Federal Financial Management Business Use Cases for Bill-to-Collect

Version 2.0

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Purpose

The Federal Financial Management (FFM) Business Use Cases reflect the business needs, or requirements that an agency must follow in the financial management community. This document is part of the FFM Business Use Case Library and contains the business use cases associated with the Bill-to-Collect Business Process. The ***Federal Financial Management Business Use Case Library Overview*** should be referenced in conjunction with this document for guidance on understanding and applying the FFM Business Use Cases to agency financial operations.

Appendix A provides a list of the documents in the FFM Business Use Case Library.

Business Use Case Structure

The sections of the FFM business use cases are described below.

Business Use Case Identifier: includes information about the key underlying components. The notation for a business use case identifier is as shown.
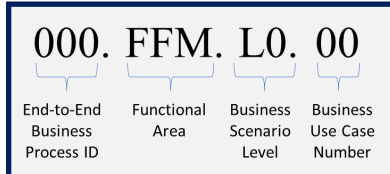

Figure 1: The notation for a business use case identifier.

Business Scenario(s) Covered: identifies differing situations or conditions that occur when executing an end-to-end business process and reflect the scope and complexity of federal government agency missions.

Business Actor(s): identifies the typical offices or roles performing events in the business use case.

Synopsis: provides a summary of the events that take place within the business use case.

Assumptions and Dependencies: includes context information about events that have occurred prior to the first event identified in the business use case or outside of the business use case and dependencies on events accomplished in other business use cases. There are several common assumptions that are established for all business use cases. Additional assumptions or dependencies are included if needed for the specific business use case.

FFMSR ID Reference(s): includes a list of the Federal Financial Management System Requirements (FFMSR) that apply for the business use case.

Initiating Event: identifies the event that triggers the initiation of the business use case.

Typical Flow of Events: includes the Federal Financial Management (FFM) and non-FFM events that may occur to complete the business scenario(s) included in the business use case. The non-FFM events are provided for business context. Also included are the inputs and outputs or outcomes that one would expect to occur during or as a result of the event.

Budget
Formulation-to-
Execution | Acquire-to-
Dispose | Request-to-
Procure | Procure-to-
Pay | **Bill-to-
Collect** | Record-to-
Report | Agree-to-
Reimburse | Apply-to-
Perform | Hire-to-
Retire | Book-to-
Reimburse | Apply-to-
Repay

Bill-to-Collect Business Use Cases

050.FFM.L1.01 Penalties, Interest, and Collections
End-to-End Business Process: 050 Bill-to-Collect
Business Scenario(s) Covered
• Individual Receivables • Disputes • Collectable by Agency • Credit Memo • Penalties, Interest, and Administrative Fees • Non-Treasury Deposits
Business Actor(s)
Finance Office; Customer (non-government)
Synopsis
A private sector entity (Customer) is billed by a federal agency for goods or services provided by the agency. The quality of some of the goods is disputed and the disputed goods are returned. The invoice is not paid on time causing penalties, interest, and administrative fees to be incurred and a dunning notice to be sent. The dispute is resolved by issuing a credit memo to the Customer and waiving the penalties. The balance due plus interest on the undisputed goods is paid.

050.FFM.L1.01 Penalties, Interest, and Collections

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The federal agency has already recorded the sales order for the goods in their ordering system and the goods have been shipped.
9. The invoice is generated from an external system and electronically sent to the FM system, and the invoice date is the date it is sent.
10. The federal agency does not refund the administrative fees.
11. The customer finds some of the goods acceptable, but pays for none and does not issue a dispute until after receipt of a dunning notice.
12. The federal agency is executing the deposit activities.

FFMSR ID Reference(s): 1.1.2; 1.1.5; 2.2.4; 2.2.5; 2.2.6

Initiating Event: Goods are ordered from a federal government agency.

