

Federal Financial Management Business Use Case Library: Overview

June 24, 2022

Version 1.1

Final Government Review in Progress

This document contains proposed updates to the currently published [Financial Management (FM) Standards](https://www.fiscal.treasury.gov/fmsc/financial-management-standards.html) and corresponding components of the [Federal Integrated Business Framework (FIBF)](https://ussm.gsa.gov/fibf-fm/) that support capabilities defined for solutions and services in the FM QSMO Marketplace. Proposed updates are reflective of feedback provided by Federal agencies and industry which are currently being reviewed for approval. Once approved, updated/final versions will be published accordingly.

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# Introduction

The Federal Financial Management (FFM) Business Use Cases are part of the Federal Integrated Business Framework (FIBF). The FIBF is a model that enables the Federal government to coordinate and document common business needs across agencies, focusing on outcomes, data, and cross-functional end-to-end business processes. FIBF can be used to drive performance discussions and investment decisions, as a model for acquiring and implementing government-wide solutions, and to establish roles and responsibilities for end-to-end process service delivery. In the Federal Financial Management (FFM) Functional Area, the FFM FIBF documents are included in the Financial Management Capability Framework (FMCF) that provides the common set of standards and capabilities that are the foundation for all offerings in the Financial Management (FM) Quality Service Management Office (QSMO) Marketplace.

Graphical user interface, diagram

Description automatically generated

Refer to the Guide to the FM QSMO Marketplace for a description of each FMCF component and how the components relate to each other.

# Purpose

FFM business use cases reflect the business processes that an agency should follow in the financial management community.

The FFM Business Use Case Library provides agencies with a resource for:

* Improving federal financial management workflow and process efficiency
* Evaluating impacts to federal financial management business processes due to changes in legislation, regulation, guidance, and procedures
* Evaluating federal financial management services/solutions during acquisition and implementation.
* Training and development of the federal financial management workforce
* Evaluating the sequential steps, or events, needed to perform a process where the responsibility for a successful outcome is shared with another Functional Area
* Refining roles and responsibilities among agency finance, program, and other supporting function offices.

The FFM Business Use Case Library consists of this overview document and a series of documents containing the business use cases. Each business use case document contains the use cases for one end-to-end business process.

This overview document provides the framework for understanding and using the business use cases. It contains an introduction to the key components of the business use cases, an inventory of the available FFM business use cases, and examples of how the FFM business use cases may be combined and sequenced in typical agency operations. Reference information on the terminology used in this library, which is applicable to cross-Functional Area (a.k.a. Line of Business) communications, is provided in Appendix A: [Description of Terms](#_bookmark42).

# Framework for Federal Financial Management Use Cases

This section describes the framework used for constructing the use cases. Use cases are constructed of scenarios and organized by end-to-end process. They show activities performed by other Functional Areas. They are cross-referenced to the FFM Business Capabilities (Federal Financial Management System Requirements [FFMSRs]) and the FFM Functions and Activities.

## Functional Area, Function, and Activity

Program offices in an agency need various administrative and support systems, procedures, and personnel to deliver on their program missions. The term “Functional Area” is used to describe the systems, procedures, and personnel that accomplish the necessary end-to-end business processes.

Federal Financial Management (FFM) is a Functional Area. Other functional areas include Budget Formulation (BFM), Acquisition (ACQ), Property Management (PRM), Human Resource Management (HRM), Grants Management (GRM), Loans Management (LNM), Travel, Relocation, and Transportation Management (TRT), and Sales Order and Fulfillment Management (SFM).

A “Function” is a further breakdown of a Functional Area into categories of services provided to service customers. Examples of FFM Functions are Budget Execution, Payable Management, and General Ledger Management.

Within a Function, “Activities” are the processes that provide identifiable outputs or outcomes to service customers. Examples in the area of Payable Management are Payee Set-up and Maintenance, Payment Processing, and Payment Disbursement. Figure 1 provides an example of the Functional Area, Functions, and Activities concept.

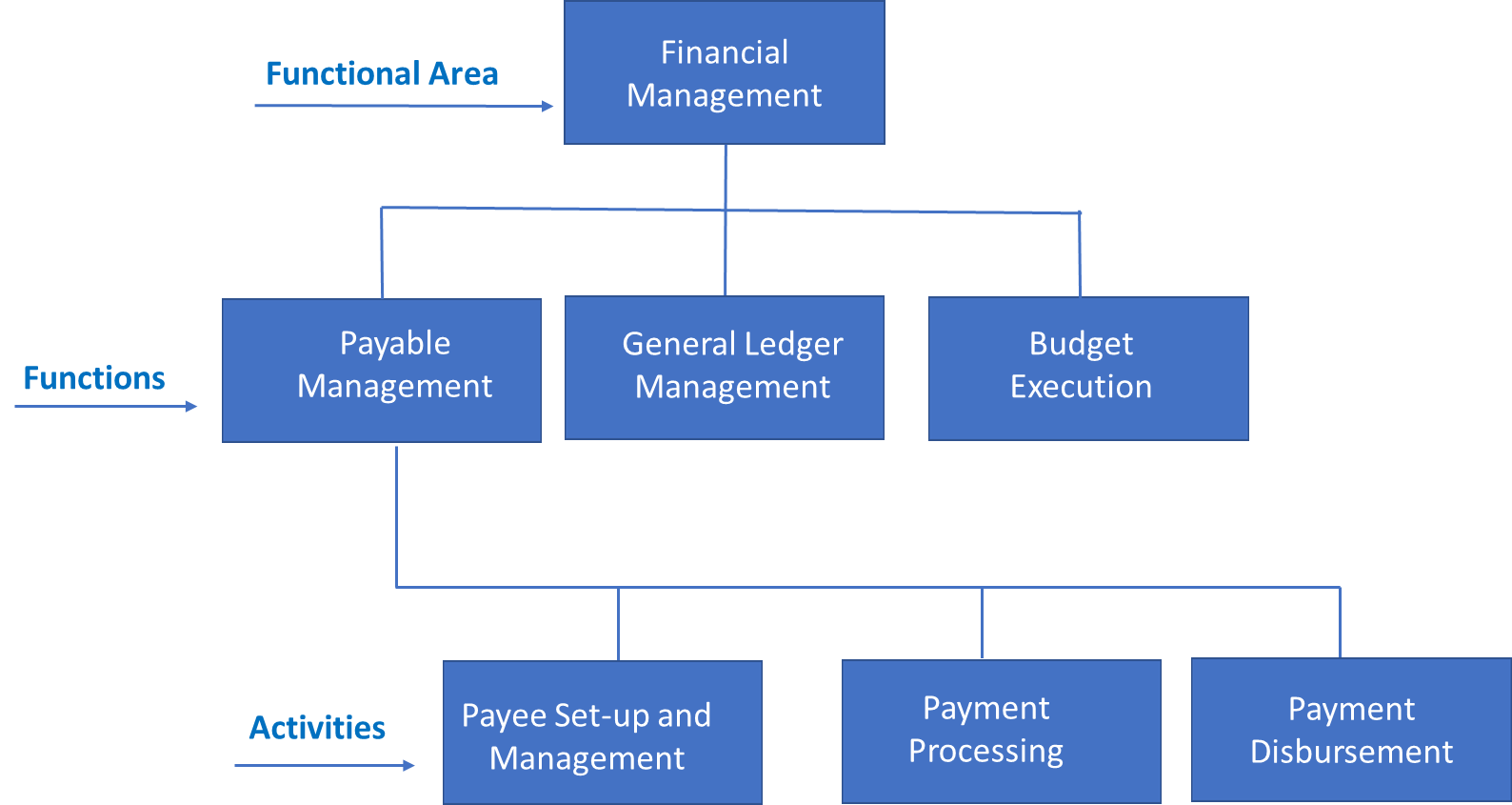


Figure 1: Example Functional Area, Functions, and Activities

A complete list of the FFM Functions and Activities is provided in the document “Federal Financial Management (FFM) Functions and Activities”.

Most of the end-to-end business processes require integration across multiple Functional Areas with their Functions and Activities to achieve the business outcome. In addition to Federal Financial Management, the other Functional Areas contributing to the completion of each end-to-end business process are identified in [Table 1: FFM Business Use Case List.](#_bookmark9)

## End-to-End Business Processes

Eleven end-to-end business processes with an FFM intersection have been identified and agreed upon for government-wide use. An end-to-end business process identifies a start-to-finish outcome for operational transactions and financial reporting. The end-to-end business process provides the context for executing financial management services. Examples of end-to-end processes are Procure-to-Pay and Agree-to-Reimburse. The full list of end-to-end processes is shown in Figure 3 below.

## Business Scenarios

Business scenarios identify 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 scenarios also define various business conditions that would cause the FFM solution functionality to be exercised in a different order or with different business information. For example, the Procure-to-Pay business scenario for a complex software system is different than for a purchase card.

Business scenarios are categorized into levels of commonality across federal agencies as follows:

* **Level 1 (L1):** Affects most federal agencies and/or impacts a large transaction volume and/or dollar value within the federal government
* **Level 2 (L2):** Affects multiple federal agencies and/or requires some specialized processing from the service customer or auditor perspective
* **Level 3 (L3):** Affects a few federal agencies and requires unique processing, mandated by legislation or regulation.

## Business Use Cases

Business use cases represent typical processing that occurs in federal business operations. Business use cases are formed by combining business scenarios that could occur together within an end-to-end business process. For example, use case 040.FFM.L2.02 Four-Way Match includes scenarios for four-way matching of accounts payable invoices and Prompt Payment Act calculations.

Each business use case is assigned an identifier that provides information about the use case. The business use case identifier includes information about the key underlying components. The notation for a business use case identifier is shown in Figure 2 below:



Figure 2: Business Use Case Identifier Notation

Each business use case provides detail on the following:

* interactions between FFM and other Functional Areas
* business events to be accomplished by both FFM and other Functional Areas
* business information expected to be received, processed, and/or provided.

Business use cases are agnostic as to whether the events in the business use case are automated, semi-automated, or manually accomplished. This allows an agency using the use cases to make the best decisions about where automation is most beneficial.

