

FEDERAL LIBRARY AND INFORMATION CENTER COMMITTEE
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Business Rules for Intragovernmental Exchange Transactions

FEDLINK is in procedural compliance with the requirements of the Office of Management and Budget's (OMB) Business Rules for Intragovernmental Exchange Transactions (Office of Management and Budget Memorandum # M-03-01– <http://www.whitehouse.gov/omb/memoranda/m03-01.html>).

The memorandum specifically discusses accounting standards, intra governmental transactions and advance payments:

Accounting Standards

Accounting standards provide the rules for the Library of Congress (LC) to use in recording accounting transactions and in preparing financial reports. Transactions are recorded on the accrual basis and are within budgetary limitations established to facilitate compliance with legal constraints and controls over use of federal funds. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt of payment of cash.

LC processes its accounting transactions and prepares its financial statement in accordance with accounting principles generally accepted in the United States of America as promulgated by the Federal Accounting Standards Advisory Board (FASAB). The American Institute of Certified Public Accountants recognizes FASAB Standards as generally accepted accounting principles for federal reporting entities.

Intragovernmental Transactions

OMB and the Integrated Acquisition Environment (IAE) steering committee are establishing basic requirements for processing and recording intra governmental transactions for all agencies. It is envisioned that these transactions will eventually be fed through a central portal system and tracked. Use of the DUNS number for internal Federal transactions is currently required by executive agencies and the Intragovernmental Payment and collection (IPAC) system and as of October 1, 2003, the DUNS have been added to the transaction input screen.

The "Portal" will automatically trigger the interagency cash payment or collection through the IPAC

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system. While the "Portal" process is not a requirement yet, the associated business rules as promulgated by OMB (Memorandum M-03-01– <http://www.whitehouse.gov/omb/memoranda/m03-01.html>) are in effect for executive agencies and are expected to be used in FY 2004. The Library plans to cooperate with executive branch agencies when they request information and input the Library's DUNS and accounting information when processing IPAC billing and collection transactions.

Payment in Advance for FEDLINK Services

FEDLINK operates under the authority of P.L. 106-481, The Library of Congress Fiscal Operations Improvement Act of 2000 (2 US Code 182c.) (See GPO Access for a copy of the law at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=106_cong_public_laws&docid=f:publ481.106.pdf.)

Section 103 (a)(2) of the Act speaks to payment for products and services:

ADVANCES OF FUNDS. – Participants in the FEDLINK program and the Federal Research program shall pay for products and services of the program by advance of funds--

- (A) if the Librarian determines that amounts in the Revolving Fund are otherwise insufficient to cover the costs of providing such products and services; or
- (B) upon agreement between participants and the Librarian.

On September 25, 2001 (6 days before the law went into effect), Librarian of Congress James H. Billington made a determination that FEDLINK program funds must be collected in advance in order for the FEDLINK program to operate. Dr. Billington's determination states in pertinent part:

"...[P]ursuant to [sect.] 103 (c)(2)(A) of the revolving fund statute, because amounts in the FEDLINK account of the revolving fund would otherwise be insufficient to cover the costs of providing FEDLINK products and services, I hereby direct that participating agencies be required to pay for FEDLINK products and services by advance of funds."

The FEDLINK program provides each receiving agency with a monthly statement of the current balance in each account so that an agency may monitor its funds usage. In addition, updated customer account balances are accessible (with a 24-hour delay) through the password-protected FEDLINK online account management system.

For more information, please contact the FEDLINK Fiscal Hotline at (202) 707-4900.