



Buy/Sell Use Cases for IPAC Enhancements (DRAFT)

May 15, 2013

Use Cases

For each use case there is a description of its use and a graphic depicting the process flow. Use cases include:

1. Processing Agreements Using Dollar Threshold
 - A. Over and under \$1M Threshold
 - B. Impact of Changing the Threshold
2. Uploading and Linking Documents
3. Invoice Approval
 - A. Setting Profiles for Invoice Approval
 - B. Business Rules for Invoice Approval
4. Accepting and Rejecting Invoices
5. Processing Advances
6. Monitoring Agreement and Order Balances
7. Agreement Closeout (New Requirement)



1A. Processing Agreements Over \$1M

Description of Use

Use Case Summary

Description:	For reimbursable agreements of \$1M or higher, sellers must update IPAC with the Minimum Accounting Data Elements (MADEs), upload the agreement document and notify IPAC of accruals. Buyers must review and accept the agreements and accruals in IPAC. These requirements do not apply to agreements below \$1M.
Mission Impact:	For agreements greater than \$1M, funds cannot be transferred until the agreement is entered and accepted by the buyer. In addition, accrual summary records are required in IPAC.
Stakeholders:	Department/Agency users
Frequency:	Daily for agreements, orders, advances and invoices; Monthly (optional) and quarterly for accruals.

Seller Perspective

- For all agreements greater than \$1M:
1. Seller enters and uploads agreement.
 2. Seller enters and uploads the order.
 3. If buyer revises MADEs, Seller reviews and approves.
 4. Seller enters and uploads accrual .
- For all agreements:
1. Seller enters and uploads invoices.

