



**Procure-to-Pay (P2P)
Standard Operating
Procedures (SOP) for
Distribution of Contract
Actions to Financial
Systems
("Handshakes" 3 & 4)**

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1 Purpose

This document establishes the enterprise business rules and standard procedures for procurement and accounting activities (and their respective systems) to successfully record contract action obligations in accounting and entitlement systems. These data exchanges, or handshakes, are known as Handshake 3 and Handshake 4 respectively, and are activities performed within the following Procure-to-Pay (P2P) processes as defined by the Business Enterprise Architecture (BEA):

1. Award Procurement Instrument & Supplemental Procurement Instrument (P2P)
2. Administer Procurement Instrument & Supplemental Procurement Instrument (P2P)

DoD Components should note that the contents of this document do not replace any guidance contained within the Federal Acquisition Regulations (FAR), or the associated policy contained within the DoD Financial Management Regulation (FMR) and Defense Federal Acquisition Regulation Supplement (DFARS). Should conflicts exist between this document and any formal policy documents, the FAR, DFARS, and FMR are the prevailing government regulations.

2 Applicability

The rules for data exchanges apply to all contract writing and financial management systems that record contract obligations and that will not be retired within 36 months of this document's publication. Some legacy systems' anticipated lifespan may exceed this timeframe, and will not be able to implement this document's requirements in a cost effective manner. Any systems that cannot comply with any of this document's requirements may submit a waiver request to the P2PPAWG co-chairs. This request must document the business case for non-compliance, as well as the compensating controls that Components will implement to ensure that the outcomes identified in section 3 are still met.

3 Background

Components face increasing demands from both users who demand that business be conducted more efficiently and policy makers who require increasing visibility into how the Department of Defense spends its money. Having to maintain interoperability with diverse Defense stakeholders, and their specific IT environments, compounds these challenges. Accounting and entitlement systems often lack the detailed information necessary to ensure traceability to discrete award identification numbers. In addition, the procurement and financial eBusiness environment currently operates in an interim state, with both legacy and target systems in use that possess different levels of IT sophistication.

This Standard Operating Procedure (SOP) has been developed in collaboration with DoD Components to minimize the impact to current processes, while meeting accountability requirements, improving overall operations, supporting end-to-end (E2E) business process/activities, and limiting non-compliance with established policies for both contracting and financial management communities. If successful, they will ensure that transparency requirements are met. The overarching objectives of this effort are to enable stakeholders to:

- Help reduce or eliminate unmatched financial transactions within the DoD enterprise P2P E2E process in order to reduce P2P operating costs;
- Comply with the Federal Funding Accountability and Transparency Act (FFATA) as modified by the Digital Accountability and Transparency Act¹;
- Support DoD Financial Improvement and Audit Readiness (FIAR) goals in support of compliance with the Chief Financial Officer's Act²;
- Reinforce Standards for Internal Control in the Federal Government issued by the U.S. Government Accountability Office (GAO) on September 10, 2014. OMB Circular No. A-123 and the statute it implements, the Federal Managers' Financial Integrity Act (FMFIA) of 1982

¹ In accordance with the guidance set forth by the Office of Management and Budget (OMB), "Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable", dated 8 May 2015.

² Specifically, ensuring the proper accounting treatment is applied to contracts with financing, per the DPAP memorandum issued 27 February 2015, "Accounting and Reporting Contract Finance Payments."

- Support Records Management Requirements established in DoDI 5015.2.

The objectives cited above will be achieved by instituting a standard set of the minimum data elements and business rules, as well as identifying roles and responsibilities of accounting, procurement, and entitlement activities or systems at each handshake. The P2PPAWG requires that all organizations institute an automated capability to perform the following:

- “Record Obligation” - The recording of an obligation in the accounting system upon electronic distribution of a contract action award (P2P process: Award Procurement Instrument & Administer Procurement Instrument) (Handshake 3)
- “Administer Procurement Instrument & Supplemental Procurement Instrument” - The recording of contract award data in the entitlement system upon electronic distribution of a contract action (P2P process: Manage Procurement Instrument Entitlement) (Handshake 4)

These handshakes are part of the BEA, which defines a variety of E2E processes that guide and constrain implementation of interoperable defense business system solutions. The BEA also ensures that information technology investments are aligned with strategic business capabilities. The handshakes referenced in this SOP relate to other BEA E2E processes (e.g. Manage General Ledger Transactions) found within the Budget-to-Report (B2R) E2E model, as depicted in Appendix D.