**End-to-End Business Process Business Use Case Document Name**

|  |  |  |
| --- | --- | --- |
| 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 |

Figure 3: End-to-End Business Process Use Case Documents

## Summary of Changes in This Update

Below is a summary of the changes to the Business Use Cases with this update.

| Business Process | Business Use Cases | Change | Rationale |
| --- | --- | --- | --- |
| 010 Budget Formulation to Execution | 010.FFM.L1.01 Budget Authority Set-Up  010.FFM.L1.02 Spending Authority from Offsetting Collections (Reimbursables)  010.FFM.L1.04 Continuing Resolution | Clarified references to funding levels | FM QSMO Marketplace RFI industry request for clarification |
| 020 Acquire-to- Dispose | Financial Asset Information Processing:  020.FFM.L2.02 Leasehold Improvements  020.FFM.L3.01 Real Property: Stewardship Land, Heritage Assets, Construction and Impairment | Clarified aggregated or discrete level of asset financial information can be recorded in FFM | FM QSMO Marketplace RFI industry request for clarification |
| 030 Request-to- Procure | 030.FFM.L1.01 Procurement within a Single Fiscal Year  030.FFM.L1.02 Procurement During Continuing Resolution  030.FFM.L2.01 Procurement Across Fiscal Years Using Multi-Year Funds  030.FFM.L2.02 Single Award from Multiple Procurement Requests | Clarified use of tolerance amounts/percentages between obligation-commitment amounts and expenditure-obligation amounts | FM QSMO Marketplace RFI industry request for clarification |
| 040 Procure-to- Pay | 040.FFM.L1.01 Expenditures within a Single Fiscal Year  040.FFM.L1.02 Leased Property  040.FFM.L1.03 Acquiring Services  040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options  040.FFM.L2.02 Four-Way Match  040.FFM.L2.04 Novation | Clarified payment approval processing  Clarified use of tolerance amounts/ percentages between obligation-commitment amounts and expenditure-obligation amounts | FM QSMO Marketplace RFI industry request for clarification |
| 050 Bill-to-Collect | 050.FFM.L1.02 Delinquent Debt Processing | Clarified agency receivable reporting activities | FM QSMO Marketplace RFI industry request for clarification |
| 060 Record-to- Report | 060.FFM.L1.01 Period End Adjustments and Reporting | Clarified approval processing  Clarified information reported to Treasury | FM QSMO Marketplace RFI industry request for clarification |
| 070 Agree-to- Reimburse (Reimbursable Mgmt) | 070.FFM.L1.01 Federal to Federal Reimbursable Agreement  070.FFM.L1.02 Reimbursable Agreement from Buyer’s Perspective  070.FFM.L3.02 Reimbursable Agreement with Private Sector with Payments-in-Advance | Impact from G-Invoicing implementation  Clarified use of tolerance amounts/percentages between obligation-commitment amounts and expenditure-obligation amounts  Formatting consistency changes | Deployment of G-Invoicing Treasury centralized service |
| 080 Apply-to- Perform (Grants Mgmt) | 080.FFM.L2.01 Grant with Accrual and Offset | Clarified use of tolerance amounts/percentages between obligation-commitment amounts and expenditure-obligation amounts  Formatting consistency changes | FM QSMO Marketplace RFI industry request for clarification |
| 090 Hire-to-Retire | 090.FFM.L1.01 Post Payroll | Formatting consistency changes | Quality Review |
| 100 Book-to- Reimburse (Travel) | 100.FFM.L1.01 Temporary Duty (TDY)Travel  100.FFM.L2.01 Permanent Change of Station  100.FFM.L3.01 Travel Sponsored by Non-Government Source | Clarified use of tolerance amounts/percentages between obligation-commitment amounts and expenditure-obligation amounts  Formatting consistency changes | FM QSMO Marketplace RFI industry request for clarification |
| 110 Apply-to- Repay (Loan Mgmt) | 110.FFM.L2.01 Federal Government Direct Loans Subject to Credit Reform | Clarified use of tolerance amounts/percentages between obligation-commitment amounts and expenditure-obligation amounts  Formatting consistency changes | FM QSMO Marketplace RFI industry request for clarification |

## Inventory of Federal Financial Management Business Use Cases and Scenarios

Table 1 presents an inventory of the FFM Business Use Cases, their associated Business Scenarios, and contributing Functional Areas.

Table 1: FFM Business Use Case List

| Business Process | Business Use Case | Associated Business Scenario |
| --- | --- | --- |
| 010 Budget  Formulation-to-  Execution  Functional Areas:  Budget Formulation (BFM)  Financial Mgmt (FFM) | 010.FFM.L1.01  Budget Authority Set-  Up | Funds Control at Appropriation, Apportionment, Allotment, Allocation, Suballocation 1, and Suballocation 2 Levels  Accounting Segments of Treasury Account Symbol/Fund, Organization, Program, Project, and Activity  Discretionary Appropriated Funds  Single Year, Multi-Year, and No-Year Appropriations  Program Allocation Exceeding Organization Allotment |
|  | 010.FFM.L1.02  Spending Authority  from Offsetting Collections (Reimbursables) | Reimbursable Authority  Revolving Funds |
|  | 010.FFM.L1.03  Budget Authority Transfers | Appropriation Transfers  Non-Expenditure Transfers |
|  | 010.FFM.L1.04  Continuing Resolution | Continuing Resolution |
|  | 010.FFM.L3.01 | Spending Authority from Offsetting Collections (e.g., Donation Revenues, Reimbursable Revenues)  Special Limitations from Budget Formulation  Direct and Guaranteed Loan Authority  Contract Authority |
| 020 Acquire-to- Dispose  Functional Areas:  Acquisition (ACQ)  Financial Mgmt (FFM)  Property Mgmt (PRM) | 020.FFM.L1.01  Property, Plant, and Equipment (PP&E) Assets | Acquiring a PP&E Asset  Leasing a PP&E Asset  Depreciation of a PP&E Asset  Disposing of a PP&E Asset  Replacing an Asset |
|  | 020.FFM.L1.02  Bulk Purchases | Bulk Purchases  Transfers between Department Components |
|  | 020.FFM.L1.03  Bulk Purchase Immediately Distributed | Bulk Purchase Immediately Distributed |
|  | 020.FFM.L2.01  Complex Systems | Complex Systems  Internal Use Software  Work in Progress  Increase Life and Value of Asset  Enhancing an Asset  General PP&E |
|  | 020.FFM.L2.02  Leasehold Improvements | Leasehold Improvement |
|  | 020.FFM.L3.01  Real Property: Stewardship Land, Heritage Assets, Construction, and Impairment | Heritage Assets  Stewardship Land  Construction in Progress  Capitalization of Labor Costs  Environmental Hazardous Substances on/in Property  Impairment  Construction in Abeyance |
| 030 Request-to- Procure  Functional Areas:  Budget Formulation (BFM)  Financial Mgmt (FFM) | 030.FFM.L1.01  Procurement Within a Single Fiscal Year | Single Year Funds |
|  | 030.FFM.L1.02  Procurement During Continuing Resolution | Procurement During a Continuing Resolution on Procurement |
|  | 030.FFM.L2.01  Procurement Across Fiscal Years Using Multi-Year Funds | Multi-Year Funds  Multiple Funding Sources  Multiple Vendors on a Procurement Request |
|  | 030.FFM.L2.02  Single Award from Multiple Procurement Requests | Single Award from Multiple Procurement Requests |
| 040 Procure-to- Pay  Functional Areas:  Acquisition (ACQ)  Financial Mgmt (FFM) | 040.FFM.L1.01  Expenditures Within a Single Fiscal Year | Invoice into FM Solution  Three-Way Match |
|  | 040.FFM.L1.02  Leased Property | Operating Lease  Capital Lease |
|  | 040.FFM.L1.03  Acquiring Services | Acquiring Services |
|  | 040.FFM.L2.01  Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options | Multi-Year Funds Expenditure  Multiple Funding Sources  Receiving Report Accrual  Credit Memo  Vendor Submits Paper Invoice  Vendor Submits to Program Office  Two-Way Matching  Progress Payment  Final Payment |
|  | 040.FFM.L2.02  Four-Way Match | Four-Way Matching  Prompt Payment |
|  | 040.FFM.L2.03  Purchase Card | Purchase Card  PCard Purchase of Operating Materials and Supplies  Non-Matching |
|  | 040.FFM.L2.04  Novation | Novation |
| 050 Bill-to-Collect  Functional Areas:  Financial Mgmt (FFM)  Sales Order and Fulfillment Mgmt (SFM) | 050.FFM.L1.01  Penalties, Interest, and Collections | Individual Receivables  Disputes  Collectable by Agency  Credit Memo  Penalties, Interest, and Administrative Fees  Non-Treasury Deposits |
|  | 050.FFM.L1.02  Delinquent Debt Processing | Insufficient Funds on Debtor’s Payment  Referral to Treasury  Delinquent Collection and Write-off |
|  | 050.FFM.L2.01  AR/AP Netting | AR/AP Netting |
|  | 050.FFM.L3.01  Aggregated Receivables for Custodial Revenues | Unbilled Collections  Aggregated Receivables  Custodial Revenues |
|  | 050.FFM.L3.02  Receivable Collection from Third Party Debtor | Receivables Allocated Among Multiple Payers  Third Party Payers as Responsible Debtors  Installment Agreement |
|  | 050.FFM.L3.03  Miscellaneous Receipts | Miscellaneous Receipts |
| 060 Record-to- Report  Functional Areas:  Financial Mgmt (FFM)  Property Mgmt (PRM) | 060.FFM.L1.01  Period End Adjustments and Reporting | Audit Adjustments  Allowance for Uncollectable Amounts  Financial Statements |
|  | 060.FFM.L2.01  Consolidated Financial Statements | Liabilities Not Covered by Budgetary Resources  Liabilities Arising from Non-Routine Events  Actuarial Liabilities  Eliminations  Consolidated Financial Statements  Statement of Net Costs |
| 070 Agree-to- Reimburse (Reimbursable Mgmt)  Functional Area:  Financial Mgmt (FFM) | 070.FFM.L1.01  Federal to Federal Reimbursable Agreement | Federal to Federal Reimbursable Agreement Modification  Commercial Third-Party Service Provider  Adjustment to Agreement Balance |
|  | 070.FFM.L1.02  Reimbursable Agreement from the Buyer’s Perspective | Reimbursable Agreement from the Buyer’s Perspective  IPAC Chargeback |
|  | 070.FFM.L3.02  Reimbursable Agreement with Private Sector with Payments-in-Advance | Reimbursable Agreement with Private Sector  Payment in Advance  Non-Government Source Funds Collection  Government Property Leased to Public |
| 080 Apply-to- Perform (Grants Mgmt)  Functional Areas:  Financial Mgmt (FFM)  Grants Mgmt (GRM) | 080.FFM.L2.01  Grant with Accrual and Offset | Accruals for Grants  Grant Disbursement Offsets |
|  | 080.FFM.L2.02  Administrative Grant Closeout | Administrative Grant Closeout |
| 090 Hire-to-Retire  Functional Areas:  Financial Mgmt (FFM)  Human Resource Mgmt (HRM) | 090.FFM.L1.01  Post Payroll | Domestic Payroll Provider  Payroll Accrual  Employee Receivable Originating Outside of HR |
| 100 Book-to- Reimburse (Travel)  Functional Areas:  Financial Mgmt (FFM)  Human Resource Mgmt (HRM)  Travel, Relocation, and Transportation Management (TRT) | 100.FFM.L1.01  Temporary Duty (TDY) Travel | TDY Travel  Travel Card  Split Disbursement |
|  | 100.FFM.L2.01  Permanent Change of Station (PCS) | Relocation  Advance on Account  Supplemental PCS Voucher |
|  | 100.FFM.L3.01  Travel Sponsored by Non-Government Source | Travel Sponsored by Non-Government Source  Non-Government Source Payment In-Kind |
| 110 Apply-to- Repay (Loan Mgmt)  Functional Areas:  Financial Mgmt (FFM)  Loans Mgmt (LNM) | 110.FFM.L2.01  Federal Government Direct Loans Subject to Credit Reform | Disbursement of a Loan  Establishment of Principal Receivable  Interest Accrual  Collection of Interest and Principal |
|  | 110.FFM.L2.02  Federal Government Guaranteed Loans Subject to Credit Reform | Aggregated Loan Portfolio  Default on Government Guaranteed Loan |

# Federal Financial Management Business Use Case Demonstration Threads

The business use cases can be organized into demonstration threads, or story lines, which reflect the sequence of events involved in typical FFM operations. Each business use case contains a synopsis and assumptions that imply dependencies among the business use cases. Based on these dependencies, business use cases can be organized into a use case demonstration thread.

