples include private mail, commercial telephone, and wireless phone carriers.

### Examples

**Example 1:** In FY2004, the Department as a whole, spent \$2,796,209 over 1,805 transactions that were between \$0 and \$2,500 to Verizon as paid by EFT/Check. Verizon is a credit card accepting vendor. If the department had used the Purchase card for those transactions, the department could have potentially earned \$29,639.82 in rebates.

### Example 2: Volume Rebate

Current rebate tables used: **30-Day Billing Cycle, 30-Day Pay – Sales Refund (Monthly)**.

Purchase		Travel		Fleet
Annual Charge Volume	Rebate Basis Points	Annual Charge Volume	Rebate Basis Points	Rebate Basis Points
\$100,000,000	109	\$60,000,000	75	60
\$150,000,000	115	\$70,000,000	84	
\$200,000,000	116	\$80,000,000	85	
\$250,000,000	117	\$100,000,000	86	
\$300,000,000	118	\$120,000,000	87	
\$350,000,000	119	\$140,000,000	88	
\$400,000,000	120	\$160,000,000	89	

Entire DOC Purchase Card Amount (Spend) for year: \$100,000,000. Rebate calculated at 109 basis points. ( $\$100,000,000 \times .0109 = \$1,090,000$ ) If Spend increased to \$200,000,000, the rebate calculation would use 116 basis points. ( $\$200,000,000 \times .0116 = \$2,320,000$ ) If Spend increased to \$400,000,000 the basis points would jump to 120. ( $\$400,000,000 \times .0120 = \$4,800,000$ )

### Sources

- Source:** AP BPR Recommendation 4.6.7 Emphasize Cash Management  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)



## Standard Accounts Payable Business Rules

Version: 2.5

**Publication Date:** August 28, 2007

- 2. Source:** AP BPR Phase II Recommendation 2.11.1.5 Purchase Card  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.11.2.5 Pay non-contract related invoices via Purchase Card whenever possible  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010
- 4. Source:** Email from Valerie L. Mawdsley, Vice President, JPMorgan, Relationship Manager, Federal Card Solutions  
**Document ID:** DOC Rebate tables for Jennifer 11-2010.xlsx  
**Publication Date:** October 31, 2010



## 5.8 Purchase Card: Develop process to pay weekly/daily

Expedite payment of purchase card/ travel card/fleet card expenses to increase rebates to Government.

Currently, the bureaus pay the purchase bank card invoices based on a monthly statement, within 3 days of receipt. This provides rebates back to the government computed on two criteria: Volume of transactions and timeliness of payment. Travel and fleet bank card invoices are not paid with the accepted “pay and chase” method as the purchase card and are paid later after reconciliation.

The volume rebate percentage differs by business line (purchase, travel, and fleet) and uses the Monthly rebate table. The percentages range depending on Annual Charge Volume from 109 basis points (1.09%) to 120 basis points (1.20%) for the purchase table. The Weekly purchase rebate table ranges from 157 basis points (1.57%) to 168 basis points (1.68%). In order to use the weekly rebate table, the entire department (**all** bureaus in one business line) must pay weekly and then issue a modification to the servicing bank’s task order.

By changing to a weekly statement cycle, the minimum percentage goes up by .48%. If the bureaus change to a daily statement cycle the minimum percentage increases by .52%.

Timeliness of Payment criteria is based on file turn days. This means the average length of time a charge is outstanding on a statement. The actual formula is (Average outstanding balance over trailing 12 months/volume for trailing 12 months) x number of days (365). It’s a rolling average over 12 months. For estimating purposes, we can use the following formula:

30 day cycle/2 (half the transactions will be greater than 15 days and half the transactions will be less than 15 days so divide by 2) + pays in 3 days=  $(30/2)+3=18$  days. The basis points attributable to 18 days are 27.

7 day cycle (weekly) + pays in 3 days =  $(7/2)+3=6.5$  days rounded up to 7 days or 39 basis points.

A daily cycle gets the following: (1 day cycle/2) plus same day payment =0.5 days rounded up to 1 day or 44 basis points.

The rebate is calculated by multiplying the percentage by the spend amount for the period.