4 Handshake Procedures

Procedures for passing contract data from contract writing to accounting and entitlement systems are provided below. If a system performs both accounting and entitlement functions, then business rules and data elements for both processes apply.

Handshake 3 Procedures:

- Contracting organizations must provide an electronic copy of the contract action to each affected accounting system at the time of award in accordance with DFARS PGI 204.201.
- Accounting organizations must ensure obligations are posted promptly and accurately in all appropriate accounting systems, excess funds are decommitted and an undelivered order is established.
- Affected accounting systems must ensure electronic recording of the obligation based on the electronic distribution of the contract actions in accordance with the FMR Volume 3, Chapter 8. Each system should be able to automatically and electronically receive and post obligations in the accounting system(s). This process must ensure that all key data elements (listed in Appendix A of this document that pertain to Handshake 3) are recorded in the accounting system (or accounting module of an enterprise resource planning system) for each obligation to ensure an association

- between funding amounts and contract line item data defining the deliverables to be received as a result of that funding³.
- Routing of contract action to accounting (funds holding) systems will be by Agency Accounting Identifier (AAI) (designated at the Accounting Classification Reference Number (ACRN) level of the contract action). ACRNs are assigned to each unique line of accounting.
 - Accounting systems shall send an acknowledgement to the Global EXchange (GEX) once the obligation posts successfully. Should the transaction fail, the accounting system shall provide a response indicating reasons for the failure, to include data element-level details.
 - Contract actions that do not post successfully to the accounting system must be resolved by the requiring, funding, and procuring offices according to the failure's cause and in accordance with section 0803 of the FMR Volume 3 Chapter 8.
 - Component procurement and financial management communities shall establish procedures to identify, analyze, and correct failures to post contract data to accounting systems. At a minimum, these procedures should document steps and workflows for the following failures to complete electronic transactions:⁴
 - Issue with Contract Data: The accounting official shall create a “Contract Deficiency Report” detailing the specific contract data issue. Should a change to the contract be necessary, the contracting officer will then issue a contract modification that corrects the issue.
 - Issue with Accounting Data: The accounting organization must initiate corrective action to resolve the issue (e.g. anti-deficiency) and rectify any incorrect or missing accounting information.
 - Issue with Accounting System Data or System Interfaces: The accounting official shall obtain a copy of the contract from the Electronic Document Access (EDA) system and record the award data manually if an award cannot be posted due to issues with accounting system data or interface errors that prevent a successful electronic transaction.

Handshake 3 Outcomes to Ensure:

- Obligations are posted accurately in all appropriate accounting systems in accordance with Section 0803 of FMR Volume 3 Chapter 8, and excess funds decommitted. Failed postings should be resolved systemically when appropriate.
- Funding organizations receive electronic notification that committed funds have been obligated by an executed contract action.
- Sufficient information is recorded in accounting systems in order to enable downstream processes (e.g. receipt and acceptance, entitlement, and invoice to obligation matching).
- Unmatched transactions that require manual intervention to correct errors (e.g. missing, incomplete, and Line of Accounting obligation errors) are reduced.
- Key controls for electronically recording contract obligations become IT based controls in lieu of a manual compensating controls.

³ Additional data elements beyond what is required to liquidate funds may be recorded for the benefit of additional downstream processes or functions the recording system may perform (e.g. property accountability).

⁴ Successfully conducting a pre-award funds validation process should reduce these error occurrences.

Handshake 4 Procedures:

- Contracting organizations must provide an electronic copy of the contract action to the designated entitlement system at time of award to ensure electronic recording of the contract in accordance with DFARS PGI 204.201.
- Routing of contract actions to entitlement systems will be by the DoD Activity Address Code (DoDAAC) of the pay office.
- Entitlement activities (systems) must automatically and electronically receive and record contract data in the correct entitlement system. This process should take place immediately after contract award, and ensure that all key data elements (listed in Appendix A) are recorded in the entitlement system prior to any delivery or invoice.

Handshake 4 Outcomes to Ensure:

- Contract actions are posted accurately in the appropriate entitlement system (leveraging electronic transactions) to enable timely and accurate payment of invoices.
- Sufficient information is recorded electronically in order to enable downstream processes (e.g. receipt and acceptance, invoice matching, financial reporting).
- Reduced occurrence of unmatched transactions that result in manual processing to correct errors (e.g. late or erroneous payments, use of incorrect funding).

