

**G-INVOICING
GUIDE FOR BASIC ACCOUNTING
AND REPORTING**

**PREPARED BY:
BUREAU OF THE FISCAL SERVICE
U.S. DEPARTMENT OF THE TREASURY**

Table of Contents

Background	3
Overview	4
IGT Buy/Sell Transaction Stages & Events	5
General Terms & Conditions (GT&C) Stage	6
Order Stage	7
Performance and Fund Settlement Stages	9
Adjustments	11
Reimbursable Agreement without an Advance	13
Capital Asset Buy/Sell	16
Assisted Acquisition	19
Reimbursable Agreement with an Advance	23
G-Invoicing Business Rules	25
Business Rules by Reciprocal Category	27
Conclusion	28
Disclaimers	28

Background

Since 1997, the U.S. Government Accountability Office (GAO) has disclaimed an opinion on the Financial Report (FR) of the U.S. Government. In its report, GAO cited a material weakness related to the Federal Government's inability to account for and eliminate Intra-governmental Transactions (IGT) activity between Federal entities. Buy/Sell Intra-governmental differences play a significant part in the material weakness. G-Invoicing is being developed to offer a data exchange platform for Federal Program Agencies (FPAs) to communicate with one another. While it is not an accounting system, G-Invoicing will be a central repository to support the accounting of Buy/Sell transaction events.

Many FPAs are aware of challenges in the current Intra-governmental Buy/Sell environment: Not all FPAs utilize Interagency Agreements (IAAs) or complete the same IAA activities in parallel before they initiate the Intra-governmental Payment and Collection (IPAC) movement of funds. These deviations lead to unknown IPAC charges, potentially invalid charges, and a burdensome level of reconciliation. G-Invoicing will provide FPAs a necessary IAA brokering tool that does not exist today; IAA details can be agreed upon before accounting transactions are initiated or funds settle between FPA accounts. In addition, G-Invoicing provides a standard data set, so all the FPAs are exchanging data in the same language.

G-Invoicing will be able to capture the required/necessary data needed by both trading partners. After FPAs agree upon the data in the IAA process [General Terms and Conditions (GT&C) and Order], they must submit a performance transaction to generate an IPAC for fund settlement to occur. Due to system functionality and the use of analogous data standards, FPAs will see a vast reduction in the number of chargebacks and disputed transactions. G-Invoicing will be referenced to show differences such as accruals and help entities with their liquidation process. These features not only help reconciliations between trading partners, but they also assist the efforts of Fiscal Service during the IGT quarterly scorecard process.

With streamlined efforts between trading partners, FPAs should realize cost savings from the synergies of working together. These synergies could be as simple as one entity not spending as much time on IPAC chargebacks, or another entity having fewer IGT scorecard issues or financial reporting discrepancies to explain and resolve. G-Invoicing will improve the quality and reliability of IGT Buy/Sell information, and ultimately assist FPAs with achieving their critical missions.

Reimbursable Buy/Sell activity and IAAs encompass a diverse set of operations and business events, many of which are unique to a FPA's critical mission. In addition, numerous stakeholders within an organization perform their own distinct tasks to ensure Buy/Sell transactions are processed, recorded, and reported correctly. G-Invoicing's very flexible data access model provides FPAs with many administration options that best suit their business needs. At the same time, FPAs should assess their business processes to evaluate the impact of the adoption of G-Invoicing.

Overview

G-Invoicing is an online platform for all FPA staff involved with IGT reimbursable activity (including funding officials, program officials, and payment approvers) to originate and settle Buy/Sell IAAs electronically. FPAs will use G-Invoicing to reflect their agreement on the funding terms and the accounting treatment of their reimbursable activity, and to exchange that data with one another for consistent financial reporting.

G-Invoicing will serve as:

- An agreement broker (the mechanism by which FPAs arrange and negotiate the terms of the IAA).
- A data exchange utility (the facilitation of the exchange of information between FPAs that ensures well-defined lines of communication); and
- A conduit for sharing data and exchanging information on Buy/Sell IGT activity.

Transitioning from a manual, paper-based IAA to entering IAAs into G-Invoicing will allow FPAs to manage the processing and approval of each stage of the IGT Buy/Sell transaction lifecycle: The GT&Cs, Orders, Performance, and Funds Settlement stages. IPAC will continue to operate as the application for the settlement of funds between federal entities; however, the IPAC transaction will be initiated through the Performance transaction within G-Invoicing.

All IGT Buy/Sell activity will be accomplished through the use of the Federal Intra-governmental Data Standards (FIDS); The most recent listing (changes to FIDS will occur during the development/enhancement of G-Invoicing) can be viewed at: [G-Invoicing Webpage](#). The FIDS are designed to capture the necessary information that trading partners rely upon for the correct accounting of IGT Buy/Sell business events from initiation through funds settlement. When FPAs develop an IAA and complete the receipt/acceptance process with their trading partners, the records must leverage the FIDS to trigger accounting events related to the respective business activities of the Agreement Performance transaction. FPAs' consistent use and thorough communication of the FIDS facilitates the accurate recording of business events in every stage of the Buy/Sell transaction life cycle and will be enforced through System Mapping and Validation Rules (SM&VR).

Fiscal Service has emphasized that the key to addressing IGT Buy/Sell differences is for entities to communicate with each other. G-Invoicing now offers FPAs a tool to make this communication seamless. This reference guide will walk through the various stages of G-Invoicing and how that expanded communication will allow FPAs to properly account for their Buy/Sell transactions using the USSGL TFM Supplement.

Please note - The Ordering Agency is the Buyer, and the Performing Agency is the Seller.

IGT Buy/Sell Transaction Stages & Events

Intragovernmental Buy/Sell Transaction Lifecycle				
Stage	GT&C	Order	Performance Transaction	Fund Settlement
Platform	G-Invoicing	G-Invoicing	G-Invoicing	IPAC
Buy/Sell Business Events	<ul style="list-style-type: none"> • Trading partners' roles & responsibilities are identified • Contact information and authorized officials are established • Agency Officials will Establish & Approve GT&C 	<ul style="list-style-type: none"> • Accounting terms of the IAA are completed • Product requirements are detailed • A fiscal obligation is created 	<ul style="list-style-type: none"> • Goods/services are delivered/performed • The exchange of goods/services (Delivered/Received) • Accrual information is exchanged 	<ul style="list-style-type: none"> • IPAC is initiated through the completion of the Performance Transaction • Funds are transferred



General Terms & Conditions (GT&C) Stage

As FPAs onboard and begin conducting reimbursable IGT transactions in G-Invoicing, they may begin the exchange of central transaction details within a GT&C. The Ordering Agency and the Performing Agency will work collaboratively to complete a GT&C, which allows FPAs to exchange contact information and set certain parameters and criteria that will apply to the subsequent referencing Orders.

The GT&C section identifies the general terms that govern Buy/Sell trades between the Ordering Agency and Performing Agency, including roles and responsibilities for both FPAs to ensure effective management of the IAA. GT&C data elements and information include contact information, agreement period dates, points of contact for each entity, and any terms for resolution or agreement termination. No fiscal obligations are created through the execution of the GT&C and no proprietary accounting events are recorded. An IAA must contain one GT&C and at least one Order but may contain many Orders under one GT&C. Orders may be initiated by the Performing Agency (Seller-Facilitated Order) or by the Ordering Agency (Buyer-Initiated Order). The Order Originating Partner Indicator (OOPI) is a required field on the GT&C that determines who will initiate the Orders under the GT&C. There cannot be a mixture of both Seller-Facilitated Orders (SFO) and Buyer-Initiated Orders (BIO) under a single GT&C.