USE CASE 050.FFM.L1.01 PENALTIES, INTEREST, AND COLLECTIONS

	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
1		Receive sales order for goods (SFM.010.010 Sales Order Intake)	• Sales order	• Payer information
2	Establish non-federal payer information (FFM.060.010 Payer Set-up and Maintenance)		• Payer information	• Established FM system payer
3		Release for sales order fulfillment, track status, and generate sales order invoice (SFM.010.020 Sales Order Processing)	• Sales order	• Invoice
4	a. Receive and process invoice, and set up public receivable (FFM.060.020 Public Receivable Set-up and Invoicing) b. Recognize earned revenue (FFM.040.010 Revenue Processing)		• Invoice	• Appropriate receivable entry created with reference to source information • Appropriate revenue recognition entry created with reference to source information
5	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

| Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay |

USE CASE 050.FFM.L1.01 PENALTIES, INTEREST, AND COLLECTIONS

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	a. Monitor age of receivable b. Accrue penalties, interest, and administrative fees c. Generate and send dunning notice for delinquent debt (FFM.070.010 Delinquent Debt Collection)		• Aged receivable • Terms of sales order • Administrative fees information	• Dunning notice • Debt status and notice of customer rights • Appropriate receivable entries created with reference to source information • Appropriate revenue recognition entries created with reference to source information • Receivable balance and accrued penalties and interest information provided to sales order management
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
8	Produce and provide public receivable report (FFM.060.050 Public Receivable and Collection Reporting)		• Status of the receivable	• Receivable and collection status information (including receivable balance and accrued penalties and interest)

Lead. Transform. Deliver.

USE CASE 050.FFM.L1.01 PENALTIES, INTEREST, AND COLLECTIONS

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9		a. Receive return of disputed goods and record invoice dispute for quality of goods provided against original sales order b. Resolve dispute by waiving penalties, adjusting interest, and generating an adjusted invoice (SFM.010.020 Sales Order Processing)	• Dispute information • Returned goods • Receivable and collection status information (including receivable balance and accrued penalties and interest)	• Dispute record associated with original sales order • Adjusted invoice • Request for credit memo
10	a. Create and apply credit memo against initial receivable, waive penalties, adjust interest, and adjust receivable (FFM.060.030 Public Receivable Credit Memo and Adjustment Processing) b. Adjust revenue per credit memo (FFM.040.010 Revenue Processing)		• Request for credit memo • Adjusted invoice	• Credit Memo • Appropriate receivable adjustment entries created with reference to source information • Appropriate revenue adjustment entries created with reference to source information
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

USE CASE 050.FFM.L1.01 PENALTIES, INTEREST, AND COLLECTIONS

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
12	Receive and process collection referencing established principal and interest receivables, and deposit (FFM.060.040 Public Receipt Processing)		• Collection received	• Appropriate collection and deposit entries created with reference to source information • Appropriate receivable adjustment entry created with reference to source information
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

050.FFM.L1.02 Delinquent Debt Processing

End-to-End Business Process: 050 Bill-to-Collect

Business Scenario(s) Covered

- Insufficient Funds on Debtor's Payment
- Referral to Treasury
- Delinquent Collection and Write-off

Business Actor(s)

Finance Office, Federal Entity Selling Goods/Services to the Public; Private Sector Customer

Synopsis

A federal agency good or service was purchased and paid via check. After the good or service was provided, the Customer's check was returned for insufficient funds. An invoice is generated that includes interest and administrative fees. The invoice and receivable are not paid and age sufficiently to refer to Treasury for collection. Because the Customer is no longer in business, the delinquent debt is written off.

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The federal agency selling the goods/services processed the sale and the original check collection through their sales order and fulfillment system.
9. The terms of the sales order included assessment of administrative fees for returned checks and interest for unpaid invoices.
10. The payer has been established in the FM system.

FFMSR ID Reference(s): 1.1.2; 1.1.5; 2.2.4; 2.2.5; 2.2.6

Initiating Event: The Customer's check is returned for insufficient funds.