5 Roles and Responsibilities

Contracting Activity: In accordance with the DFARS 204.201 contract distribution guidance, provide contract actions as electronic data to the accounting and entitlement offices for appropriate recording and storage of contract data.

Accounting Activity: Record required obligation (contract action) data elements in the relevant accounting system.

Entitlement Activity: Record contract action data elements in the relevant entitlement system(s).

6 Handshake 3 & 4 Standards and Electronic Transactions

The following standards are employed for handshakes 3 and 4: ANSI X.12 Electronic Data Interchange (EDI) 850 (award), 860 (modification) and the Procurement Data Standard (PDS). These standards are used to meet the requirements of DFARS 204.201 for contract distribution. Many contract writing, accounting and entitlement systems have built and maintain costly point to point interfaces to ensure the ability to post contract actions electronically. As depicted in Figure 1, systems performing accounting or entitlement functions can receive a contract data feed from a variety of formats, based on either ANSI X.12 EDI 850/860 transactions or the Procurement Data Standard as an enterprise service. The Department's contracting systems are required to send data through the GEX (DFARS 204.201). The target state for accounting and

entitlement systems is to electronically receive those actions from the GEX. Detailed procedures on use of the enterprise service are in development.

Beyond adhering to data standards, accounting and procurement systems must ensure that sufficient information is exchanged at handshake 3 to facilitate appropriate accounting for contract financing payments. To clarify the appropriate accounting treatments related to financing payments that are not advance payments, the 9 October 2014 OUSD (Comptroller) memorandum, “Accounting and Reporting Contract Financing Payments” outlines the basic business rules, process steps, documents (generated or consumed at each step), data elements, roles and responsibilities, and decision tree for each form of contract financing required of a system performing entitlement.

Mandatory data elements that must be recorded by accounting and entitlement organizations and systems at each of these handshakes are listed in Appendix A. This data list is the minimum required set required to support downstream processes and facilitate budget to reporting traceability. This list is not comprehensive of all the information that may be passed and stored when performing each handshake. Note that in such cases where data is stored and shared between pre-award processes performed by varying functional users within the same system, the data does not need to be replicated. Additional data elements required solely for entitlement systems performing complex payments (i.e. other than firm fixed price contracts, and any financing payments) are highlighted separately.

Appendix B describes the recent policy change regarding the Procurement Instrument Identifier (PIID) format. Appendix C describes payment instructions and clauses that are important when recording contract actions with financing in entitlement systems.