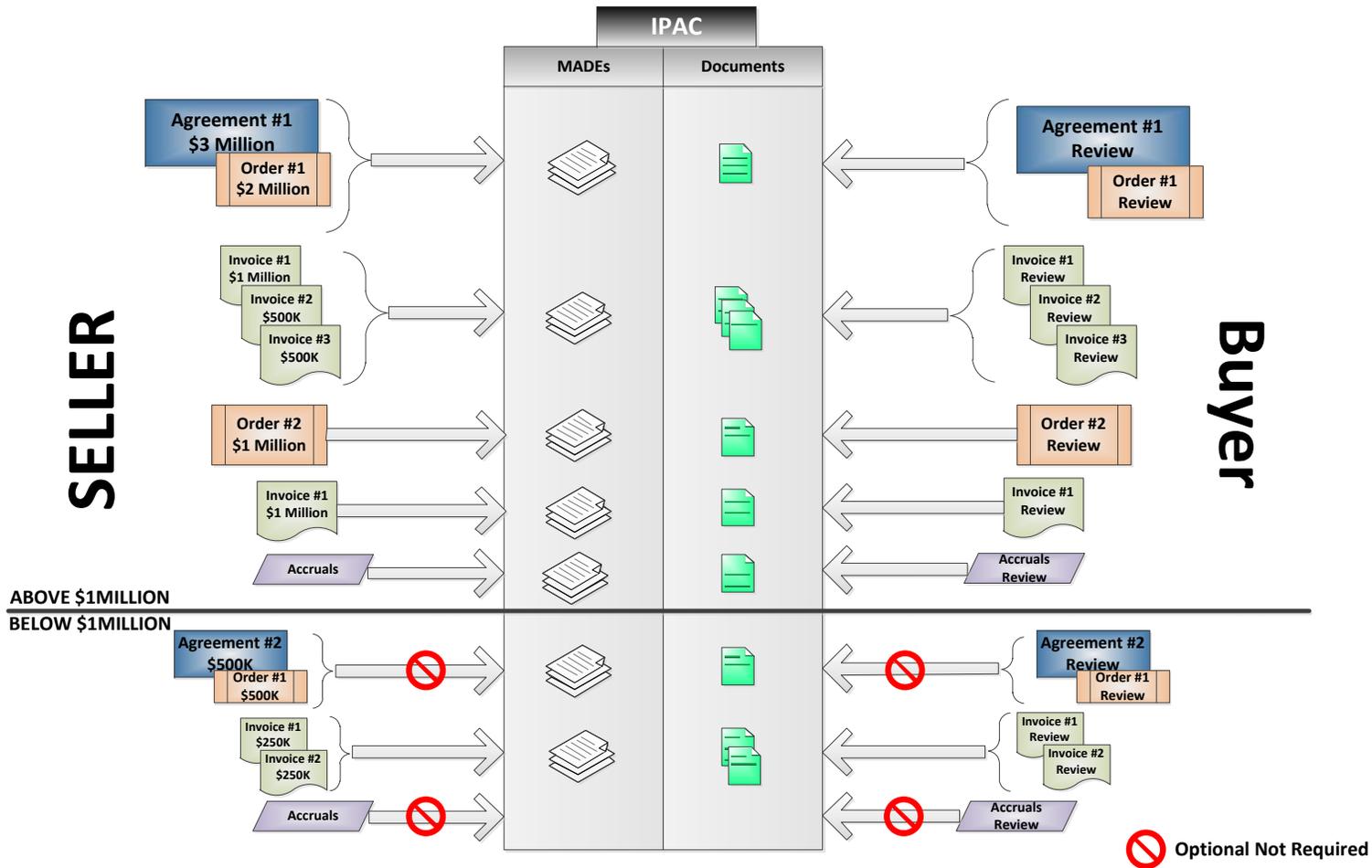
Buyer Perspective

- For all agreements greater than \$1M:
1. Buyer approves the agreement or revises MADEs.
 2. Buyer approves the order or revises MADEs.
 3. Buyer reviews the accrual and has the option to enter their own accrual and supporting documentation if they do not agree with seller.
- For all agreements:
1. Buyer reviews/approves the invoice.



1A. Processing Agreements Over/Under \$1M

Process Flow



1B. Impact of Changing the Threshold

Description of Use

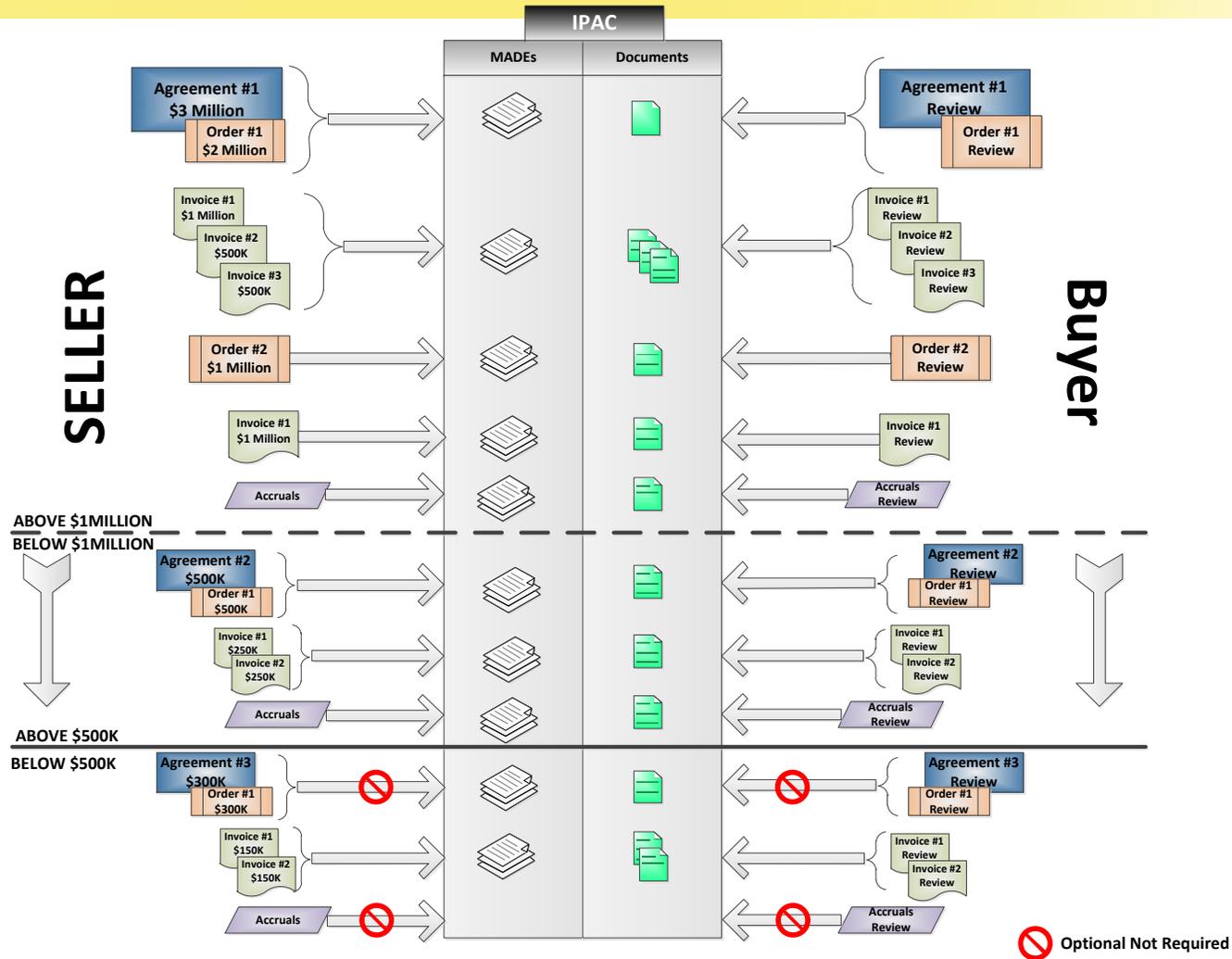
Use Case Summary	
Description:	IPAC allows the system administrator to change the dollar threshold for entering agreements when Treasury decides to change it. For example, Treasury decides to lower the threshold to \$500K now requiring the upload and accrual information for agreements between \$500K and \$1M. If Treasury decides the threshold is zero, then all agreements must be entered.
Mission Impact:	Over time, Treasury may need the option to include the tracking of more reimbursable agreements. Trading partners will need to adjust their processes in include new agreements.
Stakeholders:	Department/Agency users
Frequency:	Daily for agreements, orders, advances and invoices; Monthly (optional) and quarterly for accruals.