Alternative sequences for demonstrating the FFM business use cases can be created by combining the business use cases in a different order and/or using a subset of the business use cases.

FFM business use case demonstration threads usually begin with the Budget Formulation-to- Execution Business Process and end with the Record-to-Report Business Process. The other business processes may or may not be represented in a demonstration thread, depending on the specific circumstances of the thread.

[Figure](#_bookmark11) 4 provides an inventory of the FFM business use case demonstration threads and shows the use cases that are involved in each thread. Figure [4](#_bookmark11) also provides a suggested order for executing the demonstration threads, although there are other possible orders. An abbreviated notation for each business use case is included in the figure as illustrated in the box below. Each cell contains the business scenario level and the use case number for the individual use case. The End-to-End Business Process number is taken from the column heading.

An abbreviated notation for each business use case. Each cell contains the business scenario level and the use case number for the individual use case. The End-to-End Business Process number is taken from the column heading.



|  | | **End-to-End Business Process** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Budget Formulation- to-Execution (010)** | **Request-to- Procure (030)** | **Procure-to- Pay (040)** | **Acquire-to- Dispose (020)** | **Book-to- Reimburse (100)** | **Hire-to- Retire (090)** | **Apply-to- Perform (080)** | **Apply-to- Repay (110)** | **Agree-to- Reimburse (070)** | **Bill-to- Collect (050)** | **Record-to- Report (060)** |
| **Use Case Demonstration Thread** | **1. Purchase and Management of Equipment** | L1.01 | L1.01 | L1.01; L1.02 | L1.01 |  |  |  |  |  |  | L1.01 |
| **2. Bulk Purchase of Office**  **Equipment** | L1.01 | L1.01 | L1.01 | L1.02 |  |  |  |  |  |  | L1.01 |
| **3. Complex Systems Incl**  **Software and Hardware** | L1.01 | L2.01 | L2.01 | L2.01 |  |  |  |  |  |  | L1.01 |
| **4. Combined Procurement Requests** | L1.01 | L2.02 | L2.02 |  |  |  |  |  |  |  | L1.01 |
| **5. Purchase Card** | L1.01 |  | L2.03 |  |  |  |  |  |  |  | L1.01 |
| **6. Grant Disbursement and**  **Closeout** | L1.01 |  |  |  |  |  | L2.01;  L2.02 |  |  |  | L1.01 |
| **7. Temporary Duty (TDY) Travel** | L1.01 |  |  |  | L1.01 |  |  |  |  |  | L1.01 |
| **8. Relocation** | L1.01 |  |  |  | L2.01 |  |  |  |  |  | L1.01 |
| **9. Payroll** | L1.01 |  |  |  |  | L1.01 |  |  |  |  | L1.01 |
| **10. Direct Loan** | L1.01;  L3.01 |  |  |  |  |  |  | L2.01 |  |  | L1.01 |
| **11. Federal Government Guaranteed Loans** | L1.01; L3.01 |  |  |  |  |  |  | L2.02 |  |  | L1.01 |
| **12. Federal-to-Federal Reimbursable Agreement** | L1.02 |  | L1.03 |  |  | L1.01 |  |  | L1.01 |  | L1.01 |
| **13. Government Sale of Post- paid Goods** | L1.02 |  |  |  |  |  |  |  |  | L1.01 | L1.01 |
| **14. Government Sale of Pre- paid Goods** | L1.02 |  |  |  |  |  |  |  |  | L1.02 | L1.01 |
| **15. Budget Authority Transfers** | L1.01; L1.03 |  |  |  |  |  |  |  |  |  | L1.01 |
| **16. Financial Accruals and**  **Reporting** |  |  |  |  |  |  |  |  |  |  | L1.01;  L2.01 |
| **17. Procurement During a Continuing Resolution (CR)** | L1.04 | L1.02 |  |  |  |  |  |  |  |  | L1.01 |
| **18. Bulk Purchases Immediately Distributed** | L1.01 | L1.01 | L1.01 | L1.03 |  |  |  |  |  |  | L1.01 |
| **19. Leasehold Improvements** | L1.01 | L1.01 | L1.03 | L2.02 |  |  |  |  |  |  | L1.01 |
| **20. Travel Sponsored by Non-**  **Government Source** | L1.01 |  |  |  | L3.01 |  |  |  |  |  | L1.01 |
| **21. Reimbursable Agreement with Private Sector Entity** | L1.02 |  |  |  |  |  |  |  | L3.02 |  | L1.01 |
| **22. Aggregated Receivables for Custodial Revenues** | L1.02 |  |  |  |  |  |  |  |  | L3.01 | L1.01 |
| **23. Novation** | L1.01 | L2.01 | L2.01;  L2.04 |  |  |  |  |  |  |  | L1.01 |
| **24. Construction on Real**  **Property** | L1.01 | L2.01 | L2.01 | L3.01 |  |  |  |  |  |  | L1.01 |
| **25. Supplementary Stewardship Reporting** | L1.01 | L1.01 | L1.03 |  |  |  | L2.01 |  |  |  | L1.01; L3.01 |
| **26. AR/AP Netting** | L1.01 |  |  |  |  |  |  |  |  | L2.01 | L1.01 |
| **27. Billing Third-Party**  **Debtors** | L1.02 |  |  |  |  |  |  |  |  | L3.02 | L1.01 |
| **28. Procuring Against a Federal-to-Federal**  **Reimbursable Agreement** | L1.02 |  |  |  |  |  |  |  | L1.01; L1.02 |  | L1.01 |

Figure 4: Use Case Demonstration Threads and End-to-End Business Processes

## Use Case Demonstration Threads

A summary of each FFM use case demonstration thread is provided below along with the list of relevant business scenarios included in each business use case.

1. Purchase and Management of Equipment – An agency purchases equipment for a program and later replaces it with leased equipment. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), acquires the equipment (030.FFM.L1.01), receives and pays for the equipment (040.FFM.L1.01), then places the items into service; subsequently, the agency retires the equipment (020.FFM.L1.01) and leases replacement equipment for the remainder of the program (040.FFM.L1.02).

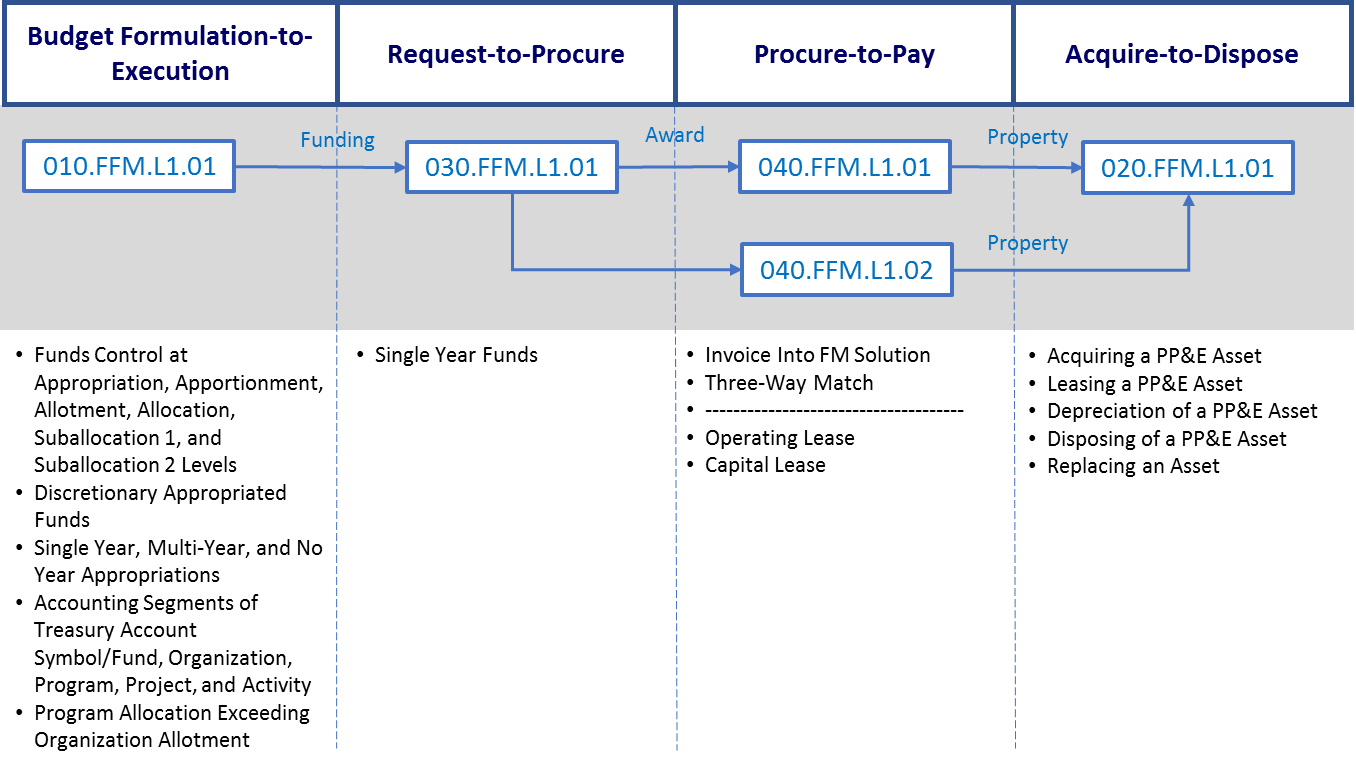


Figure 5: 1. Purchase and Management of Equipment Summary

1. Bulk Purchase of Office Equipment – An agency purchases office equipment in bulk and distributes it to offices as needed. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), acquires the equipment (030.FFM.L1.01), receives and pays for the equipment (040.FFM.L1.01), and manages the warehousing and distribution of the equipment (020.FFM.L1.02).



Figure 6: 2. Bulk Purchase of Office Equipment Summary

1. Complex Systems Including Software and Hardware – An agency is managing the construction of a complex system including hardware and software components using multiple vendors over two fiscal years. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), begins the acquisition of the system using multi-year funds from multiple vendors (030.FFM.L2.01), receives, accepts and pays for the system components (040.FFM.L2.01), and enhances the property and manages the lifecycle of the in-progress system (020.FFM.L2.01).