G-Invoicing Events:

- Either the Ordering Agency (Buyer) or the Performing Agency (Seller) begins the G-Invoicing document flow by creating a new GT&C. The FPA initiating the document enters their contact information, authorizing officials, agreement scope, roles, and any clauses.
- The initiating party reviews the GT&C and shares a draft with their trading partner. Once all data is entered by both trading partners and submitted for approval, either trading partner may approve first.
- Both parties approve the GT&C, and the agreement becomes **Open for Orders**.

Proprietary Entries for All Scenarios:

No IGT Buy/Sell proprietary entries are entered at this stage.

Order Stage

After both FPAs have exchanged basic contact information and each partner's roles and responsibilities and have fully approved the GT&C, the next step is to initiate an Order. With the introduction of Seller-Facilitated Order functionality through Release 4.1, either the Ordering Agency or the Performing Agency may initiate an Order within the application. Just one example of a barrier to effective communication between FPAs has been when staff members are responsible for negotiating IAAs, but don't have the necessary knowledge of accounting or information systems and are not prepared to make accounting/finance decisions for the agreement. Another advantage to G-Invoicing that FPAs will discover is that it allows staff members from assorted FPA departments to communicate and share knowledge without stressing over terminology.

The Order is the funding section of the IAA that identifies the specific Ordering Agency requirements for the expected delivery of goods and/or services by the Performing Agency, and the corresponding accounting treatment. When both trading partners provide all the required fields determined in the FIDS, an Order can be created.

Both partners will enter their respective TAS/BETC, additional accounting information, and shipping/delivery details. Modifications may occur to Order data; however, they must be provided by the Buyer on Buyer-Initiated Orders (BIOs) and Seller-Facilitated Orders (SFOs).

G-Invoicing Events:

Seller-Facilitated Orders (SFO)

- the Seller initiates an Order from an open GT&C. The Seller completes the Order with a single, agreed upon Statutory Authority to govern the Order and supporting data onto the appropriate Order Schedule lines. The Seller approves the Order.
- The Buyer enters their supporting data onto the Order Schedule lines on the Order draft, and reviews the data entered by their trading partner. The Buyer approves the Order.
- The Buyer approving the Order prompts the Order to become **Open**.
- The Seller incurs obligations against the Order.
- Performance transactions may occur now that the Order is in Open status.
- An Order cannot be closed until the respective totals of Performance Transactions by the Buyer and Seller agree. Depending on the FOB Point selected, a Buyer's Performance Transaction is optional, unless the Buyer disagrees with the Seller's Performance Transaction. (See FOB definition below for more detail.)

Buyer-Initiated Orders (BIO)

- The Buyer initiates an Order from an open GT&C. The Buyer completes the Order with a single, agreed upon Statutory Authority to govern the Order and supporting data onto the appropriate Order Schedule lines. The Buyer approves the Order.
- The Seller enters their supporting data onto the Order Schedule lines on the Order draft, and reviews the data entered by their trading partner. The Seller approves the Order.
- The Seller approving the Order prompts the Order to become **Open**.

- The Seller incurs obligations against the Order.
- Performance transactions may occur now that the Order is in Open status.
- An Order cannot be closed until the respective totals of Performance Transactions by the Buyer and Seller agree. Depending on the FOB Point selected, a Buyer's Performance Transaction is optional, unless the Buyer disagrees with the Seller's Performance Transaction. (See FOB definition below for more detail.)

The FIDS completed within the Order stage convey a physical stamp of transaction type, period of performance, and other accounting requirements for both entities. The FIDS within the Order stage will affect the accounting treatment of transactions throughout the rest of the Buy/Sell lifecycle.

FIDS recorded within G-Invoicing that both FPAs should reference for their accounting transactions:

- **Capitalized Asset Indicator** – *Specifies when the Seller considers the line item to be a capitalized asset. For example, the Performing Agency may have recognized the asset as "Inventory." This information is necessary for the Ordering Agency to make the proper accounting transactions that facilitate IGT eliminations.*
- **Assisted Acquisitions Indicator** – *Identifies whether the GT&C will accommodate Assisted Acquisitions. Through Assisted Acquisitions, the Servicing Agency provides acquisition support services on behalf of the Requesting Agency. The Requesting Agency may leverage the Servicing Agency's administrative services and contracting vehicles to obtain goods/services from a third-party vendor. G-Invoicing will only capture the transactions between/to FPAs, it will not capture any activities with a non-federal third party during assisted acquisitions.*
- **Advance Payment Indicator** - *Identifies whether Advance Payments are allowed for the Orders supporting the respective GT&C.*
- **FOB Point** – *Specifies at what point the Seller transfers ownership of the goods/services to the Buyer. This also determines which Performance Transaction Type will initiate fund settlement (The Seller's Delivered/Performed or the Buyer's Received/Accepted.)*
 - **FOB Point: Source** – *The Buyer's Performance Transactions are optional unless the Buyer disagrees with the Seller's Performance Transaction. An Order cannot be closed if the Buyer submits a Performance Transaction "Received/Accepted" that disagrees with the Seller's Performance Transaction "Delivered/Performed".*
 - **FOB Point: Destination/Other** – *The Seller's "Delivered/Performed" transaction totals must equal the Buyer's "Received/Accepted" totals before Orders can be closed. The Buyer's Performance Transactions are required.*
- **Constructive Receipt Days** – *The agreed-upon number of days a Buyer must respond to a Performance Transaction. If the Buyer does not submit a Performance Transaction within this time frame, fund settlement will automatically initiate from the Seller's Delivered/Performed Performance Type. The Constructive Receipt Days timer begins on the later of Transaction Date or Performance Date.*

Proprietary Entries:

No IGT Buy/Sell proprietary entries are entered at this stage.

Performance and Fund Settlement Stages

In today's Buy/Sell transaction process, there is no standard form or means for exchanging accrual information. FPAs currently exchange this data informally via email using different formats, or they do not share it at all. Accountants responsible for recording USSGL entries try to record this data in their internal accounting systems before month-end, and this accounting information is in turn reported to the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS). Once both FPAs have loaded their GTAS files, it quickly becomes apparent when FPAs have recorded conflicting information. These differences can be significant, requiring subsequent research and resolution.

In addition, differences can exist from variations in policy interpretations, differences in delivery methods, and/or discrepancies in calculating the completion of services performed for continuous contracts. One example is when one FPA recognizes its accounting transactions at the shipping point, and its trading partner does not recognize events until the point at which goods are received. Another instance occurs when a Buyer and Seller cannot recognize revenue in a long-term contract at the same proportion of performance completed because both partners use different calculation methods.

FASAB guidance states that revenue is to be recognized as goods are delivered and as services are performed, or in proportion to the total amount of services performed. By communicating with each other throughout the lifecycle of the transaction and using consistent policy for recording transactions, all FPAs will have a better opportunity to record transactions to GTAS in a consistent manner, and thus reduce the number of IGT differences.

