

# *Invoice Processing Platform Intra-Governmental Module*

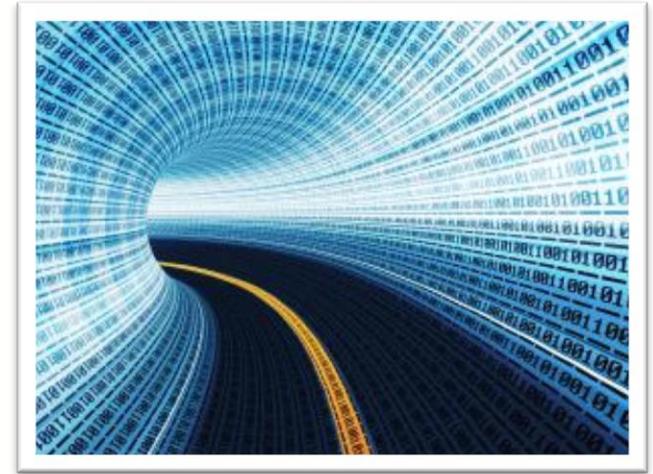
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# IPP Overview

- ▶ The Invoice Processing Platform (IPP) is a Web-based system that more efficiently manages government invoicing
- ▶ **IPP now supports Intra-Governmental buy/sell transactions**
- ▶ The U.S. Department of the Treasury provides leadership and program management for IPP
- ▶ The Federal Reserve Bank of Boston is responsible for IPP operations and enhancements



# Intra-Governmental Buy/Sell Issues

- ▶ GAO 2010 audit found significant differences (\$25.7B) in Intra-Governmental buy/sell activity and balances
- ▶ Reconciliation process for buy/sell transactions is difficult and labor intensive
- ▶ Limited visibility into buy/sell transactions between government agencies

# IPP Intra-Governmental Benefits

- ▶ Helps ensure trading partners are in agreement and have correct information prior to settlement
- ▶ Provides a common identifier for GT&C and orders
  - Each trading partner can retain their own identifiers
- ▶ Facilitates a standard business process for agencies' buy/sell activity with improved controls
- ▶ Reduces reconciliation and elimination effort
- ▶ Supports the complete process from GT&C to settlement confirmation in one central location
- ▶ Provides visibility for both trading partners throughout the transaction lifecycle



# Standard Inter-Agency Agreement (IAA) Form

- ▶ The IAA is a standard paper form for conducting buy/sell transactions between Federal trading partners
- ▶ The IAA was developed to:
  - Define the data structures required to effectively process Intra-Governmental Buy/Sell transactions
  - Provide agencies with an interim solution until the process could be automated
  - Lay the foundation for the automation of the standard processes and data