Seller Perspective
<p>For all agreements between the new and old threshold:</p> <ol style="list-style-type: none"> 1. Seller enters and uploads agreement. 2. Seller enters and uploads the order. 3. If buyer revises MADEs, Seller reviews and approves. 4. Seller enters and uploads accrual.

Buyer Perspective
<p>For all agreements between the new and old threshold:</p> <ol style="list-style-type: none"> 1. Buyer approves the agreement or revises MADEs. 2. Buyer approves the order or revises MADEs. 3. Buyer reviews the accrual and has the option to enter their own accrual and supporting documentation if they do not agree with seller.



1B. Impact of Changing the Threshold Process Flow



Optional Not Required



2. Uploading and Linking Documents

Description of Use

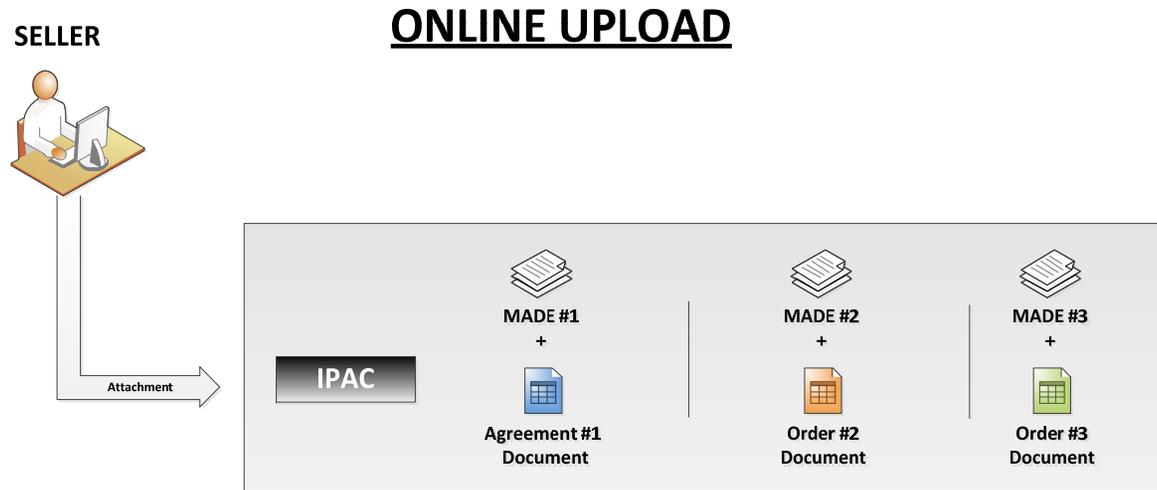
Use Case Summary	
Description:	Users will be able to upload and link documents (e.g., PDF, Excel) to existing records in IPAC online.
Mission Impact:	Requires additional workload by trading partners to collect and upload documents. Provides benefit of an accessible version of the most recent signed agreement/order and supporting documentation for advances, accruals and invoices for the buyer, seller and Treasury to view.
Stakeholders:	Trading partners and Treasury
Frequency:	Daily for agreements, orders, advances and invoices; monthly (optional) and quarterly for accruals.