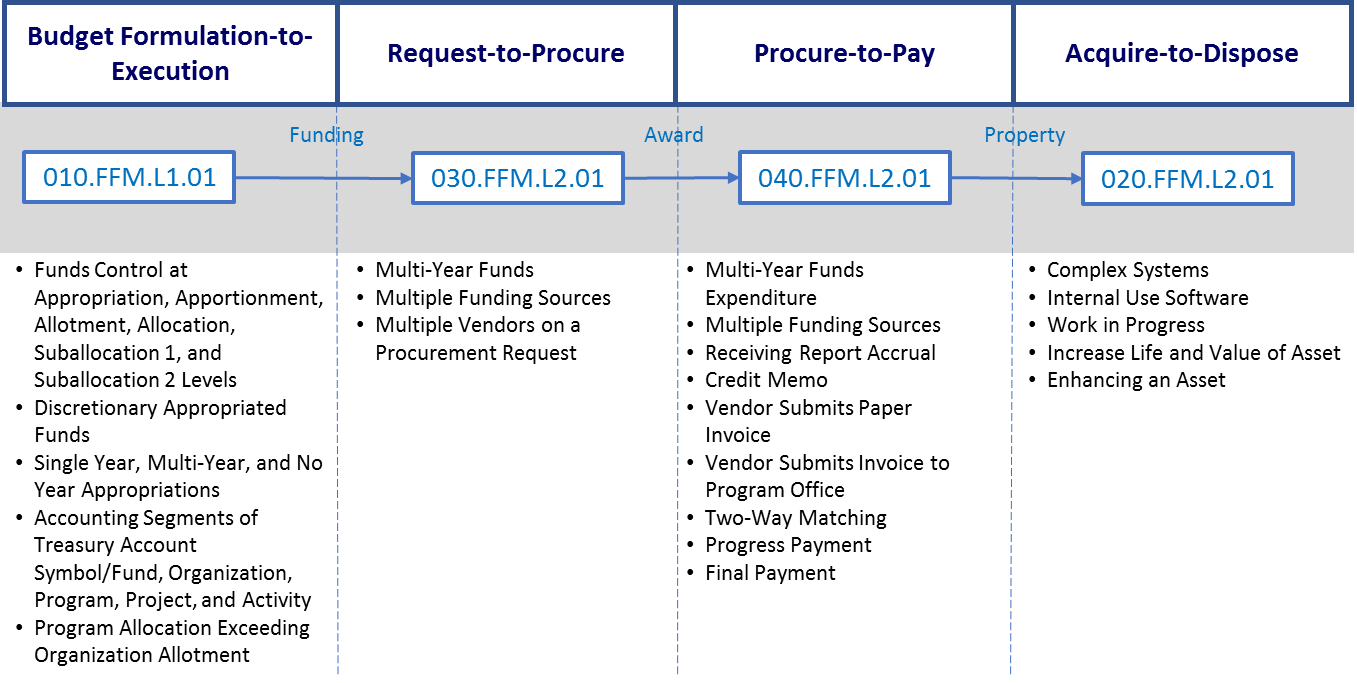


Figure 7: 3. Complex Systems Including Software and Hardware Summary

1. Combined Procurement Requests – Multiple offices within an agency are acquiring substantially similar items (e.g., computer servers). In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), consolidates and executes the procurement requests (030.FFM.L2.02), and then receives, accepts, and pays for the items (040.FFM.L2.02).

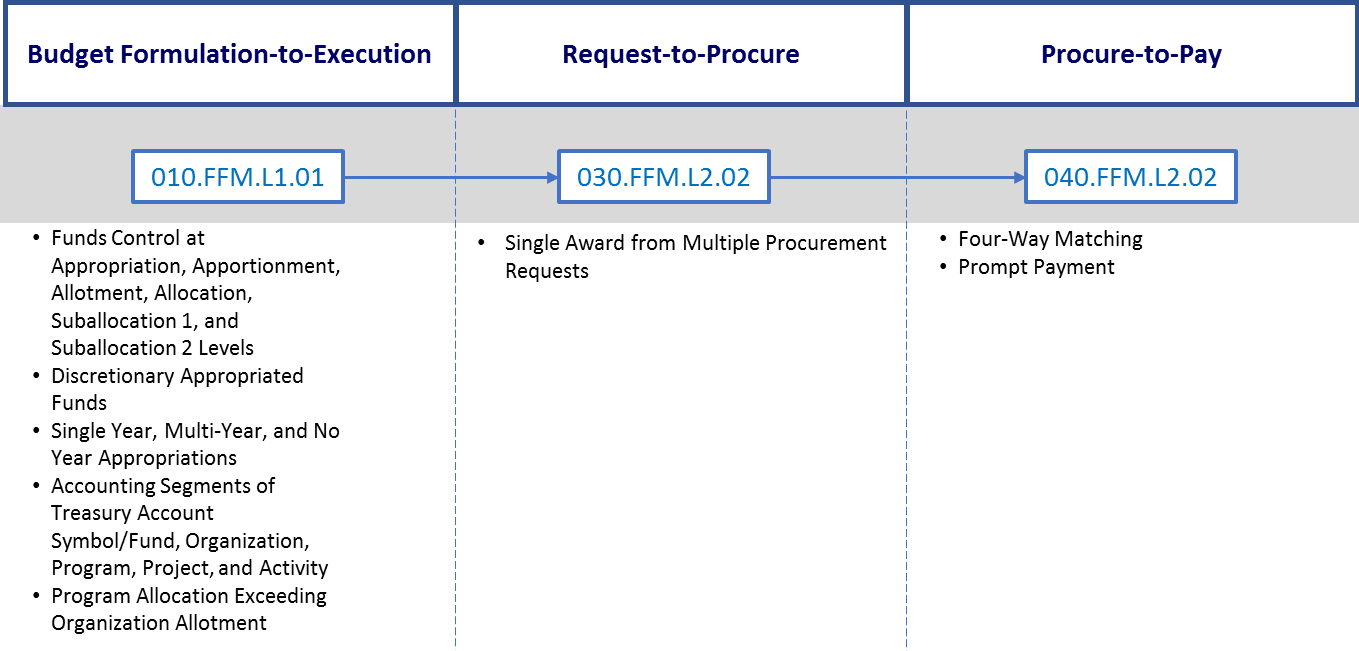


Figure 8: 4. Combined Procurement Requests Summary

1. Purchase Card – An agency uses a purchase card for qualified expenses. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), then purchases an item with the purchase card and pays the purchase card bill on arrival (040.FFM.L2.03).

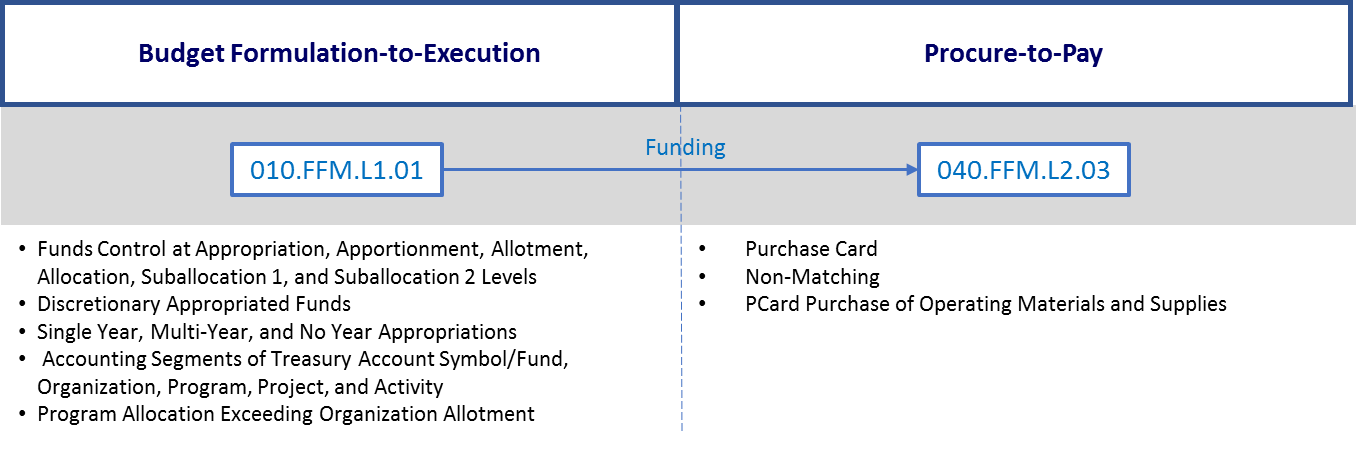


Figure 9: 5. Purchase Card Summary

1. Grant Disbursement and Closeout – An agency manages a program which issues and manages grants. This thread comprises the agency recording its budget into the FM solution (010.FFM.L1.01), awarding and distributing grant proceeds (080.FFM.L2.01), and administratively closing out a grant with the award recipient (080.FFM.L2.02).

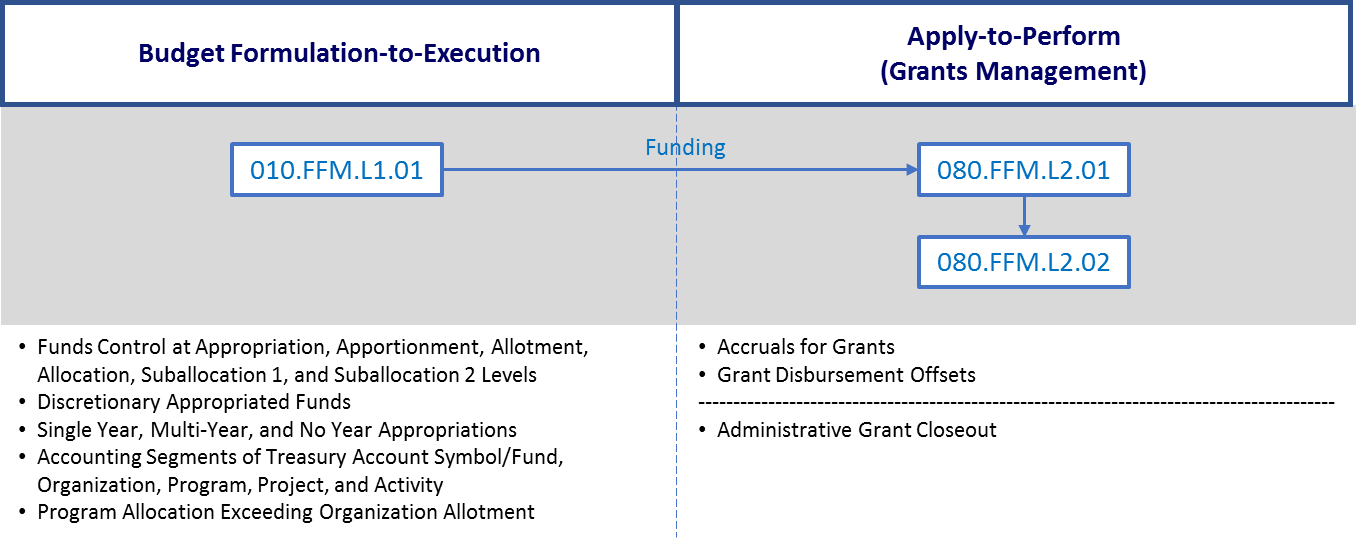


Figure 10: 6. Grant Disbursement and Close Out Summary

1. Temporary Duty (TDY) Travel – An agency employee travels to a customer site to complete an assignment. This thread comprises the agency recording its budget into the FM solution (010.FFM.L1.01), the employee completing the travel and then submitting a voucher. The agency pays both the employee and the travel card issuer (100.FFM.L1.01).

