Intragovernmental Transactions Working Group (ITWG)

April 14, 2020

Today's Agenda

- Program Updates
- Order FIDS Updates
- Survey Results
- Seller Facilitated Orders
- Accrual Reporting
- Refunds
- Survey Questions

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Tentative ITWG Schedule

- ✓ Feb 11 – Program Updates

- ✓ Mar 10 – Seller Facilitated Orders (SFO)

- ❑ Apr 14 – SFO, Accruals, Refunds

Planned Dates: May 12, Jun 9, July 14

Future Topics:

- Low Dollar Purchases

- Loading Active Documents
    - Requirements in CY 2020

2-3:30 pm ET

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Program Updates

- Release 3.2 is in Production as of April 9
  - QA scheduled for April 17
  - Disburser Administrator (new role) may begin creating your organizational structure
  - GT&C Manager may then begin assigning organizational Groups to GT&Cs
    - G-Invoicing team will assist specific agencies in converting large numbers of GT&Cs
  - Order Manager may begin assigning organizational Groups to Orders

- Release 3.3 planned for June 4 (in Production)
  - QA scheduled for June 12
  - Organizational Administrators may point SDAGs at organizational Groups
  - Improvements to user experience for organizational maintenance
  - Contains the 12 Order data standard changes announced recently

- Rules of Engagement

- Quarterly Implementation Plan Updates

- TFM Update in June

- Implementation Dates

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Order FIDS Changes

- The November ITWG was used to communicate upcoming changes to the G-Invoicing Order FIDS.

- Treasury, OMB, and Procurement technical experts collaborated during CY 2019 to address interagency assisted acquisition alignment between G-Invoicing's FIDS and OMB guidance.

- The Requesting Agency was the only trading partner that had a text field available for comments at the Order level.

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Order FIDS Changes

- Removed Requesting/Servicing Agency BPN from Order Header and BPN+4 from Order Schedule
  - Unique identifier for the government is transitioning to Unique Entity Identifier (UEI) as noted in the Federal Register (84 FR 32919) thru December 2020
- Added Funding Office Code and Funding Agency Code to the Order Header
  - Conditional based on Assisted Acquisition Indicator
- Added Requesting/Servicing Agency Unique Entity Identifier (UEI) to Order Header
  - Optional as the requirement to maintain a current registration in the System Award Management does not apply to an agency of the Federal Government that receives an award from another agency (2 CFR part 25, subpart A)
- Removed Servicing Agency Authority Fund Type Code, Title, and Citation from Order Header
  - Statutory Authority Fund Type Code, Title, and Citation are now three individual data elements that must be agreed upon between both trading partners rather than having the ability for these to be different values between the Buyer and the Seller
- Added Servicing Agency Order Comments to Order Header

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Survey Results from February

Seller Facilitated Orders (SFO)

- As a Servicing Agency, most agencies think SFO will be useful
- As a Requesting Agency, all but one respondent recognizes that SFO is needed for some GSA business lines and/or other unique suppliers
  - Buyers insist that certain audit controls be in place
- Many agencies plan to support SFO using a mix of API and UI
  - *Note: Guidance is needed to ensure consistent sources of data*
- Most agencies believe that either partner should be able to initiate a modification to an Order
  - *Note: Modifications require approval by the partner*
- Tight vote on who should be able to close an Order
  - Either = 11
  - Buyer = 10
  - Seller = 4