Seller Perspective	
1.	Seller initiates upload of accompanying document(s) to link to the MADE record.
2.	Files may be deleted if the wrong version is loaded and replaced with the correct version.
3.	Files are visible to both trading partners and Treasury.

Buyer Perspective	
1.	Buyer can review uploaded document to ensure it is the correct version they agreed to.
2.	Document can be downloaded and printed, if needed.
3.	For accruals, if a buyer does not agree with the seller's accrual, the buyer can enter their own MADE accrual records and upload their supporting documentation.
4.	Buyer now receives supporting documentation for invoices to assist with approval.



2. Uploading and Linking Documents *Process Flow*



3A. Setting Profiles for Invoice Approval

Description of Use

Use Case Summary	
Description:	Users set up profiles for each agency location code to determine if invoice approval is required. When required, a buyer may set a threshold below which approval is not needed.
Mission Impact:	Sellers can no longer simply pull funds. Sellers submit invoices and buyers approve them unless the buyer's user profile indicates no approval is required. Trading partners may agree at the time the reimbursable agreement is signed that no invoice approval is required, and that supersedes the profile.
Stakeholders:	Department/Agency users
Frequency:	Beginning of fiscal year (review/update) and periodically throughout the year as business changes.

Seller Perspective	
1.	Sellers may view the user profiles of their buyers so they understand the rules for processing their invoices.
2.	If a seller disagrees with the Buyer profile settings, they must communicate and negotiate the invoice approval requirements with their buyers.

Buyer Perspective	
1.	For each Agency Location Code (ALC), Buyer sets the Invoice Approval flag and establishes an Invoice Approval Threshold.
2.	The threshold is only used when the Invoice Approval flag is set to "Y", indicating approval is required.
3.	Buyers set a threshold below which they do not want to approve an invoice. This allows Buyers to control their workload on low dollar invoices.
4.	If the buyer always required invoice approval, the threshold should be set to zero(\$0).



3A. Setting Profiles for Invoice Approval Process Flow

1 For each ALC they are responsible for, the Buyer updates IPAC to set an Invoice Approval flag and establish an Invoice Dollar Threshold

2 If the Invoice Approval flag is set to "Y", then the invoice must be approved by the buyer.

If set to "N", then invoices for that ALC do not require approval

IPAC User Profile			
Trading Partner	ALC	Invoice Approval	Invoice Dollar Threshold
20	1234	Y	\$ 25,000.00
20	4567	N	\$ -
20	3481	N	\$ -
20	5422	Y	\$ 50,000.00
20	7412	N	\$ -
20	2234	Y	\$ 100,000.00
20	6213	Y	\$ -
20	4512	N	\$ -
20	4762	N	\$ -
20	8512	Y	\$ 100,000.00

3 When an Invoice Approval flag is set to "Y", the Buyer can also set an Invoice Dollar Threshold below which invoice approval is not required.

For ALC 1234, the Buyer does not want to approve invoice below \$50,000.