### Examples

#### **Example 1:** Volume Rebate

Current rebate tables used: **30-Day Billing Cycle, 30-Day Pay – Sales Refund** (Monthly).





## Standard Accounts Payable Business Rules

Version: 2.5

Purchase	
Annual Charge Volume	Rebate Basis Points
\$100,000,000	109
\$150,000,000	115
\$200,000,000	116
\$250,000,000	117
\$300,000,000	118
\$350,000,000	119
\$400,000,000	120

Travel	
Annual Charge Volume	Rebate Basis Points
\$60,000,000	75
\$70,000,000	84
\$80,000,000	85
\$100,000,000	86
\$120,000,000	87
\$140,000,000	88
\$160,000,000	89

Fleet
Rebate Basis Points
60

Entire DOC Purchase Card Amount (Spend) for year: \$100,000,000. Rebate calculated at 109 basis points. ( $\$100,000,000 \times .0109 = \$1,090,000$ ) If Spend increased to \$200,000,000, the rebate calculation would use 116 basis points. ( $\$200,000,000 \times .0116 = \$2,320,000$ ) If Spend increased to \$400,000,000 the basis points would jump to 120. ( $\$400,000,000 \times .0120 = \$4,800,000$ )

If all of DOC paid on a **weekly** cycle, and DOC changed the Task Order with the bank to use the **Weekly Pay – Sales Refund** rebate table the following potential rebates could be earned:

Purchase	
Annual Charge Volume	Rebate Basis Points
\$100,000,000	157
\$150,000,000	163
\$200,000,000	164
\$250,000,000	165
\$300,000,000	166
\$350,000,000	167
\$400,000,000	168

Travel	
Annual Charge Volume	Rebate Basis Points
\$60,000,000	123
\$70,000,000	132
\$80,000,000	133
\$100,000,000	134
\$120,000,000	135
\$140,000,000	136
\$160,000,000	137

Fleet
Rebate Basis Points
108

Entire DOC Purchase Card Amount (Spend) for year: \$100,000,000. Rebate calculated at 157 basis points. ( $\$100,000,000 \times .0157 = \$1,570,000$ ) If Spend increased to \$200,000,000, the rebate calculation would use 164 basis points. ( $\$200,000,000 \times .0164 = \$3,280,000$ ) If Spend increased to \$400,000,000 the basis points would jump to 168. ( $\$400,000,000 \times .0168 = \$6,720,000$ )



## Standard Accounts Payable Business Rules

Version: 2.5

If all of DOC paid on a **daily** cycle, and DOC changed the Task Order with the bank to use the **Daily Pay – Sales Refund** rebate table the following potential rebates could be earned:

Purchase		Travel		Fleet
Annual Charge Volume	Rebate Basis Points	Annual Charge Volume	Rebate Basis Points	Rebate Basis Points
\$100,000,000	161	\$60,000,000	127	112
\$150,000,000	167	\$70,000,000	136	
\$200,000,000	168	\$80,000,000	137	
\$250,000,000	169	\$100,000,000	138	
\$300,000,000	170	\$120,000,000	139	
\$350,000,000	171	\$140,000,000	140	
\$400,000,000	172	\$160,000,000	141	

Entire DOC Purchase Card Amount (Spend) for year: \$100,000,000. Rebate calculated at 161 basis points. ( $\$100,000,000 \times .0161 = \$1,610,000$ ) If Spend increased to \$200,000,000, the rebate calculation would use 168 basis points. ( $\$200,000,000 \times .0168 = \$3,360,000$ ) If Spend increased to \$400,000,000 the basis points would jump to 172. ( $\$400,000,000 \times .0172 = \$6,880,000$ )

### **Example 2:** Timeliness Rebate

If a bureau has \$1,000,000 in spend for a quarter on the purchase card (ignoring travel and fleet for the moment), and is currently on a 30 day statement cycle and pays the invoice within 3 days of receipt of the invoice, the bureau would receive X in rebate. How much is the X?

File Turn = 30 day cycle / 2 + pays in 3 days = 18 days

$$\$1,000,000 \times (18 \text{ days} = .0027) = \$2,700$$

If the bureau changes to a **weekly** statement cycle and still pays within 3 days of receipt of the invoice, how does X change?