How exactly will G-invoicing accomplish the goal of allowing FPAs to communicate and share information with one another? Fiscal Accounting is adding a new stage to the Buy/Sell transaction process, called the Performance Transaction. The Buyer and Seller must agree on the FOB Point at the Order level. This determines which Performance Transaction initiates fund settlement, as reflected below:

- **Source** - Fund settlement is initiated by the Seller's Performance transaction when Performance Type is 'Delivered/Performed'
- **Destination** - Fund settlement is initiated by the Buyer's Performance transaction when Performance Type is 'Received/Accepted' or after the constructive receipt days, previously agreed upon at the Order level, have expired
- **Other** - Fund settlement is initiated by the Buyer's Performance transaction when Performance Type is 'Received/Accepted' or after the constructive receipt days, previously agreed upon at the Order level, have expired

Based upon data entered in the Performance Date and Transaction Date, both the Buyer and Seller will be able to record the accrual in the same accounting period and for the same amount. This selection, along with the exchange of the applicable performance record, will determine the amount to be recorded for the accrual.

Fund settlement occurs upon completion of the Performance Transaction. FPAs will no longer manually create IPACs or submit bulk files to the IPAC system for Buy/Sell transactions. G-Invoicing will create the IPACs on the FPA's behalf. G-Invoicing will also retrieve the remittance advice from the IPAC system and update the associated Orders.

FIDS recorded within G-Invoicing from which both FPAs should reference for their accounting transactions:

- **Performance Type** – *Identifies the type of performance recorded (Delivered/Performed, Received/Accepted, Advance, and Deferred Payment will drive Accounting events; Shipped and Estimated Delivery will share information only.)*
 - **Delivered/Performed** – *A Seller completes this Performance Type to indicate it has transferred control of the goods/completed services.*
 - **Received/Accepted** – *A Buyer completes this Performance Type to indicate it has received the goods/services from the Seller.*
 - **Advance** – *The Performance Transaction Type used for transactions in which advance payments are settled prior to the delivery/performance of any goods/services. As delivery/performance occurs, entries are shared to liquidate the advance and to recognize revenue/expenses.*
 - **Deferred Payment** – *The Performance Transaction Type used for work in progress transactions to communicate the amount/percentage of work completed, but to settle funds later from work completion.*
- **Performance Date** – *The date on which the delivery of goods/completion of services takes place. The Performance Date drives the date at which accruals should be made for revenue/expense and accounts payable/accounts receivable.*
- **Transaction Date** – *The date and time which an entity's authorized user enters the performance transaction into G-Invoicing. The Transaction Date initiates the IPAC transaction and fund settlement.*
- **Accomplished Date** – *The date in which IPAC data is sent back to G-Invoicing in the remittance file and the fund settlement is posted within CARS. In some cases, the Transaction Date and Accomplished Date may differ because of an IPAC cutoff at the end of a monthly reporting period, etc.*

G-Invoicing Events:

FOB Point – Source

- Seller submits Performance Transaction with Performance Type 'Delivered/Performed'.
- Accruals are recorded as of the Performance Date entered by the Seller, and an IPAC is automatically initiated to settle funds on the Transaction Date.
- Buyer may submit a Performance Transaction. (Not submitting a Performance Transaction infers the agreement with the Seller's terms).

FOB Point – Destination

- Seller submits Performance Transaction with Performance Type 'Delivered/Performed'. Constructive receipt days begin.
- Accruals are recorded as of the Performance Date based on the Seller's Performance Transaction with Performance Type 'Delivered/Performed'.
- Buyer submits Performance Transaction with Performance Type 'Received/Accepted'.
- An IPAC is created as of this Transaction Date (if completed before constructive receipt days expire).

Adjustments

In today's Buy/Sell environment, FPAs spend a vast number of resources on IPAC chargebacks. They experience sizable levels of adjustments and modification transactions near the end of accounting periods in attempts to correctly account for reimbursable activity. In addition, chargebacks add to the complexity of reconciliations of Fund Balance with Treasury, Order balances, and other metrics. In some cases, chargebacks and adjustments can continue to shuffle back and forth between entity accounts, further complicating reconciliations and procurement work. However, as Buy/Sell data is exchanged within the G-Invoicing application, the number of chargebacks will be appreciably reduced. Required data needed by trading partners will be recorded within G-Invoicing and readily available to reference in any events of disputed transactions.

G-Invoicing will offer FPAs the ability to correct transactions via Adjustments through "negative" Performance Transactions. Adjustments are controlled by the FOB Point: Under FOB Source transactions, the Seller may adjust; Under FOB Destination, the Buyer may adjust.

G-Invoicing Events (with Adjustments):

FOB Point – Source

- Seller submits a Performance Transaction with Performance Type 'Delivered/Performed'.
- Both partners record accruals as of the Performance Date, based on the Seller's Performance Transaction, and an IPAC is automatically initiated to settle funds on the Transaction Date.
- Buyer submits an informational Performance Transaction with Performance Type "Received/Accepted".
Later, adjustments are deemed necessary by the Buyer
- After determining a refund is needed, the Buyer submits a **negative** Performance Transaction to the Seller, showing the number of goods/services it does not accept. No funds are settled in IPAC.
- The Seller completes a **negative** Performance Transaction to adjust the original fund settlement down to the correct number of goods/services accepted by the Buyer. An IPAC is automatically initiated to settle funds on the Transaction Date.

Reimbursable Agreement without an Advance, Adjustments Necessary - FOB Source.				
G-Invoicing Initiator	G-Invoicing Event	Amount	Transaction Date	Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/2021	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of "Delivered/Performed".	\$1,000	09/09/2021	Both partners record Revenue/Expense ACCRUALS. Both partners record FUND SETTLEMENT.
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type "Received/Accepted" (Informational Purposes Only.)	\$1,000	09/15/2021	-
Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of "Received/Accepted".	- \$200	10/09/2021	-
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of "Delivered/Performed".	- \$200	10/12/2021	Both partners record Revenue/Expense ACCRUALS. Both partners record FUND SETTLEMENT.
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/2021	-

- **FOB Point: Source** –The Buyer’s Performance Transactions are optional unless the Buyer disagrees with the Seller’s Performance Transaction. An Order cannot be closed if the Buyer submits a Performance Transaction “Receives/Accepted” that disagrees with the Seller’s Performance Transaction “Delivered/Performed”.
- **FOB Point: Destination/Other** – The Seller’s “Delivered/Performed” transaction totals must equal the Buyer’s “Received/Accepted” totals before Orders can be closed. The Buyer’s Performance Transactions are required.

FOB Point – Destination

- Seller submits Performance Transaction with Performance Type ‘Delivered/Performed’. Constructive receipt days begin.
- Both partners record accruals as of the Performance Date, based on the Seller’s Performance Transaction.
- Buyer submits Performance Transaction with Performance Type ‘Received/Accepted’.
- An IPAC is created as of this Transaction Date (if completed before constructive receipt days expire) and funds settle.
Later, adjustments are deemed necessary by the Buyer
- After determining a refund is needed, the Buyer submits a **negative** Performance Transaction to the Seller, showing the number of goods/services it does not accept. An IPAC is automatically initiated to settle funds on the Transaction Date.
- The Seller’s “Delivered/Performed” transaction totals must equal the Buyer’s “Received/Accepted” totals before Orders can be closed.