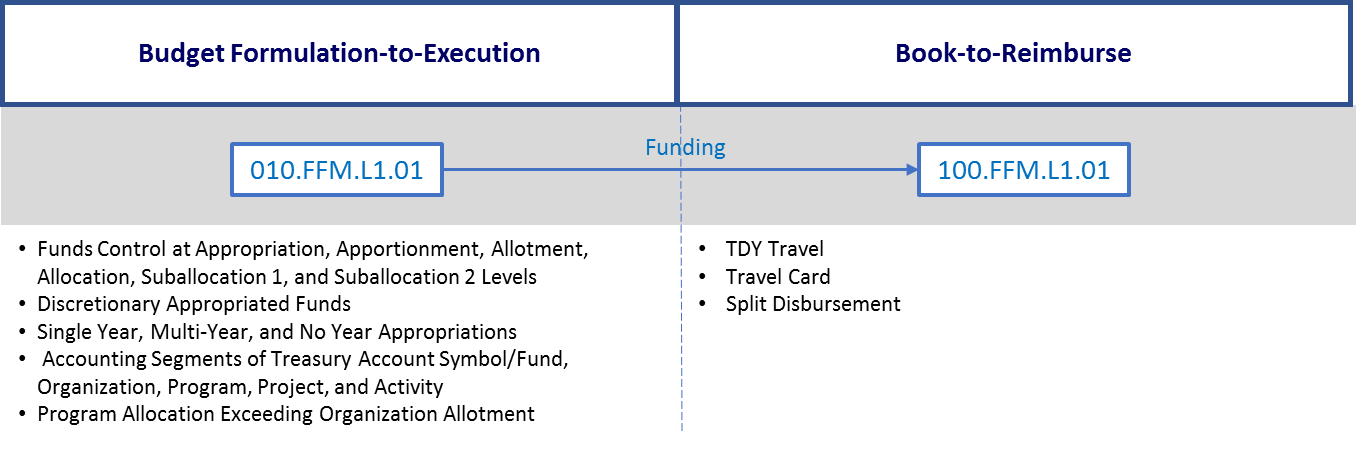


Figure 11: 7. Temporary Duty (TDY) Travel Summary

1. Relocation – An agency employee is permanently transferred to a different work location. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01) and the employee arranges the travel, receives a travel advance, submits multiple vouchers and receives payment from the agency (100.FFM.L2.01).

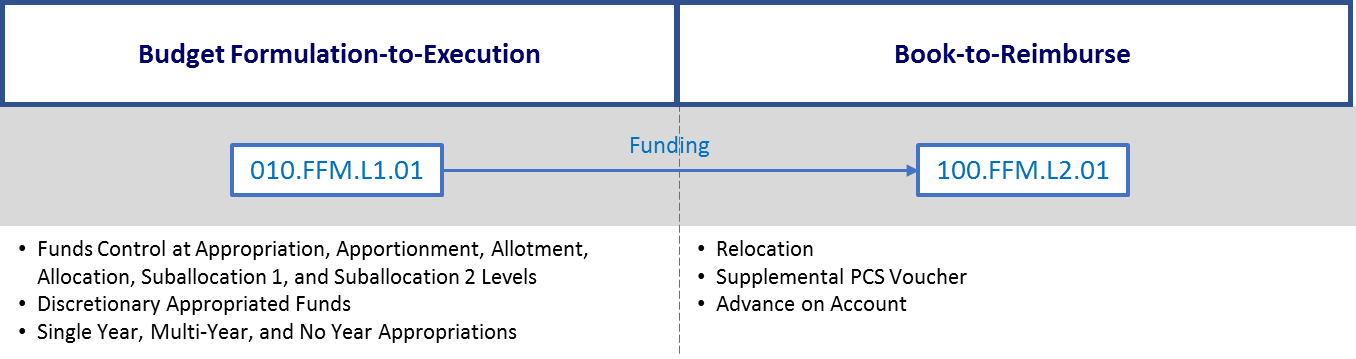


Figure 12: 8. Relocation Summary

1. Payroll – An agency which pays its domestic civilian staff on a bi-weekly basis is processing payroll for a pay period that will cross an accounting period threshold. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), then accrues payroll and benefit expenses in the closing period before receiving and posting actual payroll and benefit expense information in the next accounting period (090.FFM.L1.01).

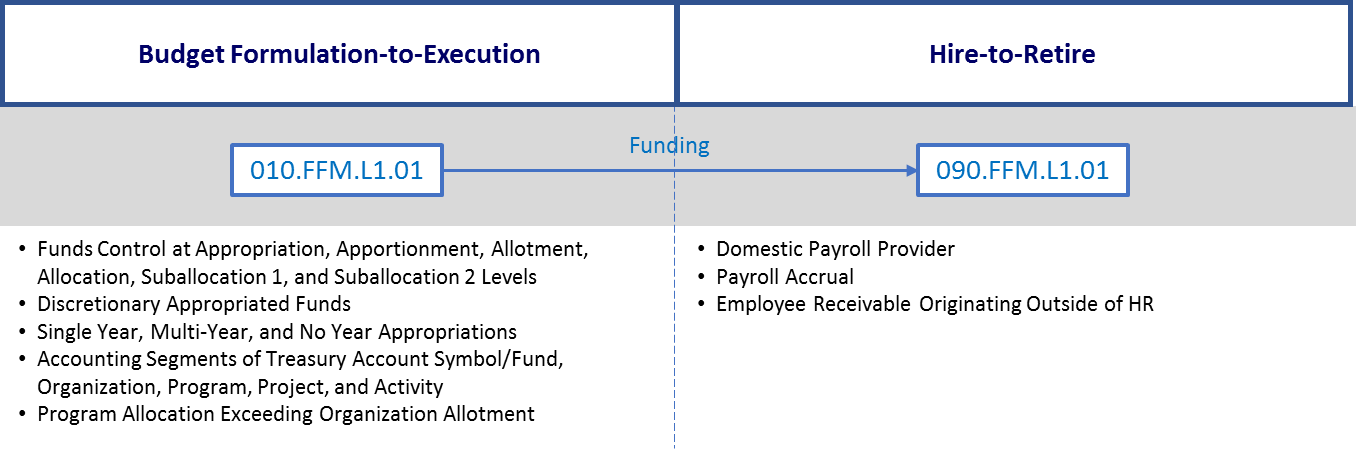


Figure 13: 9. Payroll Summary

1. Direct Loan – An agency manages a program which makes direct loans to the public. In this thread, the agency records its budget and its borrowing authority into the FM solution (010.FFM.L1.01, 010.FFM.L3.01), then closes, disburses and collects payments on the direct loan (110.FFM.L2.01).

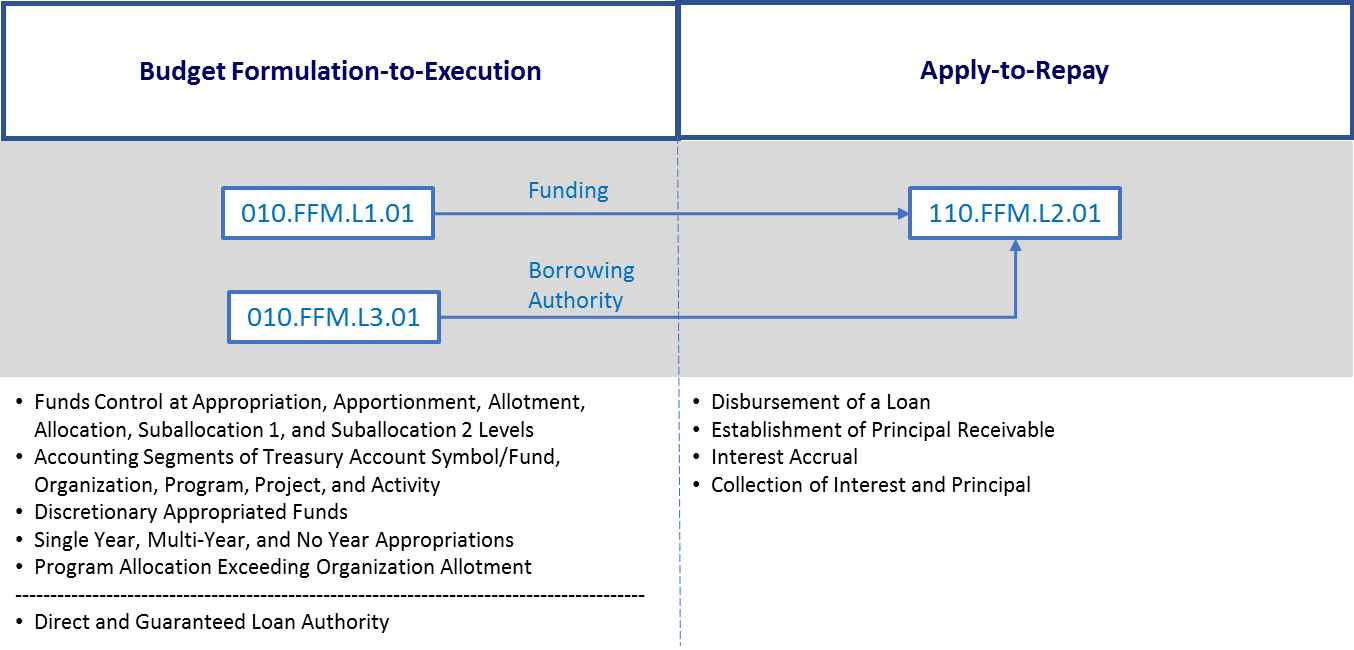


Figure 14: 10. Direct Loan Summary

1. Guaranteed Loan – An agency manages a program which guarantees third party loans to the public. In this thread, the agency records its budget and its borrowing authority into the FM solution (010.FFM.L1.01, 010.FFM.L3.01). The agency guarantees a loan which eventually defaults, is referred to Treasury for collection, and requires payment of the guarantee and collection from the borrower (110.FFM.L2.02).

