

Federal Financial Management Business Use Cases for Procure-to-Pay

June 24, 2022 Version 1.1

Final Government Review in Progress

This document contains proposed updates to the currently published <u>Financial Management (FM) Standards</u> and corresponding components of the <u>Federal Integrated Business Framework (FIBF)</u> 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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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 Procure-to-Pay 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.



Budget Formulation-to-Execution Procure Procure Procure Procure Procure Pay Request-to-Procure Procure Procure Procure Reimburse Report Reimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Re

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.





Procure-to-Pay Business Use Cases

040.FFM.L1.01 Expenditures Within a Single Fiscal Year

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Invoice into FM Solution
- Three-Way Match

Business Actor(s)

Procurement Office; Finance Office; Vendor

Synopsis

Goods previously ordered by a federal agency are received and accepted. An invoice is submitted by the vendor and paid by the agency after performing a three-way match.

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 purchased from the vendor before and the vendor has been set up in the FM system.
- 9. A federal agency has ordered the goods and the order or award obligation has already been established in the FM system.
- 10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
- 11. The vendor is not on the "Do Not Pay" list.
- 12. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

FFMSR ID Reference(s): 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

Initiating Event: The Vendor delivers the goods to the requesting federal agency.



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040.FFM.L1.01 Expenditures Within a Single Fiscal Year

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		Receive and accept delivery of vendor's goods (ACQ.040.020 Documentation of Delivery/Acceptance)		
2	Receive receipt information (receiving report, if used) and accrue the expense (FFM.090.030 Accrual and Liability Processing)		Receipt information (receiving report, if used)	Appropriate accrual liability 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		 a. Vendor enters invoice information into an OMB-approved electronic invoicing solution b. Program Office receives notification of vendor invoice submission and reviews and accepts vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Vendor invoice Receipt information (receiving report, if used) Approved order or award 	Accepted vendor invoice



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040.FFM.L1.01 Expenditures Within a Single Fiscal Year

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	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
5	Receive accepted vendor invoice from OMB-approved electronic invoicing solution and perform a three-way match (FFM.030.070 Payment Processing - Commercial Payments)		 Accepted vendor invoice Receipt information (receiving report, if used) Approved order or award 	 Successful three-way match Validated vendor invoice 	
6		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	Validated vendor invoice	Request for funds availability check	
7	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		Request for funds availability check	 Funds availability response 	
8		 a. Approve vendor invoice b. Request processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	Funds availability responseValidated vendor invoice	 Approved vendor invoice Request for processing of approved vendor invoice 	



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040.FFM.L1.01 Expenditures Within a Single Fiscal Year

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	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	a. Receive and process approved vendor invoice (FFM.030.070 Payment Processing - Commercial		Approved vendor invoiceRequest for processing of approved vendor invoice	reference to source information
	Payments) b. Confirm difference between expenditure amount and obligation			 Appropriate obligation liquidation entry created with reference to source information
	amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management)			 Appropriate accrual reversal entry created with reference to source information
	c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments)			
	d. Liquidate obligation (FFM.030.020 Obligation Management)			
10		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	 Request for disbursement



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040.FFM.L1.01 Expenditures Within a Single Fiscal Year

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	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
11	a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial		Request for disbursementApproved vendor invoice	 Appropriate payable entry liquidated with reference to source information 	
	Payments) b. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments)			 Appropriate disbursement- in-transit entry created with reference to source information 	
	c. Generate disbursement schedule			 Certified disbursement schedule 	
	(FFM.030.110 Payment Disbursement)			Disbursement confirmation information	
	d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)		 Appropriate disbursement- in-transit entry liquidated with reference to source information 		
	e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)			 Appropriate disbursement entry created with reference to source information Vendor receives payment 	
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	



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040.FFM.L1.02 Leased Property

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Operating Lease
- Capital Lease

Business Actor(s)

Finance Office; Acquisition Office; Property Office; Vendors, Program Office

Synopsis

Previously acquired office equipment is received through an operating lease to support a temporary workforce performing initial activities for a long-term project. The office equipment is returned at the end of the lease period and the lease is closed out. A single payment is made for the operating lease. In addition, heavy equipment needed for the long-term project has been acquired through a Request-to-Procure process using a five-year capital lease. The equipment is put into service. At the end of the capital lease period, the final payment is made and the lease is closed out. The equipment is owned by the government at the end of the lease.



Budget Formulation-to-Execution Dispose Procure Procure Pay Sill-to-Pour Record-to-Report Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Remburse Record-to-Remburse Record-to-Record-to-Remburse Record-to-Record-to

040.FFM.L1.02 Leased Property

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. Each vendor was selected during a Request-to-Procure process.
- 9. Assets being leased are owned by private entities.
- 10. Analysis has been completed and a determination made that one lease meets criteria for an operating lease and the other a capital lease, per FASAB guidelines.
- 11. Orders or awards and lease agreements for both leases have been completed and funds have been obligated. The obligated amount for capital lease includes present value of the lease payments as well as interest at the current Treasury interest rate.
- 12. The agency has used the vendor(s) before and the vendor(s) have/has been set up in the agency financial system.
- 13. Both vendors use an OMB-approved electronic invoicing solution to invoice the agency.
- 14. The vendors are properly registered in federal acquisition systems.
- 15. Neither vendor is on the Do Not Pay list.
- 16. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
- 17. The property record, which contains all needed data for effective personal property management (e.g., location, procurement, utilization, disposal, cost, evaluation, and control), for the operating lease has been established and includes all information required

FFMSR ID Reference(s): 1.1.2; 1.1.3; 1.1.4; 2.2.1; 2.2.2; 2.1.2

Initiating Event: Per terms of previously executed order or award and lease agreements, an agency receives leased equipment.



Budget Formulation-to-Dispose Procure Procure Procure Procure Region Region Record-to-Reimburse Record-to-

Typ	pical Flow of Events			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		 a. Inspect and accept the operating leased equipment (PRM.010.010 Property Acquisition/Receipt) b. Estimate liability accrual for operating lease payments (PRM.010.010 Property Acquisition/Receipt) c. Request estimated liability accrual be established (PRM.010.010 Property Acquisition/Receipt) d. Update property records including custodian, location and value (PRM.010.060 Property Control and Accountability) 	 Operating leased equipment Operating lease agreement Property record 	 Accepted property Property record Estimated operating lease liability Request for establishment of operating lease liability accrual
2	Receive and process request to establish operating lease liability accrual (FFM.090.030 Accrual and Liability Processing)		 Accepted property Request for establishment of operating lease liability accrual Estimated operating lease liability Property record 	 Appropriate liability accrual entry created for operating lease equipment with reference to source information Property record



general ledger (GL) (FFM.090.020 General

Ledger Posting)

| Description | Dispose | Procure |



Budget
Formulation-toDispose
Procure
Procure
Procure-toProcure-toPay
Procure-toPay
Record-toRecord-toReport
Record-toRemburse
Record-toRemburse
Reprocure
Refine
Record-toRemburse
Reprocure
Refine
Record-toRemburse
Record-toRecord-

040	D.FFM.L1.02 Leased Prope	erty		
Ty	pical Flow of Events			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
4		 a. Inspect and accept the capital leased equipment (PRM.010.010 Property Acquisition/Receipt) b. Determine property value and other property information (PRM.010.050 Property Valuation) c. Estimate depreciation and liability accruals for capital lease (PRM.010.050 Property Valuation) d. Request estimated liability accruals be established (PRM.010.050 Valuation) e. Request estimated property value be established (PRM.010.050 Property Valuation) f. Update property record to including custodian, location and value (PRM.010.060 Property Control and Accountability) 		 Accepted property Property record Estimated capital lease property value Estimated capital lease interest liability Estimated capital lease principal liability Estimated capital lease depreciation Request for establishment of capital lease depreciation and liability accruals Request for establishment of capital property value