Reimbursable Agreement without an Advance, Adjustments Necessary - FOB Destination.				
G-Invoicing Initiator	G-Invoicing Event	Amount	Transaction Date	Accounting Recognition
Seller	Order is approved for \$20,000 and Open.	\$20,000	09/07/2021	-
Seller	Seller delivers \$1,000 of goods and enters a Performance Type of “Delivered/Performed”.	\$1,000	09/09/2021	Both partners record Revenue/Expense ACCRUALS.
Buyer	Buyer receives \$1,000 of goods and enters a Performance Type of “Received/Accepted”.	\$1,000	09/15/2021	Both partners record FUND SETTLEMENT.
Buyer	Buyer requests a \$200 refund adjustment by entering a Performance Type of “Received/Accepted”.	- \$200	10/09/2021	Both partners record FUND SETTLEMENT.
Seller	Seller agrees and completes a \$200 refund adjustment with a Performance Type of “Delivered/Performed”.	- \$200	10/12/2021	Both partners record Revenue/Expense ACCRUALS.
Buyer	Order is Closed; The remaining Order balance is \$200.	\$200	10/31/2021	-

Reimbursable Agreement without an Advance

Scenario 1: The Ordering and Performing Agencies have entered an Order for \$1,000 in services. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21 with Performance Date 9/30/21 and reference the September 2021 Accounting Period.

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Performing Agency’s Delivered/Performed transactions during the October Accounting Period, in line with the Accomplished Date.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No.
- The Ordering Agency agrees with the Performing Agency’s Delivered/Performed Transaction and does not create an informational Received/Accepted Transaction.¹

Transaction 1: Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency’s Performance Transactions											
ORDER				PERFORMANCE							
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE		TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE			
SOURCE	FALSE	NO		DELIVERED/PERFORMED		10/02/2021	09/30/2021	10/02/2021			
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
61000 Operating Expenses (RC24)			1,000		B402	131000 Accounts Receivable (RC22)			1,000		A714
211000 Accounts Payable (RC22)				1,000		520000 Revenue from Services Provided (RC24)				1,000	
Performance Date: 9/30/21 - Accounting Period 12						Performance Date: 9/30/21 - Accounting Period 12					
To record the delivery of goods and to accrue a liability.						To record the collection of revenue earned in the performing agency for a reimbursable agreement without an advance.					
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)			1,000		B110	101000 Fund Balance with Treasury			1,000		C186
101000 Fund Balance with Treasury				1,000		131000 Accounts Receivable (RC22)				1,000	
Performance Date: 9/30/21 - Accounting Period 12						Performance Date: 9/30/21 - Accounting Period 12					
To record a confirmed disbursement schedule previously accrued.						To record the collection of receivables in the Performing Agency for reimbursable services.					

¹ The Ordering Agency has the option of, and is recommended, to provide a Received/Accepted transaction to reflect concurrence with Performing Agency’s Delivered/Performed transaction but it is not a required action within the G-Invoicing application.

Scenario 2: The Ordering and Performing Agencies have entered an Order for \$1,000 in services. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21 with Performance Date 9/30/21 and reference the September 2021 Accounting Period.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Ordering Agency’s Received/Accepted Transaction.
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No
- The Ordering Agency disagrees with the amount on the Delivered/Performed Transaction, and on 10/14/21, they create a Received/Accepted Transaction for \$800.
- The Performing Agency agrees and adjusts their Delivered/Performed Transaction by -\$200, reconciling the variance with the Ordering Agency.

Transaction 1: Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency’s Performance Transactions									
<u>ORDER</u>				<u>PERFORMANCE</u>					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>		
DESTINATION	FALSE	NO		DELIVERED/PERFORMED	10/02/2021	09/30/2021	N/A		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
61000 Operating Expenses (RC24)		1,000		B402	131000 Accounts Receivable (RC22)		1,000		A714
211000 Accounts Payable (RC22)			1,000		520000 Revenue from Services Provided (RC24)			1,000	
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
To record the delivery of goods and to accrue a liability.					To record the collection of revenue earned in the performing agency for a reimbursable agreement without an advance.				

Transaction 2: The Ordering Agency creates a Received/Accepted Transaction or the constructive receipt days expire.

FIDS on the Order and Performing Agency’s Performance Transactions									
<u>ORDER</u>				<u>PERFORMANCE</u>					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>		
DESTINATION	FALSE	NO		RECEIVED/ACCEPTED	10/14/2021	09/30/2021	10/14/2021		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)		800		B110	101000 Fund Balance with Treasury		800		C186
101000 Fund Balance with Treasury			800		131000 Accounts Receivable (RC22)			800	
Accomplished Date: 10/14/21 - Accounting Period 1					Accomplished Date: 10/14/21 - Accounting Period 1				
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Performing Agency for reimbursable services.				

Transaction 3: Performing Agency creates a negative Delivered/Performed Transaction to adjust the original transaction of \$1,000.

FIDS on the Order and Performing Agency's Performance Transactions

<u>ORDER</u>			<u>PERFORMANCE</u>						
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>	<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>			
DESTINATION	FALSE	NO	DELIVERED/PERFORMED	10/20/2021	09/30/2021	10/14/2021			
<u>ORDERING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>	<u>PERFORMING AGENCY</u>		<u>DEBIT</u>	<u>CREDIT</u>	<u>TC</u>
211000 Accounts Payable (RC22)		200		B402R	520000 Revenue from Services Provided (RC24)		200		A714R
610000 Operating Expenses (RC24)			200		131000 Accounts Receivable (RC22)			200	
Performance Date: 9/30/21 - Accounting Period 12				Performance Date: 9/30/21 - Accounting Period 12					
To record a negative adjustment to expenses and the liability.				To record the negative adjustment of revenue earned in the performing agency for a reimbursable agreement without an advance.					

DRAFT

Capital Asset Buy/Sell

Scenario 1: The Ordering and Performing Agencies have entered an Order for Equipment in the amount of \$5,000. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21 with Performance Date 9/30/21 and reference the September 2021 Accounting Period.

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Performing Agency's Delivered/Performed transactions during the October Accounting Period, in line with the Accomplished Date.
- Capitalization Indicator = True
- Assisted Acquisition Indicator = No
- The Equipment meets the capitalization threshold for the Ordering Agency, but the Ordering Agency creates a Received/Accepted Transaction for \$4,500 on 10/14/21, disagreeing with the Performing Agency's Delivered/Performed amount.
- The Performing Agency agrees that the Ordering Agency is correct and creates a negative Delivered/Performed Transaction on 10/20/21 to adjust original Delivered/Performed transaction.

