



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

Acquisition Bulletin (AB)
No. 07-03
May 31, 2007

MEMORANDUM FOR BUREAU CHIEF PROCUREMENT OFFICERS

FROM: Thomas A. Sharpe, Jr. 
Senior Procurement Executive
Office of the Procurement Executive

SUBJECT: Interagency Agreements (Payables) Guide

Purpose: This AB updates AB 02-21 to provide bureaus with supplementary accounting and procurement instructions which fully comply with recently updated Financial Management Services (FMS) Intra-governmental business rules.

Effective Date: Immediately.

Expiration Date: This AB will expire when cancelled or superseded.

Background:

The FMS established Intragovernmental Business Rules for all executive agencies effective October 1, 2006. These business rules provide accounting guidance for recording and reconciling intragovernmental transactions and procurement requirements for purchase orders and agreements. A copy of OMB Memorandum M-07-03 dated November 13, 2006, incorporating Treasury Financial Manual Bulletin No. 2007-03 and Attachment 1 Intragovernmental Business Rules is attached and provided for your reference. Procurement requirements are listed in Attachment 1, Section VI. Inserted below in the **Required Actions** section of this AB are the requirements and guidelines that comply with Section VI.

This AB, developed in coordination with the Office of the Deputy Chief Financial Officer, provides bureaus accounting and procurement instructions which fully comply with FMS Intra-governmental business rule requirements by:

1. Defining clearly key terminology (e.g., trading partner Business Event Type Code).
2. Identifying Web site addresses to access specific data (e.g., trading partner Treasury Account Symbol).
3. Providing oversight to ensure business partner network/business event type code required data is collected and recorded in systems upon contract/purchase order award.
4. Addressing accounting and procurement related issues (e.g., advance payments and liquidation).

5. Assisting bureau procurement staffs to fully comply with business rules requirements.
6. Participating jointly as required at monthly Performance and Accountability Report meetings with bureaus to discuss on-going implementation issues.

Required Actions: The following shall be included in each intra-governmental agreement/order:

- a. The common agreement number (order number) and funding source.
The common agreement number and funding are provided by the Program Office ordering the services. This information is provided on a requisition that is generated in the PRISM system. It is subsequently forwarded to the procuring office upon completion.
- b. The TAS for both Trading Partners.
The Treasury Account Symbol (TAS) must be obtained from your agency's Budget Analyst/Accountant.
- c. The BETC for both Trading Partners.
The Bureau Event Type Code (BETC) can be found at http://www.fms.treas.gov/gwa/ipac_betc-04-06.xls
- d. The effective data and duration of the agreement, to include the expiration of the funding source.
- e. The amount and method of payment.
IPAC is the preferred Treasury method of payment. If agencies have IPAC it is to be used. Otherwise, payment by electronic funds transfer is permissible.
- f. The BPN number for both Trading Partners.
Trading partners that acquire goods or services from another Federal agency and Federal agencies that provide goods and services to another Federal agency must obtain and use a BPN unique business locator identifier.
To obtain a new Business Partner Network (BPN) Number, fill out the DUNS e-mail request form (<http://www.bpn.gov/far/DUNSE-MailRequestForm.pdf>) or call 1-866-705-5711. The DUNS Call-in Guide (<http://www.bpn.gov/far/DUNSCall-InGuide.pdf>) can help you prepare and collect the information you'll need prior to making the call. The D&B personnel can also search their files to see if your office already has a DUNS Number. For more detailed information access the User's Guide (<https://www.bpn.gov/far/FedRegUserGuide.pdf>).

Trading Partners must register their BPN numbers in the BPN Federal Register (FedReg). Trading Partners are responsible for the accuracy of their respective BPN registration data in FedReg, and must access FedReg at least annually to validate/update their BPN data.

To register your BPN Number in the Federal Agency Register, you must first gain access to the FedReg site. To do this, complete the user access request

(<https://www.bpn.gov/far/farjoin.asp>). After obtaining a User Account, sign-into your account (<https://www.bpn.gov/far/>) and register your BPN Number following the on-screen prompts.

Note: For civilian agencies, DUNS and BPN Numbers are the same.

- g. The method and frequency of performance (revenue and expenses) reporting.

Billing Instructions/Support Documentation for expenditures billing and reimbursement may be handled through the Intra-governmental Payment and Collection (IPAC) system or the servicing agency may submit invoices when the work is completed or as otherwise authorized. The Payable IA number, the Agency Locator Codes, appropriate accounting code(s), and associated dollar amounts must be referenced on all IPAC transactions or invoices.

If IPAC is used, the servicing agency shall provide reporting/performance documentation supporting all charges to the requesting agency's Contracting Officer's Technical Representative/Point of Contact (COTR/POC). In the event that advance payment is requested and authorized, the servicing agency shall furnish expenditure reports to the COTR/POC on a (insert frequency, e.g., monthly) basis. Invoice(s) may be used as back-up documentation.

If invoices are used, the servicing agency shall submit the invoices, along with supporting reporting/performance documentation, to the requesting agency's payment office as shown on the Payable IA form, with a copy furnished to the COTR/POC. Per the Economy Act and Federal Acquisition Regulation 17.505, bills or requests for advance payment will not be subject to audit or certification in advance of payment.

The order/Statement of Work (SOW) must include information on delivery of goods and services expressed so that bills can be efficiently matched to the Buyer's order. Performance reporting shall be provided no later than 30 days after the accountable event, or before the close of the quarterly reporting period, whichever comes first.