  New Requirement: Orders must be at zero (0) balance before closing

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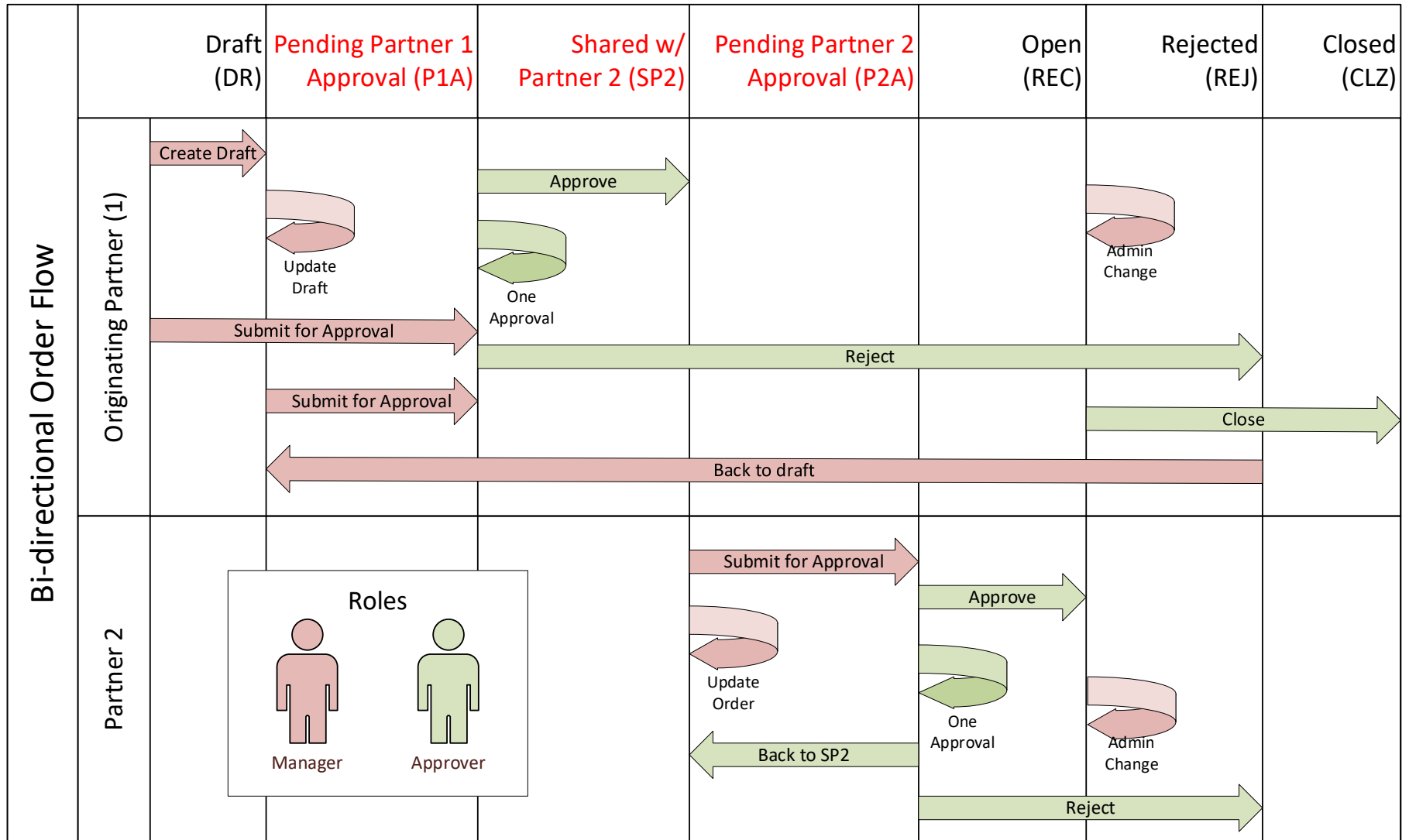# Seller Facilitated Orders – Data Elements

- ## GT&C Data Standards
  - + Originating Partner Indicator (R/S)
    - Mandatory data element
    - Negotiated by partners on the GT&C
    - Applies to all Orders under that GT&C
      - If 'R' then new/modified Orders must be submitted by requesting agency
      - If 'S' then new/modified Orders must be submitted by servicing agency
    - Default to 'R' for existing Orders

- ## Order Data Standards
  - + Originating Partner Indicator (R/S)
    - Derived from Originating Partner Indicator on GT&C
    - Value cannot be altered by agencies
    - Display in UI to distinguish SFO from Buyer Initiated Order
    - Add to the Order FIDS for convenience sake

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Seller Facilitated Orders – Status Codes

- Working to release draft specifications in May
- Replace current Order status flow with bi-directional flow
  - Draft (DR) *
  - **Pending Partner 1 Approval (P1A)** *
    - currently Pending Requesting Agency Approval (PRA)
  - **Shared with Partner 2 (SP2)**
    - currently Shared with Servicing Agency (SSA)
  - **Pending Partner 2 Approval (P2A)** *
    - currently Pending Servicing Agency Approval (PSA)
  - Open (REC)
  - Rejected (REJ)
  - Closed (CLZ)

* Only applicable to user interface

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Seller Facilitated Orders – State Diagram

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Seller Facilitated Orders – TBD

- How to enforce/encourage timely update/approval (or rejection) by the Buyer?