Transaction 1: The Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency's Performance Transactions									
ORDER				PERFORMANCE					
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE		
SOURCE	TRUE	NO		DELIVERED/PERFORMED	10/07/2021	09/30/2021	10/07/2021		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
175000 Equipment		5,000		B402	131000 Accounts Receivable (RC22)		5,000		A714
211000 Accounts Payable (RC22)			5,000		510000 Revenue from Goods Sold (RC24)			5,000	
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
(Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.					TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.				
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
880200 Purchases of Property, Plant, & Equipment (RC24)		5,000		G120 ²	650000 Cost of Goods Sold (RC24)		5,000		E408
880100 Offset for Purchases of Assets (RC24)			5,000		152100 Inventory Purchased for Resale			5,000	
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
To record activity for current-year purchases of PP&E.					To record cost of goods sold.				
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)		5,000		B110	101000 Fund Balance with Treasury		5,000		C186
101000 Fund Balance with Treasury			5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/07/21 - Accounting Period 1					Accomplished Date: 10/07/21 - Accounting Period 1				
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Performing Agency for reimbursable services.				

Transaction 2: Since the Ordering Agency does not agree with the amount, they create an informational Received/Accepted Transaction that does not match the Delivered/Performed Transaction created by the Performing Agency. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only for the purpose of informing the Performing Agency that adjustments may be needed.**

Transaction 3: The Performing Agency agrees and creates a negative Delivered/Performed Transaction for -\$500, which resolves the intragovernmental difference, and causes fund settlement of the \$500 to occur.

FIDS on the Order and Performing Agency's Performance Transactions											
ORDER				PERFORMANCE							
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE		TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE			
SOURCE	TRUE	NO		DELIVERED/PERFORMED		10/20/2021	09/30/2021	10/20/2021			
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)			500		B402R	510000 Revenue from Goods Sold (RC24)			500		A714R
175000 Equipment				500		131000 Accounts Receivable (RC22)				500	
Performance Date: 9/30/21 - Accounting Period 12						Performance Date: 9/30/21 - Accounting Period 12					
To record a negative adjustment. (Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.						To record a negative adjustment to the collection of revenue earned in the performing agency for a reimbursable agreement without an advance.					
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
880100 Offset for Purchases of Assets (RC24)			500		G120R ²	152100 Inventory Purchased for Resale			500		E408R
880200 Purchases of Property, Plant, & Equipment (RC24)				500		650000 Cost of Goods Sold (RC24)				500	
Performance Date: 9/30/21 - Accounting Period 12						Performance Date: 9/30/21 - Accounting Period 12					
To record a negative adjustment to activity for current-year purchases of PP&E.						To record a negative adjustment to cost of goods sold.					
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
101000 Fund Balance with Treasury			500		B110R	131000 Accounts Receivable (RC22)			500		C186R
211000 Accounts Payable (RC22)				500		101000 Fund Balance with Treasury				500	
Accomplished Date: 10/20/21 - Accounting Period 1						Accomplished Date: 10/20/21 - Accounting Period 1					
To record funds received due to a negative adjustment.						To record a negative adjustment by the Performing Agency for reimbursable services.					

Scenario 2: The Ordering and Performing Agencies have entered an Order for Equipment in the amount of \$5,000. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21 with Performance Date 9/30/21 and reference the September 2021 Accounting Period.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Ordering Agency’s Received/Accepted Transaction.
- Capitalization Indicator = True
- Assisted Acquisition Indicator = No
- The Equipment meets the capitalization threshold for the Ordering Agency, and the Ordering Agency creates a Received/Accepted Transaction for \$5,000 on 10/14/21, agreeing with the Performing Agency’s Delivered/Performed amount.

Transaction 1: The Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>		
DESTINATION	TRUE	NO		DELIVERED/PERFORMED	10/02/2021	09/30/2021	N/A		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
175000 Equipment		5,000		B402	131000 Accounts Receivable (RC22)		5,000		A714
211000 Accounts Payable (RC22)			5,000		510000 Revenue from Goods Sold (RC24)			5,000	
Performance Date: 9/30/21 - Accounting Period 12				Performance Date: 9/30/21 - Accounting Period 12					
(Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs. However, additional memo entries are required for capital assets.				TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.					
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
880200 Purchases of Property, Plant, & Equipment (RC24)		5,000		G120 ²	650000 Cost of Goods Sold (RC24)		5,000		E408
880100 Offset for Purchases of Assets (RC24)			5,000		152100 Inventory Purchased for Resale			5,000	
Performance Date: 9/30/21 - Accounting Period 12				Performance Date: 9/30/21 - Accounting Period 12					
To record activity for current-year purchases of PP&E.				To record cost of goods sold.					

Transaction 2: The Ordering Agency creates a Received/Accepted Transaction.

FIDS on the Order and Performing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
<u>FOB POINT</u>	<u>CAPITALIZATION INDICATOR</u>	<u>ASSISTED ACQUISITION INDICATOR</u>		<u>PERFORMANCE TYPE</u>	<u>TRANSACTION DATE</u>	<u>PERFORMANCE DATE</u>	<u>ACCOMPLISHED DATE</u>		
DESTINATION	TRUE	NO		RECEIVED/ACCEPTED	10/14/2021	09/30/2021	10/14/2021		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)		5,000		B110	101000 Fund Balance with Treasury		5,000		C186
101000 Fund Balance with Treasury			5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/14/21 - Accounting Period 1				Accomplished Date: 10/14/21 - Accounting Period 1					
To record a confirmed disbursement schedule previously accrued.				To record the collection of receivables in the Performing Agency for reimbursable services.					

Assisted Acquisition²

Scenario 1: The Ordering Agency is utilizing the purchasing contract of the Performing Agency to buy an asset from a non-federal, third party vendor for \$5,000. According to the agreement, the Ordering Agency will pay the Performing Agency, which in turn will pay the non-federal vendor for the asset. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21, with Performance Date 9/30/21

- FOB Point = Source
 - Fund settlement will occur via IPAC upon the completion of the Performing Agency's Delivered/Performed transactions during the October Accounting Period, in line with the Accomplished Date.
- Capitalization Indicator = False³
- Assisted Acquisition Indicator = True
- The Ordering Agency agrees with the Performing Agency's Delivered/Performed Transaction and completes a Received/Accepted transaction in the same amount.

Transaction 1: The Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency's Performance Transactions											
ORDER				PERFORMANCE							
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE				
SOURCE	FALSE	YES		DELIVERED/PERFORMED	10/02/2021	09/30/2021	10/07/2021				
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
61000 Operating Expenses (RC24)			5,000		B402	131000 Accounts Receivable (RC22)			5,000		A714
211000 Accounts Payable (RC22)				5,000		510000 Revenue from Goods Sold (RC24)				5,000	
Performance Date: 9/30/21 - Accounting Period 12						Performance Date: 9/30/21 - Accounting Period 12					
(Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.						TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.					
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
175000 Equipment			5,000		D514						
661000 (N) Cost Capitalization Offset				5,000							
Performance Date: 9/30/21 - Accounting Period 12											
To record activity for current-year purchases of PP&E.											
ORDERING AGENCY			DEBIT	CREDIT	TC	PERFORMING AGENCY			DEBIT	CREDIT	TC
880200 (N) Purchases of Property, Plant, & Equipment			5,000		G120						
880100 (N) Offset for Purchases of Assets				5,000							
Performance Date: 9/30/21 - Accounting Period 12											
To record activity for current-year purchases of PP&E.											

² G-Invoicing will only capture the transactions between/to FPAs, not activities with a non-federal third party.

³ While the Ordering Agency is obtaining an asset, the Performing Agency never has the asset capitalized, which is the intent of the Capitalization Indicator.