Budget
Formulation-toDispose
Procure
Procure
Procure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toRecord-toReport
Record-toReimburse
Repay
Record-toReimburse
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	pical Flow of Events	City		
ı y	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
5	a. Receive and process request for establishment of capital lease depreciation and liability accruals (FFM.090.030 Accrual and Liability Processing) b. Accrue depreciation (FFM.090.030 Accrual and Liability Processing) c. Accrue interest liability (FFM.090.030 Accrual and Liability Processing) d. Accrue principal liability (FFM.090.030 Accrual and Liability Processing) e. Establish property valuation (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment)		 Accepted property Request for establishment of capital lease depreciation and liability accruals Estimated capital lease depreciation Estimated capital lease interest liability Estimated capital lease principal liability Request for establishment of capital property value Estimated capital lease property value 	 Appropriate depreciation accrual entry created with reference to source information Appropriate interest liability accrual entry created with reference to source information Appropriate principal liability accrual entry created with reference to source information Appropriate property valuation entry created with reference to source information Property record
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



040.FFM.L1.02 Leased Property Typical Flow of Events **FFM Event** Non-FFM Event Input(s) Output(s) / Outcome(s) a. Operating lease vendor Operating lease vendor Accepted operating enters single and final lease vendor invoice invoice invoice information into an Lease agreement **OMB-approved electronic** invoicing solution b. Program Office receives notification of operating lease vendor invoice submission and reviews and accepts vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) Receive accepted operating Accepted operating lease • Appropriate payable lease vendor invoice from vendor invoice entry created with OMB-approved electronic reference to source invoicing solution information (FFM.030.070 Payment Appropriate liability Processing - Commercial accrual reversal entry Payments) created with reference to source information Validated vendor invoice Request funds availability Request for funds Validated operating lease check availability check vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) **10** Receive and process request Request for funds Funds availability for funds availability check availability check response

(FFM.010.020 Fund Allocation and Control)



Budget
Formulation-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Reply-toReimburse

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Record-toReimburse

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	cal Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
11		 a. Approve operating lease vendor single and final invoice b. Request for processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Funds availability response Validated operating lease vendor invoice 	of approved vendor invoice	
t	a. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management)		 Approved vendor invoice Request for processing of approved vendor invoice 	l chiam dina arabanian in	



Budget Formulation-to-Dispose Procure Procure Pay Request-to-Procure Report Record-to-Reimburse Report Relimburse Report Report

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
13		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	Request for disbursement
14	 a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments) b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments) c. Generate disbursement schedule (FFM.030.110 Payment Disbursement) d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation) 		Request for disbursement	Appropriate payable entry liquidated with reference to source information Appropriate disbursement-in -transit entry created with reference to source information Certified disbursement schedule Disbursement confirmation information Appropriate disbursement-in -transit entry liquidated with reference to source information Appropriate disbursement entry created with reference to source information Appropriate disbursement entry created with reference to source information Vendor receives



Budget Formulation-to-Execution Procure Procure Pay Bill-to-Pay Record-to-Reimburse Record-to-Reimburse Report Remburse Report Remburse Repay Record-to-Remburse Record-to-Remburse Repay Record-to-Remburse Record-to-Remburse Repay Record-to-Remburse Record-to-Remburse Repay Record-to-Remburse Rec

	pical Flow of Events			
171	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
15	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
16		 a. Capital lease vendor enters initial invoice information into an OMB-approved electronic invoicing solution b. Program Office receives notification of capital lease vendor invoice submission and reviews and accepts vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Capital lease vendor invoice Capital lease agreement 	Accepted capital lease vendor invoice
17	Receive accepted capital lease vendor invoice from OMB- approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments)		Accepted capital lease vendor invoice	 Appropriate payable entry created with reference to source information Appropriate liability accrual reversal entry created with reference to source information Validated vendor invoice



Budget
Formulation-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

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Typical Flow of Events					
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
18		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	Validated capital lease vendor invoice	Request for funds availability check	
19	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		Request for funds availability check	 Funds availability response 	
20		 a. Approve capital lease vendor invoice b. Request for processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Funds availability response Validated capital lease vendor invoice 	 Approved capital lease vendor invoice Request for processing of approved vendor invoice 	



Budget Acquire-to-Dispose Procure-to-Pay Record-to-Reimburse Record-to-Reimburse Report Regimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Recor

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Typ	pical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
21	 a. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) 		 Approved vendor invoice Request for processing of approved vendor invoice 	Appropriate payable	
22	,	Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	Request for disbursement	



Budget Acquire-to- Request-to- Procure-to- Bill-to- Record-to- Reimburse Apply-to- Reimburse Repay Regime Repay Record-to- Remburse Record-to- Remburse Repay Record-to- Remburse Remburse Remburse Remburse Repay Record-to- Remburse Remburse

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Typ	Typical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
23	a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial		Request for disbursement	entry liquidated with reference to source information	
	Payments) b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)			Appropriate disbursement-in -transit entry created with reference to source information	
	c. Generate disbursement schedule			 Certified disbursement schedule 	
	(FFM.030.110 Payment Disbursement)			Disbursement confirmation information	
	d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)			Appropriate disbursement-in -transit entry liquidated with reference to source information	
	e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)			 Appropriate disbursement entry created with reference to source information Vendor receives 	
				payment	
24	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 Acquire-to-Dispose Procure-to-Pay Record-to-Reimburse Record-to-Reimburse Report Regimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Recor

040	140.FFM.L1.02 Leased Property				
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	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
25		 a. Operating lease ends and equipment is returned b. Update property record c. Request close-out of operating lease (PRM.010.040 Property Transfer, Disposal, or Retirement) 	 Property record Operating lease agreement Payment of final operating equipment invoice 	 Returned equipment Request for operating lease close-out Property record 	
26	 a. Receive and process request for close-out of operating lease (FFM.010.020 Fund Allocation and Control) b. Reverse remaining liability accruals, as needed (FFM.090.030 Accrual and Liability Processing) c. Deobligate remaining funds, as needed (FFM.030.020 Obligation Management) 		 Request for operating lease close-out Property Record Operating lease agreement 	 Appropriate liability accrual reversal entry made with reference to source information Appropriate deobligation entry created with reference to source information Property record 	
27	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 - Dispose Request-to-Procure - Procure - Pay Sill-to-Collect Report Record-to-Report Remburse Refine Record-to-Remburse Refine Refine Record-to-Remburse Refine Refine Record-to-Remburse Refine Refi

040.FFM.L1.02 Leased Property Typical Flow of Events FFM Event Non-FFM Event Input(s) Output(s) / Outcome(s) 28 a. Capital lease vendor Capital lease vendor final • Accepted capital lease enters final invoice vendor final invoice invoice information into an OMB-Capital lease agreement approved electronic invoicing solution b. Program Office receives notification of capital lease vendor invoice submission and reviews and accepts vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) Receive accepted capital Accepted capital lease Appropriate payable lease vendor final invoice vendor final invoice entry created with from OMB-approved reference to source electronic invoicing solution information (FFM.030.070 Payment Appropriate liability Processing - Commercial accrual reversal entry

Payments)

created with reference to



Budget
Formulation-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Reply-toReimburse