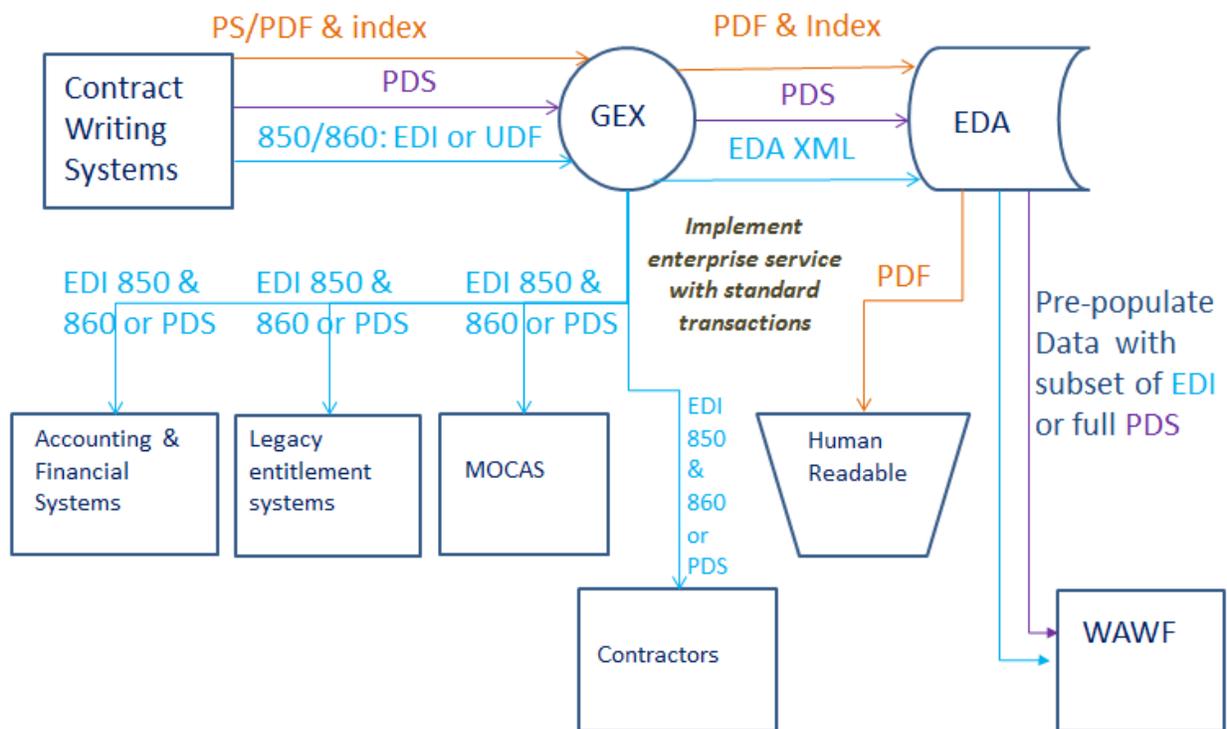


Figure 1 – Contract Data Distribution for Multiple Destinations

7 Metrics

Metrics to measure an organization's compliance with the standard operating procedures described in this document must measure each side of each electronic transaction, or handshake. The metrics detailed in Appendix E are designed to recognize that progress towards achieving the objectives in this SOP will be incremental, and that in a mixed legacy/new environment not all success will be synchronous.

Handshake 3 Metrics:

- a) Percent of contract actions provided electronically to GEX and EDA in compliance with DFARS 204.201 (Scorecard available at: http://www.acq.osd.mil/dpap/pdi/eb/eda_scorecard.html)
- b) Percent of eligible contracting actions (obligations) that are received via the GEX and recorded electronically in the appropriate accounting systems in accordance with DoD FMR Volume 3, Chapter 8.

Handshake 4 Metrics:

- a) Percent of entitlement systems capable of recording contract data electronically using the GEX
- b) Percent of eligible contracting action data that are recorded electronically in the appropriate entitlement systems

8 Internal Controls

Internal Controls are critical to the success of data exchanges across the P2P process. In May 2011, DUSD AT&L Memo – “Internal Controls for Procurement Systems,” was published articulating a set of joint internal controls across the P2P process. The sections of that document that address handshakes 3 and 4 are:

Section 5 – Obligation (Control 5.1)

Section 6 – Contract Administration (Control 6.4)

Appendix A: Data Elements and Sources

DoD has identified and defined a minimum set of data elements (found within the prescribed data standards) which are required to show traceability through the P2P process (See Figure 2). The goal is to identify the initiation point of each data element where the data must be captured, and then pass only the minimum set of data needed to create traceability to the next process step. The key financial management and procurement data standards that follow provide such further definition:

1. **American National Standards Institute (ANSI) Transaction sets 850 “Purchase Order” and 860 “Purchase Order Change Request - Buyer Initiated** – The Federal Government has developed and published Implementation Conventions for use of the ANSI standards in contracting. FAR 53.105 provides for use of these standards or “a format that can be translated into one of those standards” in lieu of the prescribed standard forms as a means of conducting business electronically. The 850 and 860 transaction sets are used to describe an award or order and a modification, respectively. For most purposes, including the procedures set forth herein, these data formats contain all required minimum data in Appendix A, sufficient to record the contract action.
2. **Procurement Data Standard (PDS)** – The Procurement Data Standard (PDS) is a system-agnostic data standard that is intended to be adopted and implemented DoD-wide for creation, translation, processing, and sharing of procurement actions. It defines the minimum requirements for contract writing system output to improve visibility and accuracy of contract-related data, to support interoperability of DoD acquisition systems and to standardize and streamline the Procure-to-Pay (P2P) business process. PDS will improve visibility of contract-related data, enabling senior DoD leadership to make better informed business decisions. And finally, this data standard will support future migration to enterprise and federal systems and processes where appropriate. PDS expands on the ANSI standards cited above to include all the information needed to reconstruct the entire legal contract document from the data.
http://www.acq.osd.mil/dpap/pdi/eb/procurement_data_standard.html
3. **Standard Financial Information Structure (SFIS)** - The Standard Financial Information Structure (SFIS) is a comprehensive data structure that supports requirements for budgeting, financial accounting, cost/performance, and external reporting needs across the DoD enterprise. SFIS standardizes financial reporting across DoD and allows revenues and expenses to be reported by programs that align with major goals, rather than basing reporting primarily on appropriation categories. It also enables decision-makers to efficiently compare programs and their associated activities and costs across the department and provides a basis for common valuation of DoD programs, assets, and liabilities. The Standard Line of Accounting (SLOA) is composed of SFIS data elements, and designed to facilitate the tracking of funding from budget to reporting. Full details can be found at <http://dcmo.defense.gov/products-and-services/standard-financial-information-structure/>.