ORDERING AGENCY	DEBIT	CREDIT	TC	PERFORMING AGENCY	DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)	5,000		B110	101000 Fund Balance with Treasury	5,000		C186
101000 Fund Balance with Treasury		5,000		131000 Accounts Receivable (RC22)		5,000	
Accomplished Date: 10/07/21 - Accounting Period 1				Accomplished Date: 10/07/21 - Accounting Period 1			
To record a confirmed disbursement schedule previously accrued.				To record the collection of receivables in the Performing Agency for reimbursable services.			

Transaction 2: The Ordering Agency creates a Received/Accepted Transaction that matches the Delivered/Performed Transaction created by the Performing Agency. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only.**

DRAFT

Scenario 2: The Ordering Agency is utilizing the purchasing contract of the Performing Agency to buy an asset from a non-federal, third party vendor for \$5,000. According to the agreement, the Ordering Agency will pay the Performing Agency, which in turn will pay the non-federal vendor for the asset. The Performing Agency creates a Delivered/Performed Transaction on 10/02/21, with Performance Date 9/30/21.

- FOB Point = Destination
 - Fund Settlement will occur via IPAC in the amount, and upon completion, of the Ordering Agency’s Received/Accepted Transaction.
- Capitalization Indicator = False⁴
- Assisted Acquisition Indicator = True
- The Ordering Agency does not respond to the Performing Agency’s Delivered/Performed Transaction and Constructive Receipt Days elapses. The G-Invoicing application will create a Received/Accepted transaction in the same amount.

Transaction 1: The Performing Agency creates a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency’s Performance Transactions									
ORDER				PERFORMANCE					
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR		PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE		
DESTINATION	FALSE	YES		DELIVERED/PERFORMED	10/02/2021	09/30/2021	10/20/2021		
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
61000 Operating Expenses (RC24)		5,000		B402	131000 Accounts Receivable (RC22)		5,000		A714
211000 Accounts Payable (RC22)			5,000		510000 Revenue from Goods Sold (RC24)			5,000	
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
(Assumes a title has been passed when the goods are delivered.) TC B402 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.					TC A714 includes revenue accounts for both goods and services; no additional distinction is necessary. A714 can include supplies, inventory, materials, land, equipment, buildings, PPE, or costs.				
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
175000 Equipment		5,000		D514					
661000 (N) Cost Capitalization Offset			5,000						
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
To record reclassification of expenses to asset accounts.									
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
880200 (N) Purchases of Property, Plant, & Equipment		5,000		G120					
880100 (N) Offset for Purchases of Assets			5,000						
Performance Date: 9/30/21 - Accounting Period 12					Performance Date: 9/30/21 - Accounting Period 12				
To record activity for current-year purchases of PP&E.									

⁴ While the Ordering Agency is obtaining an asset, the Performing Agency never has the asset capitalized, which is the intent of the Capitalization Indicator.

Transaction 2: The constructive receipt days expire, and G-Invoicing systematically creates a Received/Accepted Transaction.

FIDS on the Order and Performing Agency's Performance Transactions									
ORDER					PERFORMANCE				
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR			PERFORMANCE TYPE	TRANSACTION DATE	PERFORMANCE DATE		ACCOMPLISHED DATE
DESTINATION	FALSE	YES			RECEIVED/ACCEPTED	10/20/2021	09/30/2021		10/20/2021
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
211000 Accounts Payable (RC22)		5,000		B110	101000 Fund Balance with Treasury		5,000		C186
101000 Fund Balance with Treasury			5,000		131000 Accounts Receivable (RC22)			5,000	
Accomplished Date: 10/20/21 - Accounting Period 1					Accomplished Date: 10/20/21 - Accounting Period 1				
To record a confirmed disbursement schedule previously accrued.					To record the collection of receivables in the Performing Agency for reimbursable services.				

DRAFT

Reimbursable Agreement with an Advance

Scenario 1: The Ordering and Performing Agency created an Order and agreed to settle funds in advance of goods being delivered. The Performing Agency enters an Advance Transaction on 08/07/21 to generate an advance payment/collection of funds for \$1,000. On 10/02/21, the Performing Agency liquidated the advance by creating a Delivered/Performed Transaction for \$1,000, with a Performance Date of 09/30/21.

- FOB Point = Source or Destination
- Capitalization Indicator = False
- Assisted Acquisition Indicator = No
- On 10/20/21, the Ordering Agency creates an informational negative Received/Accepted Transaction for \$800 to indicate to the Performing Agency that an adjustment is needed.
- The Performing Agency agrees and adjusts the original Delivered/Performed Transaction by -\$200 on 10/20/21.

Transaction 1: The Performing Agency creates an Advance Performance Transaction.

FIDS on the Order and Performing Agency's Performance Transactions									
ORDER			PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE			TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE	
ANY	FALSE	NO	ADVANCE			08/07/2021	N/A	08/07/2021	
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
141000 Advances and Prepayments (RC 23)		1,000		B308	101000 Fund Balance with Treasury		1,000		C182
101000 Fund Balance with Treasury			1,000		231000 Liability for Advances and Prepayments (RC 23)			1,000	
Accomplished Date: 08/07/21 - Accounting Period 12					Accomplished Date: 08/07/21 - Accounting Period 12				
To record current-year undelivered orders with an advance.					To record a collection of an advance for an unfilled customer order.				

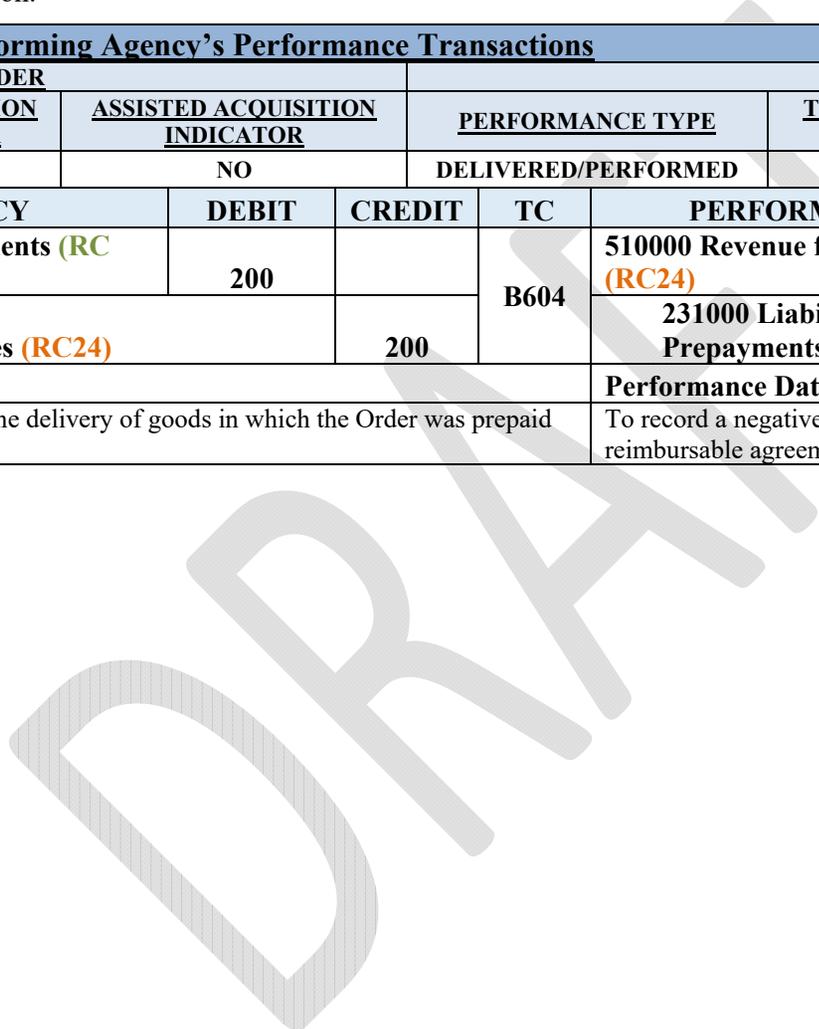
Transaction 2: The Performing Agency liquidates the advance by creating a Delivered/Performed Transaction.