USE CASE 050.FFM.L1.02 DELINQUENT DEBT PROCESSING

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1	a. Receive and process notice of insufficient funds (FFM.060.040 Public Receipt Processing) b. Request original sales order and terms of sale if available (FFM.060.020 Public Receivable Set-up and Invoicing)		• Notice from Treasury	• Appropriate collection reversal entry created with reference to source information • Appropriate receivable adjustment entries created with reference to source information • Request for sales order and terms of sale
2	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
3		Provide original sales order and terms of sale (SFM.010.020 Sales Order Processing)	• Request for sales order and terms of sale	• Original sales order and terms of sale

USE CASE 050.FFM.L1.02 DELINQUENT DEBT PROCESSING

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4	a. Receive original sales order and terms of sale if available and establish receivable for penalties, interest, and administrative fees (FFM.060.020 Public Receivable Set-up and Invoicing) b. Recognize revenue for penalties, interest, and administrative fees (FFM.040.010 Revenue Processing) c. Invoice for original order amount, penalties, interest, and administrative fees (FFM.060.020 Public Receivable Set-up and Invoicing)		• Original sales order and terms of sale	• Invoice that includes original order amount, interest, and administrative fees • Appropriate receivable entries created with reference to source information • Appropriate revenue recognition entries created with reference to source information
5	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

USE CASE 050.FFM.L1.02 DELINQUENT DEBT PROCESSING

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	a. Monitor age of receivable and accrue additional interest; generate and send dunning notice for delinquent debt (FFM.070.010 Delinquent Debt Collection) b. Recognize revenue for interest (FFM.040.010 Revenue Processing)		• Aged receivable • Terms of sales order	• Dunning notice • Appropriate receivable entry created with reference to source information • Appropriate revenue recognition entry created with reference to source information
7	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
8	a. (In a later accounting period) Monitor age of receivable and accrue additional interest; refer debt to Treasury for collection (FFM.070.010 Delinquent Debt Collection) b. Recognize revenue for interest (FFM.040.010 Revenue Processing)		• Aged receivable • Terms of sales order	• Referral to Treasury for collection • Appropriate receivable entry created with reference to source information • Appropriate revenue recognition entry created with reference to source information

USE CASE 050.FFM.L1.02 DELINQUENT DEBT PROCESSING

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
10		Determine status of debt and request write-off of uncollected amount (SFM.010.020 Sales Order Processing)	• Debtor information	• Debtor status information • Write-off request
11	Receive request to write-off uncollected amount with debtor status information; write off and close out receivable (FFM.070.020 Delinquent Debt Write-off and Close-out)		• Aged receivable • Write-off request	• Appropriate receivable entries liquidated with reference to source information
12	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
13	Generate 1099-C Cancellation of Debt (FFM.070.030 Delinquent Debt Reporting)		• Debtor status information • Write-off request	• 1099-C Cancellation of Debt

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| Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | Bill-to-Collect | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay |

050.FFM.L2.01 AR/AP Netting

End-to-End Business Process: 050 Bill-to-Collect

Business Scenario(s) Covered

- AR/AP Netting

Business Actor(s)

Finance Office; Program Office; Private Sector Entity (PSE)

Synopsis

Funds (e.g., fees) from ongoing PSE activities are periodically billed by the agency. Payments are submitted by the PSE using a Treasury-provided electronic payment system, and collection information is provided to the agency Program Office. An overpayment is made on the first periodic bill. A payable reflecting a refund due to the PSE is established and held. The bill for the subsequent period is prepared. The bill is reduced by the payable (refund) to cover the overpayment and a revised bill is prepared and sent by the Finance Office.

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. An order or award for the services provided to the PSE were established under a previous Request-to-Procure process.
9. The agency authority to collect and spend the fees has been established under a previous Budget Formulation-to-Execution process.
10. The fee agreement with the PSE, permitting application of credits and payment offsets in the billing process, has been established.
11. The overpayment is less that the "next" periodic payment amount.

FFMSR ID Reference(s): 1.1.2; 1.1.5; 2.2.1; 2.2.2

Initiating Event: The first billing date for PSE fees arrives.