Retire

Retire

Reimburse

Repay

Report

Report

Record-toReimburse

Report

Report

Record-toReimburse

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Record-toReimburse

Record-toReco

	U.FFIM.LT.UZ Leased Prop	erty				
Тур	Typical Flow of Events					
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)		
32		 a. Approve capital lease vendor final invoice b. Request for processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	vendor final invoice	 Approved capital lease vendor final invoice Request for processing of approved vendor invoice 		
33	 a. Receive approved invoice (FFM.030.070 Payment Processing – Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing – Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) 		 Approved vendor invoice Request for processing of approved vendor invoice 	 Appropriate payable entry created with reference to source information Appropriate obligation liquidation entry created with reference to source information Appropriate accrual reversal entry created with reference to source information 		
34		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	Request for disbursement		



Budget Acquire-to- Request-to- Procure-to- Bill-to- Record-to- Reimburse Apply-to- Reimburse Repay Regime Repay Record-to- Remburse Record-to- Remburse Repay Record-to- Remburse Remburse Remburse Remburse Repay Record-to- Remburse Remburse

	540.1 FM.LT.02 Leased Froperty			
Typ	pical Flow of Events			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
35	a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)		Request for disbursement	 Appropriate payable entry liquidated with reference to source information Appropriate
	b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)			disbursement-in -transit entry created with reference to source information
	c. Generate disbursement schedule			 Certified disbursement schedule
	(FFM.030.110 Payment Disbursement)			Disbursement confirmation information
	d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) e. Receive confirmation of			Appropriate disbursement-in -transit entry liquidated with reference to source information
	disbursement (FFM.030.120 Payment Confirmation)			 Appropriate disbursement entry created with reference to source information Vendor receives payment
36	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-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Reply-toReimburse

Retire

Retire

Reimburse

Repay

Report

Report

Record-toReimburse

Report

Report

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Record-toReimburse

Report

Record-toReimburse

Record-toReimburse

Record-toReimburse

Record-toReimburse

Record-toReimburse

Record-toReco

Typical Flow of Events			
FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
37	a. Final capital lease invoi is paid for heavy equipment and equipment becomes property of government (PRM.010.040 Property Transfer, Disposal, or Retirement) b. Record ownership of property in the property management system (PRM.010.060 Property Control and Accountability) c. Determine value of capiequipment adjusted by depreciation (PRM 010.050 Property Valuation) d. Request updated valuation of property (PRM 010.050 Property Valuation) e. Close-out of capital lease (PRM.010.040 Property Transfer, Disposal, or Retirement)	payment Property record Capital lease agreement Accrued depreciation	 Request for close-out of capital lease Value of capital equipment adjusted by depreciation Request for updated valuation of capital equipment adjusted by depreciation Property record



Budget Acquire-to-Dispose Procure-to-Pay Record-to-Reimburse Record-to-Reimburse Report Regimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Repay Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Recor

	040.FFM.LT.02 Leased Property			
Ty	pical Flow of Events			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
38	 a. Receive and process request for close-out capital lease (FFM.010.020 Fund Allocation and Control) b. Reverse any remaining interest and principal liability accruals, as needed (FFM.090.030 Accrual and Liability Processing) c. Deobligate remaining funds, as needed (FFM.030.020 Obligation Management) d. Receive and process request for updated valuation of capital equipment adjusted by depreciation (FFM.020.010 Financial Asset Information Processing - Property, Plant, and Equipment) 		 Capital lease agreement Property record Request for close-out of capital lease Value of capital equipment adjusted by depreciation Request for updated valuation of capital equipment adjusted by depreciation 	 Appropriate interest and principal liability accrual reversal entries created with reference to source information Appropriate property valuation entry created with reference to source information Appropriate deobligation entries created with reference to source information Property record
39	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 Dispose Procure Procure Pay Bill-to-Pocure Report Record-to-Reimburse Record-to-Reimburse Report Remburse Remburse Report Remburse Remburse Report Remburse Rembu

040.FFM.L1.03 Acquiring Services

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

Acquiring Services

Business Actor(s)

Procurement Office; Finance Office; Program Office; Vendor

Synopsis

Services previously ordered by a federal agency are received and accepted. An invoice is submitted by the Vendor and paid by the agency.

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 purchased from the vendor before and the vendor has been set up in the FM system.
- 9. The federal agency has ordered and received the services and the order or award obligation has already been established in the FM system.
- 10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
- 11. The receiving report is optional unless required for matching.
- 12. The vendor is not on the Do Not Pay list.
- 13. The vendor is properly registered in federal acquisition systems.
- 14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

FFMSR ID Reference(s): 1.1.2; 2.2.1; 2.2.2; 2.1.2

Initiating Event: The Vendor delivers services to the requesting federal agency.



Formulation-to-Execution Dispose equest-to-Procure Procure-to-

Bill-to-

Record-to-

Agree-to-Reimburse Apply-to-

Hire Ret Book-to-

Apply-to-

Typi	Typical Flow of Events			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
1		Receive and accept delivery of vendor's services (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved order or awardVendor's services	Receipt information (receiving report, if used)
2	Receive receipt information (receiving report, if used) and accrue the expense (FFM.090.030 Accrual and Liability Processing)		 Receipt information (receiving report, if used) 	Appropriate liability accrual entry created with reference to source information
	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. Vendor enters invoice information into an OMB-approved electronic invoicing solution (Vendor External Activity) b. Program Office receives notification of vendor invoice submission and reviews and validates vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Vendor invoice Receipt information (receiving report, if used) Approved order or award 	Validated vendor invoice



Typi	pical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
5	Receive validated vendor invoice from OMB-approved electronic invoicing solution (FFM.030.070 Payment Processing - Commercial Payments)		Validated vendor invoice	 Appropriate payable entry created with reference to source information Appropriate liability accrual reversal entry created with reference to source information 	
6		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	Validated vendor invoice	Request for funds availability check	
7	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		Request for funds availability check	Funds availability response	
8		 Approve vendor invoice Request processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	Funds availability responseValidated vendor invoice	 Approved vendor invoice Request for processing of approved vender invoice 	



Budget Budget Acquire-to-Dispose Procure Procure Procure Procure Report Reimburse Perform Retire-to-Reimburse Perform Retire-to-Reimburse Perform Retire-to-Reimburse Perform Retire-to-Retire-to-Reimburse Perform Retire-to-Retire-to-Reimburse Perform Retire-to-Retire

	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
9	 a. Receive approved vendor invoice (FFM.030.070 Payment Processing – Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing – Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) 		 Approved vendor invoice Request for processing of approved vendor invoice 	 Appropriate payable entry created with reference to source information Appropriate obligation liquidation entry created with reference to source information Appropriate accrual reversal entry created with reference to source information
10		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	 Approved vendor invoice 	Request for disbursement



Budget Acquire-to-Dispose Request-to-Dispose Request-to-Procure Procure Report Record-to-Reimburse Report Reimburse Report Rejmburse Repay

Tvn	ical Flow of Events			
. 76	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)
11	a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial		Request for disbursement	 Appropriate payable entry liquidated with reference to source information
	Payments) b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments)			 Appropriate disbursement- in-transit entry created with reference to source information
	c. Generate disbursement schedule			 Certified disbursement schedule
	(FFM.030.110 Payment Disbursement)			 Disbursement confirmation information
	d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)			 Appropriate disbursement- in-transit entry liquidated with reference to source information
	e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation)			 Appropriate disbursement entry created with reference to source information Vendor receives payment
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



Budget Acquire-to-Procure-to-Pay Bill-to-Record-to-Reimburse Apply-to-Reimburse Apply-to-Reimburse Reduced Report Report Report Report Report Report Remove Report Remove Remove Report Report Remove Remove Report Remove Remove

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Multi-Year Funds Expenditure
- Multiple Funding Sources
- Receiving Report Accrual
- Credit Memo
- Vendor Submits Paper Invoice
- Vendor Submits Invoice to Program Office
- Two-Way Matching
- Progress Payment
- Final Payment

Business Actor(s)

Program Office; Finance Office; Vendors

Synopsis

A procurement request for development of a complex project is prepared by a federal agency program with two funding sources used. The project is planned to take two years to complete and the program is using multi-year funds. To help meet local small business development goals, three awards were issued from the one procurement request. As work progresses, monthly financial and performance reports are submitted by the vendors and progress is inspected by the agency. Accrued liability is established from the financial and performance reports until invoices are received. One vendor (Vendor 1) is given a waiver to submit paper invoices and the vendor submits it to the Program Office. Electronic invoices are submitted by Vendor 2 and Vendor 3. Invoices are validated using a two-way match. An invoice from Vendor 3 is found not valid by the match, reflecting the agency was billed too much. A credit memo is requested and received from Vendor 3 and the invoice is paid. After the final payments are made to all vendors, the award still has some obligated funds and during award closeout, the remaining funds are de-obligated.