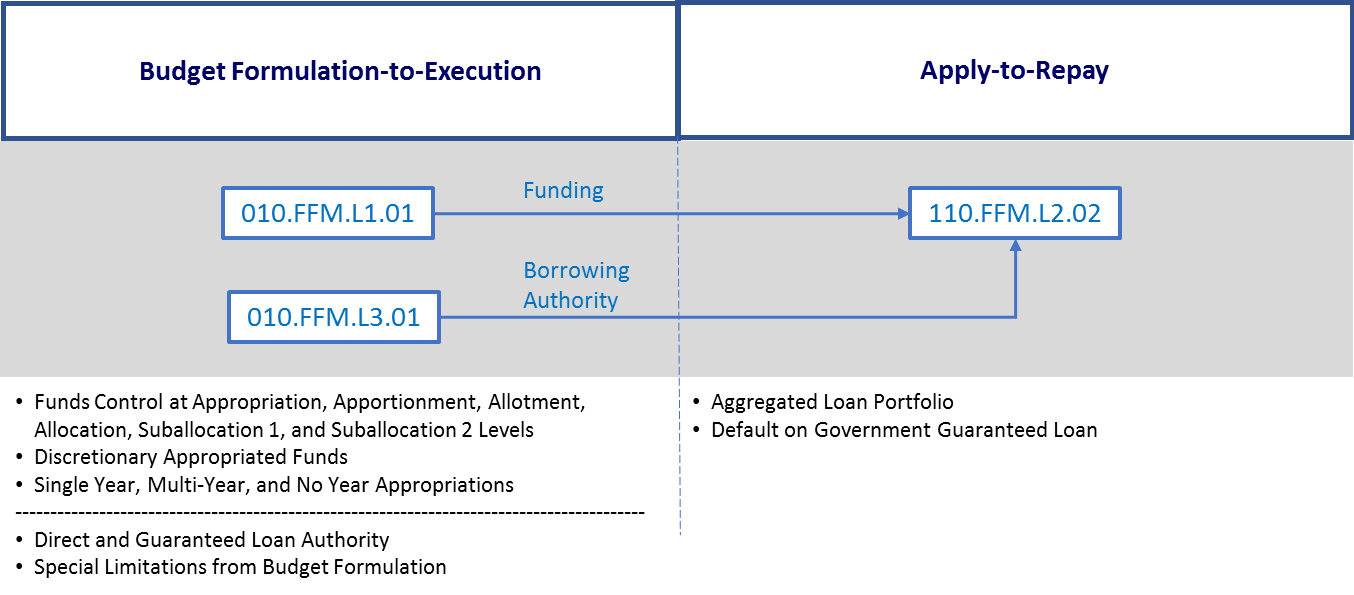


Figure 15: 11. Guaranteed Loan Summary

1. Federal-to-Federal Reimbursable Agreement – An agency performs a service for another agency using a reimbursable agreement under the Economy Act. In this thread, the agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02), then performs the service for the federal agency customer. The providing agency accumulates costs from payroll (090.FFM.L1.01) and contractor resources (040.FFM.L1.03), and then invoices and receives payment for the accumulated costs (070.FFM.L1.01).

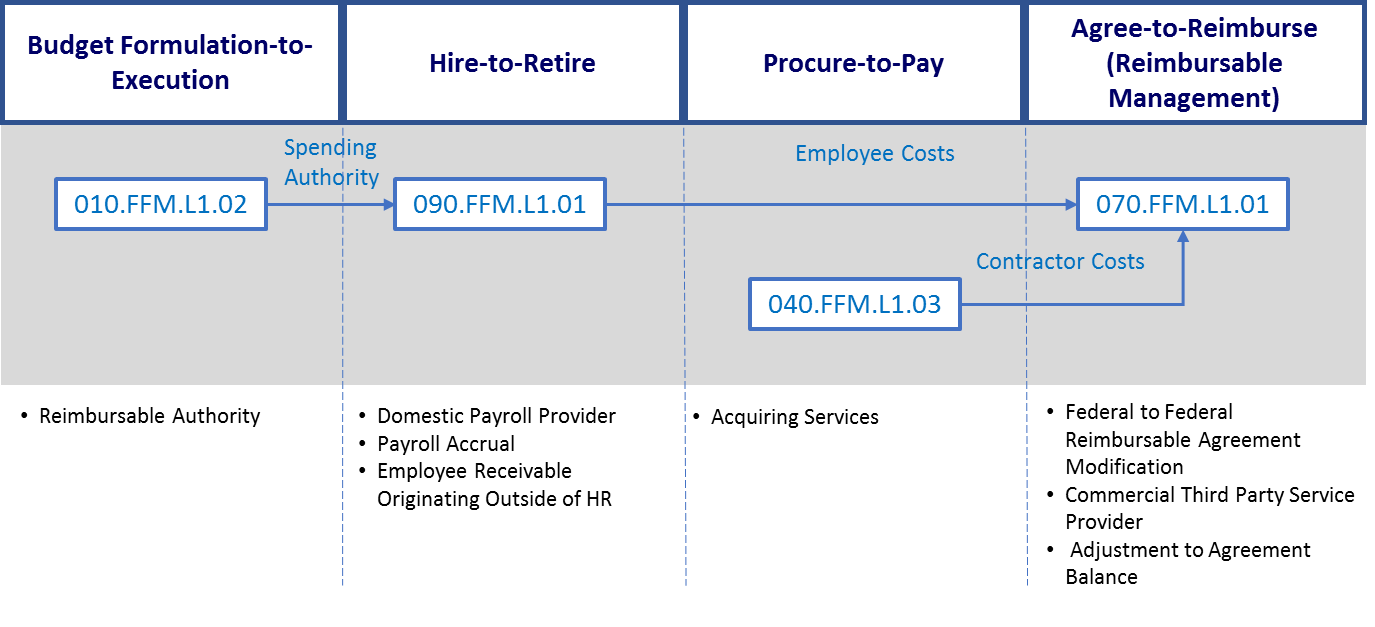


Figure 16: 12. Federal-to-Federal Reimbursable Agreement Summary

1. Government Sale of Post-paid Goods – An agency sells goods on a post-paid basis to the general public. In this thread, the agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02), then performs a sale of a good to a customer who disputes the quality of the delivered goods (050.FFM.L1.01).

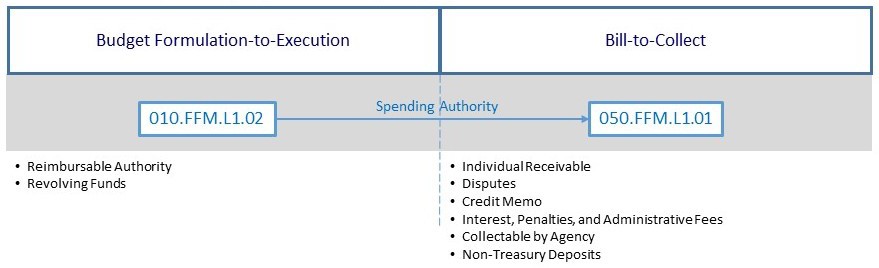


Figure 17: 13. Government Sale of Post-paid Goods Summary

1. Government Sale of Pre-paid Goods – An agency sells goods on a pre-paid basis to the general public. In this thread, the agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02), then performs the sale of a good to a customer that results in a failed payment and collection (050.FFM.L1.02).

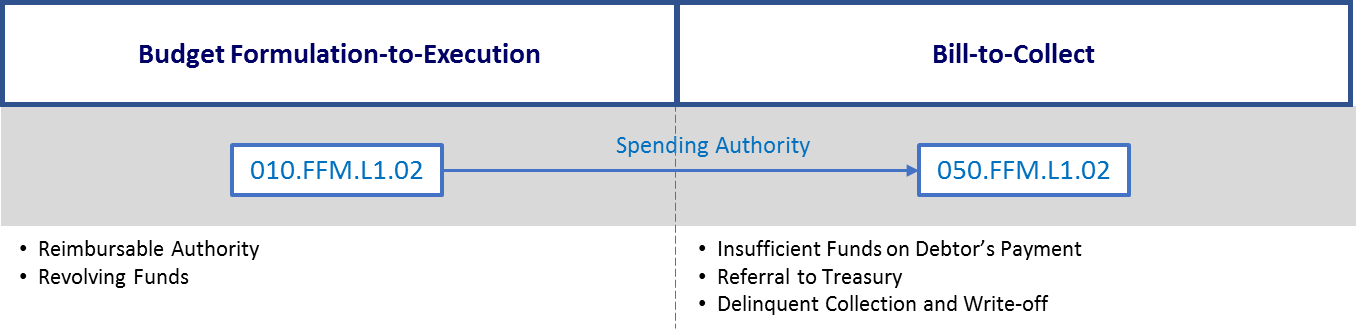


Figure 18: 14. Government Sale of Prepaid Goods Summary

1. Budget Authority Transfers – An agency transfers appropriations and expenditure authority. This thread includes the agency recording its budget into the FM solution (010.FFM.L1.01) then transferring an appropriation and performing a non-expenditure transfer (010.FFM.L1.03).

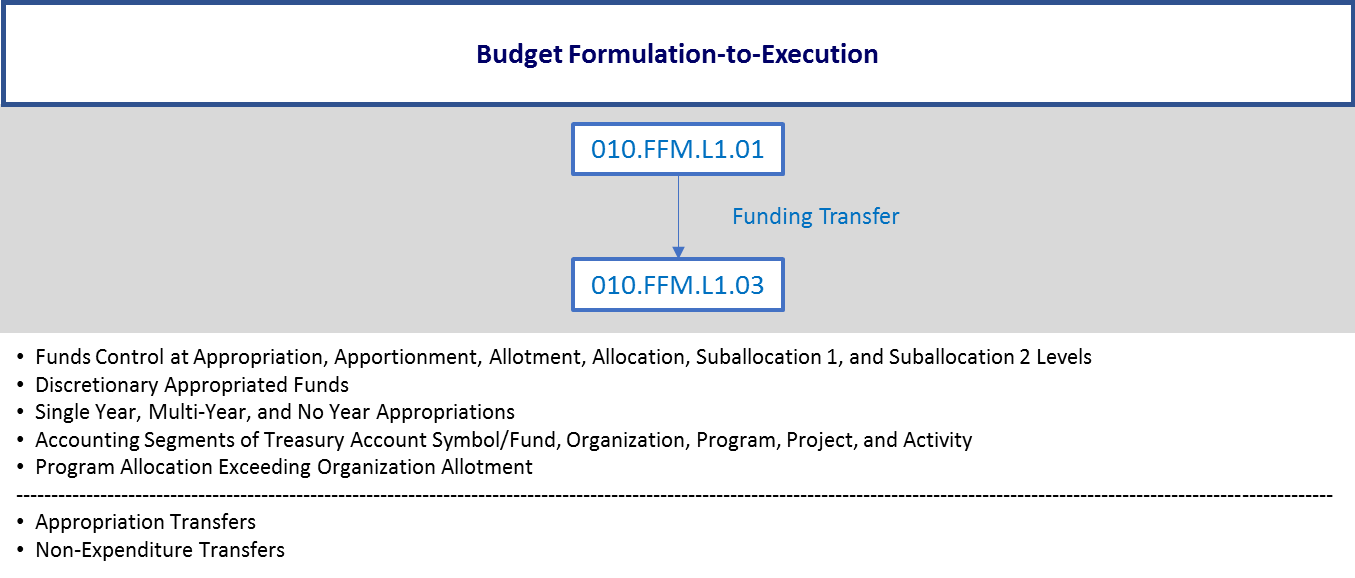


Figure 19: 15. Budget Authority Transfers Summary

1. Financial Accruals and Reporting – A Department with component agencies performs end- of-year adjustments and prepares its financial statements. This thread comprises the generation of financial statements for the constituent agencies, period end and other standard reports (060.FFM.L1.01), and the consolidation of financial statements for the Department (060.FFM.L2.01).