Budget Formulation-to-Execution / Acquire-to-Dispose / Request-to-Procure / Procure-to-Pay / **Bill-to-Collect** / Record-to-Report / Agree-to-Reimburse / Apply-to-Perform / Hire-to-Retire / Book-to-Reimburse / Apply-to-Repay

Use Case 050.FFM.L2.01 AR/AP Netting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Determine fees due from PSE activity for first periodic bill b. Request processing of first periodic bill information (Program Mission Activity)	• PSE activity information	• First periodic bill information • Request for processing of first periodic bill information
2	a. Receive and process request for processing of first periodic bill information (FFM.060.040 Public Receipt Processing) b. Establish receivable (FFM.060.040 Public Receipt Processing) c. Recognize revenue (FFM.040.010 Revenue Processing) d. Generate and send first periodic bill (FFM.060.040 Public Receipt Processing)		• First periodic bill information • Request for processing of first periodic bill information	• Appropriate receivable entry created with reference to source information • Appropriate revenue recognition entry created with reference to source information • First periodic bill sent
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

Use Case 050.FFM.L2.01 AR/AP Netting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		a. Receive first periodic collection and deposit information, which reflects an overpayment b. Request processing of first periodic collection and deposit information c. Determine and validate overpayment amount and request establishing and holding a payable for a refund due to PSE (Program Mission Activity)	• First periodic collection and deposit information, reflecting an overpayment	• Periodic collection and deposit information • Request for processing of first periodic collection and deposit information • Validated refund amount information • Request to establish and hold a payable for a refund due
5	a. Receive and process first periodic collection and deposit information (FFM.060.040 Public Receipt Processing) b. Apply portion of collection to liquidate billed receivable balance (FFM.030.070 Payment Processing – Commercial Payments) c. Receive and process request for establishing and holding a payable for refund due to PSE (FFM.030.070 Payment Processing – Commercial Payments)		• Periodic collection and deposit information • Request for processing of first periodic collection and deposit information • Validated refund amount information • Request to establish and hold a payable for a refund due	• Appropriate collection and deposit entries created with reference to source information • Appropriate billed receivable liquidation entry created with reference to source information • Appropriate payable entry created with reference to source information

Use Case 050.FFM.L2.01 AR/AP Netting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
7		a. Determine fees due from PSE activity for subsequent periodic bill b. Request processing of subsequent periodic bill information (Program Mission Activity)	• PSE activity information • Agreement with PSE	• Subsequent bill information • Request for processing of subsequent periodic bill information

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

Use Case 050.FFM.L2.01 AR/AP Netting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	a. Receive and process request for processing of subsequent periodic bill information (FFM.060.040 Public Receipt Processing) b. Net the receivable for the subsequent periodic bill and the payable for the overpayment of the first periodic bill (FFM.060.040 Public Receipt Processing) c. Recognize revenue (FFM.040.010 Revenue Processing) d. Generate and send adjusted subsequent periodic bill (FFM.060.040 Public Receipt Processing)		• Subsequent bill information • Request for processing of subsequent periodic bill information	• Appropriate receivable entry created with reference to source information • Appropriate receivable adjustment entry created with reference to source information • Appropriate earned revenue entry created with reference to source information • Appropriate payable entry liquidated with reference to source information • Adjusted subsequent periodic bill sent
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

Use Case 050.FFM.L2.01 AR/AP Netting

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
10		a. Receive subsequent periodic collection and deposit information b. Request processing of subsequent periodic collection and deposit information (Program Mission Activity)	• Subsequent periodic collection and deposit information	• Subsequent periodic collection and deposit information • Request for processing of subsequent periodic collection and deposit information
11	Receive and process request for processing of subsequent periodic collection and deposit information (FFM.060.040 Public Receipt Processing)		• Subsequent periodic collection and deposit information • Request for processing of subsequent periodic collection and deposit information	• Appropriate collection and deposit entries created with reference to source information
12	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

050.FFM.L3.01 Aggregated Receivables for Custodial Revenues

End-to-End Business Process: 050 Bill-to-Collect

Business Scenario(s) Covered

- Unbilled Collections
- Aggregated Receivables
- Custodial Revenues

Business Actor(s)

Program Office; Finance Office; Private Sector Entities (PSE)

Synopsis

Funds (e.g., taxes, fees, royalties) from PSE activities are owed to an agency managing a custodial account. Periodic payments are submitted using a Treasury-provided electronic payment system, and payment information is provided to the agency Program Office. The aggregated custodial revenue is reported by the agency Program Office. Reports substantiating the payments with activity information are submitted periodically to the agency Program Office. A periodic reconciliation of collections and PSE activity report information is performed to determine if there is a discrepancy. During a review, it is determined additional payments, penalties, and interest are due. The aggregated receivables are reported by the agency Program Office. At fiscal year-end, information for the Statement of Custodial Activity is provided by the Program Office, and the Financial Statement is produced by the Finance Office.

