GENERAL SERVICES ADMINISTRATION
Washington, DC 20405

CFO 4260.4
May 27, 2022

GSA ORDER

SUBJECT: Chief Financial Officer (CFO) Manual Volume 4

1. <u>Purpose</u>. This Order issues and transmits the CFO Manual, Volume 4, Accounting Policies and Procedures for the Federal Acquisition Service (FAS).

2. <u>Background</u>. This Manual establishes uniform accounting policies specific to activities of FAS that are executed through the Acquisition Services Fund (ASF) and provides guidance on procedures and operational requirements where appropriate. While it does not include every policy or procedure, this Manual is a useful supplement to other manuals and references, including Federal Accounting Standards Advisory Board (FASAB) pronouncements, Government Accountability Office (GAO) decisions, Office of Management and Budget (OMB) circulars, and United States Department of the Treasury (Treasury) Bureau of the Fiscal Service (Fiscal Service) regulations and guidelines, and various public laws (Pub. L.) pertaining to financial management within the Federal Government. To ensure consistent application by all FAS organizations, the Office of the Chief Financial Officer (OCFO) shall be contacted when clarification, technical guidance, implementation guidance, or other information is needed. Informal or formal requests addressed to FASAB for an interpretation, clarification, technical guidance, implementation guidance or other information shall be submitted through the OCFO.

Given the significant changes occurring in managing contracts and customer orders for telecommunications and wide-area network services, the associated accounting policies and procedures are excluded from this volume. With the phasing-in of the Enterprise Infrastructure Solutions contracts for service delivery, when complete, FAS will no longer have a central role in placing orders on behalf of customers and the related customer billing procedures for those services.

3. <u>Scope and Applicability</u>. The provisions of this manual apply to all organizations within FAS and entities supporting the accounting and financial reporting of FAS activities.

4. <u>Signature</u>.

/S/_____
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Acting Chief Financial Officer
Office of the Chief Financial Officer

Table of Contents

Section 5: Technology Transformation Services (TTS)

Section 6: Other FAS Reimbursable Activities

Chapter 3: Procurement and Accounts Payable

Section 1: Assisted Acquisition Services (AAS)

Section 2. General Supplies and Services (GS&S)

Section 3. Travel, Transportation, and Logistics (TTL)

Section 4. Technology Transformation Services (TTS)

CHAPTER 1. INTRODUCTION

1. <u>General Information</u>.

a. This manual contains policies and procedures for maintaining complete and accurate accounting records. The chapters identify pertinent accounting guidelines and regulations applicable to the Acquisition Services Fund (ASF).

b. The accounting requirements contained in this manual were developed within the framework of existing agency accounting policies and guidelines. These procedures do not replace or change any of the OCFO agency-wide accounting policies now in effect but are intended to supplement them. See Appendix A for a list of key accounting standards and policy guidance that are the base requirements of this manual.

c. Any policies specified in this manual are applicable to Federal Acquisition Service (FAS) and generally do not apply to other GSA organizational structures.

2. <u>Authorization</u>.

a. The ASF was established as a revolving fund under the authority of 40 U.S.C. § 321, operating from the reimbursable revenue generated by its business portfolios rather than from an appropriation received from Congress. For the great majority of services provided by FAS, the ASF authorizing authorities provide the basis for the provision of reimbursable services to federal entities. To a much lesser extent, FAS may alternatively rely on the Economy Act as the reimbursable authority for services not covered by ASF authorities.

b. While ASF authorities are primarily intended for purposes of FAS providing services within the Federal Government, there are also certain provisions allowing FAS programs to provide reimbursable services to state and local governments.

3. <u>Organization</u>. There are six major business lines impacting the ASF.

- Assisted Acquisition Services (AAS)
- General Supplies and Services (GS&S)
- Information Technology Category (ITC)
- Professional Services and Human Capital (PSHC)

- Travel, Transportation and Logistics (TTL)
- Technology Transformation Services (TTS)

a. Assisted Acquisition Services. AAS program offers customized acquisition project management support and financial management services for large complex information technology and professional services solutions. AAS includes both AAS Regional with requesting agency client support centers (CSCs) across the United States and the Federal Systems Integration and Management Center (FEDSIM) (AAS National), which has a particular focus on large, complex acquisitions. AAS supports federal entities with acquisition projects including, but not limited to:

(1) Integrated IT Projects: integrated services that combine services, software, and hardware into a single solution

(2) Software Development: systems support and software development

(3) Other IT Services: program support, help desk support, IT infrastructure, enterprise architecture, communications support, installation/wiring, and other IT services not already specified

(4) Professional Services: professional engineering services, logistics, and business consulting

(5) Other Non-IT Services: facilities maintenance, human resources and administrative services, training services, financial and accounting services, advertising and marketing and public relations services, language services, and energy, environmental and sustainability services

b. General Supplies and Services. The GS&S Category comprises four distinct business lines: Acquisition Management (AM), Supply Chain Management (SCM), Retail Operations (RO) and Personal Property Management (PPM).

(1) Acquisition Management manages a large portion of the GSA Schedule program. GSA Schedule product offerings include furniture, office supplies, and (non-computer) hardware. Service offerings include supply chain and distribution services, administrative services, (non-computer) hardware services, and facilities maintenance.

GSA's Integrated Workplace Acquisition Center (IWAC) provides furniture, furnishings, document management, professional audio-visual, exercise and recreation equipment, and related services.

(2) Supply Chain Management (also known by its brand name GSA Global Supply) manages global supply acquisition and fulfillment functions. Working with the Department of Defense (DOD), it is a vital component of the National Supply System, supporting military and civilian requirements around the world. SCM provides global support via management of a portfolio of vendor-direct delivery contracts.

The GSA Global Supply Special Order Program provides complete, full-service acquisition management support to help the requesting agency acquire products. Requesting agencies have the flexibility to use the funding mechanism that works best for them—Military Standard Requisitioning and Issue Procedures (MILSTRIP) or a Military Interdepartmental Purchase Request (MIPR). This program follows the AAS business model and processes.

(3) Retail Operations manages GS&S's Fourth-Party Logistics (4PL) solutions program. The 4PL program is targeted at segments of the federal supply market requiring full supply chain support. GS&S provides customized solutions to client organizations involving multiple methods of fulfillment (retail stores, customized "virtual" storefronts, multiple/parallel commercial supplier contracts, etc.).

(4) Personal Property Management is responsible for reutilization and disposal of federal personal property. Executive agencies report excess personal property , and GSA screens the personal property among other federal agencies for transfer and reuse. If no other federal agencies express a need for the property, then GSA declares the property surplus to the Federal Government and makes it available for donation or sale. The transfer to other federal agencies, donation, and/or sale of federal personal property fosters responsible asset management. It also allows for federal agencies and qualified recipients of federal property to acquire needed resources at no cost or at significant cost savings.

c. Information Technology Category. ITC provides access to IT and telecommunications products, services, and solutions as well as Homeland Security Presidential Directive 12 (HSPD-12) services to federal entities. Examples of these services include: telecommunications, internet and other high-speed communications, network and data storage equipment and services, credential centers, etc. HSPD-12 requires agencies to follow specific technical standards and business processes for the

issuance and routine use of Personal Identity Verification (PIV) smartcard credentials and includes a standardized background investigation to verify employees' and contractor employees' identities. In certain instances, ITC also provides services to state, local, and tribal government organizations.

d. Professional Services and Human Capital Categories. PSHC develops the contracts and acquisition vehicles needed to support the Federal Government's needs for professional services, human capital services, and charge card management services. Services include: 1) providing strategic leadership, oversight, and management of FAS's professional services, human capital services, and charge card management programs and contracts; 2) providing federal agencies support in the planning and execution of professional and human capital services acquisitions; and 3) delivering professional services and human capital services contracting solutions that meet agency needs.

e. Travel, Transportation & Logistics Categories. TTL develops and manages programs for: 1) the acquisition of travel and transportation services; 2) audits the Government's worldwide transportation billings to identify overpayments and seek recovery for the Federal Government; 3) purchases vehicles for agencies that own and manage their vehicle fleet; and 4) manages the interagency leased vehicle fleet. GSA Fleet is a program managing over 220,000 GSA-owned vehicles that are leased to federal agencies to meet their vehicle needs. GSA Fleet provides the supporting mechanisms necessary to fuel, maintain, and repair the vehicle fleet. GSA Fleet also maintains contracts that agencies can use to rent vehicles and equipment to meet short-term needs.

f. Technology Transformation Services. TTS organization applies modern methodologies and technologies to improve the public's experience with government by helping agencies make their services more accessible, efficient, and effective, and by itself providing services that exemplify these values.

g. OCFO financial management and services support. In addition to the FAS organizations described above, financial management services to support FAS are provided primarily through the OCFO's Office of Budget (BB) and Office of Financial Management (BG), particularly the FAS Budget Division (OCFO-BBF) and the FAS Financial Services Division (OCFO-BGF).

GSA also acquires accounting and financial operations support from the U.S. Department of Agriculture (USDA), OCFO, Pegasys Financial Services (PFS)

organization, a Financial Management Line-of-Business (FMLOB) Federal Shared Services Provider (FSSP). Within USDA's PFS, the Financial Information and Operations Division (referred to extensively in this document as FIOD) provides the bulk of accounting operations support to FAS on behalf of the GSA OCFO.

CHAPTER 2. ACCOUNTS RECEIVABLE AND BILLING

SECTION 1. ASSISTED ACQUISITION SERVICES (AAS)

1. <u>Background on AAS services</u>. Assisted acquisitions as defined in FAR 2.101, are a type of interagency acquisition where a servicing agency performs acquisition activities on a requesting agency's behalf, such as awarding and administering a contract, task order, or delivery order. Assisted acquisitions are a subset of interagency agreements entered into for the primary purpose of obtaining services or products from contractors. AAS program's business processes and linked subprocesses are housed within the Assisted Services Shared Information SysTem (ASSIST) feeder system.

Note: Any FAS program using ASSIST will follow all processes, steps and guides that are documented under the AAS business model. These programs include GS&S Special Order Program-IWAC, GS&S Acquisition Special Order Program, and a portion of TTS. Other programs partially using ASSIST (HSPD-12, CAP, IAE) will follow ASSIST processes and steps unless otherwise noted below.

2. <u>AAS Establish and Modify Customer Agreement</u>.

   a. When requesting agencies (this general term of requesting agency will be used to reference any buyer of GSA products or services throughout the document) approach AAS for services, the CSC works with them to prepare the Interagency Agreement (IAA) General Terms and Conditions (GT&C) identifying the agencies entering into the agreement, the authority permitting the agreement, and the agreement action, period, and type. Services are offered on a fee-for-service basis and include hourly rates, fixed price, and surcharge options. Once completed, a signed IAA - Part A is attached to the IAA entity in ASSIST and will be placed in the electronic contract file for the award and attached to the acquisition. CSCs use the IAA - Part A in ASSIST to submit the IAA - Part B funding for orders that will be related to the IAA - Part A.

   b. Requesting agencies will then provide a funding package to include IAA - Part B/Memorandum of Understanding (MOU)/funding documents (referred to as the IAA - Part B for the remainder of this document), which cite the various appropriations funding the acquisition/service. The IAA - Part B funding package is associated with its respective IAA - Part A through a GT&C number and/or the servicing agency tracking number (ASSIST IA number). The appropriation lines from the funding document are keyed into ASSIST under the IAA - Part A and are immediately transmitted to billing and accounts receivable (BAAR) upon completion. Each funding line is assigned a unique

agreement number by ASSIST that is transmitted to GSA's core financial system Pegasys. The agreement number serves as the data key for the match of information regarding appropriation lines between ASSIST and Pegasys/BAAR.

c. Funding packages may be modified through the use of amendments to the IAA - Part B. Amendments may increase or decrease the value of existing appropriation lines or add new lines. These amendments are keyed into ASSIST's funding service as amendments, and the changes are transmitted through to Pegasys via the unique agreement number established upon original entry.

d. Fees are based on a variety of factors such as complexity, size, and number of vendor services needed. There are various cost recovery methods available, such as award fees, percent of obligations fee, surcharge rate, on-demand service charge, scheduled fixed fees and labor hour billings. Award fees, percent of obligations, and surcharge rate are directly linked to the award. On-demand service charges, scheduled fixed fee service charges, and labor hour billings are generated off of the IAA.

e. The IAA - Part B needs to be signed by the requesting agency and GSA as the servicing agency before any work can be authorized. The approvals normally consist of both a requesting agency project manager (PM) and financial certifying official. Once signed by appropriate requesting agency officials, the IAA - Part B also requires the approval of the FAS project management official and a designated financial funds approval official in the OCFO-BGF. Once a signed IAA - Part B is obtained, the financial information contained therein is entered into ASSIST by the OCFO-BGF, which is automatically sent to BAAR and sets up an unfilled customer order (UFCO). The UFCO funds associated with an IAA - Part B are allocated by the PM to cover the costs of appropriate project components (e.g., labor, fees, contracted services, equipment, travel).

3. <u>AAS Billing.</u> Billing documents are compiled based on inputs from vendor invoices, internal direct costs and calculation of other GSA fees, which are billed via one of the cost recovery methods established in an IAA - Part B.

a. Billings from Cost of Goods and Services Sold - Vendor Invoices. For AAS, billing documents for cost of goods and services reimbursements are initiated after the receipt of vendor invoices. Requesting agencies, vendors, and GSA personnel are able to access invoices within ASSIST. Vendors log into the ASSIST application and submit their electronic invoices, which transmits the data to Visual Invoice Tracking And Payment (VITAP). ASSIST automatically creates an acceptance report from the vendor

invoice submission to document requesting agency and GSA determination of the submitted invoice. System notifications are sent to the PM and the requesting agency to let them know an invoice was submitted and requires their attention. The requesting agency reviews the acceptance report in ASSIST to acknowledge receipt of the goods and/or services. ASSIST notifies the PM when the requesting agency reviews and accepts or rejects the invoice via the acceptance report. The PM reviews the details of the invoice to ensure that it is in line with the terms and conditions of the purchase order (PO). Upon the PM's acceptance in ASSIST, a receiving report is automatically created and subsequently, the billing is generated based on the PM's specifications on the acceptance report.

(1) During acceptance, the PM has the ability to pick which of a requesting agency's funding and accounting line(s) is/are to be billed. If the PM does not select a specific funding and account line, the bill will default to first-in, first-out (FIFO) methodology based on the order in which the funding was added to the PO.

(2) The receiving report is interfaced to the VITAP to match with the previously submitted invoice. The electronic invoice process includes a requirement for a three-way match between the invoice, PO, and receiving report. ASSIST generates and sends the detailed billing records (DBRs) to Pegasys (BAAR) using a scheduled batch job, which automatically runs system edit checks on the batch files to flag exceptions such as structure layout, batch ID, date criteria, and required data values. The Pegasys Error report is generated and sent to the ASSIST support desk to correct and resubmit any erroneous DBRs. All exceptions will be reconciled and resolved by FIOD.

b. On-Demand Service Charges. On-demand service charges are fees that originate from the IAA - Part B on a one-time basis. The GSA office wishing to bill an on-demand service charge will contact their OCFO-BGF financial analyst (FA) with the IAA - Part A and Part B, an amount to bill, the reason for the billing, and documentation of CSC management approval. The OCFO-BGF FA will review the information presented and request approval from an OCFO-BGF manager (if required) to proceed with the billing. Once the approval (if required) is granted, the bill will be processed by the OCFO-BGF FA from ASSIST to Pegasys via the process outlined below.

c. Labor Hour Service Charges. Each day AAS program users record their billable hours in ASSIST's Timekeeping module. At month end, the program user navigates to their timesheet and certifies their hours (confirms completeness).

(1) Each certified timesheet undergoes a 2-phase review and approval process.

(a) Phase 1: within the first 3 days of the month, the line item manager will approve/disapprove any employee charging hours to the line items they manage.

(b) Phase 2: within days 4-6, branch/section managers will approve/disapprove labor hours that could not be reviewed by line item managers, mainly hours charged to line items they manage themselves or hours that were not certified/corrected in a timely fashion and did not meet business day 1-3 deadline.

(2) The bill is automatically generated on the 6th of the month for labor hour billings after the timesheets are reviewed and approved in ASSIST. The bill is delivered from ASSIST to Pegasys via the process outlined in the ASSIST to Pegasys billing section below. If the branch/section manager does not approve a timesheet by the 6th, the hours remain unapproved and pending approval by the branch/section manager for the following month. Employees that do not complete their end of month timesheet by midnight of the last day of the month will be included in the Overdue Monthly Timesheet report sent to the branch/section manager.

d. Award-Related Fees. The one-time project initiation (transaction processing) fee is included in the IAA - Part B for an amount that is either a percentage of the total obligation amount, or a fixed amount established between the PM and the requesting agency. Upon a contract award to a vendor, the one-time award fee is charged and billed to the requesting agency. The award fee is established during the cost-recovery stage and funds are committed to the award fee by the PM. The OCFO-BGF FM will then certify the funds prior to award in ASSIST. The DBR is immediately generated in ASSIST to be included in the next transmission to Pegasys as outlined in the ASSIST to Pegasys Billings section below.

e. Scheduled Fixed Fee Service Charges. When fixed fees are established on an IAA - Part B, the fee percentage or dollar amount is set up in a schedule in ASSIST Funding Service to be billed at a scheduled interval. A fixed fee service charge line item is created by the PM. The PM will commit funds to the fixed fee line item. The PM creates the fixed fee schedule of bills linked to the fixed fee line item for each billing interval in accordance with the IAA - Part B and selects the bill date. When the date arrives the scheduled fixed billing automatically generates and is transmitted from ASSIST to Pegasys as outlined in the ASSIST to Pegasys Billings section below.

f. ASSIST to Pegasys Billings. ASSIST sends the DBRs queued up that day to Pegasys on a nightly scheduled batch job. Pegasys automatically runs system edit checks on the batch files to flag exceptions such as structure layout, batch ID, date criteria, and required data values. The Pegasys Error report is generated and sent to the contractor on the ASSIST support desk, which is uploaded to ASSIST for the OCFO-BGF analyst to correct and resubmit the erroneous DBRs.

g. Pegasys Billings. Once billings are received in Pegasys, they are scheduled to be released as part of the monthly billing cycles managed by FIOD. The scheduled billings are recorded as billings-in-process in the Standard General Ledger (SGL) account 131000.07 - Unbilled Receivable until the billings are actually released and revenue can be recorded as billed 131000.08 - Billed Receivable. Billing documents are issued to the requesting agency in two ways, either electronically via the Intra-Governmental Payment and Collection (IPAC) process or non-IPAC.

(1) IPAC Billings: IPAC is a way for Federal Program Agencies (FPAs) to transfer funds from one agency to another with standardized descriptive data. IPAC facilitates intragovernmental transactions by transferring funds, with related descriptive data and the Treasury Account Symbol/Business Event Type Code (TAS/BETC), from one FPA to another. After the IPAC is initiated and processed via the Treasury, the statement is paid.

(2) Non-IPAC Billings: Non-IPAC statements are paid once the requesting agency initiates payment either manually via a check or electronically via the IPAC system. GSA does not send paper billing statements by mail. The requesting agency is required to log on to GSA's Vendor and Customer Self Service (VCSS) website to obtain printed billing statements.

h. Manual Billings: Billing detail that is forwarded to FIOD and is not generated via an automated feeder system is deemed to be part of the Pegasys manual business lines. This information, generally supported by an IAA - Part A and Part B providing funding detail and spending authorization, is manually input into Pegasys. FIOD staff use the Project Cost Accounting Subsystem (PCAS), which is a component of Pegasys, to either manually input or to upload required information into the system. Billing information is sent to FIOD via the group's general billing email box at the following location: kc.generalfunds.billingrequests@gsa.gov

4. <u>AAS Accruals.</u> Accrual-based accounting requires recording revenue for goods/services rendered in the period in which a seller performs/provides the ordered

services/goods. Accrued revenues, with the matching unbilled receivables account (131000) are included when preparing monthly financial statements. AAS will utilize percent completion as their methodology. The expense accrual is calculated with the percent completion methodology and the income accrual is based on expense plus the negotiated surcharge rate/amount per contract line item number (CLIN). Accruals will be generated within ASSIST and sent to Pegasys as self-reversing accruals and will be recalculated each month. Expense accruals are transmitted to VITAP and recorded in Pegasys. Income accruals are sent to BAAR via a data exchange using the Financial Management Enterprise Service Bus (FMESB). Exception reporting in ASSIST supports the reconciliation process. Any accruals that hit an edit will be resolved and/or recorded as a worksheet adjustment (WSA).

    a. Reconcile Income Accrual. The OCFO-BGF staff is responsible for ensuring the revenue records process properly into Pegasys.

    b. Rejected records in the data transmission process from ASSIST to BAAR. If BAAR edits create rejected forms in Pegasys, the OCFO-BGF staff reviews the error reports and makes adjustments and corrections via WSAs as needed for the records to properly process.

5. <u>AAS Close Customer Agreement.</u> The close-out of an AAS IAA - Part A with a requesting agency is normally dependent on preceding actions to close any contracts or other orders to vendors that supported delivery of services required by an IAA - Part A. The type of contract (time and materials, fixed fee, or cost reimbursable) determines the length of time required for the close-out process.

    a. At the end of the period of performance (POP) for each award, the PM requests that any underlying contracts be closed, and any remaining contractual undelivered order (UDO) balances will then need to be deobligated. During the close out UFCO process, a reconciliation request is sent to the OCFO-BGF to financially reconcile the order. Once the order is financially reconciled (all bills collected and invoices paid) the program will proceed with the contract close-out.

    b. Once a PO or contract deobligation is completed, the PM sends a notification to the OCFO-BGF financial manager (FM) that requesting agency fund balances are no longer required to support the award and/or fee. When adjusting requesting agency funding associated with fees, the OCFO-BGF will review the billing history to ensure all activity has been completed. If all programmatic and financial information is reconciled

and collections are complete, the IAA - Part A closeout proceeds with completed documentation to return unspent funding availability to the requesting agency.

c. Unspent balances of requesting agency funding are removed from ASSIST and a return of funds notice is sent to the requesting agency for their own processing and deobligation of the IAA - Part B in their records.

d. Removing Remaining Funds. An amendment to the IAA - Part B is created and signed by the OCFO-BGF FM to document the return of funds to the requesting agency. The return of funding is entered into ASSIST and the form is saved with the funding package for record. The OCFO-BGF FM then provides the form to the PM for record and to provide to the requesting agency.

e. Review of Unfilled Customer Orders. A semi-annual review of the unassigned funding (UF) portion of the AAS UFCO is completed as required by the CFO Accounts Receivable and Debt Collection Policy Manual (CFO 4253.1C), Chapter 6. The validity of the UFCO that is tied to an obligation is reviewed via the UDO data call. All remaining UFCOs not tied to an obligation, known as UF, are reviewed separately. Guidelines call for a 100% review of balances 5 years old or older (based on age of the fiscal year (FY) of the appropriation), 85% review of balances 3-5 years old, and 75% review of remaining balances. Data for the review is pulled by the OCFO-BGF, provided to the program offices for completion, reviewed by the OCFO-BGF, and certified by the program office and OCFO-BGF. The review is coordinated and completed in Google (via a Google Sheet) and downloaded to Excel for submission. Any ASSIST UFCO amount deemed invalid as part of the data call is included in the OCFO-BGF's month end reporting to FIOD of UFCO's via +1 adjustment to the trial balance. Any amount not included in that report would be included in the month end WSAs.

Section 2: General Supplies and Services (GS&S)

6. Background on GS&S services. A major responsibility of the GS&S Category is to provide the Federal Government with efficient and effective mechanisms to acquire supplies and to reutilize, donate, or sell excess and personal property. A range of contracting vehicles, especially the multiple award schedule (MAS) and blanket purchase agreements (BPAs) underlie the processes agencies use for these acquisitions. GS&S provides alternative acquisition and requisition processes, described below, to streamline the ordering process for federal agencies, and for non-ASSIST activity, does not require the formal and more complex IAA - Part A and B processes needed by other FAS programs.

- Acquisition Management - Requesting agencies placing orders against MAS contracts may use the GSA Advantage website or order directly through the vendor.
- Supply Chain Management - Agencies can place orders with GSA Global Supply online through the Global Supply Website, GSA Advantage website, via MILSTRIP, or phone.
- Retail Operations - Agency's orders may also be placed through GS&S retail stores, via phone, and online at Servmart.
- Personal Property Management - Agencies notify GSA of excess personal property. This program determines whether the goods will be reutilized by another agency, donated, or sold. Sales records are maintained in the Sales Automated System (SASy), where the amount of the proceeds GSA retains are calculated. The manual process includes sending registers to FIOD to process reimbursements to requesting agencies, from the proceeds of their sales.

7. GS&S Establish and modify customer agreements.

   a. For all of the channels flowing through a GS&S requisition ordering process, the requesting agency order is transmitted to GS&S's Order Management Services (OMS) once the requesting agency has placed the order. OMS transmits all POs to the vendor portal. Vendors who receive a high volume of orders may choose to receive POs via electronic data interchange (EDI), in addition to the vendor portal.

   b. Requesting agency orders placed directly through vendors (e.g., MAS orders) do not go through OMS, and the vendors directly bill the requesting agency.

   c. Unfilled Customer Order Creation.

   (1) The creation of the UFCO starts with a daily process where OMS sends a batch file to the FEDPAY Internet Invoicing System (referred to as FEDPAY hereafter), which contains the Purchase Order Print Extract (POPE) file. The PO is stored in FEDPAY until it is matched to the vendor's invoice, which is provided by the vendor after the goods/material have been manufactured and shipped. Each month end, FEDPAY sends an aggregate entry for the outstanding balance of UFCOs (i.e., POs that have not been matched to a vendor invoice plus reimbursable fees) to Pegasys.

   (2) After the evening cycle has run, OMS sends a POPE file to FEDPAY. FEDPAY produces an exception report (e.g., Daily Cycle Log report), identifying rejected records, and/or modifications to existing orders that have already been paid, during the

nightly batch. The following day, FIOD staff reviews the Daily Cycle Log report and notifies the GSA and OMS systems personnel of any rejected records. The FIOD staff research and take needed action on any cancellations/modifications to paid orders that may need a claim and/or billing adjustment.