However, for ALC 6213, the Buyer wants to approve all invoices since the threshold is set to zero.



3B. Business Rules for Invoice Approval

Description of Use

Use Case Summary

Description:	IPAC uses a set of specific business rules to determine if and when invoice approval is required.
Mission Impact:	Trading partners must negotiate the terms of invoice approval for each agreement and sellers must understand how their buyer profiles are set for invoice approval.
Stakeholders:	Department/Agency users
Frequency:	Daily

Seller Perspective

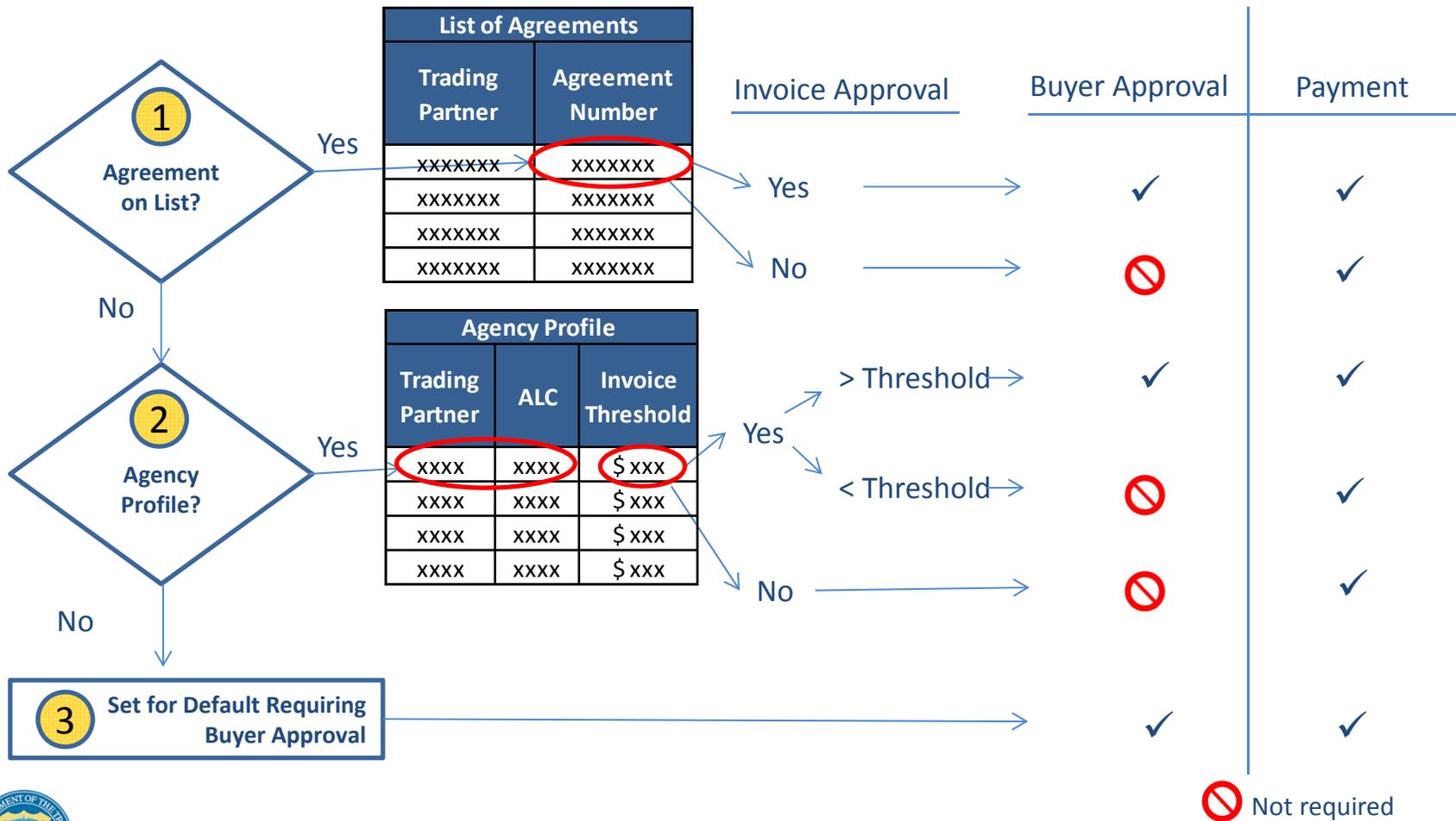
1. Seller enters invoice and uploads supporting documentation.
2. IPAC checks invoice approval MADEs for uploaded agreements/orders or checks Buyer ALC profile to determine whether invoice approval is required when no agreement/order MADEs exist.
3. If no approval is required, IPAC processes the invoice.
4. If approval is required, IPAC processes the invoice according to the business rules laid out in the Process Flow (next slide).