040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

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, semiautomated, 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 estimated duration of the project is two years and multi-year funds are used.
- 9. Some invoices are received in one fiscal year and payment will be due in the next.
- 10. The contract was awarded to three vendors in a previous Procure-to-Pay use case.
- 11. The vendors are properly registered in government systems and relevant vendor information has been established in the FM system.
- 12. The Vendors 2 and 3 use an OMB-approved electronic invoicing solution to invoice the agency.
- 13. None of the vendors are on the "Do Not Pay" list.
- 14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.
- 15. Award closeout includes reviewing final invoices and payments.

Initiating Event Work has been completed for each of the awards issued to three vendors from a single	FFMSR ID Reference(s)	1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2
procurement request.	•	Work has been completed for each of the awards issued to three vendors from a single procurement request.



Budget
Formulation-toExecution
Dispose
Procure
Pay
Procure-toPay
Procure-toPay
Procure-toPay
Procure-toPay
Record-toReport
Report
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Refine Refine Refine Refine Report
Refine Refine

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive and verify three Vendor monthly 1 Verified vendor monthly vendor monthly financial financial and financial and and performance reports performance performance reports reports b. Determine estimated Estimated accrual of accrual of liability and Order or award liability request liability accrual be Award information recorded (ACQ.040.020 Documentation of Delivery/Acceptance) Receive estimated accrual Appropriate accrual Estimated accrual information and accrue liability entries created with of liability for progress of each vendor reference to source information (FFM.090.030 Accrual and Liability Processing) Post appropriate budgetary, GL entries Appropriate GL accounts proprietary, and/or memorandum updated entries to the general ledger (GL) (FFM.090.020 General Ledger Posting) Request for two-way Receive Vendor 1 paper Vendor 1 paper invoice at end of fiscal year match to validate Vendor invoice and request a two-way match 1 invoice for validation (ACQ.040.020 **Documentation of** Delivery/Acceptance)



Budget
Formulation-toExecution

Request-toProcure

Procure-toPay

Request-toPay

Record-toReport

Report

Report

Regimburse

Report

Refire

Refire

Remburse

Report

Remburse

Report

Remburse

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Remburse

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) Receive Vendor 1 invoice and Vendor 1 invoice Successful two-way complete a two-way match match Award information (FFM.030.070 Payment Validated Vendor 1 Estimated accrual Processing - Commercial invoice of liability Payments) Request multi-year funds Validated Vendor 1 • Request for multi-year availability check funds availability check invoice (ACQ.040.020 Documentation of Delivery/Acceptance) Receive and process request for Request for multi-Multi-year funds multi-year funds availability year funds availability response check availability check (FFM.010.020 Fund Allocation and Control) a. Approve Vendor 1 invoice Multi-year funds Approved Vendor 1 and request disbursement availability invoice response b. Request processing of Request for processing of approved vendor invoice Validated Vendor 1 approved vendor invoice invoice (ACQ.040.020

Documentation of Delivery/Acceptance)



Budget Requise to-Dispose Request to-Procure Pay Record-to-Reimburse Reimburse Reimbur

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive approved Vendor 1 Approved Vendor 1 • Appropriate payable entry created with invoice invoice reference to source (FFM.030.070 Payment Request for information Processing - Commercial processing of Payments) approved vendor Appropriate obligation liquidation entry created b. Confirm difference between invoice with reference to source expenditure amount and obligation amount does not information exceed tolerance Appropriate accrual percentage/amount reversal entry created with reference to source (FFM.030.020 Obligation information Management) c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) Request disbursement 10 Approved Vendor 1 • Request for disbursement invoice (ACQ.040.020 Documentation of

Delivery/Acceptance)



Budget Formulation-to- Dispose Procure Procure

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive and process Vendor 11 Request for Appropriate payable 1 invoice disbursement entry liquidated with disbursement request reference to source Approved Vendor 1 information (FFM.030.070 Payment invoice Processing - Commercial **Appropriate** Payments) disbursement- in-transit entry created with b. Initiate payment reference to source (FFM.030.070 Payment information Processing - Commercial Certified disbursement Payments) schedule c. Generate disbursement schedule Disbursement confirmation information (FFM.030.110 Payment Disbursement) **Appropriate** disbursement- in-transit d. Certify payment of entry liquidated with disbursement schedule reference to source (FFM.030.110 Payment information Disbursement) **Appropriate** e. Receive confirmation of disbursement entry disbursement created with reference to (FFM.030.120 Payment source information Confirmation) Vendor 1 receives payment Post appropriate budgetary, 12 GL entries Appropriate GL accounts proprietary, and/or memorandum updated entries to the general ledger (GL (FFM.090.020 General Ledger Posting)



Budget
Formulation-toExecution
Dispose
Request-toProcure - toProcure - toProcu

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) 13 a. Vendor 2 and Vendor 3 Vendor 2 and Accepted Vendor 2 and enter invoice information Vendor 3 invoices Vendor 3 invoices into an OMB-approved electronic invoicing solution at end of fiscal year b. Program Office receives notification of vendor invoice submission and reviews and accepts both vendor invoices (ACQ.040.020 Documentation of Delivery/Acceptance) 14 Receive accepted vendor Accepted Vendor 2 • Successful two-way invoices from OMB-approved and Vendor 3 match for Vendor 2 electronic invoicing solution and invoices Validated Vendor 2 perform a two-way match for Award information invoice Vendor 2 and Vendor 3 invoices Unsuccessful two-way Estimated accrual (FFM.030.070 Payment of liability match for Vendor 3 Processing - Commercial invoice Payments) 15 Request multi-year funds Validated Vendor 2 • Request for multi-year availability check invoice funds availability check (ACQ.040.020 Unsuccessful two-Request credit memo Documentation of from Vendor 3 wav match Delivery/Acceptance) information for Vendor 3 invoice



Budget Formulation-to-Dispose Procure Procure Pay Request-to-Pay Repost Report Remburse Remburse Remburse Remburse Report Remburse Remburse Report Remburse Report Remburse Remburse Remburse Report Remburse Remb

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events **FFM Event** Non-FFM Event Input(s) Output(s) / Outcome(s) Receive and process request for Request for multi-Multi-year funds 16 multi-year funds availability vear funds availability response check availability check (FFM.010.020 Fund Allocation and Control) a. Approve Vendor 2 and Approved Vendor 2 and 17 Multi-year funds Vendor 3 invoices and availability Vendor 3 invoices request disbursement response Request for processing of b. Request processing of Validated Vendor 2 approved Vendor 2 and approved Vendor 2 and Vendor 3 invoices and Vendor 3 Vendor 3 invoices invoices (ACQ.040.020 Documentation of Delivery/Acceptance)