(3) After FEDPAY posts the UFCO, the FIOD receives an email from an IT specialist in the Financial Management IT Services Branch (ICSF) with the monthly UFCO information. FIOD performs a reconciliation between the UFCO balance in Pegasys and the UFCO aggregate amount from FEDPAY. If there is a variance between FEDPAY and Pegasys, FIOD will work with staff in GSA IT to identify the cause and make an adjustment or note the difference on the reconciliation.

(4) Each month end, FEDPAY automatically reverses the prior month UFCO amounts and transmits new UFCO transactions to Pegasys with updated information.

8. <u>GS&S Billing</u>. When vendor invoices are received in FEDPAY and matched with purchase orders, FEDPAY creates a payment file to be sent to Pegasys. FEDPAY also sends the payment file to Pegasys Connect which is a centralized transformation engine. Pegasys Connect uses the FEDPAY payment confirmation file to create billing transactions (DBRs) and sends the records to Pegasys to create the accounts receivable and revenue SGL transactions. These DBRs will support all of the bill generation methods used by Global Supply, including DOD Interfund, credit card, GSA interfund/intrafund, IPAC, and non-IPAC.

a. Below are the components of the billing process run by the PFS systems staff: Billing transactions may be entered manually (or directly) into Pegasys or automatically interfaced via Pegasys Connect. A batch process sets the document type, transaction type, and other fields based on configurable crosswalk rules.

(1) A batch process calculates the discounts, if any.

(2) A batch process (Summarize) groups DBRs to create billing documents (BD document category) and internal vouchers (NV document category) based on configurable summarization rules. It also creates billing statement numbers and associates billing documents with statements. All billing documents are created in an unbilled status. Note that the internal vouchers provide "billing" for GSA interfund/intra-fund transactions, with no further processing steps required.

   b. Four different batch processes are executed to generate credit card, non-IPAC, IPAC, and DOD interfund bills. These processes select billing documents based on the document type and update the billing document status from unbilled to billed.

   c. Billing Documents.

      (1) On a semi-monthly basis, the PFS systems accountant initiates the crosswalk and summarization batch processes in Pegasys. The crosswalk batch process updates transaction fields based on the billing transactions received from Pegasys Connect to create DBRs. The summarization batch process uses the DBRs to create consolidated billing documents for the invoices to be provided to requesting agencies. The bills are then broken out by activity address code (AAC) and region and then posted to SGLs 131000.07/520000.XX. If a billing record fails the crosswalk or summarization batch job, it becomes a rejected record. The accountant reviews and corrects the rejected records with the missing information and the DBR goes back into the cycle for processing.

      (2) GSA authorizes credit transactions for supply purchase requesting agencies. These credit transactions come into Pegasys as DBRs. Credit DBRs automatically summarize to separate accounting lines (separate from the debit transactions) and these credits automatically net for a total amount due to the requesting agency. The automated credit application batch job runs to net the credits to debit lines within the same statement, to the extent possible. The statement generated to the requesting agency shows the net balance due to the requesting agency and any unused credit balance that needs to be addressed.

   d. IPACOUT Sent to the Treasury. On the second business day following the month-end close (occurs mid-month as well), the PFS systems accountant runs the IPACOUT batch job in Pegasys, which takes the amounts from the IPAC billing documents and prepares them for the IPAC funds request to the Treasury. Requesting agency transactions are grouped by ALC. The Treasury files are received separately for debits and credits, but one combined statement is generated for the requesting agency. When IPACOUT is run, the billed amount is reversed out of Accounts Receivable (A/R) Unbilled and posted to billed receivables. If there are any rejections from the Treasury, the following day PFS systems Staff receives a reject report showing which transactions did not process.

e. A/R Bill Generation in Pegasys.

(1) Following the completion of IPACOUT, the PFS systems accountant runs the A/R Bill Generation batch job in Pegasys. The A/R Bill Generation batch job creates an electronic portable document format (PDF) of the requesting agency bill, which posts to the VCSS system via a nightly interface for requesting agency review. There are separate batch jobs for the IPAC and non-IPAC bills. For IPAC bills, A/R Bill Generation only creates the electronic PDF of the requesting agency bill. For non-IPAC bills, A/R Bill Generation reverses the non-IPAC billed amounts out of A/R Unbilled and posts the amount to A/R Billed.

(2) If a billing document contains incorrect or invalid information (e.g., wrong org code, wrong revenue source code etc.) it becomes a rejected document and will not be picked up by the monthly A/R Bill Generation job. Once the rejected form has been cleared, the document will be picked up in the next month's A/R Bill Generation. In some special instances, an A/R Bill Generation can be run with special parameters, but this is not common.

f. Billing Disputes.

(1) The requesting agency can choose to dispute an entire statement or specific billing detail records. VCSS transmits information to a Pegasys workflow notification inbox for the FIOD. FIOD staff then work with the requesting agency to resolve the billing dispute. While the associate resolves the valid dispute, they can request an update to the billing document to place the delinquency letters on hold. Upon resolution, the associate clicks either 'Accepted' or 'Rejected' in Pegasys. A rejected bill goes back into the delinquency letter life cycle.

(2) FIOD staff run an outstanding bills query from Pegasys on an ad-hoc basis. This query is normally run when the associate is working directly with the requesting agency, via disputes, and can pull up the requesting agencies' outstanding bills live to resolve. If billing has run but A/R bill generation has not, the outstanding bill query will show the outstanding bill, but will not populate a collection due date.

g. Collections.

(1) Generation and Processing of Internal Vouchers. When a requesting agency is an organization within GSA, DBRs received from Pegasys Connect are summarized into Internal Vouchers (NVs) by Pegasys when the Interfund Indicator is marked as 'T'

(for interfund) or 'A' (for intrafund). When these internal vouchers are processed, both the cash/revenue transaction (for the seller) and expense/cash transaction (for the buyer) are posted simultaneously. The FIOD monitors internal vouchers for rejected forms and works with the OCFO-BGF to resolve issues that may arise.

(2) Cash Reconciliation. FIOD staff is responsible for reconciling cash processed at the US Treasury to the cash transactions processed in Pegasys. This includes IPAC transactions, bank deposits recorded through the Collections Information Repository (CIR), and the Treasury Disbursing Office Payments. All differences are reconciled and the FIOD staff is responsible for researching and resolving any difference between the Treasury's records and GSA's. In addition, FIOD staff reviews and reconciles interfund transactions processed between GSA business lines (e.g., FAS, Public Buildings Service (PBS)). FIOD staff will research and resolve any differences identified during the reconciliation.

9. GS&S Accruals. Accrual-based accounting requires recording revenue for goods/services rendered in the period in which a seller performs/provides ordered goods/services. Accrued revenues, with the matching Unbilled Receivable account SGL 131000 are included when preparing monthly financial statements. For direct delivery order delivered free on board destination, a month-end adjustment is performed to account for the timing difference between invoice receipt and goods delivered.

a. Direct Delivery (DD) Orders Delivered Free on Board (FOB) Destination. GSA processes payments for GS&S DD orders based on an approved invoice and PO. For DD orders, vendors ship items directly to the requesting agency. The invoice and PO processing system, FEDPAY, currently requires a two-way match between the invoice and PO to process a payment request and trigger recognition of expense and revenue for DD orders. This process does not require a receipt of goods prior to recognizing revenue and expense.

b. FIOD performs month-end adjustments to account for the timing difference between the receipt of the invoice and delivery of the supplies to the requesting agency. The estimates for the adjustments are based on the fact that GSA generally processes electronic invoices within one day (three days for paper invoices) of receipt, and it takes approximately five days for the requesting agency to receive the corresponding goods. Therefore, 4/5 (2/5 for paper invoices) of the electronic invoices processed in the last five business days of the month should be adjusted. For the GS&S DD program, FOB destination shipping terms represent 75 percent, 70 percent, and 82 percent of Special Orders, Stock Direct Delivery, and Expanded Direct Delivery MOS, respectively.

c. Calculation of Month-End Adjustment. FIOD staff obtain the DD revenue for the last five days of the month through FEDPAY. The revenue data for the last five days of the month should equal the expense data plus the corresponding GSA fee. Based on the revenue obtained from FEDPAY, the FIOD staff calculates the amount of revenue recognized for received EDI and paper invoices, but the supplies/materials have not been delivered. The FIOD staff uses the calculated amounts as the basis to adjust revenue accruals via self-reversing transactions in Pegasys.

10. GS&S Close Customer Orders. For non-ASSIST activity GS&S does not use a formal IAA - Part A or Part B with the requesting agencies, the order close process is also simplified. GS&S considers the requesting agency order as completed once the full amount of the order has been shipped, the vendor invoices have been approved for payment, and billing occurs. GS&S generally has no involvement in order processing or close-outs processes when agencies place orders directly with MAS contractors.

Section 3: Information Technology Category (ITC)

11. Background on ITC services. The ITC program support for telecommunications and wide-area network services is provided primarily through governmentwide contracts FAS establishes with vendors whereby agencies order and are billed directly through contract vendors for these services with no related accounting impact for FAS. The ITC also manages activities supporting governmentwide information systems and facility access controls. Management defines the revenue and receivables business process and subprocesses for the most significant of these programs as follows.

12. Enterprise Infrastructure Solutions (EIS) Orders and Services. EIS contracts established by the ITC program provide the mechanism for agencies to directly place orders with vendors to obtain telecommunications and network services. Vendors directly bill agencies upon delivery of these services. Therefore requesting authorization of funding documents and orders by GSA are not required. Requesting agencies contact the vendors directly for services through the vendor's portal.

a. EIS contract vendors are required to remit fees to GSA, based on a fixed percentage of services they provide agencies. Vendors provide ITC COs with data via GSA's CONEXUS system regarding the services provided, such as billings to customers and fees due GSA. ITC COs monitor information provided via CONEXUS and other sources to verify completeness and accuracy of vendor data and ensure vendors remit fees due to GSA timely and in accordance with contract requirements.

b.   Amounts remitted by vendors are recorded as fee revenue when collected.

On a monthly basis, financial analysts from BGF and ITC program staff evaluate vendor data to determine if additional fees are due from vendors. When needed, worksheet adjustments to accrue fees receivable and earn revenues are prepared and submitted for approval to OCFO-BBF for inclusion in monthly financial reporting records.

13. HSPD-12 Establish and Modify Customer Agreement.

   a. HSPD-12 utilizes the ASSIST platform for the recording and tracking of IAA(s) - Part A and Part B. The steps for establishing agreements are found in the AAS section of this chapter. The part A of the IAAs may be written for periods of performance ranging from 1 to 10 years, depending on customer policies. The Part B of the IAAs are created annually to provide funding and specify order details from the requesting agency for the recurring service associated with the PIV cards, equipment, services, and related charges.

   b. Modifications. HSPD-12 estimates requesting agencies usage and tracks the burn rate of the requesting agency funds. Once they get close to utilizing all the funding, they will request additional funds from the requesting agency. The funds will be keyed and tracked in ASSIST. ITC established a burn-rate based tracker of funds remaining available, with statuses of Green (greater than 40% remaining), Yellow (25-40% remaining), and Red (less than 25% remaining). When funding falls into a yellow status, the program reaches out to the requesting agency, notifying them of the need for additional funding.

14. HSPD-12 Billing. The HSPD-12 program manages customer invoicing directly to the agencies through the internal invoicing system which provides agencies a detailed breakdown listing of all HSPD-12 charges.

   a.   On a monthly basis, any charges that an agency incurs for PIV card transactions, equipment or related services, including the supporting systems integrators charges, etc., are input into the HSPD-12 invoicing system. Agencies can then access the detailed breakdown invoices through the invoicing system.
   The program sends charges that are to be billed to all agencies to the OCFO-BGF for input into ASSIST.

   b. HSPD-12 billing is conducted through On-Demand Service Charges within ASSIST. The program will contact their OCFO-BGF FA, providing the IAA - Part A and

Part B, an amount to bill, and the reason for the billing. The OCFO-BGF FA will review the information presented and proceed with the billing. The bill will be processed by the OCFO-BGF FA in ASSIST and queued up for delivery from ASSIST to Pegasys via the process outlined below.

c. ASSIST to Pegasys Billings. ASSIST sends the DBRs related for GSA Support, not associated with a vendor invoice to Pegasys on a nightly scheduled batch job. Pegasys automatically runs system edit checks on the batch files to flag exceptions such as structure layout, batch ID, date criteria, and required data values. The Pegasys Error report is generated and sent to the contractor on the ASSIST support desk to correct and resubmit the erroneous DBRs.

d. Pegasys Billings. Once billings are received in Pegasys, they are scheduled to be released as part of the monthly billing cycles managed by the FIOD. The scheduled billings are first recorded as unbilled receivables with SGL accounts 131000.07/520000.XX. When BAAR processes release the billing records, the unbilled transaction is reversed and replaced to recognize billed receivables, using SGL accounts131000.08/520000.XX. Billing documents are issued to the requesting agency in two ways, either electronically via the IPAC process or non-IPAC.

(1) IPAC Billings. IPAC is a system operated by the Department of Treasury, providing a mechanism for Federal Program Agencies (FPAs) to transfer funds from one agency to another with standardized descriptive data. IPAC facilitates intragovernmental transactions by transferring funds, with related descriptive data and the Treasury Account Symbol/Business Event Type Code (TAS/BETC), from one FPA to another. After the IPAC is initiated and processed via the Treasury, the statement is recognized as paid.

(2) Non-IPAC Billings. Non-IPAC statements are paid once the requesting agency initiates payment either manually via a check or electronically via the IPAC system. GSA does not send paper billing statements by mail. The requesting agency is required to log on to the VCSS website, located at vcss.gsa.gov, to obtain printed billing statements.

(3) Manual Billings. Billing detail that is forwarded to FIOD and is not generated via an automated feeder system is deemed to be part of the Pegasys manual business lines. This information, generally supported by an internal IAA - Part A and Part B providing funding detail and spending authorization, is manually input into Pegasys. A financial accountant uses PCAS to either manually input the information or to upload

pre-defined templates into the system. Billing information is sent to FIOD via the group's general billing email box at the following location: kc.generalfunds.billingrequests@gsa.gov

15. HSPD-12 Accruals. Revenue accruals are generated monthly on the morning of the first business day. The revenue accruals are calculated by using the average of the last 2 months. The program provides a spreadsheet to the OCFO-BGF. The OCFO-BGF takes the accruals and allocates it to the requesting agency funding line then sends it to Finance. Accrual generation is a manual process and a spreadsheet is created at the agreement level and sent to FIOD to be uploaded into Pegasys.

16. HSPD-12 Close Customer Agreement.

a. The close-out of an HSPD-12 IAA - Part A with a requesting agency is performed at the end of the POP. The PM sends a notification to the OCFO-BGF that requesting agency fund balances are no longer required to support the award and/or fee. When adjusting requesting agency funding associated with fees, the OCFO-BGF will review the billing history to ensure all activity has been completed and that all requesting agency bills have been collected to cover the cost of contracts and POs. If all programmatic and financial information is reconciled and collections are complete, the IAA - Part A closeout proceeds with completed documentation to return unspent funding availability to the requesting agency. Unspent balances of requesting agency funding are removed from ASSIST and a return of funds notice is sent to the requesting agency for their own processing and deobligation of the IAA - Part A in their records.

b. Removing Remaining Funds. An amendment to the IAA - Part B is created and signed by the fund manager to document the return of funds to the requesting agency. The return of funding is entered into ASSIST, and the form is saved with the funding package for the record. The fund manager then provides the form to the PM to provide to the requesting agency.

c. Review of UFCOs. A semi-annual review of the UFCOs unassigned funding portion of the UFCO as required by the CFO Accounts Receivable and Debt Collection Policy Manual (CFO 4253.1C), Chapter 6.The validity of the UFCO that is tied to an obligation is reviewed via the UDO data call. All remaining UFCO not tied to an obligation, UF, is reviewed separately. Guidelines call for a 100% review of balances that are 5 years old or older (based on age of the FY of the appropriation), 85% review of balances 3-5 years old, and 75% review of remaining balances. The data for the review is pulled by the OCFO-BGF, provided to the program offices for completion,

reviewed by the OCFO-BGF, and certified by the program office and the OCFO-BGF. The review is completed in Google Docs and downloaded to Excel for submission.

17. <u>Federal Public Key Infrastructure (FPKI) Establish and Modify Customer Agreement</u>.

a. Amounts of agreements with Client Agencies are determined either by negotiated agreement or through an algorithm based on the number of PIV cards for which each Agency is responsible. FPKI contacts requesting agencies with requests for IA-Part A and Part B. After the IAA - Part A is fully signed, the requesting agency completes, reviews and approves the IAA - Part B and then forwards it to the program office and the OCFO-BGF for review and acceptance. Modifications to agreements are handled in the same way as an initial IA- Part B agreement. Once IA-Part Bs have been accepted by both parties the program forwards them to FIOD to be recorded in Pegasys.

b. OCFO-BGF Reimbursable Agreements Branch Review. The OCFO-BGF receives acceptance requests via email by the FPKI agreements lead. Included in the funding request email are the following documents: IAA - Part A and Part B.

The OCFO-BGF FM review of the IAA - Part B forms include:
- reviews information on the IAA - Part A form to ensure completion and consistency with information on the IAA - Part B;
- reviews appropriateness of cited statutory authority;
- ensures the IAA - Part A is signed by both the requesting and servicing agency officials; and
- performs a review of all information on the IAA - Part B form to ensure the IAA - Part A number entry is completed and consistent with the funding request email and other documentation provided.

The OCFO-BGF FM will provide appropriate communication to explain the issue and/or corrections to the fund acceptance documents or the IAA forms, if any. Once reviewed, the OCFO-BGF FM signs the IAA - Part B as the servicing agency funding official and notifies the PM, via email, of the acceptance and attaches the signed IAA - Part B form. The OCFO-BGF FM also updates the OCFO reimbursable agreements tracking sheet with the agreement and funding information. The FPKI POC will notify the requesting agency of the acceptance and send the signed agreement via email. The FPKI POC also forwards the signed agreement to FIOD. From the agreement, an accountant within FIOD creates an agreement tracking number, MB#, in Pegasys/BAAR and the funded

amount is established against the program's line of accounting which creates the UFCO.

    c. Modify Agreement. Modifications are not typical but may be initiated to include funding increases. The program may request modifications from the requesting agency and the changes are codified in the IAA - Part A by re-entering the process of establishing an IAA - Part A. IAA - Part A modifications are subject to the same series of reviews and approvals as an initial IAA - Part A detailed above. All modifications are routed to the FPKI Program Manager and OCFO-BGF for review and approval before funds acceptance and signature.

18. <u>FPKI Billing</u>. Interagency agreements are billed in full when forwarded to FIOD after being fully executed.

19. <u>FPKI Billing Disputes</u>. Chargebacks and Delinquencies (when they occur) are forwarded to the ITC FPKI Accountability Division for research and resolution.
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    (1) The requesting agency can choose to dispute an entire statement or specific billing detail records. VCSS transmits information to a Pegasys workflow notification inbox for the FIOD. The FIOD staff then works with the requesting agency to resolve the billing dispute. While the associate resolves the valid dispute, they can request an update to the billing document to place the delinquency letters on hold. Upon resolution, the associate clicks either 'Accepted' or 'Rejected' in Pegasys. If "rejected" the bill goes back into the delinquency letter life cycle.

    (2) The FIOD staff run an outstanding bills query from Pegasys on an ad-hoc basis. This query is normally run when the associate is working directly with the requesting agency, via disputes, and can pull up the requesting agencies' outstanding bills live to resolve. If billing has run but A/R bill generation has not, the outstanding bill query will show the outstanding bill, but will not populate a collection due date.

20. <u>FPKI Accruals</u>. All agreements are billed in full upfront and there is generally no need for accruals.

21. <u>FPKI Close Customer Agreement</u>. Since all agreements are billed in full upfront, there is no unbilled funding to be returned, so normally there is no needed action to close IA-Part Bs. However, there may arise specific circumstances which would require a IA-Part B close out, and those would be done by way of the routine IA-Part B modification process.

Section 4: Travel, Transportation and Logistics (TTL)

22. <u>Background on TTL services</u>. TTL maintains a unique business process for its three main activities: vehicle leasing, vehicle purchasing, and for activities of the Office of Travel, Employee Relocation and Transportation (T&T). Management has defined the revenue and receivables business process as containing the following sub-processes.

23. <u>Vehicle Leasing - Requesting Agency Orders</u>.

    a. GSA Fleet does not have physical requesting agency agreements. Requesting agencies contact their respective fleet service representative (FSR) to place an order. To place an order, requesting agencies must provide their agency name, billing office address codes (BOACs), and their full name. Requisitions are created internally in the acquisition management program (AMP) and vehicles are typically delivered to a contracted vehicle marshaling vendor for requesting agencies to pick up.

    b. Vehicle Leasing Unfilled Customer Order - Request for Services. Geographical fleet management centers (FMC) and FSRs are the primary interface for requesting services. Requestors may be executive agencies, international organizations, contractors, and other eligible users. Demand for new services may also be passed on from GSA headquarters or may arise from the establishment of a new bureau within an agency. When requests are facilitated through GSA headquarters, requesting agencies are put in contact with the appropriate FSR. Generally, FSRs are directly contacted by the requesting agency for order placements.

    c. Vehicle Assigned to Customer. When the vehicle is received by the marshaling location, the vehicle is entered into the Fleet Management System (FMS) via the FMS2Go mobile application. Vehicle Fleet Exchange (VFE) queries FMS nightly for new/additional vehicle loads and the requesting agency and FSR are notified that the vehicle is available for pick up. Marshallers are contracted vendors that facilitate pre-delivery inspections, conduct vehicle exchanges or returns, store vehicles, and report to specific FMCs. The requesting agency is required to provide proper identification and is required to sign a vehicle assignment sheet before taking custody of the vehicle. The assignment sheet is signed by the marshaller and three copies are made: one for the marshaller, one for the requesting agency, and one that is sent to the FSR to be kept in record at the FMC. The marshaller will assign the vehicle to the requesting agency in the method prescribed by GSA Fleet. The vehicle status is

changed to 2x "Assigned" within the FMS. It will be picked up in the next FMS billing file which is generated on the 20th of each month.

The Zonal Fleet Office/FMC runs an FMS Inventory Status report on an as-needed basis to identify vehicles that have been entered in FMS but not yet assigned to a requesting agency.

    d. Monthly Unfilled Customer Order.

       (1) The UFCO amount is derived from the annual projected vehicle leasing rental revenue associated with vehicle leasing less the actual rental revenue earned year-to-date (YTD). Revenues consist of a monthly fixed fee and a variable mileage fee. The fixed fee is based on the equipment code of a vehicle, which is determined by the life cycle cost estimate assigned to its class. The UFCO represents how much of the orders have not been filled year-to-date. Each month, the Fleet Program Trial Balance is pulled and the revenue earned year-to-date is subtracted from the annual projected revenue. The projected revenue begins the year as the annual plan, this gets updated each month after the forecast figures are adjusted.

       (2) The UFCO balance SGL 422100 is calculated on a monthly basis by a FA in the OCFO-BBF and sent to the FIOD to post to the SGL in Pegasys. The OCFO-BGF FA sends the UFCO calculation to the supervisory FA for review. The supervisory FA reviews and approves the UFCO calculation and sends it to the FIOD via email to record in Pegasys. Any errors caught by the FIOD staff would be flagged and sent back to the respective FA for resolution. This calculation is performed at the beginning of the FY and during each subsequent month of the FY.

    e. Record SGL Entries in Pegasys. The FIOD receives an email from the OCFO-BGF with the calculated UFCO balances by region. The FIOD associate enters the total dollar figure by region using a "UF" Pegasys document which posts into SGL 422100. Pegasys automatically books the difference between the ending balance from the previous month and the ending balance of the current month, which draws down the UFCO balance. After posting the entry, the associate ties the balances on the spreadsheet to the SGL balances in Pegasys to verify that the entries were posted correctly and sends confirmation to the FA. The OCFO-BGF FA compares the SGL amounts to the amount that was calculated in the UFCO spreadsheet to ensure that the entry was posted correctly. The UFCO is posted to the SGL as a standing entry that is updated with the newly calculated figure on a monthly basis. This is done by correcting

the Pegasys document and changing the amounts which are then reprocessed in the proper accounting period.

f. Monthly A/R Reconciliation. At month end, the FIOD staff pulls the TB from Pegasys and reconciles it to the BC1040, BC1265, and BC1080 subsidiary ledger (BAAR). The associate performs the reconciliation for SGL accounts 131000.07, 131000.08, 131000.09, 520000.XX, 520900.XX, 590000.XX, and 590900.XX. The reconciliation is reviewed and approved by the supervisory accountant each month. If there are any discrepancies, the staff will research and resolve.

24. <u>Vehicle Leasing Billing</u>. PFS staff conduct much of the procedural aspects related to billing in conjunction with GSA review and oversight.

a. Billing Documents. On a monthly basis, the PFS systems accountant initiates the crosswalk and summarization activities in Pegasys. The crosswalk references a crosswalk table which translates data attributes from FMS to Pegasys record fields. The crosswalk fills in Pegasys fields such as the assignment code which tells the technicians which requesting agency accounts they are responsible for. This assignment code is derived from the requesting agency agency code. After the crosswalk has been completed, a nightly summarization batch job occurs. The summarization batch job pulls all the DBRs and creates a billing document for each BOAC. After a DBR passes the crosswalk and summarization jobs/edit checks and the consolidated billing documents are created, the bills get broken out by BOAC and region and posted to SGL 131000.07 – Unbilled Receivable. If a billing record fails the crosswalk or summarization batch job, it becomes an rejected record. The accountant reviews and corrects the rejected records with the missing information and the DBR goes back into the nightly cycle for processing.

b. IPACOUT Sent to the Treasury. On the fourth business day following the month-end close PFS systems accountant runs the IPACOUT batch job which takes the articles from the RE6 (credits) and Pegasys doc types FDI/FDDs (collections) and prepares them for release at the Treasury (RR-FL-Key-5). Requesting agency transactions are grouped by ALC. The Treasury files are received separately for credits and collections but one combined statement is generated for the requesting agency. When IPACOUT runs, the billed amount is reversed out of A/R Unbilled SGL 520000.XX/131000.07 and posted to Billed Receivables SGL 131000.08/520000.XX. If there are any rejections from the Treasury, the following day PFS systems staff downloads a reject report showing which transactions did not process.

c.   A/R Bill Generation in Pegasys. Following the completion of IPACOUT, the PFS systems accountant runs the A/R Bill generation batch job in Pegasys. The A/R Bill generation batch job creates an electronic PDF of the requesting agency bill, which posts to the VCSS system via a nightly interface for requesting agency review. There are separate batch jobs for the IPAC and non-IPAC bills. For IPAC bills, A/R Bill generation only creates the electronic PDF of the requesting agency bill. For non-IPAC bills, A/R bill generation reverses the non-IPAC billed amounts out of A/R Unbilled SGL 520000.XX/131000.07 and posts the amount to A/R Billed SGL 131000.08/52000.XX.