File Turn = 7 day cycle / 2 + pays in 3 days = 6.5 days = round to 7 days

$$\$1,000,000 \times (7 \text{ days} = .0039) = \$3,900$$

If the bureau pays on a **daily** statement cycle, how does X change?

File Turn = 1 day cycle / 2 + pays same day = 0.5 days = round to 1 day

$$\$1,000,000 \times .0044 = \$4,400$$



## Productivity Refund - Purchase Card

File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)	File Turn	Productivity Refund (bp)
45	0	35	10	25	20	15	30	4	41
44	1	34	11	24	21	14	31	3	42
43	2	33	12	23	22	13	32	2	43
42	3	32	13	22	23	12	33	1	44
41	4	31	14	21	24	11	34		
40	5	30	15	20	25	10	35		
39	6	29	16	19	26	9	36		
38	7	28	17	18	27	8	38		
37	8	27	18	17	28	7	39		
36	9	26	19	16	29	6	40		

### Sources

- Source:** AP BPR Recommendation 4.3.10 Purchase Card Bill  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- Source:** AP BPR Phase II Recommendation 2.11.1.1 Purchase Card  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- Source:** AP BPR 4.11.2.1 Purchase Card: Develop process to pay weekly/daily  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010
- Source:** Email from Valerie L. Mawdsley, Vice President, JPMorgan, Relationship Manager, Federal Card Solutions  
**Document ID:** DOC Rebate tables for Jennifer 11-2010.xlsx  
**Publication Date:** October 31, 2010



## 5.9 Cardholder/Approvers Performance Plans

Increase effective internal controls by requiring cardholders/approvers to be evaluated within their performance plans as to accuracy and timeliness of reconciliations and approvals. Use OHRM to distribute the elements to cardholders/approvers. See memo dated September 20, 2010 to Principal Human Resources Managers from William J. Fleming, Acting Deputy Chief Human Capital Officer with subject: "2011 Performance Plan Language for Purchase Cardholders and Purchase Card Approval Officials."

Mandatory Language for existing elements (collateral duties) for employees with Purchase Cardholder and Purchase Card Approving Official responsibilities:

### **Purchase Cardholders**

#### Results of Major Activities

Authorized purchase card transactions are completed for official Government business only.

Purchase card transactions are reconciled in the accounting system.

Purchase card files are maintained.

#### Criteria for Evaluation

Authorized purchases are completed in accordance with guidance on use of the purchase card outlined in Federal, Departmental, and Operating Unit laws, regulations, and policies.

Purchase card transactions are accurately reconciled to the correct accounting codes by the established due dates.

Transaction files are accurately maintained and include the required documentation specified in operating unit guidance.

### **Purchase Card Approving Officials**

#### Results of Major Activities

Purchase card purchases are reviewed.

Accounting codes in the purchase card system are reviewed.

Reconciliation of cardholder transactions are verified.

#### Criteria for Evaluation

Purchase card activities are reviewed prior to the purchase in accordance with Federal, Departmental, and Operating Unit laws, regulations, policies and guidance as it relates to use of the purchase card.

Accounting codes in the purchase card system are reviewed by established due dates.

Reconciliation of cardholder transitions are accurately verified by established due date.



### Examples

**Example:** (Not applicable)

### Sources

- 1. Source:** AP BPR Recommendation 4.3.10 Purchase Card Bill  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
**Publication Date:** August 28, 2007
- 2. Source:** AP BPR Phase II Recommendation 2.11.1.3 Purchase Card  
**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)  
**Publication Date:** April 30, 2008
- 3. Source:** AP BPR 4.11.2.3 Cardholder/Approvers Performance Plans  
**Document ID:** AP BPR Implementation Status as of 09-13-10.xls  
**Publication Date:** September 13, 2010
- 4. Source:** Memo from William J. Fleming  
**Document ID:** 2011 Performance Plan Language for Purchase Cardholders and Purchase Card Approval Officials  
**Publication Date:** September 20, 2010



## Standard Accounts Payable Business Rules

Version: 2.5

SEP 20 2010



**UNITED STATES DEPARTMENT OF COMMERCE**  
**Chief Financial Officer and**  
**Assistant Secretary for Administration**  
Washington, D.C. 20230

MEMORANDUM FOR Principal Human Resources Managers

FROM: William J. Fleming *WJ Fleming*  
Acting Deputy Chief Human Capital Officer and  
Acting Director for Human Resources Management

SUBJECT: 2011 Performance Plan Language for Purchase Cardholders  
and Purchase Card Approval Officials

As part of an ongoing effort to improve internal controls within the Department of Commerce, the Office of Financial Management, the Office of Acquisition Management, and the Office of Human Resources Management have partnered to develop mandatory language for existing elements (collateral duties) for employees with Purchase Cardholder and Purchase Card Approval Official responsibilities.