Data Element	Regulatory Reference	Record in Accounting	Record in Entitlement - FFP without Financing	Record in Entitlement - All Other
Procurement Instrument Identifier	FAR Subpart 4.16	X	X	X
Contractor and Government Entity (CAGE) Code	FAR Subpart 4.18	X	X	X
Product Service Code (PSC)	DFARS PGI 204.6	X		
Accounting Classification Reference Number (ACRN)	DFARS 204.7	X	X	X
Contracting Office Activity Address Code (AAC), i.e. DoDAAC	DLM 4000.25 Volume 6	X	X	X
Pay Office AAC, i.e. DoDAAC	DLM 4000.25 Volume 6	X	X	X
Delivery Date (at line item level) OR Period of Performance (at line item level)	FAR Subpart 11.4	X	X	X
Buying Currency	FAR Part 25	X	X	X
Pricing Arrangement (Contract Type) (at line item level)	FAR Part 16	X	X	X
Obligated Amount	FMR Vol 3, Ch 8	X	X	X
Security Cooperation (formerly "FMS") Case Line Item Identifier (If Present)	Chapter 5 DSCA 5105.38-M, SAMM	X	X	X
Security Cooperation (formerly "Foreign Military Sales Customer Code") Customer Code (If Present)	Chapter 4 DSCA 5105.38-M, SAMM	X	X	X
Security Cooperation Case Designator (formerly "FMS Case Identifier") (If Present)	Chapter 5 DSCA 5105.38-M, SAMM	X	X	X
Quantity (at line item level)	DFARS PGI 204	X	X	X
Unit of Measure	DFARS PGI 204	X	X	X
Unit Price (If Present)	DFARS PGI 204	X	X	X
Deliverable Line Item Number (i.e. CLIN, SLIN, ELIN)	DFARS PGI 204	X	X	X
Funded Line Item Number (i.e. CLIN, SLIN, ELIN, but NOT INFOSLIN)	DFARS PGI 204	X	X	X
Payment Instructions (If Present)	DFARS PGI 204			X
Payment Contract Clauses	FAR Part 16, FAR Part 32			X
Limitation of Funds Clause	FAR 52.232-22	X		X
Unpriced Action	FAR Part 32.5			X
Letter Contract	FAR Part 32.5			X
Contract Price (If Present)	FAR Part 32.5			X
Standard Line of Accounting (SLOA)	FMR Vol 1, Ch 4	X	X	X

Figure 2 - Data Elements to be recorded in Accounting and Entitlement Systems

Appendix B: Procurement Instrument Identification

Changes (FAR 4.16)

Having the ability to trace contract expenditures and obligations for supplies and services back to the budget streams which funded them allows Government leadership, and the American taxpayer, to understand which Defense contract vehicles are being used to execute specific funds. For many years, this has been a primary goal of the Federal Funding Accountability and Transparency Act (FFATA), as well as its more recent iteration enacted in 2014, the Digital Accountability and Transparency Act (DATA). To achieve this level of transparency, procurement and financial systems participating in the P2P process must capture specific data “keys” that will be used to link information contained in disparate systems.

Few data elements are as integral to pushing the Department towards a successful DATA implementation as the Procurement Instrument Identifier (PIID). The PIID is and will be heavily relied upon at Handshakes 3 and 4 in order to align individual contract actions with previously documented commitments in the accounting systems and provide the pertinent contract characteristics to entitlement systems for seamlessly automated commercial payments.

In 2014, the FAR was amended to implement a uniform Procurement Instrument Identification (PIID) numbering system, which will require the use of Activity Address Codes (AACs) as the unique identifier for contracting offices and other offices, in order to standardize procurement transactions across the Federal Government. Defense Components shall comply with the new PIID procedures in FAR subpart 4.16 by October 1, 2016, for new solicitations and contract awards, per DFARS 204.16.