If a billing document contains incorrect or invalid information (e.g., wrong org code, wrong revenue source code etc.) it becomes a rejected billing document and will not be picked up by the monthly A/R Bill generation job. Once the rejected form has been cleared, the billing document will be picked up in the next month's A/R bill generation. In some special instances, an A/R bill generation can be run with special parameters, but this is not common.

d.   Billing Disputes. The requesting agency can choose to dispute an entire statement or dispute specific billing detail records. VCSS transmits information to a Pegasys workflow notification inbox for FIOD. FIOD staff works with the requesting agency to resolve the billing dispute, coordinating with GSA program officials as necessary. While the associate resolves a valid dispute, the billing document may be updated to place the delinquency letters on hold. Upon resolution, the dispute is either 'Accepted' or 'Rejected' in Pegasys by the FIOD staff. If "rejected" the bill goes back into the delinquency letter life cycle.

The FIOD staff can run an outstanding bills query from Pegasys on an ad-hoc basis. This query is normally run when an associate is working directly with the requesting agency, via disputes, and the associate can pull up the requesting agency's outstanding bills live to resolve. The associate can search by multiple fields, and pulls up all outstanding bills regardless of bill type (i.e., IPAC vs non-IPAC). If billing has run but A/R Bill Gen has not, the outstanding bill query will show the outstanding bill but will not populate a collection due date.

25. Vehicle Leasing Collections.

a.   Reconciliations and Reports, Aging Receivables Review. HQ Fleet Management pulls the BC1265 report showing aged receivables. After review and analysis, the report is distributed to several individuals through the Fleet Zones who support AR efforts. The FSRs review their respective requesting agency BOACs and communicate with the

requesting agency to find out the cause for the unpaid bill(s). HQ Fleet has spearheaded several initiatives to mitigate the instance of delinquent bills.

   b. The FIOD staff pulls the BC1265 (Aged Billed Receivables) and BC2071 (Subsidiary of Liability) reports. These reports are distributed to the technicians responsible for delinquent collections. The technicians work with their assigned agency POCs to collect outstanding balances and apply outstanding credits to outstanding billing statements.

Additional collection processes for vehicle leasing are listed above in the collection section for GS&S.

26. <u>Vehicle Leasing Accruals</u>. Accrual-based accounting requires recording revenue for goods/services rendered in the period in which a seller performs/provides ordered services/goods. Accrued revenues, with the matching Unbilled Receivables account SGL 131000.XX are included when preparing monthly financial statements.

   a. Calculate Mileage Income Accrual. The FIOD staff use the Fleet Operations reports to enter the income for vehicles into a spreadsheet. The Fleet Operations report is generated in BO by FIOD and is akin to a Statement of Operations, broken down in more granular detail at the Zone/FMC level. When requesting agencies report their mileage to HQ Fleet via FMS, FMS sends a receivable accrual record to Pegasys for posting to SGL 131000.07/520000.XX – Unbilled Revenue. The mileage income accrual reflects the lag between the date on which the requesting agency reports mileage and the end of the month/billing period. FIOD staff averages the previous four months of data and accrues for the mileage income based on that equation (Previous 4 months Total Income (Page 1 – Fleet Statement of Operations)/4 x 20%). The Mileage Income Accruals post to SGL 131000.09/520000.XX – Estimated Accrual Revenue. The accrual is set to automatically reverse the following month.

   b. Record Mileage Accrual. FIOD staff breaks down the accrual by region, agency, and FMC and then posts this entry directly into Pegasys using the mass import process. Pegasys automatically generates a batch execution report to show that all entries were posted. The staff then checks the results to ensure that no rejected forms were generated after the import is complete.

27. <u>Vehicle Leasing Close Customer Agreement</u>. GSA Fleet utilizes a module called VFE, an online scheduler for GSA fleet requesting agencies, to notify the requesting agency and FSR when their new (replacement) vehicle is ready to be picked up at the marshaling site. The requesting agency schedules a pickup, either through

self-scheduling or contacting their FSR, and exchanges their old vehicle with the new. Once this takes place, the marshaller or the FSR (per marshaller notification or VFE schedule) will terminate the vehicle assignment. This action halts billing on the old vehicle. If the requesting agency would like to turn in a vehicle, without replacement, whether it is an early termination of a lease or whether the lease term has expired, the requesting agency would need to contact the FSR. The FSR would alert the marshaller of the requesting agency's intention to turn in the vehicle and upon receipt of the vehicle, the marshaller would initiate changes in FMS regarding the lease status.

28. Fleet Vehicle Sales.

a. As vehicles eligible for sale are returned from leasing agencies to GSA, they are remarketed and sold to the public via auctions around the country and online. The proceeds GSA receives from those sales are used as a portion of the funding required to purchase replacement Fleet vehicles. If a vehicle is returned to GSA with excessive wear and tear, the customer agency may be charged an Agency Incurred Expense (AIE) to repair the damages or make up for the loss on sale value. All sale AIE's are processed within the same month of sale as much as practicable, but no later than 30 days after the sale.

b. The auction house is responsible for collecting all payments from vehicle sales. Auction contractors act as GSA collection officers and must collect checks presented for payment at the auction. Money collected must be sent to GSA via Fedwire or Remittance Express (REX), which is used for payments in the Automated Clearing House (ACH) network and International Fedwire Instructions. Credit card transactions must be processed via a Pay.gov platform (ePay or GSA Auctions). In the event a Pay.gov platform is not available; credit card transactions must be processed on GSA-provided credit card terminals. State and local governments may present a purchase order (PO) for payment. The Remarketing Specialist must approve or deny any PO presented. If approved, the Remarketing Specialist must annotate the PO with their approval and signature. State and local governments must submit payment within 30 calendar days. Payment via FedWire or ACH is preferred, but a check is an acceptable form of payment.

29. Vehicle Purchasing - Establish and Modify Customer Agreement.

a. GSA Fleet purchasing does not have requesting agency agreements. The requesting agency fleet manager (AFM)/dedicated agency representative (DAR), or a user with the designated authority, enters the vehicle requisition into AutoChoice, which

interfaces with Requisition, Ordering, And Documentation System (ROADS) and creates a MVDO. The MVDO is transmitted to the vendor through GSA Gateway which interfaces with ROADS via EDI, fax, or email.

b. Customer Requisition. Requesting agencies must complete a registration process before submitting a requisition for vehicles in AutoChoice. Only the AFM or the DAR can grant ordering rights to registered users. AutoChoice verifies that a user has been given ordering rights and authorized users must supply their agency's FEDSTRIP or MILSTRIP data before a requisition is finalized. If the requesting agency does not know their FEDSTRIP, they can apply for a FEDSTRIP at GSAAdvantage.gov. The agency's FEDSTRIP/MILSTRIP number is also required for proper billing. The Program Management Office (PMO) maintains the list of authorized AFMs and DARs who can grant vehicle ordering rights. If a user requests access directly, GSA will forward the request to the AFM/DAR for approval.

When selecting vehicles, the requesting agency navigates through drop down lists and selects any additional equipment/options, as needed. After the requesting agency selects the vehicle requirements, AutoChoice shows a comparison of the different vehicles that meet the requesting agency needs.

c. Customer Requisition in AutoChoice. The requesting agency inputs the essential requisition information into AutoChoice (on the requisition detail page, equivalent to form GSA 1781, Motor Vehicle Requisition), which includes a justification for selections other than low-bid and FEDSTRIP/MILSTRIP numbers. Once the requisition is filled out, the AFM/DAR approves and submits the requisition to GSA through Autochoice, whereby Autochoice will interface with ROADS. Only AFM/DARs or a user with the designated authority have access to process and approve orders within Autochoice.

d. Generate Purchase Order.

(1) After a requesting agency submits an AutoChoice requisition to GSA, the AutoChoice program will automatically verify the submission. If the order is complete and contains no errors, the order is submitted to a queue to be processed during ROADS daily evening cycle as a MVDO. This MVDO is transmitted to the vendor as a fax, email, or EDI depending on the vendor's business requirements.

(2) When ROADS receives an approved requisition, the system automatically adds the GSA fee. All standard vehicles ordered through AutoChoice have a 2% fee. For any express desk or special orders, the fee percentage can range from a 1% to a

10% mark-up, depending on the type of order. Vehicle purchases from GSA as the end customer have a 1% fee.

e. Transmission Exception Reports. On a daily basis, the Acquisition Systems Branch receives two reports: ROADS Electronic Data Interchange report and ROADS Fax report. These daily transmissions get sent to the GSA Gateway for disbursement. The GSA Gateway automatically sends daily emails to indicate the success of MVDO transmissions in a fax, 850 (new orders), or 860 (orders with contract mods) report. For all transmissions that failed, the Acquisition System's Support Branch researches the cause of the problem, makes the correction and resends the order in the next daily cycle.

f. Unfilled Customer Order Creation. On a daily basis, ROADS sends a batch file containing Motor Vehicle Delivery Orders (MVDO) to FEDPAY. The MVDO for each vehicle is stored in FEDPAY until it is matched to invoices, provided by the vendors after the vehicles have been manufactured and shipped. At the end of each month, FEDPAY automatically sends an aggregate entry for the UFCOs (i.e., POs that have not been matched to a vendor invoice) to Pegasys. The GSA UFCO includes the percentage mark-up (mentioned above) for GSA services.

g. Rejected FEDPAY Records. After the evening cycle has run, ROADS sends a POPE file to FEDPAY. FEDPAY produces an exception report (e.g., Daily Cycle Log report), identifying rejected records, and/or modifications to existing orders that have already been paid, during the nightly batch. The following day, FIOD staff reviews the Daily Cycle Log report and notifies the GSA and ROADS systems personnel of any rejected records. FIOD researches and takes appropriate corrective action.

h. Unfilled Customer Order Reconciliation. After FEDPAY posts the UFCO, FIOD receives an email from an IT specialist in the ICSF with the monthly UFCO information. The FIOD associate performs a reconciliation between the UFCO balance in Pegasys and the UFCO aggregate amount from FEDPAY. If there is a variance between FEDPAY and Pegasys, the FIOD associate will work with ICSF to identify the cause and make an adjustment or note the difference on the reconciliation.

At month end, FEDPAY automatically reverses the UFCO amount and posts a new balance with updated information from ROADS.

30. Vehicle Purchasing Billing. POs for the GSA Fleet purchasing business line are transferred from ROADS to FEDPAY where a two-way match occurs with the vendor

invoice. FEDPAY sends a flat file to Pegasys Connect. Pegasys Connect performs the validation and edit checks.

a. Billing and Accounts Receivable (BAAR). Billing transactions for vehicle purchasing are sent to Pegasys via the Pegasys Connect interface. These detailed records will support all of the bill generation methods used by vehicle purchasing, including DOD interfund, GSA interfund/intrafund, IPAC, and non-IPAC. The detailed records will also provide the data needed for generation of standard vouchers to account for the impact of billing transactions on the Inventory SGL account. Vehicle purchasing billing processes are run twice a month, during the beginning of the month and again around the 16th of the month (mid-month billing cycle).

Below are the components of the billing process run by Pegasys financial systems accountant:

- Billing transactions may be entered manually (or directly) into Pegasys or automatically interfaced via Pegasys Connect. A batch process sets the document type, transaction type, and other fields based on configurable crosswalk rules.
- A batch process calculates the discounts, if any.
- A batch process groups DBRs to create billing documents (BD document category) and internal vouchers based on configurable summarization rules. It also creates billing statement numbers and associates billing documents with statements. All billing documents are created in an unbilled status. Note that the internal vouchers provide "billing" for GSA interfund/intra-fund transactions, with no further processing steps required.
- Four different batch processes are executed to generate non-IPAC, IPAC, and DOD interfund bills. These processes select billing documents based on the document type and update the billing document status from unbilled to billed.

b. Billing Documents. On a semi-monthly basis, the PFS systems accountant initiates the crosswalk and summarization batch processes in Pegasys. The crosswalk batch process updates transaction fields based on the billing transactions received from Pegasys Connect to create DBRs. The summarization batch process uses the DBRs to create consolidated billing documents for the invoices to be provided to the requesting agency. The bills are then broken out by AAC and region and posted to SGL 131000.07 – Unbilled Receivable. If a billing record fails the crosswalk or summarization batch job, it becomes a rejected record. The accountant reviews and corrects the rejected records

with the missing information and the billing document DBR goes back into the nightly cycle for processing.

   c. IPACOUT Sent to the Treasury. On the second business day following the month-end close (occurs mid-month as well), the PFS systems accountant runs the IPACOUT batch job in Pegasys, which takes the amounts from the IPAC billing documents and prepares them for the IPAC funds request to the Treasury. Customer transactions are grouped by ALC. When IPACOUT is run, the billed amount is reversed out of A/R Unbilled SGL 520000.XX/131000.07 and posted to Billed Receivables SGL 131000.08/520000.XX. If there are any rejections from the Treasury, the following day PFS systems staff downloads a reject report showing which transactions did not process.

   d. A/R Bill Generation in Pegasys. Following the completion of IPACOUT, the PFS systems accountant runs the A/R bill generation batch job in Pegasys. The A/R bill generation batch job creates a PDF of the requesting agency bill, which posts to the VCSS system via a nightly interface for requesting agency review. There are separate batch jobs for the IPAC and non-IPAC bills. For IPAC bills, A/R bill generation only creates the electronic PDF of the requesting agency bill. For non-IPAC bills, A/R bill generation reverses the non-IPAC billed amounts out of A/R Unbilled SGL 520000.XX/131000.07 and posts the amount to A/R Billed SGL 131000.08/520000.XX.

If a billing document contains incorrect or invalid information (e.g., wrong org code, wrong revenue source code etc.) it becomes a rejected billing document and will not be picked up by the monthly A/R bill generation job. Once the rejected form has been cleared, the billing document will be picked up in the next month's A/R bill generation. In some special instances, an A/R bill generation can be run with special parameters, but this is not common.

   e. Billing Disputes.

   (1) The requesting agency can choose to dispute an entire statement or specific billing detail records. VCSS transmits information to a Pegasys workflow notification inbox for the respective FIOD associate. The associate then works with the requesting agency to resolve the billing dispute. While the associate resolves the valid dispute, the associate requests updates to the billing document to place the delinquency letters on hold. Upon resolution, the associate clicks either 'Accepted' or 'Rejected' in Pegasys. If "rejected," the bill goes back into the delinquency letter life cycle.

(2) The associate can run an outstanding bills query from Pegasys on an ad-hoc basis. This query is normally run when the associate is working directly with the requesting agency, via disputes, and can pull up the requesting agency outstanding bills live to resolve. The associate can search by multiple fields, and pulls up all outstanding bills regardless of bill type (i.e., IPAC vs non-IPAC). If billing has run but A/R bill generation has not, the outstanding bill query will show the outstanding bill, but will not populate a collection due date.

31. <u>Vehicle Purchasing Collections</u>.

a. Reconciliations and Reports, Aging Receivables Review. The GSA Fleet purchasing PMO works with the Fleet Business Management Division to review aged receivables. In addition, GSA Fleet purchasing collaborates with the ordering agency/individual requesting agency to resolve outstanding delinquencies.

b. FIOD staff pulls the BC1265 (Aged Billed Receivables) and BC2071 (Subsidiary of Liability) reports. These reports are distributed to the technicians responsible for delinquent collections. The technicians work with their assigned agency POCs to collect outstanding balances and apply outstanding credits to outstanding billing statements

32. <u>Vehicle Purchasing Accruals</u>.

a. GSA Fleet purchasing processes payments for vehicle POs based on an approved invoice and PO. To process a payment request and trigger recognition of revenue and expense, FEDPAY requires a two-way match between the invoice and PO. The revenue and expense from automotive orders are recognized when the invoice is processed in FEDPAY not upon receipt of the goods by the requesting agency. This process does not require a receipt of vehicle or title prior to recognizing revenue and expense. If vendors submit invoices electronically, GSA Fleet agrees to pay on an accelerated payment schedule of ten days. FIOD performs month-end adjustments to account for the timing difference between the receipt of the invoice and delivery of the vehicle to the requesting agency. The estimates for the adjustments are based on the fact that GSA generally processes electronic invoices within one day (two days for paper invoices) of receipt, and it takes approximately five days for the requesting agency to receive the corresponding vehicle title. Therefore, 4/5 (1/5 for paper invoices) of the electronic invoices processed in the last five business days of the month should be adjusted.

b. Calculation of Month-End Adjustment. The FIOD staff perform a month-end adjustment to calculate the lag time between the receipt of the invoice (revenue and expense recognized) and vehicle delivery (goods delivered). The staff obtains the vehicle sales revenue for the last five days of the month through FEDPAY. The revenue data for the last five days of the month should equal the expense data plus the corresponding GSA fee. Based on the sales revenue obtained from FEDPAY, the staff calculates the amount of revenue recognized for received EDI and paper invoices, but the vehicles have not been delivered. The calculated adjustment is forwarded by FIOD staff to GSA TTL for review and awareness. The adjustments are set as self-reversing in Pegasys.

33. Vehicle Purchasing Close Customer Agreement. Fleet Purchasing does not have requesting agency agreements. The requesting agencies AFM/DAR (or a user with the designated authority) enters the vehicle requisition into AutoChoice, which interfaces with ROADS and creates a MVDO. The MVDO is transmitted to the vendor (through GSA Gateway which interfaces with ROADS) via EDI, fax, or email. Once the vendor delivers the vehicle to the requesting agency, the vendor updates the date of delivery within AutoChoice.

34. T&T Establish and Modify Customer Agreement. The requesting agency and servicing agency collaborate to draft an IAA - 7600 Part A and Part B plus any attachments with additional details on terms and conditions if necessary. Reconcile all comments between requesting agency and servicing agency before routing through GSA OGC for review and comment.

Sole Source contracts: The use of a Limited Source Justification (LSJ) must be approved by the Office of General Counsel. The LSJ document should be drafted and coordinated between the servicing agency acquisitions team and the program team, as well as the requesting agency.

Once a final draft IAA-Part A is agreed upon, the program team must send it to GSA's OGC for a legal sufficiency determination. Since there may be changes prior to execution, it should be signed by the appropriate level of authority after legal review. If the GSA OGC did not coordinate review, the program team must route through the requesting agency legal department and reconcile comments. The program team then ensures all parties have signed the final version of the IAA - Part A.

a. The process for accepting an IAA-Part B is as follows:

- Receive a signed IAA - Part B from requesting agency
- After initial review by the program, the program sends to the OCFO-BB for signature
- After OCFO-BB signature, forward to TTL Assistant Commissioner (AC) to sign
- Return approved 7600B to the Requesting Agency so they can obligate funds
- Send a fully signed IAA - Part B to kc.generalfunds.billingrequests@gsa.gov for an agreement number. In the body of email, outline payment terms and conditions. If the customer is DOD, attach MIPR with acceptance from OCFO-BB, to 7600B and remit to kc.generalfunds.billingrequests@gsa.gov. MIPRs, not 7600Bs, provide DOD's unique accounting information,

b. If the agreement is tied to an assisted acquisition where GSA will be obligating funds, the program will input into Pegasys and establish a PR. After this, the CO awards the contract and establishes a QP.

35. T&T Billing and Accruals. Most agreements will have pre-determined billing cycles which FIOD will establish when the IAA - Part A and Part B are shared. If an agreement does not bill monthly, an accrual request must be sent to FIOD by the 20th of the month. For billings tied to obligations, the QP will reference the agreement # and line item # and a bill will be generated when expenses are incurred.

Section 5: Technology Transformation Services (TTS)

36. Background on TTS services. TTS Office of Acquisition orders will follow the AAS model (described previously in this chapter) when the orders are placed in ASSIST. All other TTS non-ASSIST orders are supported manually. Management has defined the revenue and receivables business process for manual orders as containing the following sub-processes.

37. TTS - Establish and Modify Customer Agreement. Prospective requesting agencies solicit TTS services through the individual service line's website, agency partnership meetings, and referral leads. TTS's business model is often service based (where TTS performs the service), and may also have an external acquisition associated with it (where a third party vendor provides a service). Once TTS determines that it can fulfill a requesting agency's needs, the agreement lead drafts an IAA Part A and Part B. Inputs used in drafting the IAA Part A and B include a SOW which details the requesting

agency's needs and funding requirements as determined by a cost estimator. The cost estimator is an internal TTS tool used by a TTS Agreement Lead (staff members coordinating development of a customer agreement) to draft the agreement and record the correct costs broken out in the agreements tracker. The estimated cost of an agreement is based on current hourly rates and travel estimates. The cost estimation is performed internally by TTS, and is reviewed and signed off by the respective business unit's Director or GS-15 equivalent.

   a. The TTS Agreement Lead sends the draft IAA Part A & Part B to the Office of General Counsel (OGC) for review prior to sending it to the requesting agency. If changes need to be made, they are coordinated between TTS and the OGC. Once reviewed and approved via e-mail by the OGC senior assistant general counsel, the agreements lead forwards the IAA - Part A and Part B to the requesting agency for review and signature.

   b. Once reviewed and signed by the requesting agency, the agreement lead sends the IAA - Part A and Part B to the program office for signature. The agreement is also simultaneously forwarded to the Office of Human Resource Management (OHRM) for review (details only). OHRM then concurs with the IAA - Part A (signature option on Part B) and returns it to TTS.

   c. When all approvals are applied, the TTS Agreements Lead forwards the agreement to the OCFO-BGF Reimbursable Agreements Branch for financial acceptance by email. The following are attached to the email:
   - Signatory Cover Page
   - IAA - Part A
   - IAA - Part A Attachment 1 SOW
   - IAA - Part A Attachment 2 Financial Determination
   - IAA - Part B
   - If 31 U.S. Code § 1535 Economy Act is selected, a Determination and Findings document is included with the fund acceptance
   - Cost Estimator

   d. The OCFO-BGF FM also ensures the IAA - Part A is signed by both the requesting and servicing agency officials and performs a review of all information on the IAA - Part B form to ensure IAA - Part A number entry is completed and consistent with the funding request email and other documentation provided. Once reviewed, the OCFO-BGF FM signs the IAA - Part B as the servicing agency funding official and notifies the PM, via email, of the acceptance and attaches the signed IAA - Part B form.

The OCFO-BGF FM also updates the OCFO reimbursable agreements tracking sheet with the agreement and funding information.

e. Upon final acceptance the TTS Agreements Lead will notify the requesting agency of the acceptance and send the signed agreement via email. The TTS Agreement Lead also forwards the signed agreement to FIOD. From the agreement, FIOD staff creates an agreement tracking number, MB#, in BAAR and the funded amount is established against the program's line of accounting and a UFCO is established.

38. <u>18F Memorandum of Understanding Agreements</u>.

a. MOU agreements can be between 18F, an office within TTS, or any other part of FAS (example: Federal Citizen Services Fund) The TTS budget officer reviews to verify information is accurate, MOU is in compliance with the Federal Information Technology Acquisition Reform Act, buyer signature has been provided, and applies their signature approval. After review, the OCFO FAS Office of Budget (OCFO-BB) forwards the MOU to the program office. The program office updates the agreements tracker and forwards the MOU to the OCFO-BB for update to the OCFO reimbursable agreements 18F tracking sheet, and to FIOD for entry into Pegasys.

b. After approvals and signatures from the OCFO-BB have been obtained, the agreements lead notifies the program area when funds are available and that approval to start work has been granted. If the project entails labor, the TTS Agreement Lead inputs the project into Tock, the employee timesheet system, using the same name for the Tock line as the IAA - Part A or MOU. The TTS Agreements Lead updates the agreements tracker with the new Tock number, allowing employee(s) to bill hours to the project

c. Modify Agreement. Modifications are typically initiated to include funding increases, in regards to travel costs, for additional labor expenses within the scope of an existing IAA - Part A and B or to extend the POP on the IAA - Part A and B to allow time to complete the deliverables. Project leads request the modifications and the changes are codified in the IAA - Part A and B by re-entering the process of establishing an IAA - Part A and B. IAA - Part A and B modifications are subject to the same series of reviews and approvals as an initial IAA - Part A and B detailed above. All modifications are routed to the Assistant TTS Commissioner, OGC, and OCFO-BGF for review and approval before funds acceptance and signature.

d. OCFO-BGF Part B Reconciliations.

(1) The OCFO-BGF FA performs weekly, bi-weekly and month-end review of the transactions by reconciling signed Part Bs between the reimbursable agreements tracking sheet, the agreements tracker, and Pegasys in an Excel file. The reconciliation is reviewed by the OCFO-BGF branch chief or division Director. Variances are identified according to the UFCO reconciliation process. The OCFO-BGF analyst researches items missing from Pegasys BAAR through the following activities:

- Validating that the agreement has been properly approved and forwarded to FIOD for entry
- Examination of items missing from the agreements tracker
- Ensuring that the agreement has been recorded on the OCFO-BGF reimbursable agreements tracking sheet
- Coordinating with the TTS or Presidential Innovation Fellows (PIF) program point of contact for inclusion on the tracker

(2) The review and confirmation of researched items missing from the OCFO-BGF reimbursable agreements tracking sheet should include an investigation of whether the OCFO-BGF FA has received and approved the agreement. If there are any outstanding signed agreements not recorded in Pegasys BAAR, the OCFO-BGF analyst requests a WSA through FIOD.

39. <u>TTS Billing</u>. TTS creates bills by collecting billing data from each project/project expense and uploading into the Billing Request Form, then sends to the OCFO-BGF (for funds availability verification) and FIOD (for posting to Pegasys). The OCFO-BGF performs a reconciliation to ensure the billing information submitted by TTS was properly uploaded into Pegasys by FIOD.

a. Billing Data Collection.