Buyer Perspective

1. Buyer reviews the invoice and provides approval (see Use Case 4).



3B. Business Rules for Invoice Approval Process Flow



4. Accepting & Rejecting Invoices

Description of Use

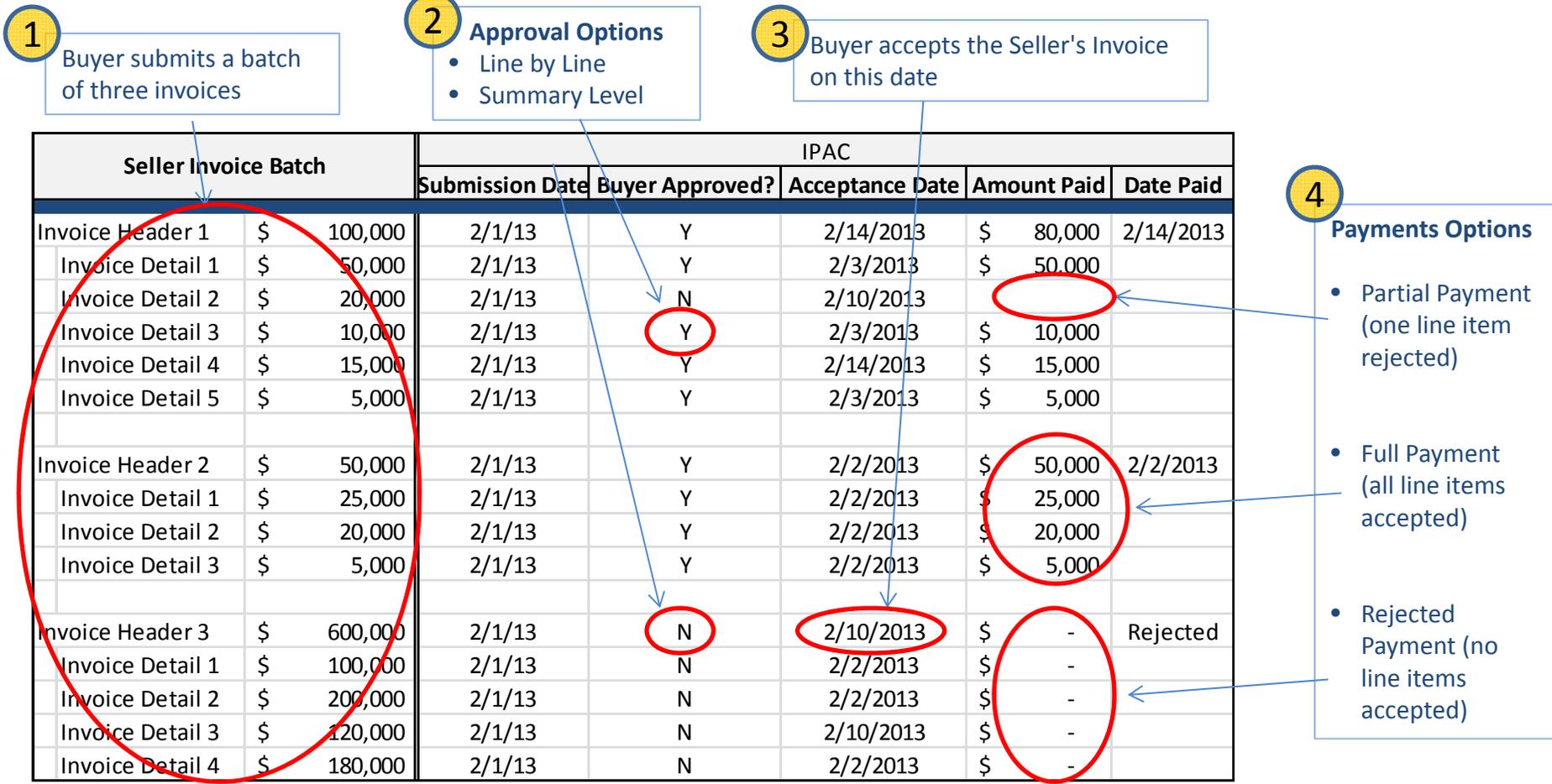
Use Case Summary	
Description:	Buyers accept or reject invoices at the line item level when it is determined that the invoice requires approval. This allows a buyer to approve partial payment of an invoice.
Mission Impact:	Sellers do not receive payment unless an invoice is submitted to the buyer, even if invoice approval is not required. Buyers must review invoices timely so that sellers are paid promptly. If a buyer rejects an invoice line item, they must provide the seller with a reason for rejection so that the invoice can be resubmitted for payment.
Stakeholders:	Department/Agency users
Frequency:	Daily