# Standard IAA Structure

## One Form with Two Sections:

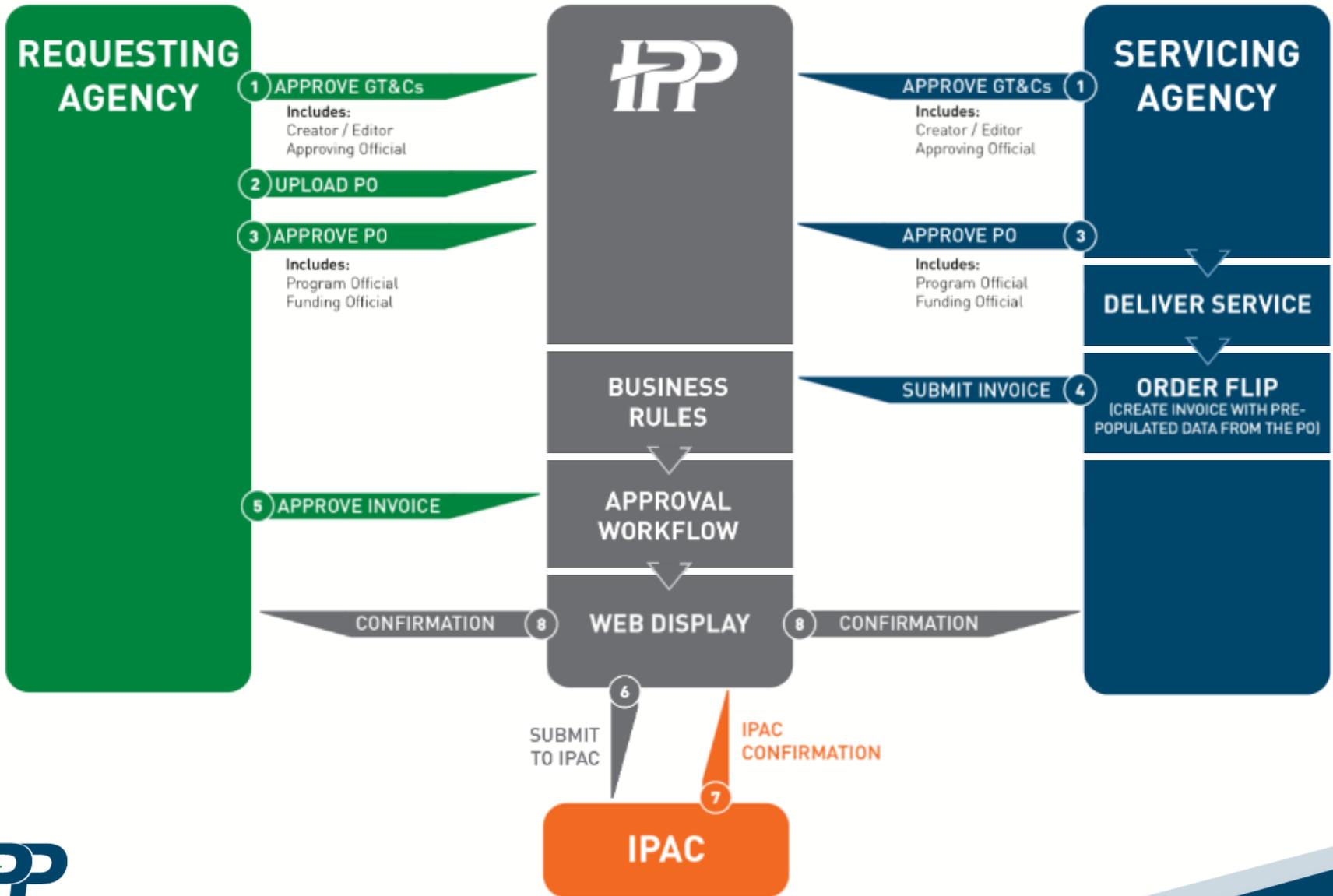
- ▶ General Terms and Conditions (GT&C) - 7600A
  - Captures the partnership/relationship between the parties
  - Identifies the trading partners entering into the agreement, authorities, agreement action, period, and type
- ▶ Order Requirements and Funding Information (Order) - 7600B
  - Reduces effort as GT&C information is captured once and used with many orders
  - Contains specific information on Products/Services being exchanged, Bona fide need, Funding, Shipping, Authorization, points of contact, etc.

# IPP Intra-Governmental Approach

- ▶ Leverage the current IPP commercial best practices along with IPAC's settlement capabilities
- ▶ Enhance and integrate the two platforms to allow IPP to serve as a front-end to IPAC
- ▶ Support new standard IAA by implementing a digital version in IPP
- ▶ Initially enter IAA's directly into IPP; in a later phase support integration with agency systems
- ▶ Proactive controls ensure that only valid reference data values are used (BPN, TAS/BETC, etc.)



# Intra-Governmental Process Flow



# Intra-Governmental Pilot

- ▶ Currently piloting the new capabilities with a specific group of agencies and transactions
- ▶ Goal for the pilot is to gain feedback from government agencies on how to improve the automated reimbursable process
- ▶ Pilot agencies process a small number of transactions with enough variety to identify as many requirements as possible
- ▶ The pilot does not include Assisted Acquisitions or Advance Payments

# Intra-Governmental Pilot

- ▶ Pilot began in January 2012 with first group of pilot agencies
- ▶ Pilot is continuing this summer with a second group of agencies
- ▶ Will evaluate results in September 2012
- ▶ At the end of the pilot agencies are encouraged to continue to use IPP

# Participants

## Current Participants:



# Beyond the Pilot



- ▶ Incorporate agency feedback on proposed changes
- ▶ Determine schedule of future enhancements and deliverables
- ▶ Implement new standard process and automated solutions government-wide

# Additional Resources

- ▶ **Intra-Governmental Business Rules:**

TFM Volume I, Part 2, Chapter 4700, Appendix 10

<http://www.fms.treas.gov/tfm/vol1/v1p2c470.pdf>

- ▶ **Standard Inter-Agency Agreement Form:**

<http://www.fms.treas.gov/finstandard/forms.html>

- ▶ **Subscribe to E-Mail Updates:**

<http://www.fms.treas.gov/finstandard/index.html>

Look under “Publications” and “Financial Management Standards and Guidance”



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**IPP is smart government.**