Federal Financial Management Business Use Cases for Record-to-Report

February 8, 2021

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PURPOSE

Treasury's Office of Financial Innovation and Transformation (FIT) is the Line of Business (LoB) Managing Partner for the Federal Financial Management (FFM) service area. FIT has developed a library of FFM Business Use Cases which reflect the business needs of the financial management community. The library consists of the *Federal Financial Management Business Use Case Library Overview*, that provides the framework for understanding and using the business use cases, and a series of documents containing the business use cases organized within end-to-end business processes. A list of the available documents can be found in Appendix A.

This document contains the FFM business use cases associated with the Record-to-Report Business Process and should be used in conjunction with the *Federal Financial Management Business Use Case Library Overview*.

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 shown below.

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.

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RECORD-TO-REPORT BUSINESS USE CASES

060.FFM.L1.01 Period End Adjustments and Reporting
End-to-End Business Process: 060 Record-to-Report
Business Scenario(s) Covered
• Audit Adjustments   • Financial Statements • Allowance for Uncollectable Amounts
Business Actor(s)
Finance Office; Program Offices
Synopsis
Overvaluation of an agency's real property assets is revealed by an audit finding and corrections are required in the current fiscal year (FY "n"). In this instance for example, routine maintenance expenses were incorrectly charged to the asset account. Appropriate valuations and associated adjustments are determined by the agency. As the FY "n" nears its end, the allowance for uncollectable amounts is updated. The corrections are made in FY "n". Finally, financial statements for FY "n" are produced by the agency.
Assumptions and Dependencies
1. There may or may not be automated (near/real-time or batch) interfaces between service 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 processes and calculations are in place for determining the appropriate allowances for uncollectable amounts. 9. The agency's records contain the financial management and supporting information required to produce its financial statements.

FFMSR ID Reference(s)	1.1.2; 1.1.3; 1.1.4; 1.1.5; 1.3.1; 2.3.2
Initiating Event	The agency receives its audit findings for the previous fiscal year.

USE CASE 060.FFM.L1.01 PERIOD END ADJUSTMENTS AND REPORTING			
Typical Flow of Events			
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
1		Determine the correct value for the assets noted in the audit findings (PRM.010.050 Property Valuation)	• Audit findings	• Corrected asset valuations
2	Receive and process valuations of noted assets (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)		• Corrected asset valuations	• Appropriate asset adjustment entries created with reference to source information • Appropriate expense adjustment entry created with reference to source information
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	Determine allowance for uncollectable amounts (FFM.070.010 Delinquent Debt Collection)		• Established receivable and delinquent debt information • Historical receivable collection and delinquent debt collection and write-off information	• Allowance for uncollectable amounts information

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USE CASE 060.FFM.L1.01 PERIOD END ADJUSTMENTS AND REPORTING

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	Receive and process the allowance for uncollectable amounts (FFM.090.030 Accrual and Liability Processing)		• Allowance for uncollectable amounts information	• Appropriate allowance entries created with reference to source information
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	Generate required Treasury reports including GTAS (FFM.110.010 Treasury Reporting)		• GL account balances • Supporting Treasury reports information	• Treasury reports
8	Generate OMB-required Prompt Pay and Electronic Funds Transfer (EFT) reports (FFM.030.130 Payment Reporting)		• GL account balances • Supporting payables and disbursement information	• Prompt Pay and EFT reports
9	Generate property, plant, and equipment (PP&E) asset reports (FFM.020.060 Financial Asset Reporting)		• GL account balances • Supporting property management information	• PP&E reports

USE CASE 060.FFM.L1.01 PERIOD END ADJUSTMENTS AND REPORTING				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
10	Generate receivable and collection reports (FFM.060.050 Public Receivable and Collection Reporting)		• GL account balances • Supporting receivable and collection information	• Receivable and collection reports
11	Generate delinquent debt reports (FFM.070.030 Delinquent Debt Reporting)		• GL account balances • Supporting delinquent debt information	• Delinquent debt reports
12	Generate revenue reports (FFM.040.020 Revenue Reporting)		• GL account balances • Supporting revenue information	• Revenue reports
13	Generate the financial statements for FY "n" (FFM.110.020 Financial Statement Preparation)		• FY "n" annual financial information	• FY "n" financial statements