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

050.FFM.L3.01 Aggregated Receivables for Custodial Revenues

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The royalties (e.g., gas and oil), along with interest and penalties, if any, are being held for the Treasury General Fund.
9. Terms and conditions under which funds and periodic reports are due to the agency have been established.
10. The collecting agency retains administrative fees, if any, to cover expense of reconciliation and processing of underpayments.
11. The agency collecting the custodial revenues does not transfer the revenue to other agencies.
12. An IPAC transfer is not used; funds are redirected to the Treasury General Fund during period end processing via Treasury Central Accounting Reporting System (CARS).

FFMSR ID Reference(s): 1.1.2; 1.1.3; 1.1.4; 1.1.5; 1.3.1; 2.3.2

Initiating Event: Royalty payments are submitted using a Treasury-provided payment system.

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Receive and aggregate periodic reports b. Receive royalty collection and deposit information c. Request processing of periodic aggregated royalty collection and deposit information (Program Mission Activity)	• Periodic royalty reports, showing royalty amounts and collections for the period • Royalty collection and deposit information	• Aggregated periodic reports • Request for processing of aggregated royalty collection and deposit information
2	a. Receive and aggregate royalty collection and deposit information (FFM.060.040 Public Receipt Processing) b. Recognize custodial collections for others (FFM.040.010 Revenue Processing) c. Recognized custodial liability (FFM 090.030 Accrual and Liability Processing) d. Generate appropriate royalty collection report (FFM.040.020 Revenue Reporting)		• Request for processing of aggregated royalty collection and deposit information	• Appropriate collection and deposit entry created with reference to source information • Appropriate custodial collections entry created with reference to source information • Appropriate custodial liability entry created with reference to source information • Appropriate royalty collection report

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
4		a. Review reports and validate accuracy of royalty calculations b. Determine underpayment, penalties, interest, and administrative fees and send a bill c. Request processing of bill information for adjustments to royalty calculation plus penalties and interest (Program Mission Activity)	• Appropriate revenue report • Aggregated periodic reports	• Request for processing of bill information for adjustments to royalty calculation plus penalties, interest, and administrative fees

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	a. Receive and process request for processing of bill information for adjustments to royalty calculation plus penalties, interest, and administrative fees (FFM.060.020 Public Receivable Set-up and Invoicing) b. Establish receivable (FFM.060.020 Public Receivable Set-up and Invoicing) c. Recognize custodial collections for others (FFM.040.010 Revenue Processing) d. Recognized custodial liability (FFM 090.030 Accrual and Liability Processing) e. Recognize revenue from administrative fees (FFM.040.010 Revenue Processing)		• Request for processing of bill information for adjustments to royalty calculation plus penalties, interest, and administrative fees	• Appropriate receivable entry created with reference to source information • Appropriate custodial collections entry created with reference to source information • Appropriate custodial liability entry created with reference to source information • Appropriate administrative fees entry created with reference to source information • Bill sent and received
6	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7		a. Receive adjusted royalty collection and deposit information b. Receive penalties, interest, and administrative fees collection and deposit information c. Request processing of adjusted royalty collection and deposit information d. Request processing of penalties, interest, and administrative fees collection and deposit information (Program Mission Activity)	• Collection and deposit information received	• Request for processing of adjusted royalty collection and deposit information • Request for processing of penalties, interest, and administrative fees collection and deposit information

| | Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay |

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
8	a. Receive and process request for processing of adjusted royalty collection and deposit information b. Receive and process request for penalties, interest, and administrative fees collection and deposit information (FFM.060.040 Public Receipt Processing)		• Request for processing of adjusted royalty collection and deposit information • Request for processing penalties, interest, and administrative fees collection and deposit information	• Appropriate royalty collection and deposit entries created with reference to source information • Appropriate receivable liquidated with reference to source information • Appropriate penalties, interest, and administrative fees collection and deposit entries created with reference to source information
9	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
10	a. Initiate period end closing (FFM 090.040 Period End Closing) b. Liquidate custodial liability (FFM 090.030 Accrual and Liability Processing)		• Custodial collection and custodial liability information	• Appropriate custodial liability liquidation entry created with reference to source information

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

USE CASE 050.FFM.L3.01 AGGREGATED RECEIVABLES FOR CUSTODIAL REVENUES

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11		Provide fiscal year end information for the Statement of Custodial Activity (Program Mission Activity)	• Financial information associated with custodial activity	• Information for the Statement of Custodial Activity
12	Generate Statement of Custodial Activity to incorporate in the Financial Statement (FFM.110.020 Financial Statement Preparation)		• Information for the Statement of Custodial Activity	• Statement of Custodial Activity
13	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

050.FFM.L3.02 Receivable Collection from Third Party Debtor

End-to-End Business Process: 050 Bill-to-Collect

Business Scenario(s) Covered

- Receivables Allocated Among Multiple Payers
- Third Party Payers as Responsible Debtors
- Installment Agreement

Business Actor(s)

Finance Office; Program Office; Private Sector Entities (PSEs)

Synopsis

A service (e.g., site cleanup) is performed by the government that must be reimbursed by multiple PSEs who are subsidiaries of a parent PSE. The costs of the service are allocated among the subsidiary PSEs and bills are generated. The payment for the services performed is not received from one of the subsidiary PSEs, causing penalties, interest, and administrative fees to accrue. A parent PSE is billed as the third party responsible debtor. As part of the collection effort, an installment agreement is established between the government and the parent PSE. The first installment agreement payment is received from the parent PSE.

| Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | Bill-to-Collect | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay |

050.FFM.L3.02 Receivable Collection from Third Party Debtor

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The agreements between the PSEs and the agency have been established and prescribe the terms of reimbursement.
9. The Program Office determines penalties, interest, and administrative fees.
10. The subsidiary and parent PSEs have already been established as payers in the financial system.
11. Collections are deposited through a Treasury-managed service.
12. Late payment expense processing is offset by penalties, interest, and administrative fees collections which are deposited in the agency's account.

FFMSR ID Reference(s): 1.1.2; 1.1.3; 1.1.5; 2.2.4; 2.2.5; 2.2.6

Initiating Event: The government performs services (e.g., site cleanup) to be reimbursed by PSEs.

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

	Typical Flow of Events			
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
1		a. Determine cost allocation among multiple subsidiary PSEs b. Request establishment of receivables in accordance with the allocation (Program Mission Activity)	• Cost of government services • PSE agreements	• Billing information allocated among subsidiary PSEs • Request for establishment of receivables in accordance with the allocation
2	a. Receive and process request for establishment of receivables in accordance with the allocation and set-up receivables (FFM.060.020 Public Receivable Set-up and Invoicing) b. Recognize earned revenue (FFM.040.010 Revenue Processing) c. Generate and send bills to subsidiary PSEs (FFM.060.020 Public Receivable Set-up and Invoicing)		• Billing information allocated among subsidiary PSEs • Request for establishment of receivables in accordance with the allocation	• Appropriate receivable entries created with reference to source information • Appropriate revenue recognition entries created with reference to source information • Generated and sent bills

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
4		a. Receive collection and deposit information for all but one subsidiary PSE b. Request processing of collection and deposit information for all but one subsidiary PSE (Program Mission Activity)	• Collection and deposit information received for all but one subsidiary PSE	• Request for processing of collection and deposit information for all but one subsidiary PSE
5	a. Receive and process request for processing of collection and deposit information for all but one subsidiary PSE (FFM.060.040 - Public Receipt Processing) b. Generate aged receivable report (FFM.070.030 Delinquent Debt Reporting)		• Request for processing of collection and deposit information for all but one subsidiary PSE	• Appropriate collection and deposit entries created with reference to source information • Aged receivables report

