

TO: HEADS OF GOVERNMENT DEPARTMENTS, AGENCIES, AND OTHERS CONCERNED

1. PURPOSE

This transmittal letter releases revisions to I TFM 6-5000, Administrative Accounting Systems Requirements in Support of the Debt Collection Improvement Act of 1996. It prescribes administrative accounting systems requirements necessary to support Section 31001(x) of the Debt Collection Act of 1996 (Public Law 104-134).

2. PAGE CHANGES

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3. EFFECTIVE DATE


Upon receipt.

4. INQUIRIES

Questions concerning this transmittal letter should be directed to:

EDI Program Manager  
Austin Financial Center  
Financial Management Service  
Department of the Treasury  
1619 E. Woodward Street  
402 14th Street, SW.  
Austin, TX 78741  
(Telephone 512-342-7212)

Date: March 12, 1998

  
Richard L. Gregg  
Commissioner

# ADMINISTRATIVE ACCOUNTING SYSTEMS REQUIREMENTS IN SUPPORT OF THE DEBT COLLECTION IMPROVEMENT ACT OF 1996

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This chapter prescribes administrative accounting systems requirements necessary to support Section 31001 (x) of the Debt Collection Improvement Act of 1996 (Public Law 104-134).

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## Section 5010 - Authority

Section 31001 (x) of the Debt Collection Improvement Act of 1996 (Public Law 104-134) requires Federal agencies to convert all non-tax payments from checks to electronic funds transfer (EFT) by January 1, 1999.

## Section 5015 - Scope and Applicability

This chapter applies to all Federal agencies subject to the provisions of Section 31001 (x) of the Debt Collection Improvement Act of 1996, otherwise known as "EFT 99."

## Section 5020 - Recording Accounting Transactions

Agencies record contract and purchase order-related accounting transactions in their internal administrative accounting systems. Upon provision of goods or services, vendors typically send invoices to the agencies. Regardless of the invoice media, agencies must record invoices in their administrative accounting systems, many of which can accommodate only a 10 or an 11-character invoice number. However, many vendors use invoice numbers that exceed 11 characters. (The telecommunications industry, for ex-

ample, uses invoice numbers that range from 13 to 18 characters.)

## Section 5025 - Truncating Invoice Numbers

If an agency receives an invoice number with more characters than the administrative accounting system is designed to accommodate, the invoice number is truncated upon entry into the administrative accounting system. When these accounting systems create payment files based on Federal Acquisition Regulations and Prompt Payment Act requirements, the invoice number is moved to the addenda record of the electronic vendor payment as it was recorded. These accounting systems may therefore pass truncated invoice numbers in the addenda record of an electronic vendor payment. When vendors receive remittance data from their financial institutions to apply to their accounts receivable systems, they cannot electronically match truncated invoice numbers with original invoice numbers.

## Section 5030 - System Requirement for 20-Character Invoice Numbers

By January 1, 1999, all Federal agencies must be able to accom-

modate an invoice number field length of at least 20 characters. This includes the ability to both record at least 20-character invoice numbers in agency records, and include invoice numbers of at least 20 characters in the addenda records of Automated Clearing House (ACH) payments. Other considerations include the following:

- 20 characters versus 30 characters: A minimum 20-character field length requirement is a reasonable standard to prescribe for all Federal agencies. However, agency administrative accounting managers and vendors providing administrative accounting software to Federal agencies are urged to consider changing the applicable systems to the full Electronic Data Interchange (EDI) 30-character field length to preclude the need to make additional changes in the future.
- Agencies using the Electronic Certification System (ECS): A number of small agency offices do not perform enough transactions to warrant an automated accounting system. Many of these offices use the ECS to create payment files through data entry. These agency offices should be aware that the current ECS system accommodates the full 30-character invoice number field

length within the addenda record of an ACH vendor payment. Therefore, no changes to the ECS system are necessary for compliance with this chapter.

- Impact on software vendors: To meet the minimum standard of accommodation of an invoice number field length of at least 20 characters by January 1, 1999, each software vendor will need to determine the most efficient way to ensure compliance with this chapter based upon its particular data entry screen and database design.

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### **Section 5035 - Compliance**

The Financial Management Service (FMS) will monitor agency compliance with this chapter and will publish a list of agencies in compliance with this chapter through the FMS Internet web site or other media. All agencies must be in compliance with these requirements by January 1, 1999.

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### **Section 5040 - Instructions**

Guidance in this chapter should be made known to agency operating administrative accounting managers and administrative accounting system software vendors, in preparation for meeting the January 1, 1999, deadline.

## CONTACTS

***General inquiries related to the Financial Management Service's implementation of EFT 99 should be addressed to:***

**Director  
Cash Management Policy and Planning Division  
Financial Management Service  
Department of the Treasury  
Room 420  
401 14th Street, SW.  
Washington, DC 20227  
(Telephone 202-874-6590)**

***Inquiries related to publication of the agency compliance list in Section 5035 should be addressed to:***

**EDI Program Manager  
Austin Financial Center  
Financial Management Service  
Department of the Treasury  
1619 E. Woodward Street  
Austin, TX 78741  
(Telephone 512-342-7212)**

***All other inquiries should be addressed to the Customer Assistance Staff at your Servicing Regional Financial Center listed in Appendix 1.***

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**CUSTOMER ASSISTANCE STAFFS  
ADDRESSES AND TELEPHONE NUMBERS**

**CONTACT****MAILING ADDRESS/PHONE**

**Austin Regional  
Financial Center**

**P.O. Box 149058  
Austin, TX 78714-9058  
(512) 342-7300**

**Birmingham Regional  
Financial Center**

**P.O. Box 2451  
Birmingham, AL 35201-2451  
(205) 912-6400**

**Chicago Regional  
Financial Center**

**P.O. Box 8670  
Chicago, IL 60680-8670  
(312) 353-2364**

**Kansas City Regional  
Financial Center**

**P.O. Box 12599  
Kansas City, MO 64116-0599  
(816) 414-2100**

**Philadelphia Regional  
Financial Center**

**P.O. Box 8676  
Philadelphia, PA 19101-8676  
(215) 516-8016**

**San Francisco Regional  
Financial Center**

**P.O. Box 193858  
San Francisco, CA 94119-3858  
(415) 744-7967**

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