Both agencies agree to promptly discuss and resolve issues and questions regarding payments. The servicing agency will promptly initiate year-end and closeout adjustments once final costs are known.

Program Office/COTR Responsibilities: The requesting agency COTR/POC and the servicing agency program office shall be responsible for technical oversight of the specified product or service, as set forth in the Statement of Work (SOW) of this agreement, including documenting receipt and acceptance of goods/services in support of payments. In carrying out these responsibilities, COTRs will operate within the scope of applicable regulations, specifically delegated authorities, and the program authorities and funding limitations of the Payable IA. The COTR/POC has no authority to make changes to the terms of the Payable IA.

- h. If applicable, provisions for advance payments and method of liquidating such advance payments.

Advance payments may be made in accordance with Federal Acquisition Regulation 17.505(a) and the payments schedule agreed to in section (g), above. This will include the amount of the advance payment and any liquidation amounts.

- i. The parties' rights to modify, cancel, or terminate the agreement.

When appropriate, a unilateral administrative modification will be issued by the requesting agency, e.g., to add funds with no change to the SOW, to change a COTR/POC name. A written bilateral modification (i.e., agreed to and signed by authorized officials of both parties) will be issued to change the Payable IA, modify the SOW, etc.

Each IA shall include the following language: "This agreement is subject to cancellation or termination, with at least 60 calendar days (unless the SOW specifies a different period) advance written notice by either party. The servicing agency shall be reimbursed for the cost of all completed and partially completed work (up to the Payable IA ceiling) as of the effective date of cancellation."

- j. Disputes and Alternative Dispute Resolution clauses.

Each IA shall include the following language:

Disputes

"Nothing in this agreement is intended to conflict with current requesting agency or Treasury directives. However, should disagreement arise as to the interpretation of the provisions of this agreement that cannot be resolved between the servicing agency program office and the requesting agency COTR/POC, the area(s) of disagreement will be reduced to writing by each agency and presented to the authorized officials at both agencies for resolution. If settlement cannot be reached at this level, the disagreement will be raised to next level in accordance with servicing agency and requesting agency procedures for final resolution.

Alternative Dispute Resolution clause:

Resolving Intragovernmental Disputes and Major Differences.

- A. Disputes resolution shall involve (1) the program offices, (2) accounting offices, (3) the contracting officer, and (4) the agency's Chief Financial Officer (CFO), as appropriate. Disputes shall be documented in writing with clear reasons for the dispute. A memorandum of agreement will be signed by the CFOs of each department and agency to acknowledge that department's or agency's active participation in the dispute resolution process.

- B. Trading Partners shall not chargeback or reject transactions that comply with these Rules. Further, new transactions shall not be created to circumvent these Rules. Transactions that comply with these Rules, but are disputed, shall be resolved as delineated in paragraph C, below.
- C. Disputes are of two types: accounting treatment (e.g., of advances, nonexpenditure transfers) and contractual (e.g., payment, collection, interagency agreement).
1. If intragovernmental differences result from differing accounting treatment, the Trading Partners have 60 calendar days from the date that (1) the difference is identified in the Material Differences Report (Attachment 2, Treasury Financial Manual Bulletin No. 2007-03), or (2) a charge is disputed, whichever comes first, to agree on the treatment of an accounting entry. If agreement cannot be reached, both Trading Partners' CFOs shall request that a final decision be rendered by the CFOs Council's Intragovernmental Dispute Resolution Committee established for this purpose. The Committee may at its discretion refer disputes or differences to the Accounting and Auditing Policy Committee (AAPC) established by the Federal Accounting Standards Advisory Board. The Committee or the AAPC shall render a decision within 90 calendar days of receiving the request. The decision will be final and both Trading Partners will then adjust their accounting records to reflect that decision.
 2. If intragovernmental differences result from contractual disputes, the Trading Partners have 60 calendar days from the date that (1) the difference is identified in the Material Difference report, or (2) a charge is disputed, whichever comes first, to agree on the contractual terms. If agreement cannot be reached, both Trading Partners' CFOs shall request that a binding decision be rendered by the CFOs Council's Committee established for this purpose. The Committee shall render a decision within 90 calendar days of request. The Trading Partners will then coordinate to ensure any necessary IPAC transaction needed to effect the decision is processed as applicable.
 - a. Missing indicative data on an intergovernmental transaction (as delineated in paragraph III.D.2 of the Treasury Financial Manual Bulletin No. 2007-03, Attachment 1) is cause for a contractual dispute.
 - b. The Buyer may establish a monetary threshold before asking for contractual decisions; the threshold shall not exceed \$100,000 per order. If an amount is under the Buyer's threshold, and the Buyer elects not to pursue a dispute, then the Buyer shall pay the amount."
- k. A clause specifying that if the Buyer cancels the order, the Seller is authorized to collect costs incurred prior to cancellation of the order plus any termination costs.

Use the same Cancellation/Termination provision outlined in paragraph (i), above.

1. Accounting/finance office point of contact information, such as, name, location, and telephone number as well as Contracting Officer or COTR's point of contact information.

Questions about this AB may be directed to Karen Davis at Karen.davis@do.treas.gov or (202) 622-2092.

Attachment: 1 OMB Memorandum M-07-03 dated November 13, 2006, including Treasury Financial Manual Bulletin No. 2007-03 with Attachment 1 Intragovernmental Business Rules and Attachment 2, Material Differences Report (ref. <http://www.fms.treas.gov/tfm/vol1/07-03.pdf>)