FIDS on the Order and Performing Agency's Performance Transactions									
ORDER			PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE			TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE	
SOURCE	FALSE	NO	DELIVERED/PERFORMED			10/02/2021	09/30/2021	N/A	
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
610000 Operating Expenses (RC24)		1,000		B604	231000 Liability for Advances and Prepayments (RC 23)		1,000		A710
141000 Advances and Prepayments (RC 23)			1,000		510000 Revenue from Goods Sold (RC24)			1,000	
Performance Date: 09/30/21 - Accounting Period 12					Performance Date: 09/30/21 - Accounting Period 12				
To record the delivery of goods in which the Order was prepaid or advanced.					To record the collection of revenue earned related to a reimbursable agreement.				

Transaction 3: The Ordering Agency creates an informational negative Received/Accepted Transaction on 10/20/21 for \$800 to indicate disagreement with the Performing Agency’s Delivered/Performed Transaction. **It is important to remember that, in this instance, no accounting transactions are needed because this is informational only for the purpose of informing the Performing Agency that adjustments may be needed.**

Transaction 4: The Performing Agency agrees with the Ordering Agency’s Received/Accepted Transaction and creates a negative Delivered/Performed Transaction to correct the liquidation.

FIDS on the Order and Performing Agency’s Performance Transactions									
ORDER			PERFORMANCE						
FOB POINT	CAPITALIZATION INDICATOR	ASSISTED ACQUISITION INDICATOR	PERFORMANCE TYPE			TRANSACTION DATE	PERFORMANCE DATE	ACCOMPLISHED DATE	
SOURCE	FALSE	NO	DELIVERED/PERFORMED			10/20/2021	09/30/2021	N/A	
ORDERING AGENCY		DEBIT	CREDIT	TC	PERFORMING AGENCY		DEBIT	CREDIT	TC
141000 Advances and Prepayments (RC 23)		200		B604	510000 Revenue from Goods Sold (RC24)		200		A710
610000 Operating Expenses (RC24)			200		231000 Liability for Advances and Prepayments (RC 23)			200	
Performance Date: 09/30/21					Performance Date: 09/30/21				
To record a negative adjustment to the delivery of goods in which the Order was prepaid or advanced.					To record a negative adjustment to the collection of revenue earned related to a reimbursable agreement.				



G-Invoicing Business Rules

Fiscal Service established a mandate in the Treasury Financial Manual (TFM) for the use of Government Invoicing (G-Invoicing) to facilitate Buy/Sell intra-governmental transactions (IGT). This mandate is a phased approach that requires new Buy/Sell activity to be implemented by October 2022 and in-flight activity to be converted by October 2023. Fiscal service will monitor Entity compliance to meet the G-Invoicing mandate by defining metrics and thresholds to measure compliance levels and communicating those levels to the Entity. One way in which Fiscal Service will measure an Entity's compliance will be a comparison between the data that an Entity reports in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) and the Performance Transactions created in G-Invoicing. This document defines the G-Invoicing specifications needed to compare with bulk file data entered by agencies into GTAS, for this purpose of measuring agency compliance with the G-Invoicing mandate.

Certain transactions an Entity completes in G-Invoicing create the need to post accounting journal entries within the Entity's internal accounting records. These journal entries feed the Entity's trial balance, thereby, impacting the Entity's financial statement lines and reciprocal categories (RCs), specifically RC22 Accounts Receivable/Payable, RC23 Advances and Prepayments to/from Others, and RC24 Buy/Sell Revenue/Costs. The rules describe the various types of G-Invoicing transactions that are expected to affect the previously mentioned RCs. The dollar amounts derived from these rules will be used as the basis for comparison with the GTAS data. Percentages calculated from this comparison will be used to measure the compliance based on a metric of percentage thresholds which include a traffic light rating Green, Yellow, and Red to be reflected on the IGT scorecard. The percentage thresholds will be incrementally increased each Fiscal Year (FY).

Performance Transaction Types

The types of G-Invoicing Transactions are Delivered/Performed, Received/Accepted, Advance, and Deferred Payment. The Business Rules surrounding these Performance Transactions can be found at [TFM Volume 1, Part 2, Chapter 4700, Appendix 8, Section 2.6.](#)

Delivered/Performed: Performance Transaction submitted by the Seller to indicate that they have transferred control or performed the good/service to the Buyer. The completion of this transaction would indicate a receivable/revenue being recorded by the Seller and should be reciprocated with expense/payable recorded by the Buyer. If the Order is operating under FOB Point of Source, this Performance Transaction will automatically initiate settlement through the IPAC application.

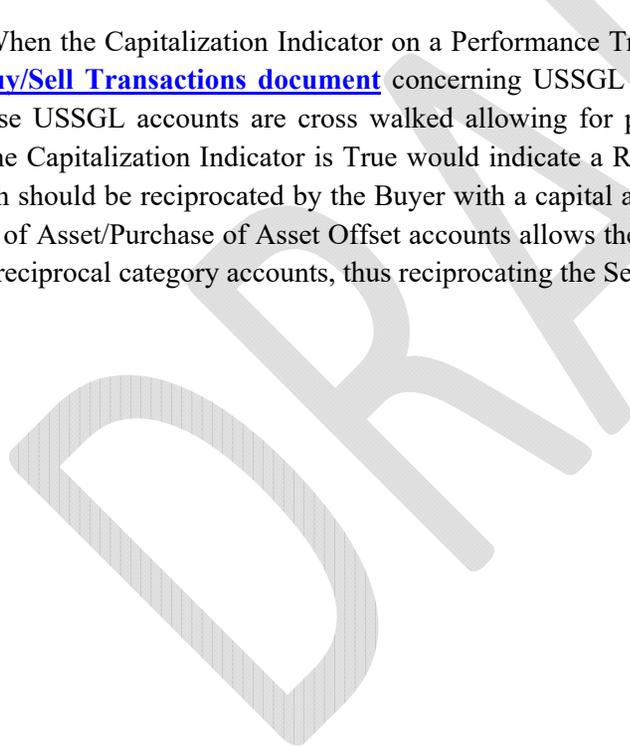
Received/Accepted: Performance Transaction submitted by the Buyer to indicate receipt and acceptance of the goods/services from the Seller, which will occur after the Seller has completed a Delivered/Performed transaction. If the Order is operating under FOB Point of Destination, this Performance Transaction will automatically initiate settlement through the IPAC application. If receipt and acceptance is not provided by the expiration of the agreed upon Constructive Receipt Days, automatic receipt and acceptance will be generated through G-Invoicing to align with the Seller's Delivered/Performed transaction and initiate settlement.