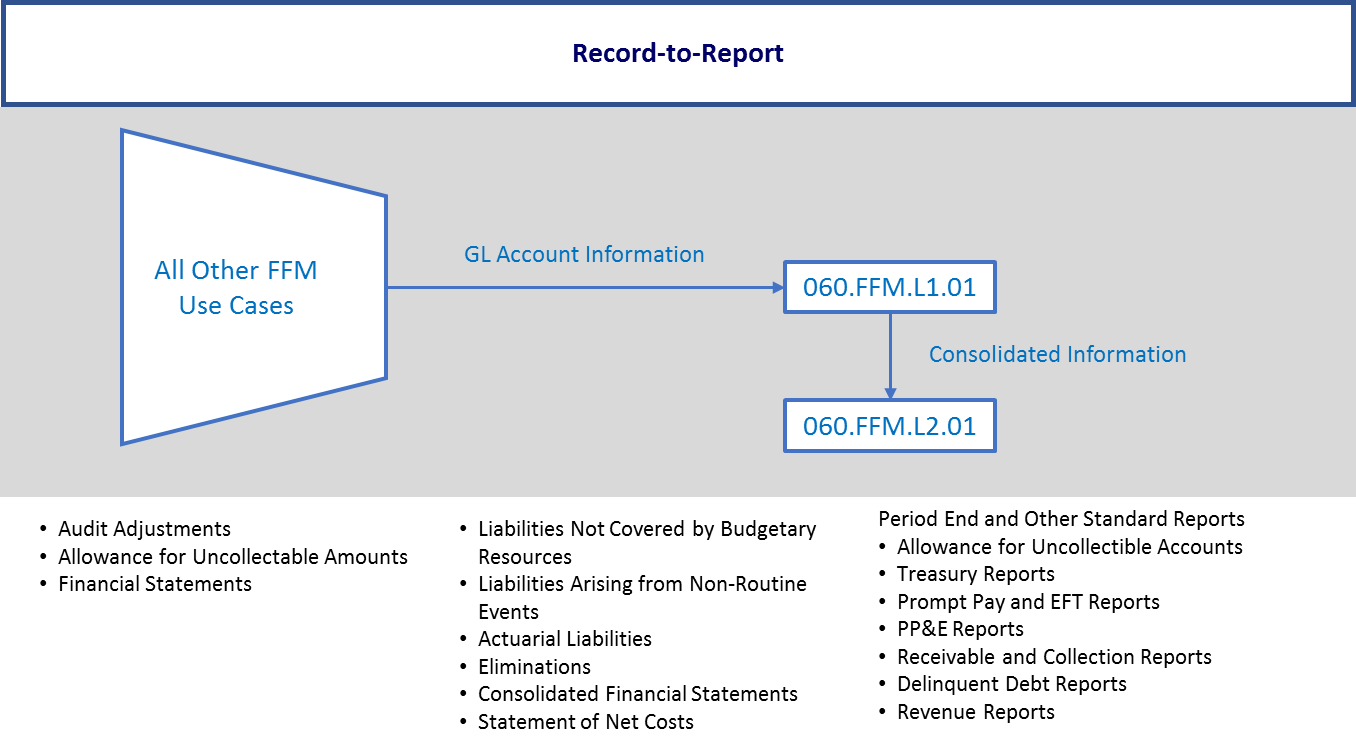


Figure 20: 16. Financial Accruals and Reporting Summary

1. Procurement During a Continuing Resolution (CR)⎯ An agency requires procurement of critical services while operating during a continuing resolution. In this thread, an agency records its spending authorities from two Continuing Resolutions (010.FFM.L1.04), procures the critical services (030.FFM.L1.02), and then records its approved appropriation.

Funding

* Continuing Resolution
* Procurement During a Continuing Resolution

010.FFM.L1.04

**Request-to-Procure**

**Budget Formulation-to-Execution**

030.FFM.L1.02

Figure 21: 17. Procurement During a Continuing Resolution (CR) Summary

1. Bulk Purchases Immediately Distributed ⎯ An agency purchases software for immediate distribution. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), acquires the software (030.FFM.L1.01), receives and pays for the software (040.FFM.L1.01), and manages the distribution of the software (020.FFM.L1.03).



Figure 22: 18. Bulk Purchases Immediately Distributed Summary

1. Leasehold Improvements ⎯ An agency makes improvements to a leased property. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), procures the necessary supplies, equipment, and services for the improvements (030.FFM.L1.01), receives and pays for the services (040.FFM.L1.03), and then vacates the property at the end of the lease (020.FFM.L2.02).

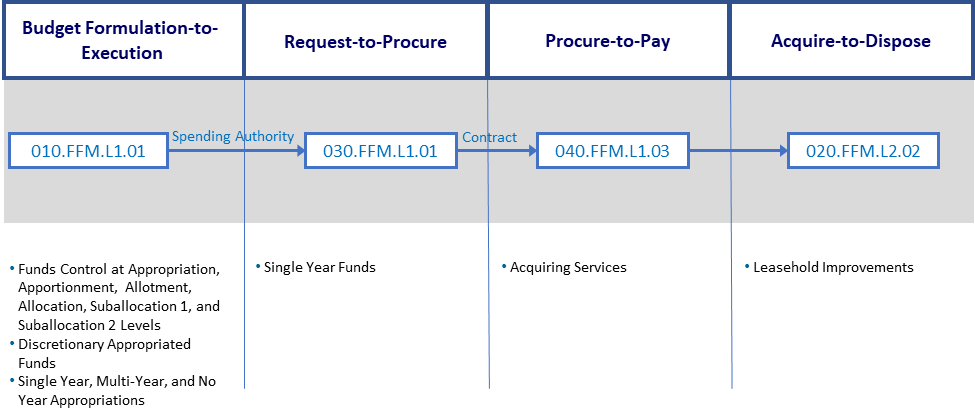


Figure 23: 19. Leasehold Improvements Summary

1. Travel Sponsored by Non-Government Source ⎯ A government employee travels with a portion of the costs sponsored by a non-government source. In this thread, an agency records its budget into the FM solution (010.FFM.L1.01), authorizes the employee travel, obligates the necessary funds not covered by the sponsor, and issues the payment to the traveler and the travel card company (100.FFM.L3.01).

**Book-to-Reimburse**

**Budget Formulation-to-Execution**

010.FFM.L1.01

100.FFM.L3.01

* + Funds Control at Appropriation, Apportionment, Allotment, Allocation, Suballocation 1, and Suballocation 2 Levels
  + Discretionary Appropriated Funds
  + Single Year, Multi-Year, and No Year Appropriations
  + Travel Sponsored by Non- Government Source
  + Non-Government Source Payment In-Kind

Funding

Figure 24: 20. Travel Sponsored by Non-Government Source Summary

1. Reimbursable Agreement with Private Sector Entity ⎯ An agency leases government property to a Private Sector Entity (PSE). In this thread, an agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02), leases government property to a PSE guaranteed by a security deposit, collects payments and issues a refund of the security deposit at lease end (070.FFM.L3.02).

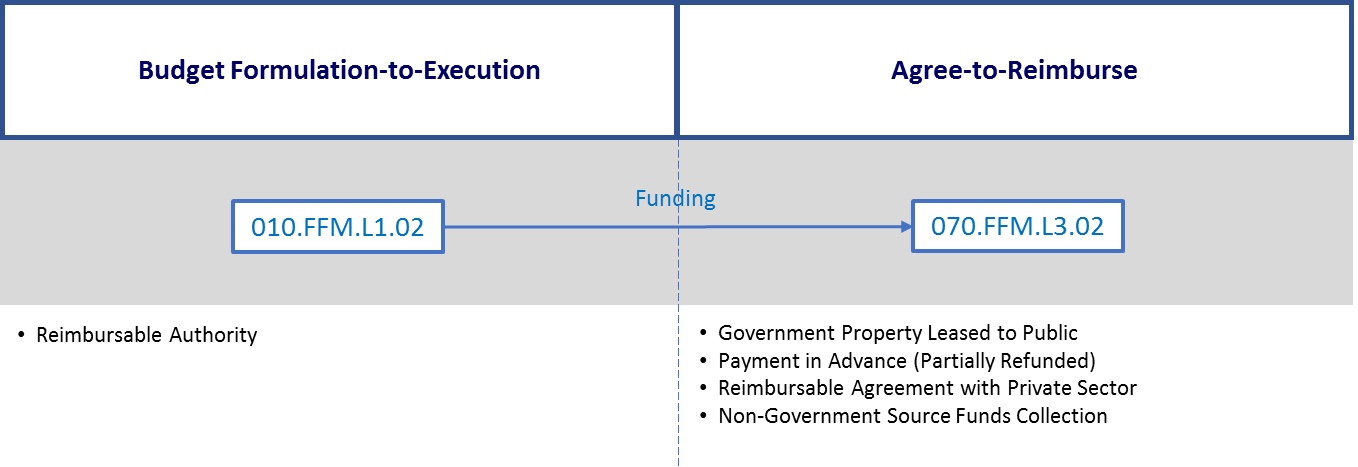


Figure 25: 21. Reimbursable Agreement with Private Sector Entity Summary

1. Aggregated Receivables for Custodial Revenues ⎯ An agency receives revenue due from activities of private sector entities on behalf of a custodial account. In this thread, an agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02) and receives and reports the aggregated receivables (050.FFM.L3.01).

Collection Authority

* Reimbursable Authority
* Aggregated Receivables
* Custodial Revenues
* Unbilled Collections

010.FFM.L1.02

**Budget Formulation-to-Execution**

050.FFM.L3.01

**Bill to Collect**

Figure 26: 22. Aggregated Receivables for Custodial Revenues Summary

1. Novation – An agency is managing a long-term initiative using multiple vendors over multiple fiscal years. During this time, one vendor is acquired in full by another entity. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), begins the acquisition process using multiple funds from multiple vendors, (030.FFM.L2.01), receives, accepts and pays for some of the assets acquired (040.FFM.L2.01), and then processes the vendor novation (040.FFM.L2.04).