The Accounts Payable Business Process Reengineering Team has led an effort to create specific language (i.e., results and criteria for evaluation) for Purchase Cardholder and Purchase Card Approving Official responsibilities that will increase the effectiveness of internal controls. This language will foster the Administration's priority of accountability by requiring performance to be in accordance with acquisition regulations and policy guidance. In addition, the language will promote improved accuracy of financial information on purchase card transactions.

The bureaus were given an opportunity to provide comments. We incorporated the comments received and determined that the results and criteria for evaluation (see attached) would be better represented as part of an existing performance element rather than as stand-alone elements. The language for existing elements (collateral duties) must be incorporated as written into Fiscal Year 2011 performance plans for all employees with these responsibilities.

Given this new requirement, we would like to remind the bureaus of certain provisions of the Department's appraisal systems. There are currently four non-SES appraisal systems in the Department: 5-level, Commerce Alternative Personnel System, Alternative Personnel Management System (NIST), and 2-level. Under the 5-level system there are a maximum of five elements permitted and no element may be weighted less than 15 percent. Under the Commerce Alternative Personnel System there is a limit of 6 elements and a 5 percent minimum weight for all elements. For the Alternative Personnel Management System there is a maximum of 6 elements and the total weight for all elements must equal 10. This requirement applies to the employees who remain under the 2-level appraisal system.

Issuance of the appropriate element and standard to non-bargaining unit employees who are assigned this type of work should be made immediately. Assignment of the standards to



Subject: 2011 Performance Plan Language for Purchase Cardholders  
and Purchase Card Approval Officials

Page 2

bargaining unit employees should begin only after bureaus meet any requirements stated in their negotiated agreements on the issuance of new standards and elements.

The attached language for existing elements must be incorporated into the appropriate Fiscal Year 2011 plans as applicable. If you have any questions, please contact your servicing human resources office.

Attachment





## **Purchase Cardholders**

### Results of Major Activities

Authorized purchase card transactions are completed for official Government business only.

Purchase card transactions are reconciled in the accounting system.

Purchase card files are maintained.

### Criteria for Evaluation

Authorized purchases are completed in accordance with guidance on use of the purchase card outlined in Federal, Departmental, and Operating Unit laws, regulations, and policies.

Purchase card transactions are accurately reconciled to the correct accounting codes by the established due dates.

Transaction files are accurately maintained and include the required documentation specified in operating unit guidance.

## **Purchase Card Approving Officials**

### Results of Major Activities

Purchase card purchases are reviewed.

Accounting codes in the purchase card system are reviewed.

Reconciliation of cardholder transactions are verified.

### Criteria for Evaluation

Purchase card activities are reviewed prior to the purchase in accordance with Federal, Departmental, and Operating Unit laws, regulations, policies and guidance as it relates to use of the purchase card.

Accounting codes in the purchase card system are reviewed by established due dates.

Reconciliation of cardholder transitions are accurately verified by established due date.





## 5.10 Foreign Payments - ITS.Gov usage

Bureaus will use ITS.gov (provided by Financial Management Service, Department of the Treasury) as needed to pay foreign vendors in foreign currency or in US Dollars. See the ITS.gov website at <http://www.fms.treas.gov/itsgov/index.html> for additional information.

### Examples

**Example:** (Not applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.3.4 Foreign Payments

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.4.1.1 Foreign Payments

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 1. AP BPR 4.4.2.1 Standardize Foreign Payment Process (ITS.GOV)

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010



## 5.11 Modify Contract Policy to use U.S. Dollars

Follow regulations outlined in the Federal Acquisition Regulations to use US Dollars as the form of payment whenever possible.