Advance: Performance Transaction submitted by the Seller to collect an advance payment from the Buyer. The Seller will be able to initiate the Advance Performance Transaction to generate an advance collection/payment of funds regardless of FOB Point domain value. Completion of this Performance Transaction will automatically initiate fund settlement through the IPAC application. Any Delivered/Performed transactions against Schedules with an advance balance will not initiate settlement but should be used to draw down the advance balance on the Schedule. Upon, completion of settlement of an advance payment, the Buyer and Seller must record the appropriate asset and liability to reflect the advanced balance.

Calculation: Advance Payment – Delivered/Performed = Open advance/prepaid balance

Deferred Payment: Performance Transaction submitted by the Seller to communicate work completed, **but not yet billed**. The completion of this transaction would indicate a receivable and revenue recorded by the Seller and should be reciprocated with an expense and payable by the Buyer. This Performance Transaction does not initiate fund settlement through the IPAC application and is designed to only communicate the amount of work completed by the Seller. The amount of Deferred Payment cannot exceed the undelivered balance on the Schedule. Deferred Payment transactions reduce the amount of the undelivered balance for that Accounting Period. For Deferred Payments transactions, the amount of the accrual entry will equal the amount of the Deferred Payment transaction in G-Invoicing. The Deferred Payment transaction completed in G-Invoicing is only applicable to the Accounting Period referenced on the Performance Transaction (must be an open Accounting Period). G-Invoicing will consider this Deferred Payment amount as life-to-date and any subsequent Deferred Payment transactions submitted for the same Accounting Period will override the previous Deferred Payment transaction. The Performance Transactions completed by the Seller and Buyer should be reconciled by both entities, at a minimum, on a quarterly basis to ensure both parties agree.

Recording Capitalized Assets: When the Capitalization Indicator on a Performance Transaction is True, Federal entities should follow the [Intra-governmental Capital Asset and Inventory Buy/Sell Transactions document](#) concerning USSGL guidance on capitalized assets located on Fiscal Service's website. This guidance demonstrates where these USSGL accounts are cross walked allowing for proper intra-governmental eliminations at year-end. The completion of a Performance Transaction where the Capitalization Indicator is True would indicate a Receivable/Revenue from Goods Sold along with a COGS/Inventory Asset being recorded by the Seller which should be reciprocated by the Buyer with a capital asset/payable and a Purchase of Asset/Purchase of Asset Offset transaction recorded. The use of the Purchase of Asset/Purchase of Asset Offset accounts allows the Buyer to properly record their capital asset on their books, while moving the transaction over to the federal reciprocal category accounts, thus reciprocating the Sellers transactions, and eliminating intra-governmental differences.



Business Rules by Reciprocal Category

1 Buyer Business Rules

1.1 RC22 (22.3 - Accounts Payable, and Other Liabilities)

- 1.1.1 Delivered/Performed Transactions that are FOB point value domain Source on non-advance order/line/schedule that have not settled.
- 1.1.2 Delivered/Performed Transactions that are FOB point value domain Destination on non-advance order/line/schedule, that do not have corresponding settled Received/Accepted Transactions.
- 1.1.3 Active Deferred Payment Transactions.

1.2 RC23 (5 - Advances to Others and Prepayments)

- 1.2.1 Advance Performance Transactions that have settled, less Delivered/Performed Transactions on an advanced order/line/schedule.

1.3 RC 24 (7.3 - Buy/Sell Costs)

- 1.3.1 Delivered/Performed Transactions order/line/schedule where capitalization indicator is False.
- 1.3.2 Deferred Payment Transactions order/line/schedule where capitalization indicator is False.

1.4 RC 24 (7.4 - Purchase of Assets)

- 1.4.1 Delivered/Performed Transaction order/line/schedule where capitalization indicator is True.

1.5 RC 24 (12.3 - Purchase of Assets Offset)

- 1.5.1 Delivered/Performed Transaction order/line/schedule where capitalization indicator is True.

2 Seller Business Rules

2.1 RC22 (3.4 - Accounts Receivable)

- 2.1.1 Delivered/Performed Transactions that are FOB Point domain value Source on non-advance order/line/schedule that have not settled.
- 2.1.2 Delivered/Performed Transactions that are FOB Point domain value Destination on non-advance order/line/schedule, that do not have corresponding settled Received/Accepted Transactions.
- 2.1.3 Active Deferred Payment Transactions.

2.2 RC23 (25 - Advances from Others and Deferred Credits)

- 2.2.1 Advance Performance Transactions that have settled, less Delivered/Performed Transactions on an advanced order/line/schedule.

2.3 RC 24 (12.2 - Buy/Sell Revenue)

- 2.3.1 Delivered/Performed Transactions.
- 2.3.2 Deferred Payment Transactions.

2.4 RC 24 (7.3 - Buy/Sell Costs)

- 2.4.1 Delivered/Performed Transactions order/line/schedule where capitalization indicator is True.

Conclusion

Fiscal Service's intent is to provide onboarding FPAs the flexibility required to meet their varied business process needs, while also ensuring there are enough standardization and process steps to address the accounting challenges that affect the government today. With G-Invoicing, FPAs will have a mechanism to share information with one another, laying the groundwork to drive improved transaction processing and financial reporting, and to drive efficiency of operations Governmentwide! Efforts should begin now to start along the road towards full G-Invoicing implementation.

Disclaimers

- As FPAs are negotiating their GT&C and Order, they may see Budgetary accounting events at different stages of the transaction lifecycle than their trading partners. The enactment of an appropriation, the apportionment of funds by OMB, and the allotment of authority may all occur before or during this stage. In addition, some budgetary events may vary depending on the types of funds and their authority prior to the Order Stage. Agencies should utilize FIDS from G-Invoicing when appropriate and use professional discernment and refer to the Transaction Codes already in the USSGL TFM Supplement III, for budgetary accounting entries. Ultimately, agencies should refer to their respective budget office and OMB Circular No. A-11 to ensure budgetary entries are properly recorded.
- Each FPA's accounting office must verify the accuracy of the transactions retrieved from IPAC and G-Invoicing. FPAs follow standard procedures to record the transactions applicable to their TAS as of the accomplished/transaction date reflected in IPAC and G-Invoicing. Further, each FPA is still responsible for their own Anti-Deficiency Act (ADA) monitoring.
- Reporting requirements for CARS and GTAS will not be affected by the implementation of G-Invoicing.
- G-Invoicing accommodates Buy/Sell, reimbursable exchange transactions, in which one federal entity provides goods or services to another federal entity and funds are exchanged.
 - Fiduciary (Investments & Borrowings), Retirement and Insurance Transfer System (RITS), Treasury Receivable Accounting and Collection System (TRACS), Grants, Pension, and non-Buy/Sell activity will still be maintained in IPAC.
 - Non-expenditure transfers should be managed in the appropriate CARS modules.
 - Payments to state and local governments should continue to be disbursed through other payment mechanisms.