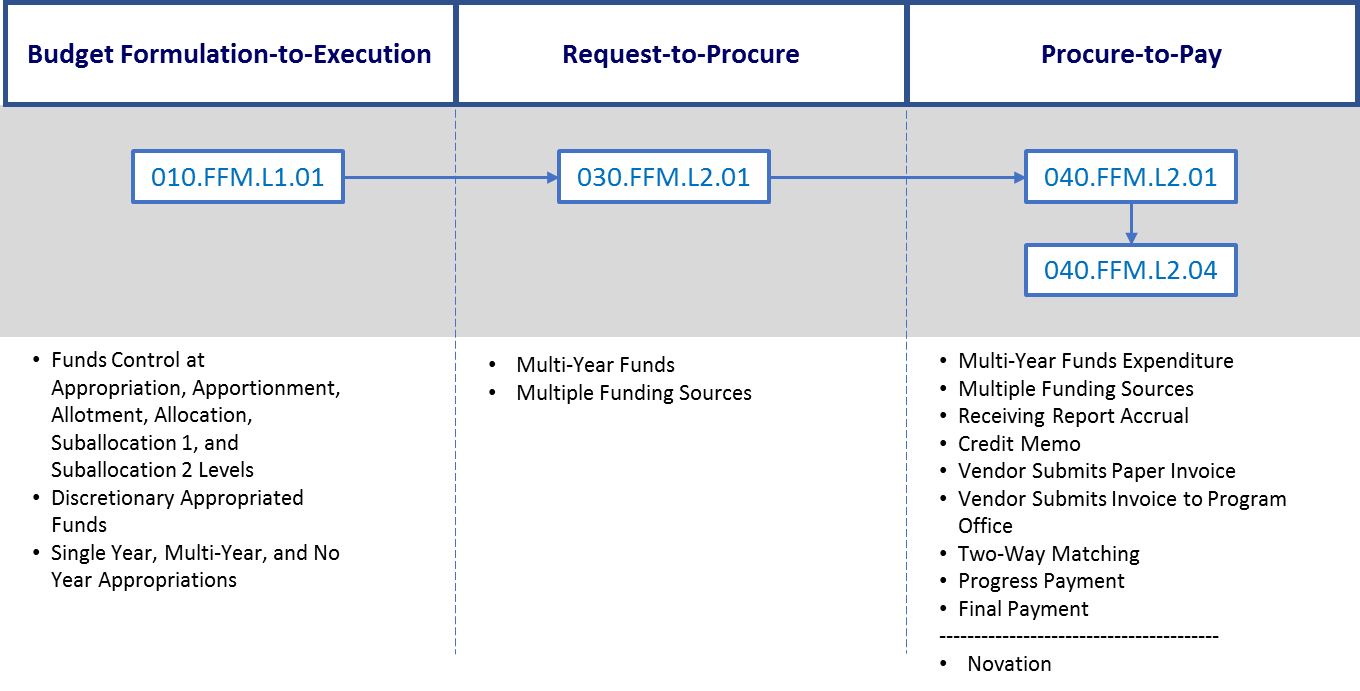


Figure 27: 23. Novation Summary

1. Construction on Real Property – An agency is managing the construction of a new building on heritage land. In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), begins construction on the land (030.FFM.L2.01, 040.FFM.L2.01), then issues a stop work order and places the construction in abeyance after finding hazardous substances on the property (020.FFM.L3.01).

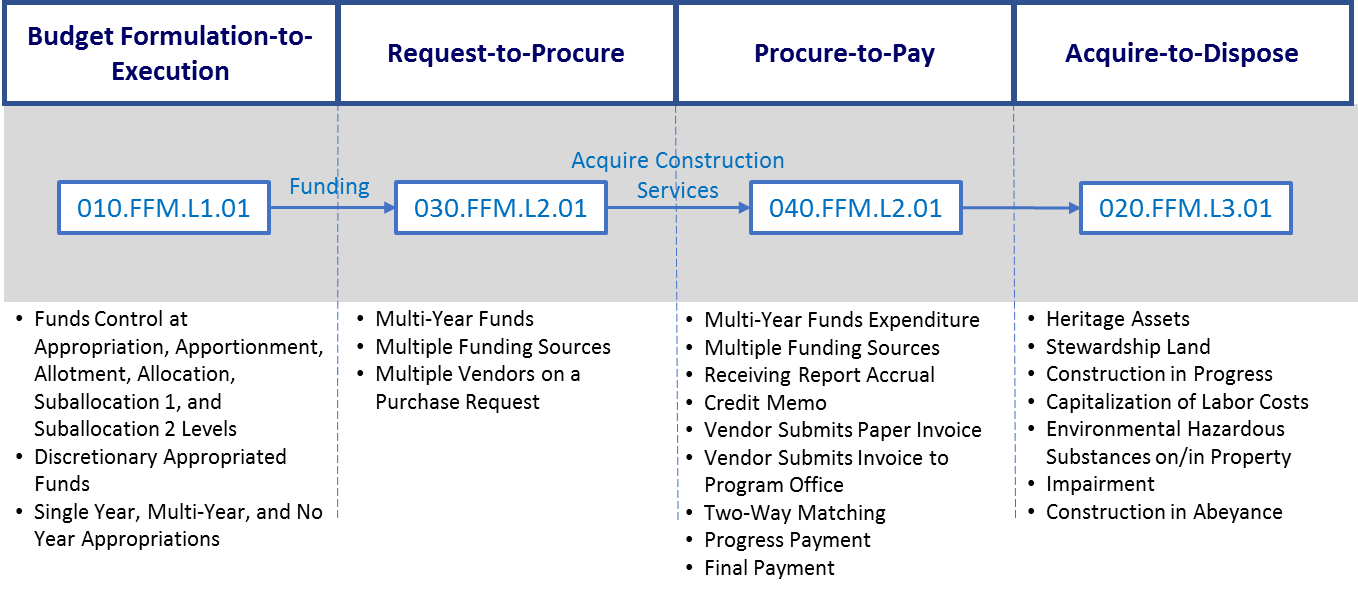


Figure 28: 24. Construction on Real Property Summary

1. AR/AP Netting ⎯ An agency receives an overpayment for ongoing activities that are periodically billed to a Private Sector Entity (PSE). In this thread, the agency records its budget into the FM solution (010.FFM.L1.01), bills and receives an overpayment from the PSE, creates and holds a payable reflecting a refund due to the PSE, then the subsequent bill is reduced by the payable to cover the overpayment and a revised bill is prepared and sent by the Finance Office (050.FFM.L2.01).

Billing Third-Party Debtors – Amounts remaining due from an original debtor for services provided by the government are billed to a third-party guarantor. In this thread, the agency records its spending authority from offsetting collections into the FM solution (010.FFM.L1.02), then performs a service that requires reimbursement and ultimately collects from the third party (050.FFM.L3.02).

Funding

* Funds Control at Appropriation, Apportionment, Allotment, Allocation, Suballocation 1, and Suballocation 2 Levels
* Discretionary Appropriated Funds
* Single Year, Multi-Year, and No Year Appropriations
* AR/AP Netting

010.FFM.L1.01

**Bill-to-Collect**

**Budget Formulation-to-Execution**

050.FFM.L2.01

Figure 29. 26. AR/AP Netting Summary

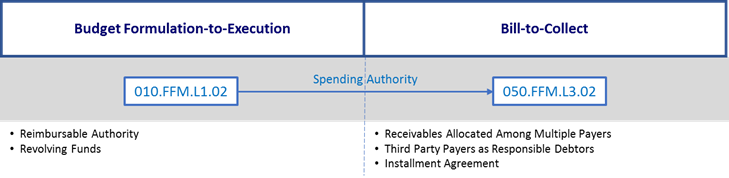


Figure 30. 27. Billing Third-Party Debtors Summary

1. Procuring Against a Federal-to-Federal Reimbursable Agreement – An agency acquires a service from another agency using a reimbursable agreement under the Economy Act. In this thread, the procuring agency records its budget into the FM solution (010.FFM.L1.02), then the providing agency establishes a reimbursable agreement with the procuring agency, performs the requested services and invoices the procuring agency (070.FFM.L1.01); finally, the procuring agency approves an IPAC to reimburse the providing agency (070.FFM.L1.02).

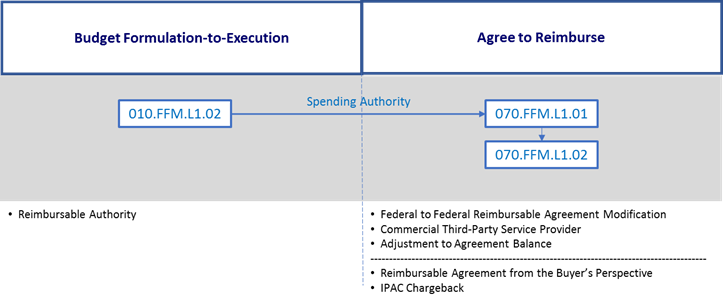


Figure 31. 28. Procuring Against a Federal-to-Federal Reimbursable Agreement Summary

## Building Use Case Demonstration Threads

The inventory of use case demonstration threads included in this overview is not exhaustive. Agencies may wish to create other sequences of business use cases suitable for their environment or a particular need.

To create a use case demonstration thread, the following steps should be followed:

1. Identify the agency-specific process of interest to be addressed in the use case demonstration thread
2. Identify what budget authorities need to be in place
3. Determine what types of transactions are needed
4. Determine payment methods to be used
5. Determine how the results will be recorded and reported

Once these items have been identified, refer [to Table 1: FFM Business Use Case List](#_bookmark9) to select the appropriate business use cases to include in the thread. The business use cases should then be laid out in sequence based on the dependencies identified in the use cases.

# Appendix A: Description of Terms

|  |  |
| --- | --- |
| **Term** | **Description** |
| **End-to- End Business Process** | An End-to-End Business Process identifies a start-to-finish outcome for operational transactions and financial reporting. The End-to-End Business Process provides the context for executing financial management services. Most of the End-to-End Business Processes require integration across multiple Functional Areas/Functions/Activities to achieve the business outcome. |
| **Functional Area** | Functional Areas are the administrative and support domains which provide services that enable service customers (e.g., program offices) to deliver on their missions and accomplish End-to-End Business Processes. |
| **Function** | A Function is a further breakdown of an administrative or mission-support Functional Area into categories of services provided to service customers. |
| **Activity** | Within a Function, Activities are the processes that provide identifiable outputs/outcomes to service customers. |
| **Business Scenario** | Business Scenarios identify 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 Scenarios are categorized as follows:  **Level 1 (L1):** Affects most federal agencies and/or impacts a large transaction volume and/or dollar value within the federal government  **Level 2 (L2):** Affects multiple federal agencies and/or requires some specialized processing from the service customer or auditor perspective  **Level 3 (L3):** Affects a few federal agencies and requires unique processing, mandated by legislation or regulation. |
| **Business Use Case** | Business Use Cases represent typical processing that occurs in federal business operations. They are based on business scenarios and are grouped by commonality levels across agencies (L1/L2/L3). The FFM business use cases include FFM events and non-FFM events to present the interaction between FFM and other Functional Areas. |