Seller Perspective	
1.	Seller enters MADEs for the invoice and uploads supporting documentation.
2.	Seller can monitor payment through IPAC.
3.	If an invoice line item or invoice is rejected, the seller receives a reason for rejection from the buyer.

Buyer Perspective	
1.	If an invoice does not require Buyer approval, the invoice is paid immediately.
2.	The Buyer reviews each invoice and accepts or rejects the invoice at the detail line item level.
3.	If the Buyer rejects the line item, he/she must provide a reason for rejection and an explanation.
4.	Buyers must review and approve invoices timely
5.	Aging reports are provided to monitor timely review.



4. Accepting & Rejecting Invoices Process Flow



5. Processing Advances

Description of Use

Use Case Summary

Description:	Invoices must be submitted against all advances to track remaining balances. If an invoice is greater than the remaining balance on the advance, IPAC will reject the invoice. The seller must then submit another request for advance.
Mission Impact:	Sellers and Buyers need to monitor advances closely. Sellers submit advance requests when balances fall below the expected invoice levels. IPAC will reject an invoice that exceeds the outstanding balance.
Stakeholders:	Department/Agency users
Frequency:	Processed as required based on seller funding needs.

Seller Perspective

1. Seller submits an advance request based on funding needed and terms of the reimbursable agreement.
2. Seller submits invoices as work is accomplished allowing tracking of outstanding advance balances.
3. Seller monitors invoice reports for rejection notifications on advances and/or invoices.

Buyer Perspective

1. Buyer accepts/rejects request for advances based on the terms of the reimbursable agreement.
2. Buyer monitors agreements for status of outstanding advance balances.
3. IPAC automatically rejects an invoice against an agreement with an insufficient advance balance.



5. Processing Advances

Process Flow

1 Outstanding balance of advances for future work to be performed.

Date	Seller Activity	Amount	Action	Status	Advance Balance
2/1/2013	Agreement signed	\$ 1,500,000	Agreement uploaded	Approved	\$ -
2/1/2013	Order signed	\$ 1,000,000	Order uploaded	Approved	\$ -
2/5/2013	Advance requested	\$ 500,000	Advance uploaded	Approved	\$ 500,000.00
3/1/2013	February invoice	\$ 250,000	Invoice uploaded	Approved	\$ 250,000.00
4/1/2013	March Invoice	\$ 200,000	Invoice uploaded	Approved	\$ 50,000.00
5/1/2013	April invoice	\$ 100,000	Invoice uploaded	Rejected	\$ 50,000.00
5/3/2013	Advance requested	\$ 500,000	Advance uploaded	Approved	\$ 550,000.00
5/4/2013	April invoice resubmitted	\$ 100,000	Invoice uploaded	Approved	\$ 450,000.00

4 The Seller must submit a new request for advance so that the invoice can be processed.

3 IPAC automatically rejects the invoice since it exceeds the balance available.

2 Balance insufficient to pay invoice.



6. Monitoring Agreement/Order Balances

Description of Use

Use Case Summary

Description:	Users are able to monitor activity and balances on agreements and orders at any point in time.
Mission Impact:	Users are able to determine if agreements or orders have insufficient or excess funds.
Stakeholders:	Department/Agency users
Frequency:	Ad Hoc

Seller Perspective

1. Seller is able to monitor all agreements/orders, including open obligations, agreement status, agreement ceiling, invoices received, pending invoices, etc.
2. Seller is able to access transaction history for open and closed agreements/orders.