(1) 18F labor data is based on employee GS grade and the rate type of the project. The billable labor charge is added to the FY billing data template once the labor charge has been calculated by TTS Business Operations Division.

(2) PIF labor data, the actual personnel compensation and benefits cost is based on a report from the Payroll Accounting and Reporting, the GSA's payroll system, plus overhead.

(3) The TTS travel team updates the billing data template with a list of travel vouchers processed for the billing month, which is due the second Tuesday of every month. As part of the monthly billing data collection and approval process, a list of travel vouchers billed is provided to the PM(s) for review and approval. The TTS finance team verifies the project code and updates the billing data template with the final data.

(a) The TTS travel team assists the 18F, TTS Acquisitions, cloud.gov, and login.gov teams in the following areas:
- Verify compliance of travel authorizations within one (1) business day of submission and grant formal approval in Concur, provided that there is proper documentation
- Verify compliance of travel vouchers within five (5) business days of submission and grant formal approval in Concur, provided that the authorizing email matches what is stated in the voucher
- Answer team members' questions via Slack in #travel and via email
- Create policies, procedures, and documentation as needed to communicate an effective travel policy

(b) The TTS travel team reviews all travel requests, typically via email, prior to approval. Billable travel must be approved by a requesting agency point of contact prior to submission to the TTS travel team for review. Non-billable travel must be approved by the TTS Director of Operations prior to submission to the TTS travel team for review. To ensure that projects are not running over budget, the project travel status spreadsheet is updated for travel requests and voucher submissions by a team in the TTS Business Operations. It is posted on Google Docs and viewable by the PM(s).

b. Additional Billing Data. Projects are loaded in the agreements tracker by the agreements lead, along with their project indicator. The PM reviews and approves billing data, e-mails or uses an internal communication tool (such as Slack) to notify the finance team, then the finance team enters the verified information/revisions into the billing data template. Additional project charges, which are included in the billing data template, include, but are not limited to:

- Federalist Charge – A platform as a service offering for building websites. The TTS finance team identifies projects with the Federalist indicator in the agreements tracker and calculates the average monthly charge based on the IAA - Part A amount and adds to the billing data template when agreements are signed and notified by the PM.

- Agile Delivery Services Blanket Purchase Agreement (Agile BPA)/Contractual Services – A contract vehicle for streamlined software procurement.
- Cloud.gov Access Charge – A platform as a service offering that streamlines security and compliance requirements for government entities.
- Cloud Foundry – An industry standard open-source cloud application platform for developing and deploying enterprise cloud applications. The cloud.gov team uses the TTS Infrastructure Account Codes Crosswalk to convert Cloud Foundry quota to a monthly charge and provides it to TTS Finance by the first Tuesday of the month. The TTS finance team adds the charge to the billing data template.
- Infra Usage – Provides infrastructure as a service capability within Amazon Web Services (AWS). AWS usage is downloaded from Chandika system by the Products & Platforms team on the first Wednesday of the month, with updates made to the TTS Infrastructure Account Codes Crosswalk as necessary. TTS finance team is notified of the monthly charge and adds to the billing data template.
- Micro-Purchase – The marketplace is used to bid on open awards (items/projects that are approved and available for bidding in the marketplace and/or available for funds to be approved/allocated as needed to support the continuation, towards project completion) from 18F. The micro-purchase team updates the Micro-Purchase Awards file and provides it to the TTS finance team by the first Tuesday of the month for inclusion in the billing data template.

Every month during the billing data collection period, the TTS finance team receives notification from the PM(s) detailing any changes to the project's billing and updates the billing data template.

c. Bill Generation Process. The TTS Business Operations Division lead of Finance reviews the billing data template, calculates the project's monthly bill costs, and records the costs on the TTS revenue reconciliation spreadsheet. The lead of Finance posts the billing data in the Billing Tracker Google Doc for the PM(s) to review and sign, typically five to six business days before the 20th of every month. The PM(s) review and approve the billing amounts.

d. OCFO-BGF Funds Verification. Upon receipt of the PM approval(s), the billing data is recorded on the TTS Billing Request Form and is sent to the OCFO-BGF to ensure the BAAR agreement has sufficient funding to be billed. An OCFO-BGF FA runs a Business Objects (BO) query of funds availability to review and confirm the funding for

the amounts in the Billing Request Form. Discrepancies are coordinated with TTS for resolution. Once all, if any, discrepancies are resolved, OCFO-BGF provides approval of the billing file to TTS.

e. Submission of Billing Request Form to FIOD. The final Billing Request Form is sent by TTS to FIOD for processing, three business days before the 20th of every month. FIOD staff reviews the funds available prior to entering the transaction into BAAR. Updates to the Billing Request Form are documented on the TTS bill file and OCFO revenue reconciliation spreadsheet. Once FIOD staff completes the billing creation in BAAR, the updated bill file is returned to TTS and OCFO-BGF for verification of transactions and record keeping. Any unresolved variances between amounts submitted for billing versus billing records created by FIOD should result in a future BAAR transaction as FIOD is able to clear the problem.

f. OCFO-BGF BAAR Reconciliation.

(1) An OCFO-BGF analyst runs a BO query capturing the BAAR bills, reconciles the entries against the TTS submitted bill file, and resolves any variances. Documentation of the activities is recorded on the OCFO revenue reconciliation spreadsheet. Items that were submitted but did not process in BAAR are included in the request for a WSA. The WSA template is sent to FIOD via email for processing. FIOD will provide the OCFO-BGF FA with confirmation via email once the WSAs have been processed. Once processed, the OCFO-BGF FA updates the OCFO revenue reconciliation spreadsheet to reflect the processing of the WSAs and submits the final OCFO reconciled file to the TTS Business Operations Division for record.

(2) The same BO query mentioned above will have PIF detail related overhead charges to be billed to the requesting agency. The charges are established in BAAR and a monthly bill is auto-generated according to the PIF Detail Model. Because the PIF overhead charges are auto billed, they will not have been included on the TTS Billing Request Form. The OCFO-BGF analyst reconciles these charges during this reconciliation of bills processed in BAAR to ensure all billings were created correctly.

40. <u>TTS Accruals</u>. TTS calculates accrued revenue amounts, for all projects with activity during that month, based on the level of project completed and not billed within the report month. Here are the types of activity that generate accruals.

a. Monthly Revenue Accruals. Monthly revenue accrual data collection should follow a similar process to the billing data collection process and uses the following

assumptions: Labor accrual amount is based on available timesheet data and number of total workdays in the month. Travel accrual amount is based on projections of travel vouchers to be processed and billed for the month. The Federalist charge is based on active IAA - Part A. Agile BPA/Contractual services revenue accruals are based on reports of costs incurred for customers and the National Capital Region (NCR) outstanding accruals report. Revenues accruals for the Cloud.gov access fee and Cloud Foundry charge uses previous month's billed amount from the billing template. Revenue accruals for all other TTS activities will be based on cost incurred on behalf of customers.

b. Worksheet Adjustments for Accruals. On a monthly basis, OCFO-BGF takes the following steps to calculate a WSA for accruals:

- Cost report is run on +3 of current month
- Compare the totals associated with each agreement to the total billings to date + latest accrual columns in the revenue accrual sheet
- Identify if there is a discrepancy or need for a WSA
- Send email to FIOD to record the WSA

c. Accrual File Creation and OCFO-BGF Funds Verification. Monthly revenue accrual data are compiled into the TTS Accrual Request Form. The TTS Business Operations Division lead calculates the accrual amount based on the level of project completed and not billed within the report month. Calculations are based on approximately three weeks actual data pulled from the data resources used for the billing generation process but includes an average estimate for remaining workdays in the accrual month. Additionally, the TTS lead of Finance performs a burn rate review of any increases and decreases, then incorporates trends in the estimate for the remaining workdays in the accrual month. Prior to recording such a trend adjustment, the TTS lead of Finance will contact the PM or review the project schedule to identify the source and expected longevity of any burn rate increase or decrease.

d. Submission of Accrual Request Form to FIOD. TTS submits the final TTS Accrual Request Form to FIOD one to two days before the last business day of every month. FIOD staff uses the accrual file approved by OCFO-BGF to validate a sufficient unbilled balance exists in BAAR and enters the transactions into BAAR. FIOD staff then confirms entering the BAAR transactions and replies to TTS and OCFO-BGF with a (usually) matching summation. Changes made while entering transactions are also mentioned: such as a change in base year or correcting an agency locator code (ALC).

Any variances are explained by FIOD in the replies. Any unresolved variances should result in a future BAAR transaction such as a second accrual, or a WSA for that month.

e. OCFO-BGF Accrual Reconciliation. An OCFO-BGF FA runs a COGS business objects query capturing the BAAR accruals, reconciles the entries against the TTS submitted accrual file, and resolves any variances. Verification of accruals are documented and recorded on the OCFO revenue reconciliation spreadsheet, then returned to TTS lead of finance for record. The accruals auto reverse in the next report month. The OCFO-BGF FA reviews the reverse accrual entries and resolves any variances. If any bill hits an error (not processed) before the end of the month, accruals are generated to ensure that the revenue is recorded. OCFO-BGF FAs and FIOD accountants monitor these transactions to ensure that the billing errors resolve timely. OCFO-BGF conducts a one for one comparison between BOs and Pegasys entries at the beginning of the month, on the 17th of each month, and at the end of the month. Issues found are communicated to the FIOD accountant and typically addressed within a day in Pegasys. In cases where OCFO-BGF or FIOD are unable to resolve the error before month end and the amount needs to be added to the accrual, TTS is notified to do so.

41. <u>TTS Close Customer Agreements</u>.

a. Customer agreements generally close when there is no longer any funding available or when the project has reached the end of its POP.

b. Whether funds are exhausted, the project is reaching the end of its POP, or no further activities will be conducted, the PM and requesting agency project lead must agree that the terms of the IAA - Part A have been fulfilled. When the project lead has accepted all deliverables related to the IAA - Part A, the PM will provide final accounting of project costs to the project lead, which is passed on to the requesting agency's contracting officer (CO). The final bill is sent to the requesting agency, whereby the requesting agency is notified of any remaining funds that may need to be released.

c. In the case that a requesting agency requests to close out an agreement early (aside from the reasons stated above), the business unit is informed of the request for concurrence/approval. The agreement lead will draft an IAA - Part B cancellation and route it to the OCFO-BGF for signature. The remaining funds are then returned to the requesting agency.

42. <u>Integrated Award Environment (IAE)</u>. Management has defined the IAE's revenue and receivables business process as containing the following sub-processes:

    a. IAE - Establish and Modify Customer Agreement. IAE partner collections from the 24 CFO Act agencies are determined by using an algorithm developed by the IAE program in concert with IAE Governance and OMB then approved by IAE Governance (each year).

      (1) Currently the algorithm is represented by a portion of the approved IAE Budget amount multiplied by the established tier transaction percentages to obtain the tier allocation within each tier. Utilizing the source of record USASpending.gov for prime award contracts, grants, and loan records, the records are totaled for each partner agency and then summed. Percentages for each agency are calculated by dividing the agency's transactions by the total of all partner agencies records.

      (2) A scatter plot of partner agencies transactions was used to divide the partner agencies into tiers. Four tiers were determined based on the following transaction criteria: large >500K records, medium >150K to 300K records, small 10K to 150K , and micro <10K. The tier allocation is divided by the number of agencies falling within each tier. The number of partner agencies falling within each tier are then counted. The result is the contribution amount for each agency within that tier. The transaction percentage for all partner agencies falling within each tier is then totaled to determine the tier transaction percentage.

      (3) Agency contribution amounts are reexamined and voted upon by the 24 CFO Act agencies and approved by the Award Committee for E-Government (ACE) early each year. In years past the Budget amounts have been frozen from year to year and/or have been given a 2% inflation factor from the previous FY though the governance process.

      (4) Once agency collections amounts are approved the agency amounts and supporting documentation are then uploaded into the OMB MAX.gov funding tool that is then remitted to the agencies as their official bill to be collected.

    b. IAE Billing and Collections. FIOD bills the IPAC tiered amount in total for each agency/requesting agency agreement. Revenue is recognized evenly each month at 1/12 the agreement amount throughout the full year of service (POP of each agreement is the duration of the FY Oct 1 - Sept 30).

c. IAE Accruals. All agreements are billed in full upfront and recognized evenly throughout the FY to Sept 30. In the event the IPAC agreement is not finalized by year-end closing guidelines (usually between Sept 15th and the end of year on the 30th), FIOD will set up a revenue accrual, and the agreement will be fully billed in October against the accrual.

d. IAE Close Customer Agreement. Since all agreements are billed in full upfront, there is no unbilled funding to be returned, so normally there is no needed action to close IA-Part Bs. However, there may arise specific circumstances which would require a IA-Part B close out, and those would be done by way of the routine IA-Part B modification process.

Section 6: Other FAS Reimbursable Programs

43. Multiple Award Schedule (MAS) & Indefinite Delivery, Indefinite Quantity (IDIQs). The MAS and IDIQ contracts are acquisition vehicles that GSA establishes with vendors for goods and/or services. Requesting agencies are able to make acquisitions using these contract vehicles and the pre-negotiated terms/pricing by directly placing orders with vendors. These contracts, covering numerous goods and services to meet Federal needs, are maintained and managed by the FAS programs with responsibilities over the particular acquisition categories, namely GS&S, ITC, TTL, and PSHC. As the orders are placed directly between the requesting agency and the vendor, GSA does not handle requesting agency funding or have any billings to the requesting agency or vendors. To recover the cost of contract award and administration (offers and mods), GSA requires vendors to include a fee in their pricing that is usually a percentage of the sale. The fee is often referred to as the industrial funding fee for MAS and the contract access fee for IDIQs. On a monthly or quarterly basis, depending on contract requirements, vendors are required to report their sales and remit the fee to GSA for the business conducted during the previous month/quarter, plus/minus any adjustments from prior periods. The method of reporting of sales will differ depending on the contract, but systems include the Sales Reporting Portal (SRP) for MAS and the Contractor Payment Reporting Module for select IDIQs. The method of paying the fee to GSA is primarily via the use of SRP and its functionalities which interface and settle payments using Treasury's Pay.Gov systems. Occasionally vendors submit checks to GSA banking lockboxes or submit payments directly into Pay.Gov.

a. Pegasys receives daily updates of the detailed contract master file from FSS-19. This contract master file includes contract numbers, reporting office code and schedule number for the MAS and IDIQ contracts. When vendors enter their sales in SRP, the

system calculates the fees based on the types of contracts. The SRP creates and transmits payment settlement files to Pay.Gov, and to interface with Pegasys via the FMESB. Pegasys matches data elements from the SRP settlement file to elements on the detailed contract master file and based on the reporting office code and schedule number, Pegasys generates cash collection documents. For vendors who submit checks via lockboxes or enter payments directly through Pay.Gov, the FIOD manually researches to match the collections to contracts, and records the collections in Pegasys.

   b. As vendors are only required to remit collections once per quarter, OCFO-BBF creates and maintains revenue accrual plans for MAS/IDIQs with a significant and estimable amount of collections based on program business volume projections. The accrual plans are forwarded to the FIOD for recording in Pegasys on a monthly basis.

   c. There is a requirement for 5% of cash collections for MAS and IDIQs to be transferred to the Acquisition Workforce Training Fund (AWTF), which was established by the Services Acquisition Reform Act of 2003 (SARA, Public Law 108-136), Section 1412 (41 U.S.C. 1703 (h)(3)(i)). The AWTF is managed by the Federal Acquisition Institute. The FIOD staff records the necessary entries and seeks clarification as-needed from the OCFO-BBF. As new offerings are created, the OCFO-BBF notifies the FSSP of changing requirements.

44. Total Workplace (TWP). TWP is the legacy name for the offering and is still used when referring to the FAS portion of the offering. The name prior to TWP was Office in a Box. Furniture and IT (FIT) is the brand name GSA uses and should be the term used in communications with the requesting agency to avoid confusion.

   a. TWP is designed to enable agencies that otherwise lack the necessary upfront funds required to move into new space, leveraging the ASF authorities and funding to implement rightsizing and mobility within their operations. Under this program, FAS purchases furniture and IT commodities to lease to other agencies as part of the effort to facilitate space consolidation. Internally, capital accounts have been established to fund the purchase of furniture and IT equipment. These capital accounts will place orders with existing FAS business units that have the capability to deliver these requirements to other requesting agencies. These business lines will recognize the sale and revenue, as they would from any other requesting agency, when goods are delivered (FOB destination) or shipped (FOB origin). Again, as with any other non-FAS requesting agency, the business lines will bill and collect funds from the requesting agency, in this case the ASF TWP capital accounts.

b. The TWP capital account will be reimbursed via rent payments on a monthly basis from the requesting agency according to the terms of the signed SOA. Remittances will be made by requesting agencies through the Occupancy Agreement (OA) billing tool that will have separate line items for furniture and IT that are associated with ASF coding; no remittances to the ASF will flow through the Federal Building Fund (FBF).

c. Authorities – The specific authorities are derived from 40 U.S. Code § 501 - Services for executive agencies, 40 U.S. Code § 502 - Services for other entities, 40 U.S. Code § 11314 - Authority to acquire and manage information technology, 40 U.S. Code § 11302(e) - Designation of Executive Agents for Acquisitions, and/or the 40 U.S. Code § 321 - Acquisition Services Fund. These statutory authorities are independent of the Economy Act, and, therefore, the Economy Act does not apply.

d. Capital Lease – Capital leases are no longer to be offered under the program. There is an existing inventory of capital lease agreements, but due to a myriad of downsides, capital leases are no longer offered for new projects. The key distinction from an Operating Lease is that for capital leases GSA records the purchase as inventory, converts that inventory to COGS at the time delivery of the equipment is substantially complete, and records a lease receivable 1990 SGL that is drawn down as collections occur. The requesting agency records the asset and related depreciation rather than GSA.

e. Operating Lease – All agreements now take the form of an Operating Lease, which is the traditional lease-type where GSA records the equipment as an asset and initiates depreciation once the equipment is considered substantially in use. Requesting agencies record payments as operating expenses, and GSA earns revenue monthly as amounts become due.

f. Draft service order agreement (SOA) – An agreement for FIT takes the form of a SOA and is considered in draft form until the point in time where it is ready to be billed. This term is used even after the agreement is signed by all parties since until all equipment is delivered, installed, accepted, and paid for by GSA (allowing for final costs to be known), there is to be no billings. Only once an agreement has been updated with final costs, duration, billing terms, and re-signed should the version be considered "Final". There are insufficient resources supporting FIT across the enterprise to enable a billing of draft terms and amounts. Do not bill any agreement that is not completely finalized unless all parties are aware and in agreement with the consequences in terms

of workload, billing adjustments, reconciliations, and requesting agency impact. Some projects may need to be broken into phases or have furniture and IT split into different agreements to enable timelier billing. While an SOA may be considered "Draft" until all final costs and billing details are known, an SOA is considered binding once signed by both the requesting agency and GSA. The SOA is binding in that the requesting agency commits to reimbursing GSA for costs incurred on the project up to the amount estimated on the SOA, and having that signed order/commitment is required prior to GSA initiating procurement actions.

g. Final SOA – A Final SOA is one that is sufficient to be used for billing via the OA Tool. Please see Draft SOA description for differences between draft and Final. Once an SOA is Final, it needs to be loaded in the OA Tool for billing. Often billing adjustments (i.e., back-billing and offsets) will be needed to align the project value and start date with the terms in the Final SOA.

h. Equipment Ownership – The title of the leased equipment is held by GSA for the duration of the lease and there is no automatic transfer of title (e.g., lease-to-own or bargain purchase option) at the conclusion of the term(s) under any circumstances. If the title were to automatically pass to the requesting agency, then the requesting agency would have had to obligate the entire value up-front, invalidating the purpose of the leasing arrangement. The terms in the SOA allow for the option for GSA to transfer the equipment through normal disposal procedures, which involves the asset transfer request form (SF122) and approval from the respective regional PPM disposal officer.

i. Annual Funding Documents - Annual funding recertifications are not required for Operating Leases once the final SOA has been signed; requesting agencies will be billed against their current-year rent account. This is consistent with PBS practices. For Capital Leases annual recertification of funding is required. It is the responsibility of the OCFO-BBF representative to review the funding provided by the requesting agency before sending to FIOD for billing through PCAS to ensure funds accepted are valid and consistent with the duration being funded. Funding documents, which take the form of either the FIT PMO's inventory assurance form or the IAA - Part B, may need to be sought directly from the requesting agency by the FIT PMO or OCFO-BBF representative, depending upon the requesting agency and previous channels of communications, if requesting agencies have not provided any source of funding after the current funding is exhausted. The status of funding is kept current in the monthly agreement reconciliation that is detailed later in the narrative.

j. Useful Life and SOA Duration – Per GSA policy, administrative equipment (i.e., furniture) has a useful life of 5 years/60 months and IT hardware has a useful life of 3 year/36 months. The default and maximum lease duration allowed for FIT is equal to these durations for each asset type. Leases can, by approved exception only, be shorter than these respective durations.

k. Scope, and Limitations of Program.

(1) The following guidance has been provided by the OGC:

"Furniture and IT equipment may be amortized over time while services may not. However, those ancillary services that would be included in the capitalized value of the asset and depreciated may be amortized as part of the cost of the equipment. Any repair or alteration work, such as building wiring, may not be included."

(2) Further discussions with OGC clarify that vertical building wiring (wiring running within the walls of the structure) remains excluded from acceptable FIT offerings, while horizontal wiring (wiring connecting devices from existing wall outlets or other workspace devices) is acceptable. Further, Installation and configuration is permissible. Extended warranties are not.

l. Furniture. The IWAC will serve to procure and fulfill furniture requirements identified for requesting agencies. Pre-award design services resulting in requesting agency requirements and pre-award solicitation documents are not "ancillary" and are not suitable for the TWP.

Ancillary design refers to the post-award efforts of the furniture vendor necessary to manufacture and install the awarded product.

m. Information Technology. Previously, the IT requirements were sourced through a number of offices across FAS, however, NCR now handles all IT requirements. The FAS POC for IT agreements is required to validate IT projects that fall within scope before they are committed to.

n. Offering Restrictions. Recurring monthly services such as local telecom or VOIP services would not be acceptable uses of TWP. The authorities supporting TWP allow only the cost of amortization and repair of equipment used for lease or rent to executive agencies and not the cost of services. In such cases where requesting agencies

express interest in recurring services they should be directed to the appropriate program POC.

o. Agreement Thresholds.

(1) Projects under TWP are required to meet minimum thresholds in order to qualify. These thresholds are subject to change, so it is recommended that the FIT PMO be contacted for the latest whenever needed. GSA reserves the right to make an exception to this via documented concurrence from FAS stakeholders.

(2) When GSA accepts lump-sum purchases of equipment (there is no "loan", requesting agencies must identify and purchase specific components) that are part of an existing agreement. To ensure a lump-sum purchase is cost effective, GSA also has a minimum threshold policy that amounts of these purchases must be at least 50% of the remaining balance on the agreement or $500K, whichever is less. GSA reserves the right to make an exception to this via documented concurrence from FAS stakeholders, particularly if the dollar amounts are immaterial.

p. SOA Workflow. As a general overview, a draft SOA is generated using the OA Tool with estimated costs and start dates. It is the responsibility of OCFO-BBF to ensure that the draft SOA provided by PBS is configured correctly as an Operating Lease. For the purposes of TWP, an operating lease requires two terms of equal length. Any exception to this will require BG review for classification.

(1) The duration, as calculated by start and end dates, will need to account for the entire useful life of the longest-lived asset type on the agreement, as noted in Section I. For example, a project with IT and furniture would need to last 60 months, though the IT charges will stop after the third year.

(2) The distinction between an Operating Expense template and the now discontinued Capital Lease is a toggleable option within the OA Tool, but the Capital Lease should never be selected. If any updates need to be made to the SOA template, the default document within the OA Tool will need revision. Contact the OA Tool POC.

(3) Before the draft SOA is signed by the OCFO-BBF representative, it must be checked against the approved list of FIT PMO projects here. The FIT PMO tracker is the authoritative source on whether a new project can be signed off on. The spreadsheet contains out-year prospective projects as well as historical ones, but the FIT PMO tracker can only be assumed to contain original estimates for active projects. If the

project cannot be identified, the FIT PMO must be contacted for documented approval and the FIT PMO spreadsheet must be updated. Provided the agreement is in the FIT PMO list, the terms of the draft SOA must be populated in the OCFO-BBF funding tracker as a new project and the remaining unobligated balance capital available for the program must remain positive. The OCFO-BBF funding tracker is the authoritative source on agreements that have had SOAs generated and signed by all parties. The FIT PMO tracker and the OCFO-BBF tracker should be reconciled at least annually by the combined FIT PMO and OCFO-BBF representative to ensure any funding that was identified for a project in the FIT PMO tracker was allotted to a signed agreement.

(4) If executing a project would exceed unobligated balances available as identified in the OCFO-BBF tracker, the project may not be funded and the FIT PMO must be contacted to reconcile the list of projects to see if a potential error exists. If there is no error and the program has exhausted funding for the FY, no action can occur unless the FAS Commissioner adds additional funding for the program. The tracker will need to be updated with any new funding the FAS Commissioner provides. Additionally, the monthly reconciliation file should be updated to record this agreement in the master inventory of projects. After these sources and terms have been checked for validity, the SOA can be signed on page three's terms acceptance by the OCFO-BBF representative and then loaded into DocuSign for routing to the FIT representative. There is not a box for the OCFO-BBF signature, so it is traditionally done towards the bottom of page three on the right side.

(5) Upon receipt of the draft SOA and prior to signing, the applicable FAS contracting office(s) representative(s) will review the requesting agency requirements within their respective area of responsibility for compliance with the intent of TWP and that the requirements are within the specific needs of the project. This review will not constitute a technical fit for use review nor a TAA compliance review. The following information will be reviewed: List of items including general description of salient characteristics, for brand name or equal, manufacturer brand, model or part number or equal product general description.