### Examples

**Example:** (Not applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.3.4 Foreign Payments

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.4.1.2 Foreign Payments

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 9. AP BPR 4.4.2.2 Modify Contract Policy to use U.S. Dollars

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010



## 5.12 Centralize Invoice Delivery

Centralize invoice delivery to the servicing AP office or a centralized e-mail account for the servicing AP office or bureau to maximize efficiency. After documenting receipt of proper invoice, the invoice is sent to other Accounts Payable offices or program offices for approval and processing.

### Examples

**Example:** (Not applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.6.4 Scanning, Imaging and Conversion

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.14.1.1 Centralized Invoice Delivery

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 37. AP BPR 4.14.2.1 Centralize Invoice Delivery

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010



### 5.13 Standardize Estimated Accrual Policy

Bureaus will follow the policies and procedures as described in the Department's Accounting Principles and Standards Handbook, Chapter 4 Accrual Accounting, Section 3.0 Frequency of Accruals and Section 5.04 Standards for Estimating Accruals at <http://www.osec.doc.gov/ofm/whatsnew.htm> :

#### Section 3.0 Frequency of Accruals

"Accruals will be computed and recorded in the accounting system, at a minimum, each quarter-end (December 31, March 31, June 30, and September 30). When relevant data is not available, e.g. foreign payments made by the State Department, estimates should be recorded in the accounting system and sequentially adjusted when actual data is available."

#### Section 5.04 Standards for Estimating Accruals

"In the absence of invoices or other available data, reasonable estimates shall be used to accrue the cost of goods or services received before the end of a reporting period. Some of the ways to record accrued expenditures are as follows:

- a. Receiving reports showing quantities received and determining whether a given shipment is complete or partial are useful in determining the amount of the accrual when the invoice has not been received.
- b. Payroll, travel, and other vouchers received or prepared but not yet paid.
- c. Obligation figures may be the best estimate of the amount of the expenditure incurred where an obligation is recorded covering the expenditure, which accrued within an accounting period.
- d. A prior actual accrual or a trend of several previous periods may be appropriate when estimating a current accrual.
- e. Quarterly performance reports from grantees should be used to accrue expenditures for grants.
- f. Estimates should be obtained from project managers or other operating officials who are familiar with progress under the contract or grant if reports from contractors or grantees are not available or are not feasible.
- g. Sampling and other statistical methods may be used to make estimates in cases where dollar amounts are relatively low but the number of transactions is high. The method used and the reasons for its selection should be documented and kept on file."



### Examples

**Example:** (Not applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.6.1 Estimated Accruals

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.25.1.1 Estimated Accruals

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 7. AP BPR 4.25.2.1 Standardize Estimated Accrual Policy

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## 5.14 Bureaus May, When Reasonable, Charge Prompt Pay Interest Penalties to Program Offices

Bureaus will follow the policies and procedures as described in the Department's Cash Management Policies and Procedures Handbook, Appendix F Prompt Pay Requirements, Section 9.0 Late Payment Interest Penalties (Page F-12) at <http://www.osec.doc.gov/ofm/whatsnew.htm> :

“When an organization unit fails to make payments when due, interest penalties will be paid pursuant to the guidelines provided below. Organization units will pay such interest penalties without the need for Payees to request them. Organization units shall pay interest out of funds made available for the administration or operation of the program for which the penalty was incurred. Bureaus may, **when reasonable**, charge interest penalties back to the applicable program office(s).”

### Examples

**Example:** (Not applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.6.3 Invoice Aging

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.28.1.3 Invoice Aging

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 8. AP BPR 4.28.2.3 Charge Prompt Pay to Program Offices

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010



## 5.15 Distribute General Services Administration (GSA) Leased Real Property via Summary Level Transfer

Rental Payments for GSA leased property are paid via the Intergovernmental Payment and Collection (IPAC) system and recorded as non-payment entries in the financial system. These transactions reference an undelivered order with default Accounting Classification Code String (ACCS) information at a summary level. Each transaction is distributed to the program office budgets using Summary Level Transfer or Cost Allocation methods.