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
6		a. Monitor age of receivables and determine penalties, interest, and administrative fees for late collection b. Request dunning notice for unpaid balance, penalties, interest, and administrative fees for third party responsible debtor (Program Mission Activity)	• Aged receivables report • PSE agreements	• Unpaid balance, penalties, interest, and administrative fees • Request for dunning notice for unpaid balance, penalties, interest, and administrative fees for third party responsible debtor

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
7	a. Receive and process request for dunning notice for unpaid balance, penalties, interest, and administrative fees for third party responsible debtor (FFM.070.010 Delinquent Debt Collection) b. Adjust revenue for unpaid receivable (reduce unpaid balance for subsidiary PSE and create entry for third party responsible debtor) (FFM.040.010 Revenue Processing) c. Generate and send dunning notice to third party responsible debtor (FFM.060.020 Public Receivable Set-up and Invoicing)		• Request for dunning notice for unpaid balance, penalties, interest, and administrative fees for third party responsible debtor	• Appropriate receivable entry created with reference to source information • Appropriate revenue adjustment (from unpaid portion of original bill to subsidiary PSE) entry created with reference to source information • Appropriate revenue recognition, for unpaid balance, penalties, interest, and administrative fees (to be paid by third party responsible debtor), entry created with reference to source information • Generated dunning notice to third party responsible debtor
8	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9		Receive request for installment agreement from third party responsible debtor (Program Mission Activity)	• Installment agreement request by third party responsible debtor	• Installment agreement and terms • Request to establish installment agreement with third party responsible debtor
10	Receive and process request to establish installment agreement with third party responsible debtor (FFM.070.010 Delinquent Debt Collection)		• Installment agreement and terms • Request to establish installment agreement with third party responsible debtor	• Appropriate updated receivable entries created per installment agreement with reference to source information • Appropriate revenue recognition entries created per installment agreement with reference to source information
11	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated
12		a. Receive installment collection and deposit information b. Request processing of installment collection and deposit information (Program Mission Activity)	• Installment collection and deposit information received	• Request for processing of installment collection and deposit information

Use Case 050.FFM.L3.02 Receivable Collection from Third Party Debtor

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
13	a. Receive and process installment collection and deposit information b. Adjust receivable (FFM.060.040 Public Receipt Processing)		• Request for processing of installment collection and deposit information	• Appropriate collection and deposit entries created with reference to source information • Appropriate receivable adjustment entry created with reference to source information
14	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

Budget Formulation-to-Execution › Acquire-to-Dispose › Request-to-Procure › Procure-to-Pay › **Bill-to-Collect** › Record-to-Report › Agree-to-Reimburse › Apply-to-Perform › Hire-to-Retire › Book-to-Reimburse › Apply-to-Repay

050.FFM.L3.03 Miscellaneous Receipts

End-to-End Business Process: 050 Bill-to-Collect	

Business Scenario(s) Covered

- Miscellaneous Receipts

Business Actor(s)

Finance Office; Program Office; Non-federal Entity (NFE)

Synopsis

Miscellaneous receipt funds are received by check from an NFE for work an agency performs as part of its ongoing mission. The agency's statutory authority specifies the portion of the funds that may be retained for use in agency operations and the remainder of the funds are allocated to a General Fund Receipt Account (GFRA).