- Which status should new SFO land on?
    - Shared with Partner 2 or Pending Partner 2 Approval

- Who is allowed to modify an Order? SFO? BIO?
    - Leaning towards whichever trading partner submitted the Order to G-Invoicing based off the GT&C Originating Partner Indicator
    - A partner cannot modify data that was originally submitted by their trading partner

- Leaning towards the Buyer always closing Orders
    - Orders must be at zero (0) balance before closing

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Accruals – Data

- G-Invoicing already has all the data elements needed to report accruals
  - Order data standards
  - Performance data standards
- Accruals will be calculated by applying rules that we've discussed during previous ITWG sessions
  - We will publish a specification on how to interpret Performance transactions for accruals
  - G-Invoicing will apply these rules for accrual reporting
  - Vendors and agencies may apply the same rules in their systems

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Refund – User Story (for Seller)

As a servicing agency performance manager

I wish to submit a refund to the Requesting Agency

for an Order that has been (at least partially) settled

because I have received a refund from a 3rd party

Notes: 1) *There could be other reasons to return funds*

2) **An adjustment to quantity paid is not considered a Refund*

3) **Agencies have asked that the seller be allowed to adjust the quantity Delivered/Performed, even when fully Received/Accepted by the buyer*

* These kind of quantity adjustments are different use cases

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Refund – Example

Setup:

1. Order with FOB Source and open status
2. Schedule with Quantity 100, Price $1, and no advance
3. Seller reports Quantity 100 on Performance type Delivered/Performed
4. IPAC pulls $100 from Buyer to Seller

Scenario 1 (Refund):

- Seller reports Price $5 and Quantity 0 on Performance type Refund
- IPAC pushes $5 back to Buyer
- Buyer may close the Order because Quantity balance is 0

Scenario 2 (Adjustment):

- Seller reports Quantity -5 on Performance type Delivered/Performed
- IPAC pushes $5 back to Buyer
- Buyer cannot close the Order because Quantity balance is 5

Orders must be at zero (0) balance before closing

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Refund – Acceptance Criteria

- Refunds may be submitted through an API or via the user interface

- Refunds are initiated by the Servicing Agency

- A refund may be made against an Order in open or closed status

- "Refund" will be a new Performance Type (188)

- Like all other Performance Types, a refund must reference a specific Order, Line and Schedule

- Refunds do <u>not</u> reference a previously reported Performance transaction

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Refund – Acceptance Criteria (cont.)

- Refunds are value based (i.e., expressed in dollars/cents), not quantity based
  - Quantity based "refunds" can be made as adjustments
- The net value of refund(s) cannot exceed the amount already settled for that Schedule
- Future dated refunds are not allowed
- Refunds may be adjusted downward by the Servicing Agency
  - e.g., $10 refunded, but -$2 adjusted to net $8
- Refunds impact any net value displayed, reported or transmitted for that Schedule, Line and Order

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Survey Questions

1. Please provide you name, agency and contact information

2. As a Servicing Agency, describe any scenarios in which you issue refunds to your IGT partners.

3. As a Servicing Agency, what percentage of Orders involve a refund?

4. As a Servicing Agency, do any of the rules listed in this slide deck conflict with how you need to process refunds?

5. As a Servicing Agency, what percentage of refunds are declined or returned by the Requesting Agency?

6. As a Requesting Agency, describe any actions you take upon receiving a refund from an IGT trading partner.

7. As a Requesting Agency, what percentage of refunds do you decline or return to the Servicing Agency?

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