### Examples

**Example:** UDO established in the financial system. GSA initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as a non-payment entry. (Money has already been disbursed via IPAC system). AP references UDO in the non-payment entry, liquidating the UDO. Reclassify the default ACCS to the correct program specific ACCS using the Summary Level Transfer or Cost Allocation process, or some other method as appropriate.

### Sources

**1. Source:** AP BPR Recommendation 4.5.3 Lease Real Property GSA

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.22.1.2 Leased Commercial and Real Property GSA

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 17. AP BPR 4.22.2.1 Distribute GSA Leased Real Property via SLT

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010



## 5.16 Expedited Processing for Recurring Payments, When Utilized

When bureaus utilize expedited processing for recurring payments, bureaus will follow the policies and procedures as described in the Department's Cash Management Policies and Procedures Handbook, Chapter 4 Disbursements, Section 5 Disbursements for Goods and Services, Subsection .03 Audits of Vouchers, paragraph (h) Expedited Processing for Recurring Payments of Fixed Dollar Amounts Under Agency Vendor Agreements (Page 4-12), and (i) Expedited Processing for Recurring Payments of Variable Dollar Amounts (Page 4-13). <http://www.osec.doc.gov/ofm/whatsnew.htm>

### Examples

**Example:** (Not Applicable)

### Sources

**1. Source:** AP BPR Recommendation 4.6.2 Exception Processing and FASTPAY

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.27.1 Expedited Processing

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 19. AP BPR 4.27.2.1 Implement Expedited Processing for Recurring Payments

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010

**4. Source:** 33. AP BPR 4.27.2.1 Modify Policy/Form for Expedited Payment Processing

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010





## 5.17 Modify Purchase Card to Accept Multiple Vendors

In response to the SmartPay2 transition, Commerce Business Systems modified the Purchase Card module in CFS to allow multiple bank card vendors' files to be processed. A code change was made to the CFS system to replace hardcoded data with table driven processes.

The new bank card vendor must have a payment address that includes a payment method of SF1081 for the Purchase Card module to function correctly.

This rule applies only to those bureaus using the Core Financial System (CFS) by Commerce Business Systems.

### Examples

#### Example CFS Bureaus:

Vendor Maintenance Screen (PM002 VER-3.1.0.0)

Vendor Selection | Vendor | Address Listing | **Address Detail** | Vendor Mapping | Issue Resolution

Address ID: 21  
Type: PAYMNT  
Name: CITIBANK SOUTH DAKOTA  
Addr 1: 1 MAIN STREET  
City: GAITHERSBURG ST/Pr: MD Zip: 20877  
Country: US  
Delete: E-Mail: Notes: ASAP Recipient/Requestor ID:

Payment Method: SF1081  
ACH Payment Format: NONE  
ABA No: 025507198  
Exchange Code: US  
ACCT No: 123  
Pre-Notify: Prompt Pay:

Form 1099  
W-9 Received: Type: NONE  
W-9 Required: Last Issued Date:

CCR  
Vendor: Reg Active: Dup Rec Lock: Active: Date: 04-MAR-2004

Contact  
Name: TEMP CPCS VENDOR  
Phone: Fax:

Reporting ID  
Entity Type: CORP  
TIN No: 666602893  
DUNS No: 999999999 -  
CAGE/NCAGE:

Form 1042  
Required: Last Issued Date: Income: Exemption: Recipient Type:



### Sources

**1. Source:** AP BPR Recommendation 4.3.10 Purchase Card

**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)

**Publication Date:** August 28, 2007

**2. Source:** AP BPR Phase II Recommendation 2.11.1.7 Purchase Card

**Document ID:** Department of Commerce AP BPR Phase II Results Documentation (AP\_BPR\_Results\_Final\_v1.5.doc)

**Publication Date:** April 30, 2008

**3. Source:** 50. AP BPR 4.11.2.7 Develop Modify Purchase Card to Accept Multiple Vendors

**Document ID:** AP BPR Implementation Status as of 09-13-10.xls

**Publication Date:** September 13, 2010

**4. Source:** Email from Avis Merkl, Assistant Division Chief, Finance Division, Bureau of the Census

**Document ID:** Email-Subject: Question on change to JPMC from Citibank

**Publication Date:** September 28, 2010