Budget Formulation-to-Dispose Procure Procure Procure Report Report Remburse Perform Retire Report Reimburse Report Remburse Remburse Report Remburse Remburse Report Remburse Remburse Report Remburse Remburs

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive approved Vendor 2 Approved Vendor 2 • 18 Appropriate payable and Vendor 3 invoices and Vendor 3 entry created with invoices reference to source (FFM.030.070 Payment information **Processing - Commercial** Request for Payments) processing of Appropriate obligation approved Vendor 2 liquidation entry created b. Confirm difference between and Vendor 3 with reference to source expenditure amount and obligation amount does not invoices information exceed tolerance Appropriate accrual percentage/amount reversal entry created (FFM.030.020 Obligation with Management) reference to source c. Establish payables information (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) Request disbursement 19 Approved Vendor 2 • Request for and Vendor 3 disbursement (ACQ.040.020 invoices Documentation of Delivery/Acceptance)



Budget Formulation-to-Execution Procure Procure Pay Bill-to-Report Rejmburse Report Refine Regimburse Report Refine Resimburse Report Refine Resimburse Report Refine Refine Resimburse Report Refine Refine Resimburse Report Refine Refine Resimburse Report Refine Refine Refine Report Refine Refine Refine Report Refine Refine

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive and process Vendor 20 Request for Appropriate payable 2 and Vendor 3 disbursement entries liquidated with disbursement request reference to source Approved Vendor 2 information (FFM.030.070 Payment and Vendor 3 **Processing -Commercial** invoices **Appropriate Payments** disbursement- in-transit entry created with b. Initiate payments reference to source (FFM.030.070 Payment information **Processing -Commercial** Certified disbursement **Payments** schedule c. Generate disbursement schedule Disbursement confirmation information (FFM.030.110 Payment Disbursement) **Appropriate** disbursement- in-transit d. Certify payment of entry liquidated with disbursement schedule reference to source (FFM.030.110 Payment information Disbursement) **Appropriate** e. Receive confirmation of disbursement entry disbursements created with reference to (FFM.030.120 Payment source information Confirmation) Vendor 2 and Vendor 3 receive payment 21 Post appropriate budgetary, GL entries Appropriate GL accounts proprietary, and/or memorandum updated entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)



Budget Formulation-to-Execution Procure Procure Pay Collect Report Reimburse Perform Retire Report Remburse Remburse Report Remburse Remburse

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) 22 Request processing of Credit memo from Request for processing of Vendor 3 credit memo Vendor 3 credit memo Vendor 3 for received in program office accidental overbilling on (ACQ.040.020 previous invoice Documentation of Delivery/Acceptance) 23 Receive and process Vendor 3 Request for Appropriate accrual entry credit memo created with reference to processing of source information (FFM.030.070 Payment Vendor 3 credit Processing - Commercial memo Appropriate Vendor 3 Payments) receivable entry created with reference to source information 24 Vendor 3 enters invoice Vendor 3 invoice Request for processing of information into an OMB-Vendor 3 invoice approved electronic invoicing solution at end of fiscal year b. Program Office receives notification of vendor invoice submission and reviews and accepts Vendor 3 invoices (ACQ.040.020 Documentation of Delivery/Acceptance)



Budget roulding to Procure to Procure to Procure to Pay Record-to Report Reimburse Perform Retire Reimburse

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) 25 a. Receive and process Vendor Vendor 3 invoice Successful two-way 3 final invoice match Vendor 3 credit (FFM.030.070 Payment Validated Vendor 3 memo information Processing - Commercial invoices, as offset by Award information Payments) credit memo Estimated accrual b. Liquidate Vendor 3 receivable of liability (FFM.030.060 Public Receivable Credit Memo and Adjustment Processing) c. Perform two-way match of final Vendor 3 invoice (FFM.030.070 Payment **Processing - Commercial** Payments) Request for funds Request funds availability Validated Vendor 3 • 26 check invoices, as offset availability check by credit memo (ACQ.040.020 Documentation of Delivery/Acceptance) Receive and process request for 27 Request for funds Funds availability funds availability check availability check response (FFM.010.020 Fund Allocation and Control) 28 a. Approve Vendor 3 final Funds availability Approved Vendor 3 invoice and request response invoice disbursement Validated Vendor 3 • Request for processing of b. Request processing of invoice approved Vendor 3 approved Vendor 3 invoice invoice (ACQ.040.020 Documentation of Delivery/Acceptance)



Budget
Formulation-toExecution
Dispose
Request-toProcure - toProcure - toProcu

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) 29 a. Receive approved Vendor 3 Approved Vendor 3 • Appropriate payable entry created with invoice invoice reference to source (FFM.030.070 Payment Request for information Processing - Commercial processing of Payments) approved Vendor 3 Appropriate obligation liquidation entry created b. Confirm difference between invoice with reference to source expenditure amount and obligation amount does not information exceed tolerance Appropriate accrual percentage/amount reversal entry created with reference to source (FFM.030.020 Obligation information Management) c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) Request disbursement 30 Approved vendor Request for

(ACQ.040.020 Documentation of Delivery/Acceptance) invoice

disbursement



Budget Formulation to-Frequin Procure Pay Collect Report Reimburse Perform Retire Reimburse Repay

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options Typical Flow of Events FFM Event Non-FFM Event Output(s) / Outcome(s) Input(s) a. Receive and process Request for 31 Appropriate payable disbursement request entry liquidated with disbursement reference to source (FFM.030.070 Payment Approved Vendor 3 information **Processing -Commercial** invoice Payments) **Appropriate** disbursement- in-transit b. Initiate payment entry created with (FFM.030.070 Payment reference to source **Processing -Commercial** information Payments) Certified disbursement c. Generate disbursement schedule schedule Disbursement (FFM.030.110 Payment confirmation information Disbursement) **Appropriate** d. Certify payment of disbursement- in-transit disbursement schedule entry liquidated with (FFM.030.110 Payment reference to source Disbursement) information e. Receive confirmation of **Appropriate** disbursement disbursement entry (FFM.030.120 Payment created with reference to Confirmation) source information Vendor 3 receives payment Post appropriate budgetary, 32 GL entries Appropriate GL accounts proprietary, and/or memorandum updated entries to the general ledger (GL) (FFM.090.020 General Ledger Posting)



Budget
Formulation-toDispose
Procure

040.FFM.L2.01 Expenditures Across Fiscal Years Using Multi-Year Funds with Invoicing Options

	•	•				0 1	
Typi	Typical Flow of Events						
	FFM Event	Non-FFM Event	Ir	nput(s)	C	Output(s) / Outcome(s)	
33		Request award closeout (ACQ.040.040 Contract Closeout)	•	Award information Final invoices' information Confirmed payments	•	Award closeout information	
34	Receive request for award closeout and liquidate outstanding obligations and accruals		•	Award closeout information	•	Appropriate obligation liquidation entries created with reference to source information	
	(FFM.090.030 Accrual and Liability Processing)				•	Appropriate accrual reversal entries created with reference to source information	
35	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 Acquire-to-Dispose Request-to-Procure-to-Dispose Request-to-Procure Report Report Remburse Report Reimburse Report Remburse Remburse

040.FFM.L2.02 Four-Way Match

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Four-Way Matching
- Prompt Payment

Business Actor(s)

Procurement Office; Finance Office; Requestors Receiving Office; Vendor

Synopsis

The Procurement Office has established a single award to a Vendor for goods to fulfill two procurement requests from different offices within the same federal agency (Requestor). The goods were ordered and delivered to the federal agency receiving location (Receiving Office) and receipt information (Receiving Report) is created. The goods were transferred to the requesting federal agency offices (Requestors). One of the Requestors (Requestor 1) inspected and accepted only some of the goods; the other Requestor (Requestor 2) accepted all the goods delivered. The Vendor invoices the agency for the delivered goods. The agency approves for payment based on the Requestors' acceptance reports. The agency makes its payment five (5) days after the date the payment was due.