(6) Upon satisfactory review, the FIT POCs will sign in their respective sections. OCFO-BBF will be notified that the document has been completed and will retrieve the document from DocuSign and provide back to PBS for the requesting agency to review, provide a funding citation that is subject to the availability of funding, and sign. PBS will pass the signed, draft SOA back to GSA stakeholders. The document will be reviewed by the OCFO-BBF representative to confirm the document is signed and a valid line of accounting is provided by the requesting agency after which the OCFO-BBF

representative will insert a new date beside their original signature as evidence of final acceptance and the final document will be saved for record keeping and reference.

The process above is an intentional deviation from traditional workflow. Normally the servicing organization's funding official (OCFO-BBF representative) would only sign after a requesting agency signs, however, signing in advance of the requesting agency has been determined through experience to be the only reliable control to ensure that PBS regions are not presenting requesting agencies with projects that have not been approved by all parties and therefore defacto committing the program to service the project. As noted in the preceding paragraph, the application of the current date beside the original signature will serve as the indication of a completed agreement. It is important for the OCFO-BBF representative to review the document when it is returned from the requesting agency to ensure the funds citation is valid and follow-up with the requesting agency if there are concerns. As an additional control, the OCFO-BBF representative can delay any funding requests where SOA documentation is considered insufficient or inaccurately funded.

      (7) When the acquisition office is ready to make an award, the respective office will send an email to FAS-Budget@gsa.gov requesting the release of reserve funds to begin the procurement process.

      (8) The OCFO-BBF representative will then update the funds tracker for the project and prepare an Pegasys IX document, constituting the order from the FAS capital account to the acquisition office for the goods required, and place the order in held stats. An asset request form will need to be completed using the details of the request and the IX document number and sent to kcassetnumber.requests@gsa.gov. The FIOD staff will create an asset number that must be added to the Fixed Asset tab within the IX record. This asset number needs to be added to the funds tracker. Any further use of the asset number will require notification to be sent to the inbox for awareness. Once the IX document is validated, it will be routed to the OCFO-BBF Director for approval. Once approved, the IX document will be printed from Pegasys and have the ALC, TAS, and DUNS number added manually before sending back to the funds requestor.

      (9) From this point on, business and procurement operations should proceed as normal, treating the capital fund (in the form of the IX document) as the funding source.

q. After delivery and installation of the equipment is determined by PBS and FAS to be substantially completed, finalization of the SOA can begin. The following actions need to occur:

- In service date provided to OCFO-BBF representative by PBS or FAS; OCFO-BBF representative to communicate this to FIOD to initiate depreciation.
- Final amounts are determined by FAS and confirmed by the OCFO-BBF representative. Remainder of funding deobligated from IX. This will cause a rejection due to asset reference which will need to be overridden by FIOD.
- In service date used by PBS to adjust the start date of the SOA and final costs placed on agreement.
- The new SOA will be generated by PBS and routed to the OCFO-BBF representative who will then validate the final costs and start/end dates along with confirming that the terms of the agreement are unchanged. If satisfactory, the SOA will be signed, uploaded into DocuSign, routed to the FAS programs, signed by FAS, and sent to PBS before going to the requesting agency for them to add/confirm funding and sign.
- PBS will return the document and this Final SOA will replace the Draft SOA.
- The Draft SOA and the Final SOA will be saved in OCFO-BBF records.
- The OCFO-BBF representative will coordinate with the PBS POCs to review and confirm that the OA Tool is correctly configured to charge monthly rent going forward as well as back-bill any rent due between the start date and the date of initial billing.
- OA Tool will be put in Final status to initiate billing.

r. Agreement Tracking. The OCFO-BBF representative will maintain a master listing of past and current agreements. This master listing will be updated on a continual basis at the milestones mentioned above along with a month-end reconciliation showing the collection status of each project. The reconciliation steps are covered in this video. The monthly agreement reconciliation needs to be performed shortly after the end of the month to provide time for the OCFO-BBF/OCFO-BGF FAs to conduct a review and calculate any needed adjustments.

s. Lease Termination and Asset Transfer. During the lease-phase of an agreement, a requesting agency may request to purchase whole components of the equipment that is being leased. A requesting agency may not provide a generalized dollar amount to be applied to their "balance" without identification of the specific assets that they are purchasing, unless they are providing the entire amount due through the remainder of the agreement. The leases are not "balances" that can be partially paid off. Such an

assumption would invalidate the underlying authorities that enable the arrangement. The equipment values identified will need to include the acquisition fees. Below is an outline of steps that will need to occur when a requesting agency requests a lump-sum purchase that falls within approved minimum thresholds.

(1) PBS will communicate to the OCFO-BBF representative the requesting agencies intent to purchase equipment and work with the requesting agency to identify the sub-set of equipment if only a portion is being purchased.

(2) PBS will work with the FAS acquisition office to populate and submit a SF122-14a (Transfer Order Excess Personal Property) to OCFO-BBF representative for validation. The OCFO-BBF representative will cross-check the value against the aggregate project value in the event the entirety of the remaining lease payments is being funded. If only a portion of the equipment is being purchased, OCFO-BBF will ensure specific equipment is identified on the SF-122, but defer to FAS and PBS as to the accuracy of these details.

(3) Concurrently, PBS will work with the OCFO-BBF representative to either adjust the billings in the OA Tool or suspend them entirely, depending upon the requesting agency requirement. The OCFO-BBF representative will wait until the next billing cycle after the adjustment has occurred (typically confirmed during the subsequent month's reconciliation) and then reconcile the project to ensure collections have either stopped or are billing at the modified value.

(4) If billings are not as expected, the OCFO-BBF representative will work with PBS to make necessary changes and wait another billing cycle to confirm. This process will need to continue until the OA Tool is configured correctly. If the requesting agency is just providing a partial purchase, this waiting does not need to occur, but corrections must be made.

(5) When the OA Tool is confirmed to be billing as expected or suspended, the OCFO-BBF representative will calculate the amount due if the requesting agency is requesting a terminating payment and communicate that to the requesting agency/PBS and prepare a funding document (typically an IAA - Part B) for the requesting agency to provide their funding for their purchase or terminating payment. This will be provided to the requesting agency either directly or via PBS and they will fill in their details and return a signed, completed form.

(6) When the SF-122 is validated, PBS will ask the requesting agency to sign and enter their details into the appropriate fields. PBS will provide the OCFO-BBF representative with the final, signed form. The OCFO-BBF representative will forward to the relevant regional Property Officer for approval along with the blanket approval that OAS has supplied for TWP related transfers.

t. Documentation. When the funding document is returned, the OCFO-BBF representative works with FIOD to arrange for a one-time billing.

(1) When the collection has occurred and is confirmed on an ad-hoc basis or via the monthly reconciliation, the OCFO-BBF representative will provide PBS and the requesting agency with the approved SF-122 as a receipt of purchase and transfer of title.

(2) The OCFO-BBF representative will provide FIOD with the SF-122 along with the asset number so disposal and/or sale entries can be entered. The BGA POC should be consulted on the entries to record as each situation is likely unique.

(3) In the situation where a lease is approaching its natural expiration and collections are on track to finish within a quarter, the OCFO-BBF representative should annotate the monthly reconciliation that a SF-122 is needed and begin working with PBS and FAS ensure the form is completed, provided to the requesting agency for signature via PBS, and approved by Personal Property as noted in step 3 above. Once the final collection occurs, the OCFO-BBF representative should provide the requesting agency with a copy of the SF-122 and also send it to the same asset inbox for FIOD for disposal entries.

Note that transfer of the equipment is not guaranteed as part of the lease terms, but it is generally in GSA's interest to transfer the equipment at the end of the lease.

u. Property Custodians and Inventory Control.

(1) The asset custodian function is delegated to a POC within the FIT PMO, which is then delegated via the SOA terms and conditions to the requesting agency. On an annual basis, requesting agencies are required to validate that assets are in good condition on an inventory control form that is specific to this purpose. The FIT PMO is responsible for managing the data call with the agencies and cataloging the validations. Any reports of damage are to be forwarded to the OCFO-BBF representative, which

then need to be reported to BG and FIOD for impairment testing and appropriate entries.

    (2) Separately, the OCFO-BBF should coordinate with FIOD semi-annually and particularly prior to year-end to ensure all assets correctly reflect in-service dates and depreciation is properly recorded. While this action should normally occur as Step 1 in the process of finalizing an SOA, it is an area of risk that warrants its own validation exercise. The OCFO-BBF representative should request a listing of TWP equipment (AF130 activity code) where depreciation has not started yet and ensure that list is accurate or provide start dates for each equipment number.

    v. Pegasys Coding. The activities of TWP are contained with fund 285F and activity code AF130. There is a furniture specific program code (GS14) and an IT specific program code (AA42). Below are common templates to be used on IX funding documents. All assets should carry this coding for the respective asset type. Update the FY as appropriate; coding will automatically carry over year-to-year. Examples of lines of coding for FIT, respectively, are as follows:
- 2020-F-11-285F-AA42-Q11TF000-AF130-Regional AAS TWP
- 2020-A-03-285F-GS14-Q03SA000-IWAC Furn Total Workplace

    w. Accounts and Postings. The primary accounts that are impacted by TWP activity going forward are revenue, receivables, lease receivables, administrative equipment, accumulated depreciation, and UFCOs. Since the use of capital leases for new agreements has been discontinued, there should be no further postings to the cost of goods/services sold or inventory held for sale barring clean-up adjustments approved by BG, so these latter accounts will not be discussed.

    (1) Billing documents (RDI) created by the OA Tool credit Revenue 520000.01 and debit receivables 131000.08. Once collected (IR7), Revenue 520000.01 is again credited with the debit to cash 101000.06 and the original billing document (RDI) is reversed, reducing the Revenue and receivable, resulting in a net posting to Revenue and cash.

    (2) In general, the nature of the program and the lack of program resources to administer the leases has resulted in a need for WSAs to properly state accounts. Given the magnitude of the program, quarter-end adjustments are appropriate and will be prepared by BG and validated by the OCFO-BBF representative based on the agreement tracker, The monthly agreement reconciliation needs to be performed shortly

after the end of the month to provide time for the OCFO-BBF/OCFO-BGF FAs to conduct a review and calculate needed adjustments.

(3) The OA Tool does not record UFCOs on any of the activity flowing through it; consistent with PBS practices. As the ASF is acquiring the equipment up-front rather than performing an assisted acquisition, the UFCO that could theoretically be applicable is not of inherent value. As such, a UFCO balance, 422000 series, will not be recorded for the program.

(4) Any agreements that are in a final status but have not billed out charges would need Revenue/receivables (credit Revenue 520000.01 and debit receivables 131000.08) adjusted to account for charges that have not yet been billed by the OA Tool. The OCFO-BBF representative should attempt to estimate missing Revenue/receivables based on the monthly reconciliation and send a manual, self-reversing accrual request with these postings, project name, location, and requesting agency information to FIOD to limit the number of worksheets required. Any missing amount is calculated on a flat-monthly rate for each month's rent that the agreement has yet to bill out. For example, if a $1M project with a 5-year rental term starting 01/01/22 was finalized, but the OA Tool has not yet billed as of 03/31/22, the missing months of unbilled Revenue/receivables ($50K in this example) would be appropriate to include as an adjustment.

(5) For residual capital lease agreements, SGL 199000.07 and 199000.08 accounts are monitored and adjusted to reflect current collections and funded vs unfunded lease receivables. Collections on capital leases credit the funded lease receivable and debit cash. All Revenues/COGS are recognized at inception for the inventory of Capital Leases, thereafter no further postings are necessary outside residual clean-up, if applicable.

(6) Administrative Equipment is recognized at the time of equipment purchases, and the contra-account Accumulated Depreciation is automated by Pegasys after depreciation has been initiated. These accounts are adjusted once equipment is transferred (either to the requesting agency, or to FAS Property Disposal for sale/disposition). See prior sections for processes related to transfers and depreciation initiation processes.

(7) Every operating lease project that is fully collected should, over time, result in a net-zero impact to the Statement of Operations with Revenues being offset by Depreciation.

45. <u>FEMA Emergency Mission Assignments (MA)</u>. Currently support for FEMA emergency order MAs are under the ownership of the GSA Office of Mission Assurance (OMA), Management and Administrative Division (M&A). All MA orders are sent from the FEMA regions to OMA Regions or OMA HQ and from there, forwarded to OMA M&A for acceptance and to coordinate GSA actions required under an MA. For MA requirements requiring support from FAS, OMA M&A sends the orders, by email to both the FAS Budget (FAS-Budget@gsa.gov) to obtain funding certifications, and to the FAS Emergency Management Program Management Office (EM PMO) (fas.emergency@gsa.gov) within TTL, where the request is assigned to the appropriate FAS procurement office for fulfillment. OGC reviews the use of an MA and related documents issued by FEMA (Resource Request Form (RRF), Form 143).

    a. Definition of MA: A work order issued by FEMA, with or without reimbursement, that directs another federal agency to utilize FEMA's authorities and the resources granted to it under federal law in support of State, local, tribal, and territorial government assistance (42 U.S.C. §§ 5170a, 5192; 44 C.F.R. § 206.2(a)(18)).

    b. In supporting FEMA's requirements, FAS will accept the MAs and related documents and process them as an IAA - Part A. FEMA MA awards, RRF and Requisition can be used in place of an IAA - 7600 Part A and Part B in FEMA mission assignments. Requisition forms RRF 146 are used only when procurement contracts will be awarded in support of the MA. Otherwise, 7600A/B RRF 143 records are used as the order record for non-procurement market research, personnel support, pre-award support, including costs associated with an acquisition that is canceled by FEMA prior to award.

    c. Process flow:
- FEMA: Activate one or more MAs with GSA. All MAs will be reviewed for acceptance and managed by OMA. AACs for each regional FEMA office were created for use with MA orders placed with GSA.
- OMA: OMA receives MA/RRF/143/146 from FEMA for labor and fee related to commodity, services, facility searches and leasing in support of disaster operations, but is not limited to contracting, BPA, BOA, or GSA schedule.
- OMA will continue to use the MA to establish a billing process with FEMA.
- After approval and fund certification, FAS-Budget will send the MA to FIOD by email for it to be recorded in Pegasys. OCFO-BGF will be included in the communication with FIOD for monitoring of the recording of the UFCO. UFCOs will be closed-out upon completion of the acquisition, following the standard

processes prescribed for the FAS acquisition office filling the order (discussed in other sections of this Chapter).

- OMA will set aside a portion of the MA that will cover any costs incurred by FAS for FAS sourcing activities/costs that do not result in a contract procurement for supplies or services. The reimbursement of these FAS costs will be tracked in financial records via a Pegasys IX document, with the IX document providing an interfund billing mechanism for FAS to recoup its costs from OMA. In turn, OMA will separately bill FEMA for such costs incurred by GSA in support of the MA.
- After FAS determines appropriate vendor sourcing to fulfill the requirement and FEMA is notified, Regional FEMA sends a requisition to OMA via the Web Emergency Operations Center, and OMA will immediately forward the document to a FAS central mailbox.
- FAS EM PMO and Emergency Acquisition assigns acquisition responsibilities to the appropriate FAS acquisition office to manage the procurement; coordinates amongst programs; and serves as liaison to OMA and FEMA as needed.
- The FAS programs awarding contracts and fulfilling acquisitions will bill FEMA directly using their normal established billing processes.

e. When a MA requirement is missing data or information necessary for procurement actions, then the acquisition office will contact OMA or FEMA directly for clarification.

f. Labor and Sourcing Hourly Rate Reimbursements. After sourcing and working on a MA requirement, if FEMA doesn't order or cancels an order prior to award, then FAS will submit charges for labor hours to OMA for reimbursement against the established IX document which is referenced within the 7600B between OMA and FAS.

46. Claims Receivable.

a. Vehicle Accident Claims. When a GSA vehicle is damaged in an accident by a third-party, the GSA Accident Management Center (AMC) creates and enters claim records into the Comprehensive Accident Reporting System (CARS). A CARS file of claim records is transmitted nightly to Pegasys and the claims are loaded as debt account vehicle documents to create the accounts receivable balances due from the third parties. The first notice of claim is created in CARS and is printed out and mailed to the third party. After this, two dunning letters are sent out at intervals of at least 30 days via automated weekly Pegasys processes.

b. When a collection is received for a claim, the FIOD Claims unit notifies the AMC of the dollar amount, the CD#, and the date of deposit. This includes collections deposited to GSA accounts by the Treasury for the money they have collected on the GSA's behalf. If a debtor makes a payment to the claim, it is usually by check or credit card. Insurance companies send checks for payment. On a weekly basis other than the last week of each month, the Treasury makes an IPAC deposit into GSA fund accounts with any collections they have received on GSA's behalf, net of the Treasury service fee.

c. If a debtor submits a partial payment as a final settlement of a claim, the AMC determines if the payment will be accepted as payment in full or not. If accepted as payment in full, the AMC provides a concurrence email to the FIOD, at R06Claims@gsa.gov, stating that the balance has been paid in full and they can reduce the claim balance to zero or the AMC can choose to accept a lower amount for a claim as payment in full and request the remaining balance be written off by the OCFO-BGF. In such instances where a partial payment is accepted, the GSA requesting agency that the vehicle is assigned to may be billed for the difference. If a partial payment by a debtor is not accepted as payment in full, the balance may be referred to the Treasury for collection if the claim is delinquent.

d. Once the AMC determines a claim should be referred to the Treasury for collection, which generally occurs when a claim is delinquent for more than 90 days, the Treasury referral form is emailed to the FIOD Claims R06Claims@gsa.gov email box. Generally, further actions include:

- The Claims unit then marks the claim for the Treasury referral in Pegasys.
- Files of claims being referred to the Treasury are exported from Pegasys to the Treasury twice per month, mid-month and again - 4 days from month end. Once a claim has been transferred to the Treasury for collection, the duties for receivable servicing are the responsibility of the Treasury and all inquiries from the debtor are sent to the Treasury.
- If the claim is against a commercial debtor, it must be manually entered into the Treasury website. Pegasys is not able to refer a commercial debtor to the Treasury without a tax ID number, and this number is not entered into the CARS import file or transmitted to Pegasys. Vehicle claims do not have tax ID numbers - damage to government property is not considered entering into a contract with the U.S. government and therefore the tax ID is not included in the claim.
- Debtors can dispute a claim that is at the Treasury for collection, or in certain cases request a hearing on the matter. The Treasury provides notification of disputes to the Claims unit, which forwards the dispute to the AMC.

- The AMC contacts their legal representative in OGC to support development of a response within established deadlines. The response from the AMC/legal is sent to the Treasury with a cc to the FIOD Claims unit.

e. Prior to claims being referred to the Treasury, promissory notes can be requested by debtors to allow payments over time rather than in lump-sum. GSA officials initiate/authorize a promissory note and the FIOD executes it and collects funds in accordance with the terms of the note. Either GSA or the FIOD Claims unit will create the promissory note and send it to the debtor after GSA signs the note. This is an arrangement between GSA and the debtor. GSA Fleet is informed, but does not take part in the negotiation unless the debt is incident to a contract. Contracting officers are allowed to negotiate with debtors in accordance with the GSA -CFO 4253.1C (Accounts Receivable and Debt Collection Policy). The debtor must sign it in front of a notary public and return the signed notarized document to the FIOD Claims unit. The debtor then makes payments according to the promissory note schedule.

47. Collections. Almost all intragovernmental billings are settled via the Treasury's IPAC system. The Treasury also provides systems and mechanisms for collections from non-federal entities. Processes related to these collections, as well as dispute resolution are further described below.
- Daily the Treasury files are received and processed through the IPAC search system.
- The Treasury files contain billing information for the processed IPAC collections (IPAC Pulls) as well as IPAC Push payments received from requesting agencies for non-IPAC bills.
- The IPAC search system sends the IPAC collection files to Pegasys via a nightly automated push. IPACIN files are run in Pegasys and they retrieve the nightly automated pushed files.
- The referenced billing documents are matched automatically via the statement number and subsequently closed.
- Any IPAC record that cannot be matched during the upload process is considered unmatched.
- Unmatched records are reviewed by FIOD staff, and manually matched to a billing record or recorded as an unapplied collection.

a. Rejected Transactions. The FIOD staff downloads the Treasury reject Bulk Error report. This report will indicate billing transactions that the Treasury did not accept. The staff updates the original billing document article status from "in transit" to "rejected" and manually sets the receivable back to an unbilled billing status in Pegasys, which

changes the SGL entry back to 1310.07 - Unbilled Receivable. The FIOD staff makes the necessary corrections to the billing transactions and prepares them for re-submission to the Treasury. If the Treasury rejected records are caused by erroneous information in a feeder system (ITOMS/OMIS) the OCFO-BGF will make the appropriate corrections in those systems to avoid the same issue going forward.

b. Chargebacks. If a requesting agency identifies a billing error after payment has been made via IPAC, the requesting agency can use IPAC to dispute the charge by reversing the payment and having the funds returned to their accounts. These payment reversal transactions are known as chargebacks. Notifications of chargebacks are received daily via the Treasury files and loaded into Pegasys via IPAC Search. Chargebacks referencing a valid statement number will process as adjustments through the Treasury and will automatically load into Pegasys via the IPACIN batch job.

(1) Chargebacks not referencing a valid bill (referred to as a pseudo chargeback) may require the FIOD staff to view the transaction in IPAC Search and push it to the outgoing Pegasys file. These types of chargebacks require manual processing of the rejected form created in Pegasys by FIOD staff, via IPACIN, to properly post the transactions. In order to rebill a pseudo chargeback, a new billing is created in Pegasys by FIOD staff on the same day the IPAC cash transaction is posted.

(2) Chargebacks are tracked and managed using the FAS and general funds chargebacks data capture tool. The OCFO-BGF will update the tool to relay actions for the FIOD to take on each chargeback. After processing requested action, the FAS and general funds chargebacks data capture tool" is monitored by the OCFO-BGF to ensure the record drops off the outstanding chargeback listing.

c. Non-IPAC Collections. US Bank Deposit Data. Requesting agencies who pay via checks send the checks to the address (lockbox) indicated on their statement. The bank associated with the lockbox scans the checks and deposits funds (called batches) into GSA's account with the Treasury. On a daily basis, reports of the bank deposit information are received and uploaded into Pegasys for automated matching of collections to refenced billing statements.

(1) In the event that collections cannot be matched to billing statements, a rejected form is created in Pegasys. The FIOD staff must perform necessary research to further identify and apply the collection appropriately. To ensure timely recognition of deposits, if support to apply a collection cannot be readily identified, it is posted to Unapplied Collections SGL 2990.08. The FIOD staff will reach out to the requesting

agency based on available information to further determine how the collection should be applied.

(2) If a collection results in the overpayment of a billing, the FIOD staff will research the documentation and determine if the deposit was misapplied to an incorrect billing statement, and will post corrections as necessary (such as applying the deposit to another bill) or posts the overpayment to 2990.08 – Other Liabilities without Related Budgetary Obligations until the requesting agency can be contacted. The staff will work with the requesting agency to refund the payment if necessary.

d. Inter/Intrafund Billing Collections. Generation and Processing of Internal Vouchers. When a requesting agency is an organization within GSA, DBRs received from ASSIST are summarized into internal vouchers by Pegasys when the interfund indicator is marked as 'T' (for interfund) or 'A' (for intrafund). When these internal vouchers process both the cash/revenue for the seller and expense/cash for the buyer post simultaneously. The FIOD staff monitors internal vouchers for rejected forms and works with the OCFO-BGF to resolve issues that may arise.

48. National Customer Support Center. The NCSC is the source for information on any of the products or services available from GSA. The NCSC is a full-service center providing assistance and information to make acquisitions simple and efficient.

a. The NCSC responds to the requesting agency requests for assistance with GSA Supply Chain orders. This includes confirming shipment and delivery, providing documentation, validating quantity, and verifying material. In some instances, correcting errors in shipment requires the issuance of credits or debits to the requesting agency account against the original document number. As a related action the NCSC may also create an offset against a vendor payment if the vendor's invoicing has been found to be in error. A vendor may be willing to authorize material to be returned by a requesting agency while charging a restocking fee which will reduce the amount of credit received by the requesting agency.

b. The NCSC's Salesforce Vision sends transactions to Pegasys Connect, which are then interfaced to Pegasys/BAAR via the FMESB. The billing history along with the vendor invoice information assists the NCSC in resolving a discrepancy with a requesting agency's order. Any financial transactions entered are reviewed and approved by Government personnel. The NCSC researches and responds to order discrepancies associated with billing issues.

Billing issues may include the following:

- Credit card chargebacks, disputes, and declines;
- Incorrect credit card number;
- Incorrect BOAC or DoDAAC;
- Duplicate or delinquent bills.

CHAPTER 3. PROCUREMENT AND ACCOUNTS PAYABLE

SECTION 1. ASSISTED ACQUISITION SERVICES (AAS)

1. <u>Background on AAS procurements</u>. The primary function of AAS is supporting federal requesting agencies with the procurement of goods and services. AAS procurement activities start with requests from requesting agencies in the form of an IAA - Parts A and B. AAS procurements are then guided by and executed to ensure services are fulfilled in accordance with approved and accepted IAAs which define the goods and services needed and provide funding limits to be applied. The procurement of goods and services and the resulting recognition of costs and accounts payable follow common general processes as follows.

2. <u>AAS Award and Obligate</u>. This process involves the activities and controls relating to:
- Initiation and approval of requests for goods and services or other request(s),
- Issuance of contracts or POs to vendors,
- Review and recording of an obligation of funds by a service/staff office, function code, or program that reduces funds availability and may reverse a previously established commitment or reservation of funds.

a. Acquisition Planning Phase- Initiation of Procurement. From the interagency agreement within ASSIST, staff are able to create an acquisition within the ASSIST Acquisition Service. The primary purpose of the service is to provide AAS with a common platform to initiate new orders. This Planning Stage is the start of the award structure where GSA captures the requesting agencies' basic requirements, identifies the people who will be involved with the process, forecasts some key dates, initiates planning.

b. The ASSIST Solicitation Service provides AAS users with the ability to manage and issue posting rounds for a solicitation against un-awarded acquisitions that the AAS is executing on behalf of their requesting agencies. When a solicitation is complete, the solicitation service provides a method to record evaluation activities and select a winning contractor. The solicitation provides contractors, who are invited to a solicitation, to submit quotes / proposals or no-bid responses to an open solicitation posting round. Solicitations may follow the ASSIST Direct (outside sourcing) or ASSIST Connect (internal sourcing) workflows. The Presolicitation Package page is where GSA users get their first opportunity to define the specific line items for a solicitation. These line items will then carry forward into the next posting/amendment at which point GSA users will have the opportunity once again to update their line items. This section

focuses on how to add, edit, or delete line items from the Presolicitation Package page. Once the solicitation is ready a review may be necessary. Once the review is completed, staff are able to create the posting for the solicitation.

    c. The Create Posting link on the Solicitation Service allows creation of a new posting where prospective companies may be selected. In addition, users need to provide overall information about the posting. The Posting Details section is used to specify the solicitation's open and closed dates as well as other important information. The Response Summary page provides an overview of all the responses entered for a given solicitation record.

    d. Once the winning vendor(s) is/are selected, notification is sent to the winning vendor(s) as well as the losing vendors. Then the solicitation is funded (as defined in the A/R section of this manual). The Award page is the last step in the award process. The CO would come to this page to sign the award. Once the award is signed, an obligation is created and sent to Pegasys for recording.