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060.FFM.L2.01 Consolidated Financial Statements
End-to-End Business Process: 060 Record-to-Report
Business Scenario(s) Covered

• Liabilities Not Covered by Budgetary Resources	• Eliminations
• Liabilities Arising from Non-Routine Events	• Consolidated Financial Statements
• Actuarial Liabilities	• Statement of Net Costs

Business Actor(s)
Finance Office; Program Offices
Synopsis
Consolidated financial statements must be produced for a department with two component agencies. Because the department collects revenues, the Statement of Net Cost must also be produced. Adjusting entries are required for liabilities not covered by budgetary resources. Those liabilities not covered by budgetary resources include liabilities incurred for which revenues or other sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity (e.g., Judgement Fund notices, legal settlements). Adjusting entries are also needed for liabilities arising from non-routine events and actuarial liabilities. Before producing the consolidated financial statements, intra-departmental eliminations must be performed.

Assumptions and Dependencies
1. There may or may not be automated (near/real-time or batch) interfaces between service 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. Independent financial records are maintained by the department and each of its component agencies.
9. There exist property transfers and reimbursable agreement transactions in the covered fiscal year between department components and between the department and its components.

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060.FFM.L2.01 Consolidated Financial Statements	
FFMSR ID Reference(s)	1.1.2; 1.1.3; 1.1.4; 1.1.5; 1.2.1; 1.3.1; 2.3.2
Initiating Event	The fiscal year closes.

USE CASE 060.FFM.L2.01 CONSOLIDATED FINANCIAL STATEMENTS				
Typical Flow of Events				
	FFM Event	**Non-FFM Event**	**Input(s)**	**Output(s) / Outcome(s)**
1		Determine program total liabilities not covered by budgetary resources and request consolidation at the Department level (Program Mission Activity)	• GL account balances • Program information	• Total liabilities not covered by budgetary resources information • Text for financial statement footnotes
2	Receive and process total liabilities not covered by budgetary resources and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total liabilities not covered by budgetary resources information	• Appropriate liability adjustment entries created with reference to source information
3		Determine program total liabilities arising from non-routine events and request consolidation at the department level (Program Mission Activity)	• GL account balances • Program information	• Total liabilities arising from non-routine events information • Text for financial statement footnotes
4	Receive and process liabilities arising from non-routine events and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total liabilities arising from non-routine events information	• Appropriate liability adjustment entries created with reference to source information

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USE CASE 060.FFM.L2.01 CONSOLIDATED FINANCIAL STATEMENTS

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5		Determine program total actuarial liabilities and request consolidation at the Department level (Program Mission Activity)	• GL account balances • Program information	• Total actuarial liabilities information • Text for financial statement footnotes
6	Receive and process total actuarial liabilities and provide department-wide information (FFM.090.030 Accrual and Liability Processing)		• Total actuarial liabilities information	• Appropriate liability adjustment entries 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	Generate department component financial statements (FFM.110.020 Financial Statement Preparation)		• GL account balances • Text for financial statement footnotes	• Department component financial statements
9	Determine eliminations required for department consolidated financial statements (FFM.110.020 Financial Statement Preparation)		• Department component financial statements	• Appropriate elimination adjustment entries created with reference to source information
10	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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USE CASE 060.FFM.L2.01 CONSOLIDATED FINANCIAL STATEMENTS

Typical Flow of Events

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11	Generate department consolidated financial statements, including Statement of Net Costs (FFM.110.020 Financial Statement Preparation)		• GL account balances • Text for financial statement footnotes	• Department consolidated financial statements, including Statement of Net Costs

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APPENDIX A   LINKS TO FIT BUSINESS USE CASE LIBRARY DOCUMENTS

Library Document Content

| **Linked Document Name** |

FFM Business Use Case Library Overview
— [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
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