Budget Formulation-to-Dispose Procure Procure Collect Report Regord Procure Pay Procure Rejmburse Record-to-Rejmburse Report Rejmburse Report Re

040.FFM.L2.02 Four-Way Match

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 contract was awarded to a vendor in a previous Procure-to-Pay use case.
- 9. The vendor has already been set up in the FM system.
- 10. The vendor uses an OMB-approved electronic invoicing solution to invoice the agency.
- 11. The vendor submits a valid and proper invoice in compliance with Prompt Pay requirements.
- 12. The vendor provides Electronic Funds Transfer (EFT) information in compliance with Prompt Pay requirements.
- 13. The vendor is not on the "Do Not Pay" list.
- 14. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

FFMSR ID Reference(s): 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

Initiating Event: The Vendor ships the goods to the Federal Agency Receiving Office.



Budget

Acquire-toDispose Request-toProcure Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Report

Record-toReimburse

Report

Apply-toPerform

Hire-toReimburse

Repire

Record-toReimburse

Record-toRecord

Typical Flow of Events						
<i>,</i> 1.	FFM Event	Non-FFM Event	In	put(s)	C	Output(s) / Outcome(s)
1		Receive the goods and create receipt information (Receiving Report) (ACQ.040.020 Documentation of Delivery/Acceptance)	•	Approved order or award Vendor's goods	•	Receipt information (Receiving Report)
2	Receive receipt information (Receiving Report) and accrue the expense (FFM.090.030 Accrual and Liability Processing)		•	Receipt information (Receiving Report)	•	Appropriate accrual liability entry created wi 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 account updated
1		 a. Inspect and accept some but not all, of the goods, return unaccepted goods, and create acceptance report (Requestor 1) b. Inspect and accept all the goods delivered and create an acceptance report (Requestor 2) (ACQ.040.020 Documentation of Delivery/Acceptance) 	•	Approved order or award Vendor's goods Receipt information (Receiving Report)	•	Acceptance report (Requestor 1) Acceptance report (Requestor 2)
5	Receive acceptance reports and adjust the accrued expense (FFM.090.030 Accrual and Liability Processing)		•	Acceptance report (Requestor 1) Acceptance report (Requestor 2)	•	Appropriate accrual adjustment entries created with reference t source information



Budget Formulation-to-Execution Dispose Procure Procure Pay Bill-to-Pay Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Record-to-Reimburse Repay Record-to-Reimburse Record-to-Reimburse

	040.1 1 W.LZ.0Z 1 Out-vvay Water					
Турі	cal 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. Vendor enters invoice information into an OMB-approved electronic invoicing solution b. Program Office receives notification of vendor invoice submission and reviews and accepts vendor invoice unaware some of the goods were not accepted (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Vendor invoice Receipt information (Receiving Report) Approved order or award 	Accepted vendor invoice		
8	Receive accepted vendor invoice from OMB-approved electronic invoicing solution and perform a four-way match of invoice to the award, receipt information (Receiving Report), and acceptance reports (FFM.030.070 Payment Processing - Commercial Payments)		 Accepted vendor invoice Acceptance report (Requestor 1) Acceptance report (Requestor 2) Receipt information (Receiving Report) Approved order or award 	 Unsuccessful four-way match Invalidated vendor invoice Appropriate accrual adjustment entry created with reference to source information 		



Budget Acquire-to-Dispose Request-to-Dispose Request-to-Procure Pay Collect Report Record-to-Reimburse Report Reimburse Repay

040.FFM.L2.02 Four-Way Match Typical Flow of Events						
ıур	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)		
9		 a. Program Office requests corrected invoice reflecting results of acceptance reports b. Vendor enters corrected invoice information into an OMB-approved electronic invoicing solution c. Program Office receives notification of vendor invoice submission and reviews and accepts corrected vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Invalidated vendor invoice Acceptance report (Requestor 1) Acceptance report (Requestor 2) Receipt information (Receiving Report) 	 Request to vendor for corrected invoice Accepted corrected vendor invoice 		
10	Receive accepted vendor invoice from OMB-approved electronic invoicing solution and perform a four-way match of corrected invoice to the award, receipt information (Receiving Report), and acceptance reports (FFM.030.070 Payment Processing - Commercial Payments)		 Accepted corrected vendor invoice Acceptance report (Requestor 1) Acceptance report (Requestor 2) Receipt information (Receiving Report) Order or award 	 Successful four-way match Validated corrected vendor invoice Appropriate accrual adjustment entry create with reference to source information 		
11		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	Validated corrected vendor invoice	Request for funds availability check		



Budget
Formulation-toExecution

Request-toProcure - toProcure - toRecord-toReport - Reimburse - Refine - Refine - Refine - Report - Reimburse - Report - Refine - Refine - Refine - Report - Refine - Refine

	FFM.L2.02 Four-way Mai	.011					
Typi	Typical Flow of Events						
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)			
12	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		Request for funds availability check	Funds availability response			
13		 a. Approve corrected invoice b. Request processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Funds availability response Validated corrected vendor invoice 	Request for processing of approved vendor invoice			
14	 a. Receive approved vendor invoice (FFM.030.070 Payment Processing – Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing – Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) 		 Approved vendor invoice Request for processing of approved vendor invoice 	 Appropriate payable entry created with reference to source information Appropriate obligation liquidation entry created with reference to source information Appropriate accrual reversal entry created with reference to source information 			



Budget | Acquire-to- | Request-to- | Procure | Procure-to- | Report | Repor

	040.FFM.L2.02 Four-way Match					
ıypı	cal Flow of Events FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)		
15	TIM EVENT	Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	• • • • • • • • • • • • • • • • • • • •		
16	 a. Receive and process disbursement invoice payment request (FFM.030.070 Payment Processing - Commercial Payments) b. Initiate payment (FFM.030.070 Payment Processing - Commercial Payments) c. Generate disbursement schedule (FFM.030.110 Payment Disbursement) d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) e. Receive confirmation of disbursement (FFM.030.120 Payment Confirmation) 		Request for disbursement	 Appropriate payable entry liquidated with reference to source information Certified disbursement schedule Appropriate disbursement-in-transit entry created with reference to source information Disbursement confirmation information Appropriate disbursement-in-transit entry liquidated with reference to source information Appropriate disbursement entry liquidated with reference to source information Appropriate disbursement entry created with reference to source information Vendor receives payment 		



Budget
Formulation-toExecution

Acquire-toDispose

Request-toProcure

Procure-toPay

Record-toReport

Record-toReport

Report

Remburse

Report

Refineburse

Report

Refineburse

Report

Refineburse

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Тур	ical Flow of Events					
	FFM Event	Non-FFM Event	Inp	out(s)	C	Output(s) / Outcome(s)
17		 a. Validate that the invoice was proper and paid five b. (5) days after the due date c. Use current interest calculator to determine interest due d. Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance) 	•	Vendor request for interest payment because invoice payment was received five (5) days after due date Federal interest calculator	• • •	Validated claim for 5-day interest payment Amount of interest due Request for funds availability check
18	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		•	Request for funds availability check Amount of interest due	•	Funds availability response
19		 a. Approve claim for fiveday interest payment b. Request processing of approved five-day interest payment (ACQ.040.020 Documentation of Delivery/Acceptance) 	•	Funds availability response Validated claim for five- day interest payment	•	Approved claim for five- day interest payment
20	Receive approved claim for five-day interest payment (FFM.030.070 Payment Processing - Commercial Payments)		•	Approved claim for five- day interest payment	•	Appropriate payable entry created with reference to source information
21		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	•	Approved vendor invoice	•	Request for disbursement