3. <u>AAS Receipt and Acceptance of Goods and Services</u>. This process involves the activities and controls relating to the processing and recording of the receipt and acceptance of physical goods that have been delivered or services performed pending actual payment.

    a. As part of the Award Management Service in ASSIST the invoice feature provides the capability for vendors to submit electronic invoices via ASSIST and to facilitate the receipt and acceptance of the goods and services.

    b. Vendors invoicing AAS submit invoices in ASSIST, which transmits invoicing data to the VITAP. An ASSIST system generated email is sent to the requesting agency and the PM requesting action to document the acceptance, partial acceptance, or rejection of the goods/services (requesting agency) and rates/charges (GSA PM). This documentation is completed electronically within ASSIST. Per the Prompt Payment Act (PPA), the requesting agency and the PM/COR are expected to review non-federal invoices for accuracy and provide acceptance or rejection of the goods and/or services within 7 calendar days of receipt of those goods/services. A PPA general rule also requires that payment must be made within 30 days of the acceptance date of the goods/services OR the invoice date (whichever is later) to avoid interest penalties. The PM conducts a review of the invoice and reaches out to the requesting agency for concurrence prior to acceptance if the requesting agency has not already logged into ASSIST and taken action.

c. If the requesting agency/COR rejects the invoice, the PM verifies the validity of the rejection. If the invoice is deemed improper, the PM rejects the invoice in ASSIST and an automated message is transmitted to the vendor and the OCFO-BGF FA. The FA then rejects the invoice in VITAP. However, if a requesting agency's invoice rejection is deemed invalid by the GSA PM, the PM processes the invoice and facilitates acceptance.

d. The electronic invoice is a requirement for the three-way match between the invoice, PO, and receiving report. Validations function to ensure invoices cannot be submitted or approved in excess of available balances or outside valid periods of performances for an order.

e. A receiving report, indicating acceptance of the good/service and charges by the PM, is generated in ASSIST and sent directly to VITAP for payment generation.

f. The billing input document (BID) is automatically created in ASSIST (see Chapter 2 for discussions of the BID and accounts receivable processes). The expense transactions go through the file transfer protocol (FTP) to VITAP and then Pegasys for payment processing. FIOD provides support for this process by working any VITAP exceptions (errors) and taking any necessary action to move the payment out the door.

4. <u>AAS Accruals, Accounts Payable and Payment Processing</u>. This process involves the activities and controls relating to the review, examination, and reconciliation of invoices or vouchers to authorizing documentation. This also includes recording the accounting entries in the financial system based on the receiving reports.

a. Accrual-based accounting requires recording of cost for goods/services received in the period in which a seller performs/provides the ordered services/goods. While receiving reports and invoice processes will result in cost recognition, those activities may not be complete in time for monthly financial reporting, and separate estimated accrual transactions are often required for timely recording of costs. Accrued Expenses, with the matching accrued payables account are included when preparing monthly financial statements.

b. AAS will utilize percent completion as their methodology. The expense accrual is calculated with the percent completion methodology and the income accrual is based on expense plus the negotiated surcharge rate/amount per CLIN.

c. Accruals will be generated within ASSIST and sent to Pegasys as self-reversing accruals and will be recalculated each month. Expense accruals are transmitted via VITAP interface processes for recording in Pegasys. Exception-based reporting in ASSIST supports the reconciliation process to verify that accruals generated by ASSIST are properly recorded in Pegasys. Any accruals that hit an edit will be resolved and/or recorded as a WSA.

5. <u>AAS Contract Monitoring</u>. This process involves the activities and controls relating to the review and monitoring of contractual requirements including monitoring obligated balances.

a. Semi-Annual Open Items Review. Semi-annually, the OCFO-BGF runs the Open Items (OI) report to identify all outstanding obligations as required by the [CFO Accounts Payable Manual (4252.1C)](#), Chapter 4. The report is reviewed by the OCFO-BGF management and disseminated to the regional Service Staff Offices (SSO) and corresponding COs for their review and certification. These reviews are completed by the regional CSCs and FEDSIM with data as of May 31st and November 30th. The COs are given varying deadlines to review and designate each UDO a "valid" or "invalid" status, provide justification for each, and certify the validity of the outstanding balance. Aged UDOs assigned an invalid status are adjusted by the CO by processing a contract modification in the appropriate feeder system. For all invalid UDOs, WSAs are processed on a recurring basis to adjust the invalid portion until such time as the appropriate contract action takes place to deobligate the funds.

b. Undelivered Order Reconciliation. Every month, a comparison of UDO balances is done between the ASSIST and Pegasys. This review is done to ensure all, current month, UDO related transactions and balances are reconciled between systems and have been recorded in Pegasys. The OCFO-BGF FA will analyze current balances for any discrepancies. Any Pegasys UDO balances requiring adjustment are identified and after results are reviewed and approved by the supervisory OCFO-BGF FA, corrections are initiated via WSAs.

c. AAS Trial Balance UDO to Pegasys UDO Reconciliation. A trial balance reconciliation is performed each month after the completion of the ASSIST to Pegasys UDO reconciliation and preferably before the UDO WSAs are submitted to the FIOD. This reconciliation compares the trial balance report UDO totals to the Pegasys UDO balance from UDO reconciliation. ASSIST UDO balances used in the UDO reconciliation query are compared to data directly extracted from the ASSIST system. The report highlights the results of the full monthly UDO reconciliation between the

ASSIST and Pegasys. The differences between the reports should equal the amount for that month's Open Items report, to show that the reconciliation nets out. Any exceptions must be analyzed to identify and correct other differences.

    d. Contract Modifications. A contract modification (MOD) often occurs for one of the following reasons:

- The vendor highlights that there may be a need to change items from the contract,
- The requesting agency has a need that requires a MOD,
- Exercising an option,
- A funding action is needed to add or remove money from an order, or
- GSA has identified an administrative item needing a change in order execution.

    e. The PM/COR reviews the proposed MOD and works with the CO to validate its compliance with contracting requirements. If the CO accepts the proposed MOD, the CO generates the SF-30, approves it in the appropriate feeder system, and forwards the form to the vendor for their review and, if necessary, approval. The SF-30 captures information such as: the amendment modification number, effective date, PO, issued by, administered by, contractor number, solicitation number, line-item details, etc. If there is an increase to requesting agency funding on the modification, funding certification is also needed.

6. <u>AAS Contract Closeout and Termination</u>. This process involves the activities and controls relating to the final review of the contract to verify the completeness of services or products received that meet GSA's contractual terms and requirements and final acceptance can be communicated to the vendor. This also includes the review and recording of a de-obligation for contractually obligated funds remaining in excess of the total contract expenditures at contract closeout including the semi-annual UDO review.

    a. Contract Closeout. When it appears that all contractually-promised work has been tendered, the PM coordinates with the requesting agency and vendor to ensure that all work has been completed, all deliverables received and accepted, and all Government Furnished Equipment (GFE) has been returned. The PM ensures all invoices have been submitted, the final invoice has been paid, and reaches out to the OCFO-BGF FA to request a financial review. Any issues identified by the review will be corrected in coordination with the PM and requesting agency, prior to marking completion in ASSIST. A letter to the vendor is drafted by the PM and provided to the vendor to state that the final invoice has been paid and to verify that the final award has

been completed and any residual funds will be deobligated. When the vendor returns the signed letter, it is included with other closeout documents in the close-out package in ASSIST. The closeout request goes through the proper review and approval before the CO initiates the de-obligation process.

b. Record the De-Obligation. If there are any remaining unliquidated obligations, the CO verifies the contract has been closed out before initiating the de-obligation. The CO prepares the SF-30 and processes the de-obligation in Pegasys, which records the reduction of the UDO balance SGL 480100.

SECTION 2. GENERAL SUPPLIES AND SERVICES (GS&S)

7. <u>Background on GS&S procurements</u>. While GS&S provides mechanisms to support procurement of supplies for federal agencies, it no longer purchases and inventories such supplies for subsequent sale to those agencies. There are a number of unique mechanisms used by activities of GS&S, described further below.

8. <u>Supply Chain and Retail Operations Awards and Obligations</u>. All SCM and RO orders, once placed by requesting agencies, flow through OMS. RO orders originate from GECO, which has its own pricing service, PICS, but these orders are still pushed through OMS in order to ultimately reach FEDPAY for invoice management and billing. OMS takes care of the contract/pricing service for the SCM orders and if an assisted acquisition is required it puts the order on hold so that the order can be reviewed and necessary steps can be addressed. OMS validates the requesting agency financial information and manages the transportation routing, ultimately creating the PO. Upon the PO creation, OMS sends the PO to the vendor, who then acknowledges and accepts the PO.

9. <u>Supply Chain and Retail Operations Receipt and Acceptance of Goods and Services</u>. FEDPAY does not support a goods acceptance process and instead utilizes only a two-way match between the invoice and PO to process a payment request and trigger recognition of revenue and expense. Order returns, inquiries, disputes, and delinquent accounts are handled through the NCSC.

10. <u>Supply Chain and Retail Operations Accruals, Accounts Payable and Payment Processing</u>.

a. The COGS (i.e., expense) from POs are recognized when the vendor invoices GSA through FEDPAY, the invoice is matched to an order, and the payment is remitted

to the vendor. At this same time, a DBR is passed to BAAR to trigger revenue recognition and initiate billing once the DBRs have been summarized into billing documents.

b. As most shipments are FOB-destination and there is no receipt process supported by FEDPAY, FIOD performs month-end adjustments to account for the timing difference between the estimated receipt of the invoice and delivery of the goods to the requesting agency. The assumptions used in this adjustment are confirmed annually via a FIOD recommendation to OCFO-BBF and subsequent approval. The revenue and expense accrual adjustment records are set as self-reversing in Pegasys.

11. Supply Chain and Retail Operations Contract Closeout and Termination. For SCM and RO orders, contracts are considered complete once the entire order has been shipped, vendor invoices have been sent and approved for payment and the billing is processed through FEDPAY.

12. Special Order Program (SOP) Award and Obligate.

a. As the primary function of SOP is supporting federal requesting agencies with procurement of goods and services the requesting agencies need, SOP procurement activities start with requests from requesting agencies in the form of an IAA - Part A and Part B. SOP procurements are then guided by and executed to ensure services are fulfilled in accordance with the established IAA - Part B, which defines the goods and services needed and provides funding limits to be applied.

b. Acquisition Planning Phase- Initiation of Procurement.

(1) From the interagency agreement within ASSIST, an acquisition is created within the ASSIST Acquisition Service. The primary purpose of the service is to provide SOP a common platform to initiate new awards. This planning stage is the start of the delivery order structure where GSA captures the requesting agency's basic requirements, identifies the people who will be involved with the process, forecasts some key dates, and initiates planning.

(2) The ASSIST Solicitation Service provides SOP users the ability to manage and issue posting rounds for a solicitation against un-awarded acquisitions that the SOP is executing on behalf of their requesting agencies. Once a solicitation is complete, the solicitation service provides a method to record evaluation activities and select a winning contractor. The solicitation provides contractor users, who are invited to a

solicitation, to submit quotes / proposals or no-bid responses to an open solicitation posting round. Solicitations may follow the ASSIST Direct (outside sourcing) or ASSIST Connect (internal sourcing) workflows. The presolicitation package page is where GSA users get their first opportunity to define the specific line items for this solicitation. These line items will then carry forward into the next Posting/Amendment at which point GSA Users will have the opportunity once again to update their line items. This section focuses on how to add, edit, or delete line items from the presolicitation package page. Once the solicitation is ready a review may be necessary. Once review is completed, staff can create the posting for the solicitation.

(3) The create posting link on the solicitation service allows creations of a new posting where prospective companies may be selected. Only companies with active users, with the ability to submit quotes, can be added as associated contractors. In addition, users need to provide overall information about the posting. The posting details section is used to specify the solicitation's open and closed dates as well as other important information. The Response Summary page provides an overview of all the responses entered for a given solicitation record.

(4) Once the winning vendor(s) is/are selected, notification is sent to the winning vendor(s) as well as the losing vendors. Then solicitation is funded (as defined in the A/R section of this manual). The award page is the last step in the award process. The CO would come to this page to sign the award. For bilateral award, the contractor would also sign the award on this page. Once the award is signed, an obligation is created and sent to Pegasys for recording.

13. <u>SOP Receipt and Acceptance of Goods and Services</u>. As part of the Award Management Service in ASSIST the Invoice feature provides the capability for vendors to submit electronic invoices via ASSIST and to facilitate the receipt and acceptance of the goods and services.

a. Receipt and Acceptance. Vendors invoicing SOP submit invoices in ASSIST, which transmits invoicing data to the VITAP. An ASSIST system generated email is sent to the Client and GSA CO requesting action to document the acceptance, partial acceptance, or rejection of the goods/services (requesting agency) and rates/charges (GSA CO). This documentation is completed electronically within ASSIST. Per the PPA, the requesting agency and GSA CO are expected to review non-federal invoices for accuracy and provide acceptance or rejection of the goods and/or services within 7 calendar days of receipt of those goods/services. A PPA general rule also requires that payment must be made within 30 days of the acceptance date of the goods/services OR

the invoice date (whichever is later) to avoid interest penalties. The CO conducts a review of the invoice and reaches out to the requesting agency for concurrence prior to acceptance IF the requesting agency has not already logged into ASSIST and acted.

b. If the requesting agency/COR rejects the invoice, the CO verifies the validity of the rejection. If the invoice is deemed improper, the CO rejects the invoice in ASSIST and an automated message is transmitted to the vendor and the OCFO-BGF FA. The OCFO-BGF FA then rejects the invoice in VITAP. However, if a requesting agency's invoice rejection is deemed invalid by the GSA CO, the CO processes the invoice and facilitates acceptance.

c. The electronic invoice is a requirement for the three-way match between the invoice, PO, and receiving report. Validations function to ensure invoices cannot be submitted or approved in excess of available balances or outside valid periods of performances for an order.

d. A receiving report, indicating acceptance of the good/service and charges by the CO, is generated in ASSIST and sent directly to VITAP for payment generation.

e. The billing input document (BID) is automatically created in ASSIST (see Chapter 2 for discussions of the BID and accounts receivable processes). The expense transactions go through the file transfer protocol (FTP) to VITAP and then Pegasys for payment processing. FIOD provides support for this process by working any VITAP exceptions (errors) and taking any necessary action to move the payment out the door.

14. SOP Accruals. Accrual-based accounting requires recording revenue for goods/services rendered in the period in which a seller performs/provides the ordered services/goods. While receiving reports and invoice processes will result in cost recognition, those activities may not be complete in time for monthly financial reporting, and separate estimated accrual transactions are often required for timely recording of costs. Accrued Expenses, with the matching accrued payables account are included when preparing monthly financial statements.

a. SOP will utilize percent completion as their methodology. The expense accrual is calculated with the percent completion methodology and the income accrual is based on expense plus the negotiated surcharge rate/amount per CLIN.

b. Accruals will be generated within ASSIST and sent to Pegasys as self-reversing accruals and will be recalculated each month. Expense accruals are transmitted to

VITAP to be recorded in Pegasys. Exception reporting in ASSIST supports the reconciliation process. Any accruals that hit an edit will be resolved and/or recorded as a WSA.

15. <u>SOP Contract Monitoring</u>.

a. Semi-Annual Open Items Review. Semi-annually, the OCFO-BGF runs the Open Items (OI) report to identify all outstanding obligations as required by the <u>CFO Accounts Payable Manual (4252.1C)</u>, Chapter 4. The report is reviewed by the OCFO-BGF management and disseminated to the regional SSO and corresponding COs for their review and certification. These reviews are completed by the SOP with data as of May 31st and November 30th. The COs are given varying deadlines to review and designate each UDO a "Valid" or "Invalid" status, provide justification for each, and certify the validity of the outstanding balance. Aged UDOs assigned an invalid status are adjusted by the CO by processing a contract modification in the appropriate feeder system. For all invalid UDOs, WSAs are processed on a recurring basis to adjust the invalid portion until such time as the appropriate contract action takes place to deobligate the funds.

b. Undelivered Order Reconciliation. SOP UDO Reconciliation. Every month, a comparison of UDO balances is done between the ASSIST and Pegasys. This review is done to ensure all, current month, UDO related transactions and balances are reconciled between systems and have been recorded in Pegasys. The OCFO-BGF FA will analyze current balances for any discrepancies. Any Pegasys UDO balances requiring adjustment are identified and after results are reviewed and approved by the supervisory OCFO-BGF FA, corrections are initiated via WSAs.

c. SOP Trial Balance UDO to Pegasys UDO Reconciliation. A trial balance reconciliation is performed each month after the completion of the ASSIST to Pegasys UDO Reconciliation and preferably before the UDO worksheet adjustments are submitted to the FIOD. This reconciliation compares the trial balance UDO totals to the Pegasys UDO balance from UDO Reconciliation. ASSIST RBA UDO balances used in the UDO reconciliation query are compared to data directly extracted from the ASSIST system. The report highlights the results of the full monthly UDO reconciliation between the ASSIST and Pegasys. The differences between the reports should equal the amount for that month's Open Items report, to show that the reconciliation nets out. Any exceptions must be analyzed to identify and correct other differences.

d. SOP Contract Modifications.

(1) Contract modifications may occur for one of the following reasons:
- The vendor highlights that there may be a need to change items from the contract,
- The requesting agency has a need that requires a MOD,
- Exercising an option,
- A funding action is needed to add or remove money from an order, or
- GSA has identified an administrative item needing a change in order execution.

(2) The CO validates its compliance with contracting requirements. The CO then generates the SF-30, approves it in the appropriate feeder system, and forwards the form to the vendor for their review and approval. If there is an increase to requesting agency funding on the modification, funding certification is also needed.

e. SOP Contract Closeout and Termination (UDOs and Recovery). When the POP has ended, the CO coordinates with the requesting agency and vendor to ensure that all work has been completed, all deliverables received and accepted, and all Government Furnished Equipment (GFE) has been returned. The GSA CO ensures all invoices have been submitted, the final invoice has been paid, and reaches out to the OCFO-BGF FA to request a financial review. Any issues identified by the review will be corrected in coordination with the GSA CO and requesting agency, prior to marking completion in ASSIST. A letter to the vendor is drafted by the CO and provided to the vendor to state that the final invoice has been paid and to verify that the final delivery order has been completed and any residual funds will be deobligated. When the vendor returns the signed letter, it is included with other closeout documents in the close-out package in ASSIST. The closeout request goes through the proper review and approval before the CO initiates the de-obligation process.

16. SOP Contract Closeout. If there are any remaining unliquidated obligations, the CO verifies the contract has been closed out before initiating the de-obligation. The CO prepares the MOD and processes the de-obligation (SF-30) in Pegasys, which records the reduction of the UDO balance SGL 480100.

17. Multiple Award Schedule (MAS) & Indefinite Delivery, Indefinite Quantity (IDIQ) Contracts. The MAS and IDIQ contracts are vehicles that GSA establishes with vendors for goods and/or services. Requesting agencies are able to make acquisitions using these contract vehicles and the pre-negotiated terms/pricing by directly placing orders

with vendors. For orders directly between the requesting agency and the vendor, GSA is not a party to the obligation and purchasing processes. However, MAS and IDIQ contracts may have minimum revenue guarantees (MRG).

a. An MRG is a contractually determined amount to which a contractor under a specific contract type, such as an IDIQ, is entitled. It is the CO's responsibility to ensure funds are properly obligated for the contracts they manage. The specific language around obligating the MRG for IDIQs is provided for in GAO, B-302358, Dec. 27, 2004:

> *"When an agency executes an indefinite-quantity contract such as an IDIQ contract, the agency must record an obligation in the amount of the required minimum purchase. In an IDIQ contract, the government commits itself to purchase only a minimum amount of supplies or services. FAR § 16.501-2(b)(3). At the time of award, the government has a fixed liability for the minimum amount to which it committed itself. See FAR § 16.504(a)(1) (specifying that an IDIQ contract must require the agency to order a stated minimum quantity). An agency is required to record an obligation at the time it incurs a legal liability. 65 Comp. Gen. 4, 6 (1985); B-242974.6, Nov. 26, 1991. Therefore, for an IDIQ contract, an agency must record an obligation for the minimum amount at the time of contract execution."*

b. Funds to cover an MRG must be obligated in the financial system of record. A CO should coordinate with the OCFO-BBF for specific procedures and coding. A summary of the process is as follows: (1) the OCFO-BBF loads the MRG in a purchase request (PR) after the necessary details have been provided; (2) the PR is processed jointly by FAS and the OCFO to create a commitment; and (3) the commitment is then referenced on an obligating document (e.g., QP) by the FAS CO and approved. The funds will generally be coded in Pegasys to the specific business line (i.e., 285F) rather than against operating expense funds (i.e., 285X). Activity code of AF957 is appropriate for ASF MRGs.

c. The CO is thereafter responsible for tracking and updating the outstanding MRG balance based on revenue earned by the vendor, which can be estimated based on invoices generated by the vendors to the requesting agency. Any subsequent awards that increase the MRG due may result in a need to increase the amount obligated though the above process. Updates to the open obligation should be made routinely to ensure the open balance is not under or overstated and is recommended to be completed at least quarterly, but more frequently if the outstanding balance is material. The OCFO-BBF should be contacted if it is determined that the open balance is

materially inaccurate so that a WSA to the trial balance can be entered, after which the obligation should be amended accordingly.

18. Personal Property Management Award and Obligate. PRs are routed in Pegasys to program and budget officials for approvals. Once PRs are fully processed, the CO creates the award/PO via a QP or QX document. Any modifications are reviewed by the program analysts prior to making changes to a PR and PO.

19. Personal Property Management Receipt and Acceptance of Goods and Services. The vendor uploads the invoice in VCSS. The vendor emails a copy of the invoice to the COR who then reviews and approves the invoice for payment and sends an approval email to the CO. The CO approves the invoice for payment and returns it to the COR. The COR forwards the approval to the program analyst in charge of processing the receiving reports in Pegasys.

20. Personal Property Management Accruals and Payment Processing

    a. Accruals. The accruals are typically self-reversing and if the payment for services of the corresponding accrual hasn't been made, the accrual is carried forward until the payment is booked and recognized. Similarly at the end of a FY, GS&S establishes accruals for year end services where an invoice won't be received prior to September 30th. The program confirms the open balance of a contract and receives vendor letters with the September amount the vendor will charge. The program then creates an accrual in Pegasys for the expected invoice amount. The following FY the accrual balance is reduced as invoices are received.

    b. Payment Processing. In order to process a payment request, Pegasys requires a two-way match between the invoice and the PO. The expense is recognized once the vendor invoices GSA via VCSS, the invoice is matched to the order and the payment is remitted to the vendor. Expense accruals are determined by the program and done in Pegasys to recognize services performed prior to receiving invoices.

21. Personal Property Management Contract Monitoring. A semi-annual open items review is conducted to identify outstanding obligations, review them and certify the validity of the balances. Any valid balances require justification and invalid funds are de-obligated. A contract may also have modifications. This happens whenever the vendor determines there is a need to modify a contract; the requesting agency has a need that would require a modification; or an option is exercised. Modifications are proposed and submitted for evaluation to verify the details. Once approved they are

entered into Pegasys by creating/amending PRs with the new details and having the program and budget officials approve the document. A copy of the PR is then sent to the CO to proceed with the approval of a modified order.

22. <u>Personal Property Management Contract Closeout and Termination</u>. Once the POP ends, the COR ensures all work and deliverables have been completed. The COR also ensures that all invoices have been submitted and that the final invoice has been paid. A letter to the vendor is drafted stating that the final invoice has been paid and to verify that any residual funds can be deobligated. The letter is attached to the close-out package and is provided to the CO who verifies the contract has been closed out before de-obligating any residual funding. The CO prepares a modification and shares a copy with the program POC in order to process the de-obligation in Pegasys. This then records a reduction in undelivered orders.

SECTION 3. TRAVEL TRANSPORTATION, AND LOGISTICS (TTL)

23. <u>Background on TTL procurements</u>. The vehicle leasing and purchasing programs are under the TTL business portfolio, which provides partner agencies with a broad scope of services which includes motor vehicle acquisition; motor vehicle leasing services; and the services provided by the Office of Travel, Employee Relocation and Transportation (T&T).

24. <u>Vehicle Purchasing/Leasing Award and Obligate</u>. The Center for Vehicle Acquisition manages automotive and vehicle contracts. Through this division, GSA buys directly from original equipment manufacturers (OEMs) and key industry suppliers to deliver all types and sizes of vehicles to include subcompact to full size, SUVs, pick-up trucks, medium and heavy trucks, buses, alternative fuel vehicles, trailers, and customized specialty vehicles. IDIQ contracts are awarded to the OEMs to meet the requirements of requesting agency agencies and vehicle leasing. Each IDIQ consists of a base year and multiple option years.

    a. Acquisition Planning Phase, Creation of the Acquisition Plan.

       (1) To commence the acquisition planning phase the PMO branch of Vehicle Purchasing Division creates a Statement of Need, documenting the bona fide need for procurement activities to continue operations in support of the PMO's mission. The Statement of Need is signed by the PMO purchasing Director and provided to the Center for Vehicle Acquisition.