Assumptions and Dependencies

1. There may or may not be automated (near/real-time or batch) interfaces between functional areas/functions/activities or between provider solutions/systems.
2. There is no presumption as to which activities are executed by which actor, or which activities are automated, semi-automated, or manual.
3. Supporting information for general ledger transactions includes sub-ledger entries when sub-ledgers are used.
4. Appropriate attributes (e.g., object class and project) are included as part of the accounting string.
5. Relationships between use cases are described in the Framework for Federal Financial Management Use Cases found in the related overview document.
6. All predecessor activities required to trigger the Initiating Event have been completed.
7. Funds availability checks are performed against appropriations/fund accounts for obligating funds, and against obligations for disbursing funds in accordance with OMB A-11, Section 150.2.
8. The agency has been given statutory authority and an exception to the Miscellaneous Receipts Act; its determination of funds to use for its operations is within its statutory authority and thus does not violate the Miscellaneous Receipts Act.
9. An agreement with the NFE for work the agency performs has already been established.
10. The word "check" may include other forms of reimbursement such as ACH EFT, and credit card.
11. A bill, equal to the miscellaneous receipts check received, has already been sent, a receivable established, and deferred revenue liability appropriately recognized for the services the agency will provide the NFE.
12. Services are delivered per agreement with no refund required.
13. An IPAC transfer is not used; funds are redirected to the Treasury General Fund during the year end sweep of General Fund Receipt Account (GFRA) via Treasury Central Accounting Reporting System (CARS).

FFMSR ID Reference(s): 1.1.2; 1.1.5; 2.2.5

Initiating Event: The Program Office receives a check for miscellaneous receipts.

Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay

Use Case 050.FFM.L3.03 Miscellaneous Receipts

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		a. Determine the amount that can be used for operations, per statutory authority b. Provide NFE check and amount to allocate to operations c. Request deposit of check and allocation of proceeds between operating and General Fund accounts (Program Mission Activity)	• NFE check • Statutory authority allocation guidance • NFE agreement	• Amount allocable to operations • NFE check • Request for deposit of check and allocation of proceeds between operating and General Fund accounts

Use Case 050.FFM.L3.03 Miscellaneous Receipts

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
2	d. Receive and process request for deposit of check and allocation of proceeds between operating and General Fund accounts (FFM.060.040 Public Receipt Processing) e. Deposit NFE check (FFM.060.040 Public Receipt Processing) f. Allocate proceeds between operating and general funds account (FFM.060.040 Public Receipt Processing) g. Recognize revenue (FFM 040.010 Revenue Processing) h. Liquidate deferred revenue liability (FFM 040.010 Revenue Processing) i. Liquidate receivable (FFM.060.040 Public Receipt Processing)		• Amount allocable to operations • NFE check • Request for deposit of check and allocation of proceeds between operating and General Fund accounts	• Appropriate revenue recognition entry created for amount allocable to operations with reference to source information • Appropriate general fund receipt account entry created with reference to source information • Appropriate deferred revenue liability liquidation entry created with reference to source information • Appropriate receivable liquidation entry created with reference to source information

| | Budget Formulation-to-Execution | Acquire-to-Dispose | Request-to-Procure | Procure-to-Pay | **Bill-to-Collect** | Record-to-Report | Agree-to-Reimburse | Apply-to-Perform | Hire-to-Retire | Book-to-Reimburse | Apply-to-Repay |

Use Case 050.FFM.L3.03 Miscellaneous Receipts

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
3	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)		• GL entries	• Appropriate GL accounts updated

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Federal Financial Management Business Use Cases
Version 2.0

Appendix A: FFM Business Use Case Library Documents

Library Document Content	Business Use Case Document Name
FFM Business Use Case Library	FFM Business Use Case Library Overview
010 Budget Formulation-to-Execution	FFM Use Cases 010 Budget Formulation-to-Execution
020 Acquire-to-Dispose	FFM Use Cases 020 Acquire-to-Dispose
030 Request-to-Procure	FFM Use Cases 030 Request-to-Procure
040 Procure-to-Pay	FFM Use Cases 040 Procure-to-Pay
050 Bill-to-Collect	FFM Use Cases 050 Bill-to-Collect
060 Record-to-Report	FFM Use Cases 060 Record-to-Report
070 Agree-to-Reimburse	FFM Use Cases 070 Agree-to-Reimburse
080 Apply-to-Perform	FFM Use Cases 080 Apply-to-Perform
090 Hire-to-Retire	FFM Use Cases 090 Hire-to-Retire
100 Book-to-Reimburse	FFM Use Cases 100 Book-to-Reimburse
110 Apply-to-Repay	FFM Use Cases 110 Apply-to-Repay