Budget
Formulation-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Reply-toReimburse

Retire

Retire

Reimburse

Repay

Report

Report

Record-toReimburse

Report

Report

Record-toReimburse

Report

Record-toReimburse

Report

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Record-toReimburse

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Report

Record-toReimburse

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Record-toReimburse

Record-toReco

	040.FFIVI.LZ.02 FOUI-Way Match				
Typ	ical Flow of Events				
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)	
22	a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments)		Request for disbursement	 Appropriate payable entry liquidated with reference to source information Certified disbursement 	
	b. Initiate payment			schedule	
	(FFM.030.070 Payment Processing - Commercial Payments) c. Generate disbursement schedule			 Appropriate disbursement-in-transit entry created with reference to source information 	
	(FFM.030.110 Payment Disbursement)			 Disbursement confirmation information 	
	d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement)			 Appropriate disbursement-in-transit liquidated with reference to source information 	
	e. Receive confirmation of disbursement (FFM.030.120 Payment			 Appropriate disbursement entry created with reference to source information 	
	Confirmation)			 Vendor receives payment 	
23	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: toExecution
Dispose
Procure
Proc

040.FFM.L2.03 Purchase Card

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

- Purchase Card
- PCard Purchase of Operating Materials and Supplies
- Non-Matching

Business Actor(s)

Federal Employee Purchase Card Holder; Finance Office; Vendor; Purchase Card Company

Synopsis

A request for an item is submitted by a federal Program Office employee. The item requested is within the threshold of a purchase card so the item is ordered by the Program Office administrative assistant (Federal Employee Purchase Card Holder) from a Vendor's catalog using the purchase card and the item is delivered to the Program Office. The Program Office's purchase card account statement is received by the administrative assistant from the Purchase Card Company, and is reconciled with the Program Office's purchase card receipts without discrepancies. The purchase card account statement is approved by an authorized official in the Program Office for payment and payment is made to the Purchase Card Company.



Budget
Formulation-toExecution
Dispose
Procure
Procure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toProcure-toReport
Record-toReport
Reimburse
Repay

Apply-toRepay

Apply-to-

040.FFM.L2.03 Purchase Card

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 Program Office does not require funds be committed or obligated for purchase card purchases.
- 9. The Program Office administrative assistant is an authorized purchase card holder and has the appropriate delegation of authority to make the purchase.
- 10. The Vendor does not fall under a blocked merchant category code.
- 11. The requested item has been ordered and received before the purchase card account statement arrives.

FFMSR ID Reference(s): 1.1.2; 2.1.2; 2.2.1; 2.2.2

Initiating Event: Program Office administrative assistant receives the purchase card account statement.



Budget Acquire-to- Request-to- Procure-to- Bill-to- Record-to- Reimburse Apply-to- Reimburse Repay Regime Repay Record-to- Remburse Record-to- Remburse Repay Record-to- Remburse Remburse Remburse Remburse Repay Record-to- Remburse Remburse

Use Case 040.FFM.L2.03 Purchase Card

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I yp	Typical Flow of Events							
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)				
1		 a. Validate purchase card account statement against receipts b. Reconcile purchase card account statement c. Request funds availability check (ACQ.050.030 Purchase Card Reconciliation) 	 Purchase card account statement Purchase card receipts Prior month purchase card account statement Record of prior month approved payment 	 Validated and reconciled purchase card account statement (non-matching) Request for funds availability check 				
2	Receive and process request for funds availability check (FFM.010.020 Funds Allocation and Control)		Request for funds availability check	Funds availability response				
3		Approve purchase card account statement and request payment (ACQ.050.030 Purchase Card Reconciliation)	Funds availability responseValidated purchase card account statement	Approved purchase card account statementRequest for payment				



Budget Acquire-to- Request-to- Procure-to- Bill-to- Record-to- Reimburse Apply-to- Reimburse Repay Regime Repay Record-to- Remburse Record-to- Remburse Repay Record-to- Remburse Remburse Remburse Remburse Repay Record-to- Remburse Remburse

Use Case 040.FFM.L2.03 Purchase Card

_	USE Case 040.1 FW.LZ.03 FUICHASE CAIU						
ıy	pical Flow of Events	Non FFM Front	lanut(a)	Outrout(a) / Outroms (a)			
	FFM Event	Non-FFM Event	Input(s)	Output(s) / Outcome(s)			
4	a. Receive and process approved purchase card		 Approved purchase card account statement 	 Certified disbursement schedule 			
	account statement (no- way match)		Request for payment	 Appropriate disbursement- in-transit 			
	(FFM.030.070 Payment Processing - Commercial Payments)			entry created with reference to source information			
	b. Initiate payment (FFM.030.070 Payment			 Disbursement confirmation information 			
	Processing - Commercial Payments)			Appropriate disbursement- in-transit			
	c. Generate disbursement schedule			entry liquidated with reference to source			
	(FFM.030.110 Payment Disbursement)			informationAppropriate disbursement			
	d. Certify payment of disbursement schedule			entry created with reference to source			
	(FFM.030.110 Payment Disbursement)			informationPurchase Card Company			
	e. Receive confirmation of disbursement			receives payment			
	(FFM.030.120 Payment Confirmation)						
5	Post appropriate budgetary, proprietary, and/or memorandum entries to the general ledger (GL)		GL entries	Appropriate GL accounts updated			
	(FFM.090.020 General Ledger Posting)						



Budget
Formulation-toExecution

Request-toProcure

Procure-toPay

Request-toPay

Record-toReport

Report

Report

Regimburse

Report

Refire

Refire

Remburse

Report

Remburse

Report

Remburse

Report

Remburse

Remburse

Report

Remburse

Report

Remburse

Remburse

Report

Remburse

040.FFM.L2.04 Novation

End-to-End Business Process: 040 Procure-to-Pay

Business Scenario(s) Covered

Novation

Business Actor(s)

Procurement Office, Finance Office; Vendor

Synopsis

Vendor 1 is purchased by Vendor 2. Vendor 1 is under contract to the government and has not completed the contracted work. The work is to be completed by Vendor 2. An invoice is submitted along with the novation request by Vendor 2. The novation request is forwarded for approval and the invoice is returned to Vendor 2 pending novation approval. The novation agreement and its effective date, a list of all impacted contracts, and other documentation is submitted by Vendor 1 upon request. Upon novation approval, changes are made to vendor information and any open financial management documents to reflect the impact of the novation. Additionally, the invoice is resubmitted and paid.



Budget Formulation-to-Dispose Request-to-Procure Pay Collect Report Reimburse Reimburse Repay Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Reimburse Record-to-Record-to-Reimburse Record-to-Re

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 government has decided the novation is in its best interest.
- 9. The Contracting Officer completes the necessary contract modification for the novation and validates Vendor 2 information with federal acquisition information.
- 10. The novation request is approved by whomever the agency has provided the authority.
- 11. Both vendors have done work for the agency and have been set up in the financial management system.
- 12. Both vendors are properly registered in all appropriate government acquisition systems.
- 13. Neither vendor is on the Do Not Pay list.
- 14. Vendor 2 is notified that payment will be delayed pending approval of the novation when the invoice is returned.
- 15. Tolerance percentages or amounts between expenditure and obligation amounts have been established.

FFMSR ID Reference(s): 1.1.2; 1.1.4; 2.1.2; 2.2.1; 2.2.2

Initiating Event: The government receives a novation request along with an invoice from Vendor 2.