(2) Center for Vehicle Acquisition communicates to the Business Management Division the amount of initial funding needed. This amount is based on the contractual guaranteed minimum paid to the OEMs, assuming no orders are requested, multiplied by the number of contracts to be awarded. The payment processing center in the Business Management Division reviews the request for initial funding, creates a commitment (PR) for the amount in Pegasys which is then approved by the OCFO-BBF, and provides the Center for Vehicle Acquisition with an initial funding certification.

b. Vendor Award.

(1) Contracting prepares the award documentation Solicitation/Contract/Order for Commercial Items (SF-1449) and the Recommendation for Award (GSA-1535). The SF-1449 is signed by the CO and the OEM, while the GSA-1535 form is signed by the Director of the Office of Acquisition Operations, the Director of the Center for Vehicle Acquisition, and the GSA Fleet Division Director. The Center for Vehicle Acquisition creates an obligation in Pegasys for the minimum guarantee amounts.

(2) Contracting will then send notification of the award to the OEMs via email, with an attached copy of the contract. Contracting then uses the GSA web application, FSS Online, to export the contracting and OEM data for the final awardees to ROADS. The exported information completes the contracts with updated information so that requisitions and/or orders can be placed against them by requesting agencies. Systems then migrate vendor data from AutoBids to ROADS. Contracting then posts the Award Notice to FBO.gov and conducts a review of AutoChoice to ensure accuracy in future order placements. Concurrently, a final award package is created by contracting with a complete Contract Proof report. The Contract Proof report summarizes the items and prices that are part of the award, and is individually shared with each OEM receiving an award. Once sufficient orders are placed against the contract, the minimum guarantee obligating document is canceled by the Center for Vehicle Acquisition.

(3) When an authorized federal agency (other than Fleet Leasing) needs to purchase vehicles, they will place orders against the OEM contracts via submission of finalized requisitions through Autochoice. Autochoice order records are transmitted to ROADS. ROADS supports TTL in the procurement of government vehicles. It assists in the procurement process, from logging requisitions of new vehicles purchased by the Federal Government to placing orders with OEMs, delivering and tracking vehicles. It also tracks the status of POs up to delivery.

(4) ROADS runs automated error checks and generates a MVDO. ROADS then transmits the MVDO to the GSA Gateway, an electronic platform to exchange data; GSA Gateway then transmits the MVDO to the vendor via EDI to FEDPAY, fax, or email. The Gateway further provides an email to Vehicle Purchasing to indicate the success of MVDO transmissions to EOMs

c. Vehicle Leasing. Vehicle acquisitions for vehicle leasing are ordered through the AMP system. While AutoChoice provides the interface for non-GSA requesting agencies to place orders for vehicle purchases, AMP is the platform used by GSA Fleet to generate its vehicle orders. GSA Fleet creates vehicle requisitions in AMP, AMP then transmits those orders to ROADS. Replacement vehicle selection and approval is processed through the Customer Acquisition Module (CAM) in GSA Fleet Drive-thru (the customer-facing web interface for all leased Fleet Management needs). GSA Fleet provides requesting agencies with a list of vehicles eligible for replacement during the FY and the FSR works with local requesting agencies to identify vehicles for replacement. Once a replacement vehicle selection is made by the local requesting agency, it is reviewed and approved by the requesting agency at a mid-level and headquarters level. Following the approval from the agency's headquarters, a member of GSA Fleet will log onto AMP, create a requisition and submit it for internal review. After an order has gone through all levels of approval it is transferred to ROADS, which forwards the order to the OEM.

GSA Fleet orders vehicles to primarily replace existing vehicles in the fleet that have met specific minimum replacement criteria, especially age. Additional vehicles are also ordered to meet requesting agency missions.

25. Vehicle Purchasing/Leasing Receipt and Acceptance of Goods and Services. Vendors submit a copy of the invoice via email or designated feeder system to facilitate the receipt and acceptance of the goods and services.

a. Vehicle Purchasing.

(1) The MVDO for each vehicle is stored in FEDPAY until it is matched to the vendor's invoice, which is provided by the vendor after the vehicle has been manufactured and shipped. The OEMs submit invoices to GSA through FEDPAY. The federal agency who placed the order will acknowledge the receipt of a vehicle by logging into Autochoice and entering the delivery date. Autochoice transmits the requesting agency's acceptance information to ROADS, which carries that information to Pegasys via a nightly batch. However, payment to the OEM via FEDPAY is remitted

without requesting agency acknowledgement of receipt in Autochoice. This is due to a current limitation with FEDPAY as a 2-way match system.

(2) Vehicle orders are sent to manufacturers, and when vehicles are built and ready for shipment, manufacturers send EDI invoices to GSA FEDPAY via the FAS Gateway. If the manufacturer experiences any technical issues, they can submit paper invoices to FEDPAY. Once invoices are received and processed, FEDPAY generates authorized disbursement to the financial system Pegasys.

(3) Purchase Order Payment: Upon the creation of the authorized disbursement, FEDPAY also sends payment confirmation to Pegasys Connect, an interface process that creates billing documents for ROADS using FEDPAY payment files. The billing transactions between vehicle purchasing and vehicle leasing are categorized as interfund billing. The payments for inter-funds are created with internal vouchers document category, VDV and VMV document types. VDVs are generated systematically and VMVs are done manually in the case of credits or adjustments.

b. Vehicle Leasing.

(1) With some exceptions, the GSA Fleet Zonal Vital Records Center (ZVRC) receives a certificate of origin from the OEM to demonstrate proof of ownership before the vehicle is delivered. The ZVRC inventories the vehicle certificates of origin and files them in accordance with the official file plan. Depending on the location, either the FSR, COR, SCO or other zonal Fleet representative will be in possession of the tags and will send/deliver the tags to the marshalling site prior to the arrival of the vehicle.

(2) The marshalling contractor assigns the tags to each vehicle based on information provided by GSA Fleet. Overall, the general assignment of tags is done based on the vehicle purchasing center purchase number assigned to the license plate when it is physically removed from the FMC inventory. The FSR or zonal fleet representative records the tag number on the vehicle's certificate of origin.

(3) Once the vehicle(s) arrive(s) at the delivery location or fleet management center, the FSR or marshaller loads the vehicle(s) into the FMS using the hand-held FMS2GO scanner. The individual scans a barcode, or QR code, on the vehicle sticker which brings up the vehicle information (e.g., vehicle identification number (VIN), acquisition cost, useful life, etc.) and manually elects to "upload vehicle information" to transmit the information to FMS.

(4) When a new vehicle is entered in FMS, it has an inventory status 40 (new). The vehicle information is transmitted from FMS to ROADS, which provides the receipt and acceptance.

(5) Vehicle orders are sent to manufacturers, and when vehicles are built and ready for shipment, manufacturers send EDI invoices to GSA FEDPAY via the FAS Gateway. If the manufacturer experiences any technical issues, they can submit paper invoices to FEDPAY. Once invoices are received and processed, FEDPAY generates authorized disbursement to the financial system Pegasys.

(6) Purchase Order Payment: Upon the creation of the authorized disbursement, FEDPAY also sends payment confirmation to Pegasys Connect, an interface process that creates billing documents for ROADS using FEDPAY payment files. The billing transactions between vehicle purchasing and vehicle leasing are categorized as interfund billing. In the process of creating the inter-fund expenses for vehicle leasing, the system also creates the posting to record revenue for fleet purchasing and vehicles in transit for vehicle leasing. The payments for inter-funds are created with internal vouchers document category, VDV and VMV document types. VDVs are generated systematically and VMVs are done manually in the case of credits or adjustments.

d. Vehicle Delivery.

(1) It is estimated that vehicles are, on average, delivered within 2 weeks after shipment notice. As discussed above, once they are delivered, vehicles are loaded into FMS via the use of the FMS2GO scanning process. In most cases vehicles are loaded by scanning the VIN and license plate bar codes. If neither the VIN nor barcode can be scanned, the vehicle is manually loaded into FMS. When the vehicle is loaded into FMS for the first time, FMS creates a fixed asset acquisition transaction and all related asset level data - including VIN, capital value, salvage value, useful life, and inventory status - is sent to Pegasys via the FMESB nightly cycle. These transactions reclassify the Vehicle-in-Transit account balances SGL 175000.29 to the Capitalized Vehicle account SGL 175000.21. The vehicle acquisition transactions are interfaced from FMS to Pegasys under document category FA and document type F1. When vehicles are scanned but for some reason transactions fail to process through the integration from FMS, they can be entered directly into Pegasys using document type FF.

(2) VFE queries FMS nightly for new/additional vehicle loads and the requesting agency and FSRs are notified that a vehicle is available for pick up. When the vehicle is picked up by the requesting agency, there is a process in which the marshaling station

scans the vehicle and there is an electronic update of the information; the inventory status is changed to 20 (active) which initiates the billing process to the designated fleet requesting agency.

26. Vehicle Purchasing/Leasing Accruals, Accounts Payables, and Payment Processing.

   a. Accruals Vehicle Purchasing.

      (1) FEDPAY requires a two-way match between the invoice and PO to process a payment request and trigger recognition of revenue and expense. The COGS (expense) from the POs are recognized when the OEM invoices GSA through FEDPAY, the invoice is matched to an order, and the payment is remitted to the vendor. The vehicle contracts are FOB destination. When an invoice is initially paid and there is no matching asset, the order is put into the Vehicles-in-Transit account SGL 175000.29 which is monitored by the OCFO-BGF. Once that asset is created in the Fixed Asset Module, it is removed from the vehicles in transit account. The OCFO-BGF performs a monthly reconciliation to identify vehicles that remain in transit. Those vehicles are sent to the GSA Fleet to research and identify the action to be taken.

      (2) FIOD performs month-end adjustments to account for the timing difference between the receipt of the invoice and delivery of the vehicle to the requesting agency. Due to the FEDPAY process noted above, the transactions for recognition of revenue and cost in Pegasys are generated in the month the OEM invoices are processed, rather than the more proper date the vehicles are delivered or the certificate of origin is received. These month-end adjustments reclassify balances in the Fleet Purchasing program to reduce the revenues earned and cost incurred for the timing differences. Similar transactions are recorded for the vehicle leasing program to reduce the balance of Vehicles inTransit that may be similarly impacted. The estimates for the adjustments are based on historical data of the timing difference for the different invoicing methods.

      (3) The FIOD associate obtains the vehicle sales revenue for the last five days of the month through FEDPAY. The revenue data for the last five days of the month provides details necessary for this adjustment and is an equivalent record to determine both revenues and the COGS expense data, after adjusting out the component for GSA's fee revenue. Based on the sales revenue obtained from FEDPAY, the FIOD associate calculates the amount of revenue recognized for received EDI and paper invoices, where the vehicles have not yet been delivered by the end of a month. The calculated adjustment is forwarded to the FIOD supervisory accountant for review and

approval prior to entry into Pegasys. The revenue and expense accrual adjustment records are set as self-reversing in Pegasys.

b. Accruals Vehicle Leasing.

(1) Vehicle leasing has expense accruals for the transportation of vehicles, marshalling fees, auction services, etc. Such services are procured from 3rd party vendors by the FMCs, regional offices, and sales offices. These accruals are created at GSA's Payment Processing Center (PPC) at year-end (September).

(2) At the end of August, personnel in the PPC will conduct a data call, emailing POCs at the FMCs, zonal offices, and sales offices requesting expense accruals for estimates of services provided or to be provided that are not expected to be invoiced for by vendors before the end of the FY. Each POC receives an Excel spreadsheet with accrual information for them to fill out and submit via email. The PPC personnel maintain a Google Doc that serves as a tracker for year-end accrual responses. Upon receipt of the accrual information from a POC, the PPC analyst will match the information provided to the QP number in Pegasys and enter the corresponding accrual information. After year-end, the PPC monitors that the accruals are closed upon receipt of a matching invoice. The PPC will reach out to the POCs via email when there are accruals outstanding that have not been closed.

c. Payment Processing.

(1) Payment processing for vehicle leasing is carried out by the PPC on a daily basis. Vendors submit invoices via email to the FMCs, zonal offices, and sales offices that have procured goods and/or services from them. Fleet personnel at those locations review the invoices to verify that the amounts are correct and that each invoice has all the correct attributes (services by CLIN, unique invoice number, vendor name/address, order number, QP number, and vehicle tag numbers, etc). Upon review, the Fleet personnel will email the vendors with their acknowledgement that the invoice is correct, and the vendors will then submit the invoice into the VCSS web portal. Upon satisfactory review of the vendor invoice, the Fleet personnel will fill out a PPC Coversheet Excel file with the invoice copy noting acceptance. The PPC Coversheet is then submitted to the PPC via email to the central inbox ppc.cross-service@gsa.gov.

(2) Within 5 days, a PPC analyst reviews the PPC Cover Sheet for completion, along with any attached supporting documentation. Each PPC Coversheet is then matched to its corresponding QP number in Pegasys and uploaded into the system to

create a receipt record. Pegasys will reject any receipt records for which there are not sufficient certified funds to cover the amount. When the system accepts the PPC entry, it will generate a receiving report (an RK document type in Pegasys and corresponding RK document number). The PPC analyst will email the Fleet personnel confirmation that the invoice has been processed and provide the RK document number. Processing of the RK document will create a corresponding Account Payable in Pegasys.

 (3) On a weekly basis, personnel at the PPC will receive the Open Items report from the OCFO's Budget Control, Oversight, and Formulation Division. If the report shows vendor invoices in VCSS that do not have corresponding invoices entered (or "keyed") in Pegasys indicating GSA Fleet approval, the PPC analyst will reach out to the FSR aligned to that invoice for a status inquiry or resolution. There is a Google Doc that is shared with the FSRs, so that they can view the status of their vendor payments after submission to the PPC.

27. <u>Vehicle Purchasing/Leasing Contract Monitoring</u>.

   a. TTL contract modifications occur on an as needed basis, for reasons such as:
   ● The vendor determines that there is a need to change items within the contract;
   ● The requesting agency has a need that requires a contract modification (MOD); or
   ● Exercising an option.

   b. The CS creates the proposed MOD and submits it to the CO to evaluate the price, management, and technical content. If the CO accepts the proposed MOD, the CO generates the SF-30, approves it in the appropriate feeder system, and forwards the form to the vendor for their review and approval. If there is an increase to requesting agency funding on the modification, funding certification is also needed. The SF-30 captures information such as, the amendment modification number, effective date, PO, issued by, administered by, contract number, solicitation number, etc.

   c. Vehicle Purchasing Order and Payment Monitoring - Rejected FEDPAY Records. After the evening cycle has run, ROADS sends a POPE file to FEDPAY. FEDPAY produces an exception report (e.g., Daily Cycle Log report), identifying rejected records, and/or modifications to existing orders that have already been paid, during the nightly batch. The following day, a FEDPAY accountant reviews the Daily Cycle Log report and notifies the GSA and ROADS systems personnel of any rejected records. The accountant notifies a FEDPAY Technician of cancellations/modifications to paid orders that may need a claim and/or billing adjustment. The technician researches and then

sends an email response to the accountant with the proposed action needed, then takes the needed action on these orders.

28. <u>Vehicle Purchasing/Leasing Contract Closeout and Termination</u>. When the POP has ended, the PM coordinates with the requesting agencies to ensure all work has been completed, all deliverables received and accepted, and all Government Furnished Equipment/Information has been returned. The PM also ensures all invoices have been submitted and the final invoice has been paid. A letter to the vendor is drafted by the PM stating that the final invoice has been paid and to verify that the final award has been completed and any residual funds will be deobligated. The letter is included with other closeout documents in the close-out package in the appropriate procurement system. The closeout request goes through the Group Manager for their review and approval before the CO initiates the de-obligation process. If there are any remaining unliquidated obligations, the CO verifies the contract has been closed out before initiating the de-obligation. The CO prepares the SF-30 and processes the de-obligation in Pegasys, which records the reduction in UDO.

29. <u>Office of Travel, Employee Relocation and Transportation (T&T) Award and Obligate</u>. Before an award is made, the COR asks the T&T program analyst to create a PR in Pegasys which is approved by the FM in the OCFO-BB. When an award is made, TTL's contracting staff prepares the award documentation Solicitation/Contract/Order and forwards the award document to the Contracting Specialist (CS) who forwards the SF-30 to the COR who forwards it to the T&T Program analyst. The T&T program analyst then enters the award/modification in Pegasys and forwards it to the CO for approval which creates a funding obligation.

30. <u>T&T Receipt and Acceptance of Goods and Services</u>. Vendor uploads invoice in VCSS. Vendor emails copy of invoice to COR. COR reviews and approves invoice for payment and sends email approval to CO. CO approves invoice for payment and returns to COR. COR forwards to T&T program analyst who processes receiving reports (RK) in Pegasys.

31. <u>T&T Accruals, Accounts Payable and Payment Processing</u>.

   a. Accruals. At the end of the FY, T&T establishes accruals for end-of-year services where an invoice won't be received before September 30th. The T&T program analyst and COR partner to confirm remaining open balance on the contract. Accrual Letters are needed for all vendors on the Open Balance list so the CORs provide instructions to the vendors to draft a not-to-exceed (NTE) accrual letter estimating end-of-year

expenses. All vendors are to prepare and submit information requested on their company letterhead. Letters must be signed by the CO and COR. The COR is responsible for obtaining these signatures as well as returning the signed copy to the T&T Program analyst. The T&T Program analyst creates estimated accrual (AE) in Pegasys per the estimated number of expected invoices. As T&T Program analyst receives invoices, those invoice totals are deducted from accrual balances.

b. Accounts Payable and Payment Processing. Pegasys requires a two-way match between the invoice and PO to process a payment request and trigger recognition of expense. The invoice expense is recognized when the vendor invoices GSA through VCSS, the invoice is matched to an order, and the payment is remitted to the vendor.

32. <u>T&T Contract Monitoring</u>. T&T contract modifications occur on an as needed basis, for reasons such as: 1) The vendor determines that there is a need to change (Modify / Add / Delete) items within the contract; 2) The requesting agency has a need that requires a Contract Modification (MOD); or 3) Exercising an option. If there is an increase to requesting agency funding on the modification, funding certification is needed. The COR asks the T&T program analyst to create a PR in Pegasys which is approved by the OCFO-BB FM. The CS then creates the proposed MOD and submits it to the CO to evaluate the price, management, and technical content. If the CO accepts the proposed MOD, the CO generates the SF-30, approves it in the appropriate feeder system, and forwards the form to the vendor for their review and approval. The SF-30 captures information such as, the amendment modification number, effective date, PO, issued by, administered by, contractor number, solicitation number, etc. The CS forwards the SF-30 to the COR who forwards it to the T&T Program analyst if the modifications affect funding. The T&T program analyst then enters the modification in Pegasys and forwards it to the CO for approval.

33. <u>T&T Contract Closeout and Termination</u>. When the POP has ended, the COR ensures all work has been completed, all deliverables received and accepted, and all Government Furnished Equipment/Information has been returned. The COR also ensures all invoices have been submitted and the final invoice has been paid. A letter to the vendor is drafted by the COR stating that the final invoice has been paid and to verify that the final award has been completed and any residual funds will be deobligated. The letter is included with other closeout documents in the close-out package in the appropriate procurement system. The closeout request package is provided to the CO initiating the de-obligation award. If there are any remaining unliquidated obligations, the CO verifies the contract has been closed out before initiating the de-obligation. The CO prepares the MOD and shares a copy with the T&T

program analyst who processes the de-obligation in Pegasys and forwards it to the CO for approval. This records the reduction in UDO.

SECTION 4. TECHNOLOGY TRANSFORMATION SERVICES (TTS)

34. Background on TTS Procurements. TTS places orders on behalf of their requesting agencies and partners with other FAS entities to support the requesting agencies requirements.

35. TTS Procurement and Accounts Payable. TTS uses various methods to record its expenses, including:
   ● utilizing ASSIST and following the AAS processes described in Section 1 of this Chapter for the ASSIST acquisitions;
   ● the use of micropurchase methodologies and , purchase cards for small purchases; and,
   ● procurement transactions issued through Pegasys directly.

TTS Office of Acquisitions. The thresholds for acquisition process are as follows:
   ● Anything under $10k purchase is made with a purchase card
   ● Anything over $10k for 18F and/or COE award will be made in ASSIST
   ● Anything over $10k for all other TTS programs award will be made in Pegasys

   a. Purchase Card Orders.

   (1) TTS provides the purchase card information to the vendor for payment and creates a credit card log within Pegasys to enter data for purchases of goods and services made with a credit card or convenience check and to reconcile those transactions with the bank statement.

   (2) Payment Processes - Reconciliations. TTS creates the credit card log form daily to record credit card transactions in Pegasys. Once approved, the log is processed to obligate funds and will be displayed in the statement reconciliation notebook to be reconciled later with a bank statement line. Then reconcile logs to the appropriate bank statement lines. Failure to do so will result in a double obligation. Please refer to the Pegasys Credit Card user guide for detailed instructions.

b. Non-ASSIST 18F Purchases over $10K.

(1) Orders awarded in Pegasys. Reference materials for orders directly entered and awarded into Pegasys can be found using these resources:
- https://corporateapps.gsa.gov/applications/financial-apps/pegasys/purchasing/
- https://corporateapps.gsa.gov/applications/financial-apps/pegasys/general-information-workflow-routing/.

(2) Orders Placed With Other FAS Entities. In certain instances, TTS's customer requirements may go beyond the scope of activities TTS directly supports. In such cases TTS may place orders through other FAS programs to support the requirement.

(a) Orders. When filling a TTS customer requirement will require support from another FAS program, such as AAS, TTS becomes a requesting agency of AAS. They create an IX order document in Pegasys and it is provided to AAS to support an award in ASSIST. TTS is recorded as the requesting agency in ASSIST. The IX document is TTS' obligation, reflecting an IAA - Part B where obligations are incurred to procure goods or services between GSA services. All of the IAA - Part B forms require a minimum of three approvals: accounting classification, funds authorization and manager. The requisitioner role is required to have access to IX documents. Any modification to IX documents should be entered directly in Pegasys by TTS. The IX will be referenced and drawn down in accordance with the AAS income and billing process.

36. TTS Accruals and Payment Processing.

a. Accruals. Monthly cost accruals against the TTS order IX document are recorded by FIOD and are based on the ASSIST income accrual, representing services AAS has provided to TTS. Each month, FIOD pulls a listing of all AAS revenue accruals against intra-GSA orders and creates a self-reversing expense accrual, matched against the requesting agency IX funding the order.

b. Payment Processing. As vendors submit their invoices within ASSIST (steps are found in the previous section on AAS invoice processing), TTS, as the requesting agency, will receive notification to log into and approve or disapprove the invoice via the requesting agency acceptance document within ASSIST. Once TTS accepts, the invoice will process for payments (steps are in the AAS expense section). When the receiving report is processed, ASSIST will generate a bill to charge against the TTS IX order

document. This AAS bill record will be processed in Pegasys to collect amounts due and record the payment and expense by TTS.

c. Worksheet Adjustments. During the first week of the month, TTS and the OCFO-BGF create any WSAs as needed by reconciling the latest COGS report with Pegasys.

37. TTS Contract Closeout. Once TTS receives the IAA - Part B for the return of the unused IX document, they will go into Pegasys and reduce the remaining obligation on the IX to close-out the Pegasys document.

SECTION 5. OTHER FAS PROGRAMS AND TOPICS

38. HSPD-12. The HSPD-12 PMO is responsible for coordinating the activities of SSOs and Regional Administrators' offices responsible for requesting personnel investigations and credentials for job candidates, employees, and contractor employees.

a. Procurement and Accounts Payable. Obligations begin with a purchase request document (PR in Pegasys) which is routed to program and budget for approval. Once the PR is approved, the CO will create and award the contract, reflected as a QP order record in Pegasys.

(1) HSPD-12 utilizes three multi-year contracts to support all requesting agency requirements. Each year the value of the contracts are reviewed, new lines are added as multiple distribution lines in Pegasys and they are submitted with a new PR created to provide approval for additional orders. The three HSPD-12 contracts are for certificates, credential identification cards (referred to here as cards) and core services.

(2) The Public Key Infrastructure (PKI) services to support issuance and maintenance of HSPD-12 PIV and non-PIV certificates is supported by a 3-year BPA, (one base year and two option years). Based on the number of active identities, the certificates are purchased as a lot and are a one time purchase at the beginning of the FY. These purchases are recorded directly against the Pegasys QP record and the costs are recouped from the agencies as part of the charge for card activation.

(3) Cards are supported with a 5-year BPA. Purchases are made based on the burn rate (issuance) of the GSA supply of cards (a 21-week lead time and level of stock on hand can be factors). Once inventory is low (about 5000 cards), PKI initiates an order for additional cards. A sliding scale is used to measure the usage of the cards,

ensuring the supply is in place for the requesting agency usage. Card purchases are recorded directly against the Pegasys QP order record for the contract. If there are not enough funds remaining on the PR to support further orders, PKI will seek approval for additional funding and work to modify the contract or task order. When complete, PKI will update the QP order record. The vendor stores the cards, and has a vendor management system that monitors the supplies at the card issuer location.

(4) The Core services contract is awarded for periods up to 10 years (base year with nine annual renewal options. It is a firm fixed price (FFP) contract with a provision for additional time and material cost reimbursement for customization. Core services consist of equipment, printing and customization of PIV cards. Core services are awarded based on the established tier service at award. The tier service represents a distinct quantity of service, such as a count for the number of identities or number of equipment (credentialing units and printers) ordered. The HSPD-12 Managed Service Office (MSO) maintains the tiers to ensure the orders are not exceeding the tier. When an order is about to exceed the tier, the CO gets involved prior to award. Tiers are a cumulative value, and orders move to each tier as orders are placed. If an order gets to the last tier then the CO gets involved prior to placing any more orders. The Core Service contract is paid by CLINs. Each CLIN represents a description of service (identities, credential equipment, local printing service, etc.). Customer orders are calculated in the Tiers (CLIN). The CLINS are by Tier ranges (for example 1- 100) and each tier range is paid monthly. The program reviews every month to count the cumulative values to ensure the values are within the CLIN limits. When the values reach the limits, the program loops in legal and contracts, and the orders are not accepted until there is program guidance to continue.

b. Accruals. Accruals are generated monthly for the FFP CORE services contract. Expense accruals are based on historical expense and current level of activity on the tier. The expense accruals are determined by the program, submitted to OCFO BGF, which then reviews and submits them via the file import to be uploaded into Pegasys on the first of each month.

c. Payment Processing.