Buyer Perspective

1. Buyer is able to monitor all agreements/orders, including open obligations, agreement status, agreement ceiling, invoices received, pending invoices, etc.
2. Buyer is able to access transaction history for open and closed agreements/orders.



6. Monitoring Agreement/Order Balances

Process Flow

IPAC Transaction History					
Date	Item	Agmt #	Order #	Inv. #	Amount
1/12/2013	New Agreement Entered	1			\$ 1,000,000
1/12/2013	New Order Entered	1	1		\$ 300,000
2/2/2013	Jan Invoice Submitted	1	1	1	\$ 50,000
3/2/2013	Feb Invoice Submitted	1	1	2	\$ 40,000
3/5/2013	New Agreement Entered	2			\$ 3,000,000
3/5/2013	New Order Entered	2	1		\$ 2,000,000
4/2/2013	Mar Invoice Submitted	1	1	3	\$ 20,000
4/2/2013	Mar Invoice Submitted	2	1	1	\$ 15,000
4/4/2013	Q2 Accrual Entered	1			\$ 20,000
5/3/2013	Apr Invoice Submitted	1	1	4	\$ 50,000
5/3/2013	Apr Invoice Submitted	2	1	2	\$ 300,000
6/3/2013	May Invoice Submitted	1	1	5	\$ 30,000
6/3/2013	Apr Invoice Submitted	2	1	3	\$ 300,000
7/3/2013	Jun Invoice Submitted	1	1	6	\$ 60,000
7/3/2013	Apr Invoice Submitted	2	1	4	\$ 300,000
7/6/2013	Q3 Accrual Processed	1			\$ 60,000
7/6/2013	Q3 Accrual Processed	2			\$ 300,000

Details summarized for reporting

Agreement Summary Report						
Agmt #	Order #	Date	Inv. #	Amount	Order	Agreement
1		1/12/2013				\$1,000,000
	1	1/12/2013			\$ 300,000	
		2/2/2013	1	\$ 50,000		
		3/2/2013	2	\$ 40,000		
		4/2/2013	3	\$ 20,000		
		5/3/2013	4	\$ 50,000		
		6/3/2013	5	\$ 30,000		
7/3/2013	6	\$ 60,000				
				Balances	\$ 50,000	\$ 700,000
2		3/5/2013				\$3,000,000
	1	3/5/2013			\$2,000,000	
		4/2/2013	1	\$ 150,000		
		5/3/2013	2	\$ 300,000		
		6/3/2013	3	\$ 300,000		
		7/3/2013	4	\$ 300,000		
				Balances	\$ 950,000	\$1,000,000



7. Agreement Closeout (New Requirement)

Description of Use

Use Case Summary

Description:	Agencies are able to close out agreements that are no longer active.
Mission Impact:	Trading partners can reconcile and close out agreements with sellers submitting a final invoice. When the agreement is reviewed by an auditor and final reconciliation is completed, an adjustment can be processed to balance agency accounts. The agreement is then closed by the buyer.
Stakeholders:	Department/Agency users
Frequency:	Quarterly or As Needed

Seller Perspective

1. Seller issues a 'final' invoice when all work is completed.
2. Seller and Buyer reconcile the agreement.
3. Seller notifies auditor of need to complete the audit on the agreement.
4. Seller submits an adjustment request to release funds based on audit findings.

Buyer Perspective

1. Buyer approves the final invoice to release funds.
2. Buyer and Seller reconcile the agreement.
3. Buyer approves the adjustment to release of any funds, as needed.
4. Buyer close out agreement.



7. Agreement Closeout Process Flow