Budget Formulation-toRequest-to

Procure-to-

Bill-to-

Record-to-

Agree-to-

Apply-to

Hire-to-

Apply-to-

Use Case 040.FFM.L2.04 Novation

Tvr	Typical Flow of Events						
- 7	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)			
1		 a. Return invoice pending approval of novation request (ACQ.040.020 Documentation of Delivery/Acceptance) b. Identify and request additional documentation and certification requirements for novation (ACQ.040.030 Contract Modification) c. Request processing of a liability accrual for the invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Vendor 2's invoice Novation request 	 Returned invoice Request for additional documentation and certifications for novation Request for processing of a liability accrual 			
2	Receive and process request for processing of a liability accrual (FFM.090.030 Accrual and Liability Processing)		Returned invoiceRequest for processing of a liability accrual	Appropriate liability accrual 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			



Budget Acquire-to-Dispose Request-to-Procure Pay Sill-to-Collect Report Reimburse Perform Retire-Retirements

Use Case 040.FFM.L2.04 Novation

	USE Case 040.1 Fivi.L2.04 Novation						
ıyp	oical Flow of Events FM Event	Non-FM Event	Innut(a)	Output(a) / Outpomp(a)			
4	FM Event	a. Receive additional documentation and certifications and approve novation request (ACQ.040.030 Contract Modification) b. Request update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2) (ACQ.040.030 Contract Modification) c. Request for update to Vendor 1 and Vendor 2 financial management records to reflect novation (ACQ.040.020 Documentation of Delivery/Acceptance)	Complete novation request documentation, including Vendor 1's contract list and associated contracts	Approved novation request Request for update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2) Request to update vendor 1 and 2 financial management records to reflect novation			
5	 a. Receive and process request for update to Vendor 1 and Vendor 2 payee information (e.g., contract information for vendor 2) b. Receive and process request to update Vendor 1 and Vendor 2 financial management records to reflect novation (FFM.030.010 Payee Setup and Maintenance) 		 Request updates to Vendor 1 and Vendor 2 payee information (e.g., contracts they support) Request to update Vendor 1 and Vendor 2 financial management records to reflect novation 	 Vendor 1 and Vendor 2 payee information updated Appropriate Vendor 1 and Vendor 2 financial management records updated with reference to source information 			



Budget
Orimulation-toDispose Request-toProcure Pay Record-toReport Report Agree-toReimburse Perform Hire-toRetire

Use	Use Case 040.FFM.L2.04 Novation				
Typ	Typical Flow of Events				
	FM Event	Non-FM 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. Receive Vendor 2 invoice b. Accept invoiced Vendor 2 goods and services (ACQ.040.020 Documentation of Delivery/Acceptance)	 Vendor 2 invoice resubmittal Vendor 2 goods and services 	 Receipt information (receiving report, if used) Validated Vendor 2 invoice 	
8	a. Receive receipt information (receiving report, if used) information and reverse liability accrual (FFM.090.030 Accrual and Liability Processing) b. Create payable (FFM.030.070 Payment Processing - Commercial Payments		 Receipt information (receiving report, if used) Validated Vendor 2 invoice 	 Appropriate liability accrual reversal entry created with reference to source information Appropriate payable entry created with reference to source information 	
9		Request funds availability check (ACQ.040.020 Documentation of Delivery/Acceptance)	 Validated Vendor 2 invoice 	Request for funds availability check	



Budget Formulation-to-Execution Dispose Procure Pay Request-to-Pay Record-to-Reimburse Perform Report Report Remburse Perform Retire Remburse Report Report Remburse Report Remburse Report Remburse Report Remburse Report Remburse Remburse Report Remburse Remburse Report Remburse Rem

Use Case 040.FFM.L2.04 Novation

		USE Case 040.1 1 WI.LZ.04 NOVALION			
	Typical Flow of Events				
	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)	
	Receive and process request for funds availability check (FFM.010.020 Fund Allocation and Control)		Request for funds availability check	Funds availability response	
11		 a. Approve vendor invoice b. Request processing of approved vendor invoice (ACQ.040.020 Documentation of Delivery/Acceptance) 	 Validated vendor invoice Funds availability response 	 Approved vendor invoice Request for processing of approved vendor invoice 	
12	 a. Receive approved vendor invoice (FFM.030.070 Payment Processing - Commercial Payments) b. Confirm difference between expenditure amount and obligation amount does not exceed tolerance percentage/amount (FFM.030.020 Obligation Management) c. Establish payable (FFM.030.070 Payment Processing - Commercial Payments) d. Liquidate obligation (FFM.030.020 Obligation Management) 		 Approved vendor invoice Request for processing of approved vendor invoice 	 Appropriate payable entry created with reference to source information Appropriate obligation liquidation entry created with reference to source information Appropriate accrual reversal entry created with reference to source information 	



Budget
Formulation-toExecution

Acquire-toDispose

Procure

Procure-toPay

Procure-toPay

Record-toReport

Record-toReport

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Reply-toReimburse

Retire

Retire

Reimburse

Repay

Report

Report

Record-toReimburse

Report

Report

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Report

Record-toReimburse

Record-toReimburse

Report

Record-toReimburse

Record-toReimburse

Record-toReimburse

Record-toReimburse

Record-toReco

Use Case 040.FFM.L2.04 Novation

Typical Flow of Events				
	FM Event	Non-FM Event	Input(s)	Output(s) / Outcome(s)
13		Request disbursement (ACQ.040.020 Documentation of Delivery/Acceptance)	Approved vendor invoice	Request for disbursement
	 a. Receive and process disbursement request (FFM.030.070 Payment Processing - Commercial Payments) b. Initiate disbursement (FFM.030.070 Payment Processing - Commercial Payments) c. Generate disbursement schedule (FFM.030.110 Payment Disbursement) d. Certify payment of disbursement schedule (FFM.030.110 Payment Disbursement) e. Receive confirmation of disbursement 	Delivery/Acceptance)	Request for disbursement	 Appropriate payable entry liquidated with reference to source information Appropriate disbursement-in-transit entry created with reference to source information Certified disbursement schedule Disbursement confirmation information Appropriate disbursement entry liquidated with reference to source information Appropriate disbursement entry created with reference to source
	(FFM.030.120 Payment Confirmation)			informationVendor receives payment



Budget
Formulation-toExecution

Request-toProcure

Procure-toProcure

Procure-toProcure

Record-toRecord-toReport

Record-toRemburse

Record-toReimburse

Referred

Record-toRemburse

Report

Remburse

Report

Remburse

Report

Remburse

Report

Remburse

Report

Remburse

Rembu

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





Apply-to-Perform Hire-to-Retire Book-to-Reimburse Repay

Appendix A: FFM Business Use Case Library Documents

Library Document Content

FFM Business Use Case Library

010 Budget Formulation-to-Execution

020 Acquire-to-Dispose

030 Request-to-Procure

040 Procure-to-Pay

050 Bill-to-Collect

060 Record-to-Report

070 Agree-to-Reimburse

080 Apply-to-Perform

090 Hire-to-Retire

100 Book-to-Reimburse

110 Apply-to-Repay

Business Use Case Document Name

FFM Business Use Case Library Overview

FFM Use Cases 010 Budget Formulation-to-Execution

FFM Use Cases 020 Acquire-to-Dispose

FFM Use Cases 030 Request-to-Procure

FFM Use Cases 040 Procure-to-Pay

FFM Use Cases 050 Bill-to-Collect

FFM Use Cases 060 Record-to-Report

FFM Use Cases 070 Agree-to-Reimburse

FFM Use Cases 080 Apply-to-Perform

FFM Use Cases 090 Hire-to-Retire

FFM Use Cases 100 Book-to-Reimburse

FFM Use Cases 110 Apply-to-Repay