(1) Invoice Process. The invoices for the three contracts are submitted for payment in Pegasys. In Pegasys, invoices are identified as an electronic invoice or M6 (Manual Invoice). Electronic invoices all go through VCSS. M6 manual invoices are mailed to FIOD and uploaded for payment. The contract for the cards and the core

services are submitted via VCSS and are electronic invoices. The certificate contractor submits their invoice.

(2) Core Services. Invoice is for FFP monthly services, vendor invoice is 1 month in arrears when submitting their invoices. When invoices are received, notification is sent to the program with the PDF from the vendor. HSPD-12 invoices are processed by the HSPD-12 COR or Accountability and Operational Analysis Division (QT1C). The receiving reports are processed only after the COR of the various contracts approve the invoice. ITC and the OCFO developed a Google document for the program CORs to enter invoice information when an invoice has been approved and a Pegasys RR (receiving report) needs to be processed. This notifies OCFO and QT1C to process the receiving report in Pegasys. The RR is linked to the invoice and the invoice is linked to the PO. Once acceptance is provided, FIOD then processes the invoice for payment.

(3) Cards and Certificates. The cards are paid for by GSA upon delivery of the BPA Order that GSA places. The Invoices for the purchase of cards are provided to the HSPD-12 COR assigned to the contract. The COR verifies receipt of the cards, the card numbers and type (PV7 or PV8) and the total cost for the invoice. Upon approval, the COR then enters the Invoice information into the ITC Invoice google document. QT1C pulls the information from the google document to create the receiving report in Pegasys.

d. Contract Closeout. Contact close out will occur after the full contract has ended. At the end of the contract all of the obligation closeout actions are recorded in Pegasys. The CO works with the vendor to validate the cumulative payment amounts and the program verifies the vendor payment amounts match Pegasys. The CO will close out all the line items in Pegasys, and the CO will do the additional work ensuring that the contract is closed. During the life of each contract, If a contract is selected for verification on a semi-annual review, the CO will mark it as valid until they are fully closed.

39. FPKI.

    a. Procurement and Accounts Payable. FPKI utilizes the following three contracts:
- Operations for Data Center - Alliant,
- 8(a) Business Support Services (writing whitepapers, renewing contracts, help with business), and
- 8A/8(a) STARS Third Party Assessor. Operations and business support.

    b. Accruals. Accrual information is collected annually by the CO/CORs and provided to CFO-BGF for recording in Pegasys. Accruals represent services performed prior to the end of FY for services performed, less amounts previously received/accepted/paid for the FY.

    c. Payment Processing.

    (1) Invoice Process. Invoices are submitted for payment in Pegasys. In Pegasys, invoices are identified as an electronic invoice or M6 (Manual Invoice). Electronic invoices all go through VCSS. M6 manual invoices are mailed to FIOD and uploaded for payment.

    (2) Core Services. When invoices are received, notification is sent to the program with the PDF from the vendor. Invoices are processed by the program COR or Accountability and Operational Analysis Division (QT1C). The receiving reports are processed only after the COR of the various contracts approve the invoice. ITC and the OCFO developed a Google document for the program CORs to enter invoice information when an invoice has been approved and a RR record needs to be processed. This notifies OCFO and QT1C to process the receiving report in Pegasys. The RR is linked to the invoice and the invoice is linked to the PO. Once acceptance is provided, FIOD then processes the invoice for payment.

    d. Contract Closeout. The contractor maintains and provides the inventory to the program. The program verifies the information. The contract lists the CLIN relating to the inventory. The CLIN listed in the contract includes: Identities, Equipment, Infrastructure Buildout, Moves/Recertification, Opt in Printing Service, and Technical Support. The vendor includes the spreadsheet with the monthly invoices. After the CO has verified this information, the CO closes the contract, and the business support is completed.

40. <u>Claims Payable</u>. After an AAS contract is closed, a vendor may attempt to submit additional invoices, claiming additional amounts due. For AAS contracts made through the ASSIST system, these invoices would be rejected/denied since prior to closing a contract, the CO or COR receives a Release of Claims from the vendor indicating that all billing was final and complete. The vendor could then file a claim to appeal the denial with FIOD. Upon receiving such claims, FIOD staff forwards the claim information to the FAS CO for further determination on whether it is valid, and the claim is denied or approved. Generally, claim issues are addressed on a case-by-case basis.

CHAPTER 4. FINANCIAL REPORTING TOPICS

SECTION 1. BALANCE SHEET

1. Property, Plant and Equipment.

    a. General Property and Equipment. The ASF carries amounts on its Balance Sheet reflecting a variety of property and equipment used in program operations, including motor vehicles, telecommunications equipment, other personal property, internally developed software and leasehold improvements. Other than the vehicle fleet discussed further below, the acquisition, depreciation and disposal activities for such property is accounted for in accordance with GSA-wide policies prescribed in Chapter 9 of GSA's CFO Manual, Volume 1 (CFO 4260.1).

    b. FAS Asset Validation. FAS internal-use property and equipment assets recorded in Pegasys are validated yearly to ensure proper recording of these assets. The review will generally begin in April of each year. FIOD will send the OCFO-BGF a list of FAS assets currently recorded in Pegasys. The OCFO-BGF will create a shared google sheet to be shared with all custodians of each asset. During this review, custodians for each FAS asset will have the opportunity to identify if assets are or are not still in use. If the asset is no longer in use, the custodian will be required to complete the appropriate disposal form in order for the asset to be removed from Pegasys. The appropriate forms include: GSA Form 27, GSA Form 525, SF120, SF122, or SF123 and should be emailed to the FAS & general funds asset validation mailbox (FASGeneralFundsAssetValidation@gsa.gov), which is monitored by FIOD. After the review is completed, the OCFO-BGF will share the Google Sheet with FIOD for the appropriate action.

    c. Vehicle Management. The GSA Fleet leasing program maintains a large inventory of vehicles for rental to Federal agencies and other authorized entities. Fleet leasing acquires the vehicles using the purchasing processes described in Chapter 3. In addition to traditional purchases of vehicles, FAS also obtains vehicles when transferred from other agencies, referred to as vehicle consolidations. While Fleet leasing operates the largest fleet of non-tactical vehicles for use by the Federal government, other agencies have missions where they purchase vehicles and manage them on their own. Over time, GSA has worked with these agencies to identify opportunities where GSA can reduce the cost to these agencies or otherwise provide value that makes it beneficial for them to switch from owning and managing vehicles to leasing from GSA.

When this occurs, the existing vehicles an agency owns are transferred to GSA and consolidated into Fleet Leasing's inventory.

    d. Asset Transfers-Vehicle Consolidations Process. Consolidations of vehicles into the GSA Fleet from other agencies can be reimbursable or non-reimbursable. When originally acquired by an agency through a revolving or trust fund, the transferring agency must be reimbursed the fair market value of the consolidated vehicle or equipment at the time of the transfer. Fair market value is determined via an independent third-party vehicle valuation provider, such as Moody's Analytics or Black Book. If the transferred equipment is subsequently returned to the agency, GSA Fleet shall be reimbursed the fair market value at the time of the equipment return. Requests by agencies to consolidate vehicles will be submitted to the GSA Fleet Director in the form of a MOU for approval and assignment of a seven-digit consolidation number. Consolidated vehicles shall be recorded on GSA Form 525, Authorization for Transfer of Property. The FMC will prepare the GSA Form 525. Upon receipt of the transfer document, the receiving FMC verifies that the vehicle(s) listed have been properly identified and received, signs the GSA Form 525 and returns a copy to the transferring agency. Upon the consolidation of a requesting agency vehicle, the FSR will assess the book value of the vehicle based on a formula that takes into account the vehicle's equipment code, model year, initial capital value, acquisition date into previous agency (if known), and consolidation date; this will serve as the default capitalized value and book value of the vehicle. For non-reimbursable transfers, the book value to be recorded in the ASF is the net book value carried on the books of the agency transferring them to GSA. If that agency cannot reasonably ascertain and provide those amounts, the vehicle cost must be recorded by GSA at the fair market value at the time of transfer.

    e. Betterments (i.e., Vehicle Add-Ons). GSA Fleet -procured accessory equipment, including parts and installation, is capitalized by GSA and billed to the requesting customer agency through an optional equipment rate charge on their monthly bill. This equipment is considered a GSA Fleet asset and is recorded in Pegasys as part of the asset. Capitalized equipment cannot be transferred, on either a reimbursable or non-reimbursable basis, to the requesting agency separate from the vehicle. If GSA Fleet owns the equipment, maintenance and repairs for that equipment can be requested through the Maintenance Control Center (MCC). The customer agency is responsible for ensuring that proper maintenance of the accessory equipment is scheduled as required by the equipment's manufacturer. Repairs to the equipment or vehicle due to abuse and neglect of the equipment, or the failure to perform required maintenance, will be the customer agency's financial responsibility. Any accessory

equipment that is procured and installed by the requesting agency on a GSA Fleet leased vehicle is considered that agency's financial responsibility and must be done in accordance with the requesting agency procedures. Maintenance, removal, and disposal of requesting agency-owned equipment is the responsibility of that agency. Body or mechanical damage to the vehicle resulting from the installation, use, or removal (whether proper or improper) of accessory equipment will be the financial responsibility of the agency and recovered through an AIE.

f.   Repairs/Maintenance. When service is due on an assigned vehicle, notification of preventative maintenance due and overdue will be sent to the requesting agency contact. This notification serves as authorization to have the listed services performed, provided only the listed services are performed and the services are estimated to cost less than $100.00. If services are estimated to cost over $100.00, the MCC must be contacted for authorization. MCC specialists check the accuracy of price quotations against established prices for repairs and services. The MCC specialists process documentation required to determine whether to categorize a vehicle as uneconomical to repair after a crash or mechanical failure. The MCC specialists must obtain disposition instructions from the responsible FMC manager when required repairs meet or exceed the following thresholds:

- 75% of the National Automobile Dealers Association (NADA) Retail value for vehicles listed in the NADA valuation guide
- 75% of vehicle acquisition costs for vehicles that are too new to be listed in the NADA valuation guide
- 75% of remaining book value for buses, medium/heavy trucks and tractors and other vehicles not listed in the NADA valuation guide
- Any valuation should account for capitalized or agency-owned equipment that may be on the vehicle

g.   Depreciation Mechanisms. Depreciation is recorded for GSA Fleet fixed assets on a monthly basis and the depreciation expense is recorded using the appropriate FMC's line of accounting. GSA Fleet develops the methodology for determining depreciation. In instances where a third-party vendor is able to supply GSA with a residual forecast figure (projected market valuation for average age and miles at projected replacement date), this value is used along with the vehicle's capital value and GSA Fleet replacement criteria to determine a calculated useful life and salvage value. In instances where a residual forecast is not available, FMS uses a default useful life and salvage percent by vehicle type (equipment code). These default figures are then used to determine a depreciation schedule and salvage value for these vehicles.

h. Replacement Cost Pricing (RCP). RCP is a mechanism used in the rate-setting process to bill for inflationary and other projected increases in vehicle replacement costs. When added to the traditional capital funding earned to recover the cost of gross depreciation, and the sales value of disposed vehicles, the collective amounts are used to acquire new vehicles. RCP ensures GSA Fleet has enough capital to account for inflation on vehicles and related equipment. RCP is calculated monthly by applying an RCP factor to the capitalized value of the vehicle. The RCP rate factor is established by the GSA Fleet Director with the concurrence of the OCFO-BB. This rate-setting mechanism used for RCP is based on authority granted under Pub. L. 95-506, which allows GSA Fleet to recover, through the rate structure, funds needed to acquire vehicles inflationary and related costs. To support accounting for the RCP factor, accounting transactions are generated by the monthly process that are reported internally for management as an expense. Technically, RCP is not an expense and involves no payment of funds and such transactions are not included for external reporting purposes.

i. Disposal Activities. GSA Fleet motor vehicles will be released for disposal by changing the inventory status in FMS to 6X. GSA Fleet uses the exchange/sale authority prescribed in FMR Part 102-39 to dispose of vehicles and retain proceeds from sales to reinvest in replacement vehicles. On the rare occasion a vehicle is disposed of by other than replacement pursuant to exchange/sale authority, the applicable FMR disposal regulations must be followed. When a vehicle is put into 6X sales status it triggers a record to Pegasys that puts the asset into surplus status and halts vehicle depreciation. Situations may arise in which a vehicle needs to be removed from sale status and reassigned to a requesting agency. If the removal and reassignment in FMS occur on the same day, no additional notifications are required. However, if a vehicle is removed one day and reassigned at a later date GSA Fleet must notify FIOD. Requests to FIOD for a status change must include the VIN and reassignment date. A FMS status change does not automatically update FIOD that the vehicle is back in operation. The notification allows a finance technician to manually put the vehicle back into active status and restart the depreciation. GSA Fleet also conducts a monthly reconciliation to identify any vehicles that are in surplus status in Pegasys but are in an active status in FMS. If any such vehicles are found, a list is sent to FIOD so that the vehicles can be corrected in Pegasys.

Vehicles are replaced in accordance with GSA Fleet replacement criteria. The criteria provides the minimum eligibility requirements for a vehicle to be considered for

replacement. Vehicles reported for disposal are managed and disposed of in accordance with FMR 102-34.300.

    j. Congressional Furniture Program. FAS COs make purchases via charge card on behalf of the Office of Congressional & Intergovernmental Affairs. The relocation and moving expenses are being coded to 262X, program code EXH2 and furniture is being coded to 285F, program code GS91. The procurement workload is split among the different acquisition centers. FAS bills Congress for services delivered/use of furniture (no IAs are used).

2. <u>Cumulative Results of Operations/Retained Earnings</u>. The ASF is a revolving fund managed on a full-cost recovery industrial funding basis. As such, all costs incurred to operate the programs and activities comprising the Fund are included in the prices charged to fund the costs of all program operations. There are no direct appropriations authorized to subsidize any program activity. Each operating program must fully disclose all costs, including those indirect and overhead costs noted above. Virtually all programs within the ASF are non-mandatory, meaning that the ASF will operate in a competitive market environment based on those sound principles that effectively serve private industry.

    a. Passage of the GSA Modernization Act of 2006 permitted the retention of earnings within the ASF to meet working capital requirements and fund future investment needs internally, without requiring additional appropriations from Congress for such purposes. According to 40 U.S. Code § 321 - Acquisition Services Fund: "The Administrator shall determine the cost and capital requirements of the fund for each FY and shall develop a plan concerning such requirements in consultation with the Chief Financial Officer of the General Services Administration."

    b. Accordingly, the FAS Cost and Capital (C&C) plan has evolved into the primary mechanism not only to request funds retained in the program for investment purposes, but to also annually monitor results from operations, evaluate retained earnings, and determine working capital requirements of the fund. The plan in effect evaluates the financial health of the ASF over a specific time frame to determine the fund's ability to utilize retained earnings and whether or not any excess retained earnings exist which should be returned to the U.S. Treasury. The OCFO-BBF develops the C&C plan each year, which is then reviewed by the OCFO leadership, Office of GSA IT leadership, FAS leadership, the GSA Deputy Administrator, and the GSA Administrator. The final C&C plan is a decision paper signed by the Administrator which outlines the Administrator's decision as to whether or not any excess funds in the ASF should be returned to the

Treasury. GSA also provides the Cost & Capital plan to OMB for informational awareness upon Administrator approval and meets with OMB to discuss the capitalization and funding requirements identified in the plan to assure full awareness of what is being funded internally within the approved plan.

c. The C&C plan identifies three primary elements of reserves to be retained – fund corpus or operating requirements; capital investment for asset replacement, contract transition, etc.; and investment reserves for future business development and modernization.

d. Fund corpus or operating capital reserves provide the operating capital needed to fund day-to-day operations and cover the short-term variability of accounts receivable and accounts payable cycles that result from earning revenues and incurring expenses.

e. Capital investments for asset replacement reserves enable the outlay of cash for depreciable assets such as for the scheduled replacement of GSA Fleet vehicles and/or IT and operating equipment. Initial funding amounts to cover these large investments are necessary as the cost of these investments are recovered over time, via revenues that include depreciation in the rate computation process.

f. Investment reserves are uncommitted resources retained to cover both planned and unexpected circumstances. These purposes include meeting large unexpected working capital shortfalls which may arise. Investment reserves may be set-asides created either as a result of a legal requirement or other contingencies on the basis of professional judgment by GSA management. While available to cover losses such as large one-time extraordinary events, these reserves are not intended to cover normal operating losses a program may incur. Such reserves are described as investment reserves in that they have not been included as a part of a portfolio's or business unit's normal planned expenses or rate setting process but can be utilized to fund special projects or investments as approved by GSA management in the FAS C&C plan.

SECTION 2. INCOME AND EXPENSE REPORTING

3. <u>General Statement of Net Cost Aggregation by Portfolio</u>. Major revenue and cost categories (components and meaning of terminology). FAS portfolio level profit & loss reports are created in the BO environment utilizing mapping tables, maintained by the OCFO-BBF. The month end process includes copying Pegasys transactions into the BO environment and 'filtering' the transactions to the different portfolios and report lines based on predefined coding sets. These reports provide the basis for preparation of the

formal ASF Statements of Net Cost for external reporting purposes. For internal management purposes, these reports, referred to as Statements of Operations, are analyzed by OCFO-BBF and provided to FAS management for monitoring against operating plans and decision making regarding future program direction.

4. Expenses - Cost Allocation Mechanisms and Processes. Cost allocation is the process of assigning the indirect and overhead costs of an organization to the revenue producing responsibility segments that will benefit from these costs. On an annual basis, beginning in March, the OCFO-BBF utilizes the financial planning application to prepare the upcoming FY budget. Representatives from each program enter their estimated expenses and provide workload measures to drive costs to the benefiting responsibility segment's profit & loss report.

5. Non-GAAP List. In some instances, accounting practices used for FAS activities may deviate from formal prescribed procedures or requirements of generally accepted accounting principles (GAAP). Accounting standards themselves provide for such exceptions where the impact on financial statement presentation is immaterial. Any accounting practices that are an exception to standard GAAP require review and approval in accordance with OCFO policy. Approved exceptions, referred to as the FAS non-GAAP list, are tracked and updated by the OCFO-BBF and the Office of Financial Management at least annually, with validation to ensure the financial impact remains immaterial.

6. Presentation of Data onto Income and Expense Statements.

    a. The Statement of Operations is generated on a monthly basis by OCFO-BBF. The data integration involves a series of extract, transform, load procedures performed by the business intelligence enterprise data warehouse (BIEDW) support team to populate VAT and cost allocation data into the Statement of Operations universe within BO and mapping transactions via control table and a header table to define what line item a given transaction will map to and under which program/portfolio. The unadjusted reports and exception reports are reconciled to the trial balance via a BO query and the unadjusted reports shared with stakeholders for review to identify any required reports-only or trial balance altering WSAs. The exceptions are mapped along with any worksheets and loaded for mapping by the BIEDW team, after which final reports can be run.

b. The Statement of Operations aggregates revenues and expenses into defined categories and lines to provide a consistent display of results across the major FAS business lines and sub-programs.

(1) The top section of the report displays Revenues From Goods and Services Sold, and the Cost of Goods and Services Sold for direct vendor cost associated with the goods and services provided, which are netted to display the Gross Margin by program. The direct costs in this section reflect the amount of goods and services vendors provide on behalf of GSA to satisfy specific requirements of customer orders. The primary example of such costs is in the FAS AAS programs, where GSA places orders/contracts with vendors to meet customer requirements and the contract costs are passed through to the customers via the billing processes discussed in Chapter 2 of this manual. Similarly, when the goods customers order through GS&S programs are delivered by vendors directly to customers and TTL vehicle acquisitions are shipped directly to customers, the cost of these goods are also included in the Cost of Goods and Services Sold line of this report. The Gross Margin displayed on the Statement of Operations reflects the amount of resources remaining to cover GSA's internal program costs and overhead costs incurred.

(2) The second section of the Statement of Operations displays FAS operating expenses incurred to run the programs themselves and associated overhead costs. Program costs include salaries and benefits expenses for employees of the programs, vendor costs incurred to support FAS program operations (excluding vendor costs associated with delivering goods and services directly to FAS customers as described above); IT support costs to operate program specific applications and systems; depreciation of assets used by the program; and other program operating costs. For TTL Vehicle Leasing activities, program costs include significant amounts for depreciation, maintenance and petroleum costs of the vehicle fleet leased to Federal agencies. Indirect and overhead costs include those associated with high-level FAS executive direction and FAS offices supporting all business lines, as well as a portion of costs of GSA offices providing central support to all of GSA, such as for the activities of the OCFO, OHRM, GSA IT and others.

(3) The Statement of Operations also distinguishes unique components of the net results of operations that warrant management awareness. Examples include costs incurred that are funded by reserves of prior year earnings, set aside under the C&C plan (discussed earlier in this Chapter), rather than requiring funding via revenues earned in the current fiscal year. Also, revenues earned via the TTL vehicle leasing program's billings for RCP (discussed earlier in this Chapter) are also identified on the

report to provide visibility to these revenues that do not have matching expenses in the current period.

APPENDIX A. REFERENCES

The following sources of accounting concepts, standards and requirements were used in developing this manual; however, the list is not exhaustive.

A. Federal Accounting Standards Advisory Board (FASAB), Statement of Federal Financial Accounting Standards, in particular:
   a. SFFAS 1, Accounting for Selected Assets and Liabilities
   b. SFFAS 3, Accounting for Inventory and Related Property
   c. SFFAS 4, Managerial Cost Accounting Standards and Concepts
   d. SFFAS 5, Accounting for Liabilities of the Federal Government
   e. SFFAS 6, Accounting for Property, Plant, and Equipment
   f. SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting

B. FASAB, Federal Financial Accounting Technical Releases (Technical Release)
   a. Technical Release Number 14, Implementation Guidance on the Accounting for the Disposal of General Property, Plant, & Equipment.
   b. Technical Release Number 18, Implementation guidance for Establishing Opening Balances

C. Financial Accounting Standard Board, (FASB) Accounting Standard Codifications (ASC) - FASB Accounting Standards Codification 840, Leases

D. OMB Circular A-11, Preparation, Submission, and Execution of the Budget.

E. OMB Circular A-136, Financial Reporting Requirements

F. Department of Treasury, Treasury Financial Manual

G. GSA policy directives:
   a. GSA System for the Administrative Control of Funds, ADM 4200.2C
   b. Accounts Payable Policy Manual, CFO 4252.1C
   c. Accounts Receivable and Debt Collection Policy Manual, CFO 4253.1C CHGE 1
   d. Chief Financial Officer Manual Volume 1, CFO 4260.1, Overview of GSA Financial Management Process
   e. Chief Financial Officer Manual Volume 2, CFO 4260.2, Financial Reporting

APPENDIX B: ACRONYMS AND DEFINITIONS

A. Visual Invoice Tracking and Payment (VITAP) - Electronic application utilized to assist in matching/correcting payment supporting documents before they are processed in Pegasys.

B. Assisted Services Shared Information SysTem (ASSIST) - the AAS feeder system. An end to end electronic acquisition life-cycle management and financial management system for the AAS program. The ASSIST application is a centralized series of consumable web-services that eliminates duplicative systems and cuff records. ASSIST focuses on consistency among assisted-acquisitions (for AAS and other programs), emphasizes task/delivery-ordering, integrates contracting with funds management and business decision-making, is modeled on FAR/GSAM compliance, and is flexible enough to allow for a gradual transition from legacy systems into the shared-space.

C. Order Management Services (OMS) – OMS is an order fulfillment service used primarily in support of the requisition-based programs of GSA Global Supply and GSA Retail Operations. OMS leverages a commercial, cloud-based solution that accepts, processes, and provides greater visibility of GSA Global Supply customer orders.

D. Defense Logistics Agency Transaction Services (DLA Transaction Services) – DLA Transaction Services supports global e-processing for DOD requesting agencies.

E. Defense Logistics Standards Systems (DLSS) - The DLSS provide procedures for communicating requirements, moving material, and performing the other tasks that ensure the continuing operation of DoD's logistics system.

F. Defense Logistics Management Standards (DLMS) - the DOD standard for transactional information exchanges among the automated information systems (AISs) that comprise assigned business processes of the DOD logistics and global supply chain management system.

G. Military Standard Requisitioning and Issue Procedures (MILSTRIP) – A uniform procedure established by DOD to govern the requisition and issue of material within standardized priorities.

H. GSA ADVANTAGE – GSA ADVANTAGE is an online one stop resource, offering the most comprehensive selection of approved products and services from GSA contract vendors.

I. Federal Supply Service Payment System (FEDPAY) - FEDPAY is a purchase request and invoice management system

J. Federal Standard Requisitioning and Issue Procedures (FEDSTRIP) – FEDSTRIP is a requisitioning system available to federal civilian agencies and authorized contractors for ordering supplies from GSA.

K. Vendor Support Center (VSC) - VSC is the online source for vendors to research the federal market, report sales, and upload information to GSA Advantage.

L. Fleet Management System (FMS) - FMS is the system of record for the inventory of fleet vehicles owned and managed by GSA. The system sends vehicle data to Pegasys via FTP to be used for depreciation calculations and financial reporting. The FMCs use it to manage the transactions with GSA Fleet requesting agencies.

M. Acquisition Management Program (AMP) - GSA's AMP is a web application used by GSA Fleet to create requisitions for new government vehicles leased to the DOD and civilian agencies. AMP offers ordering guidelines, creates vehicle requisitions, views order delivery, and receives reports for the FMS vehicle acquisition program.

N. Vehicle Fleet Exchange (VFE) – GSA's VFE Is a web-based application that allows GSA requesting agencies and contractors to schedule appointments to pick-up vehicles.

O. Requisition, Ordering, And Documentation System (ROADS) - GSA ROADS is the feeder system used to create purchase requests.

P. AutoChoice - GSA's AutoChoice is an online interface that allows requesting agencies to place orders for non-tactical vehicles for executive agencies and DOD under Federal Property Management Regulation.

Q. Pegasys - GSA's core financial system, supports funds management, credit cards, accounts payable, disbursements, SGL and reporting.

R. SalesForce – system used to track the attainment and development of leads and opportunities.