What the FAR change means to DoD PIIDs:

Today, all DoD issued contracts, agreements, and task and delivery orders issued under non-DoD instruments (e.g., federal schedules) are represented by a 13-character PIID that begins with the issuing office’s DoDAAC in the first six characters (e.g., N00019). Any modifications to these awards are denoted using a six-character modification number that begins with “P” or “A”, indicating the action was issued by a procurement or administration office. The only DoD issued instruments that currently do not match this pattern are task and delivery orders issued under DoD issued contracts and agreements. Today these actions are identified by a four-character number, often called a supplementary procurement instrument identification number (SPIIN), that must be used in conjunction with the 13-character PIID in order to clearly identify the action and to establish uniqueness across the Department (e.g., Task Order 0001 under contract N0001914D0200). These two fields are also often seen concatenated together as one 17-character identifier (e.g., N0001914D02000001). Modifications against these task and delivery orders are currently two-characters in length (e.g., 01).

The FAR change results in no changes to the manner in which DoD assigns numbers to DoD issued contracts, agreements, and task and delivery orders issued under non-DoD instruments; they will remain 13-characters in length. Modifications thereto will remain six-characters in length.

However, as a result of the FAR change, the numbering of task and delivery orders issued under DoD contracts and agreements *will* change. Going forward, the PIIDs on these instruments will also be 13-characters in length, and begin with the DoDAAC of the office that issued them (e.g., N0001915F0001). Because the task and delivery orders themselves will now be unique, their numbers will no longer need to be paired with the base award ID number to maintain uniqueness. Systems that formerly recorded both the base and order numbers solely for the purpose of establishing a uniquely identifiable contract number are now able to record only one 13 character order number. Modifications to these instruments will also change and become six-characters in length beginning with “P” or “A”.

Note that the FAR change was made prospectively. Existing task and delivery orders are not required to be re-numbered from four-characters to 13-characters. As such, there will be a period of time when both formats exist. If a task or delivery order with a four-character number is being referenced, the base contract 13-character PIID must also be present. Over time, these legacy orders will complete performance and be closed; but systems planned to be functioning over the next five years should plan to accommodate them in addition to the new 13-character PIID applied to all instruments.

What the FAR change means to DoD funded contract awards, issued by Non-DoD Departments or Agencies:

Although the DoD elected to number its task and delivery orders issued under DoD issued contracts and agreements using a 13-character PIID construct, the same may not be true for Non-DoD issued contract actions that are funded by DoD. The FAR allows Federal agencies to choose a length of 13 to 17 characters for the PIID. All agencies must be compliant with the following format for all new awards (e.g., contracts, orders, and agreements):

Positions 1-6:

6-character Activity Address Code (AAC) (also known as DoDAAC for DoD offices)

Positions 7-8

2-character fiscal year in which the action is being issued

Position 9

1-character Instrument Type designation letter

Positions 10-17

4-8 character Serial Number (Agencies are not to use leading or trailing zeroes to equal the maximum in any system or data transmission, i.e. 00010000 would not be acceptable). Note that this is where DoD may differ from other Departments and Agencies; DoD has chosen to use positions 10-13 only (4-characters).

Other Federal (non-DoD) Departments or Agencies are required to follow the same construct for contracts or agreements and task or delivery orders, however the FAR allows the length of the issuing Agency’s Serial number (positions 10-17) to be between 4 and 8 characters. The length is left to the discretion of each Department, therefore DoD Financial systems needing to record a budgetary event (record an obligation) created by a contract action issued by a Civilian Agency that was funded by DoD will need to be able to capture a 17 character PIID (not just the 13

characters DoD issued awards), plus any subsequent modifications that equal 6 characters in length.

Appendix C: Payment Instructions and Clauses

In 2006, a standard set of payment instructions were published under DFARS PGI [204.7108](#) to simplify the processing of contract payments and reduce the costs of contract administration on cost-type (including time-and-materials) contracts as well as those containing Contract Line Items (CLINs) with multiple lines of funding.

Before the standard instructions were written, payment allocations were left to the interpretation and discretion of the local DFAS clerk. This typically could have entailed several rounds of telephone conversations, email messages, and several hours spent trying to make the correct payment allocation on a contract or order.

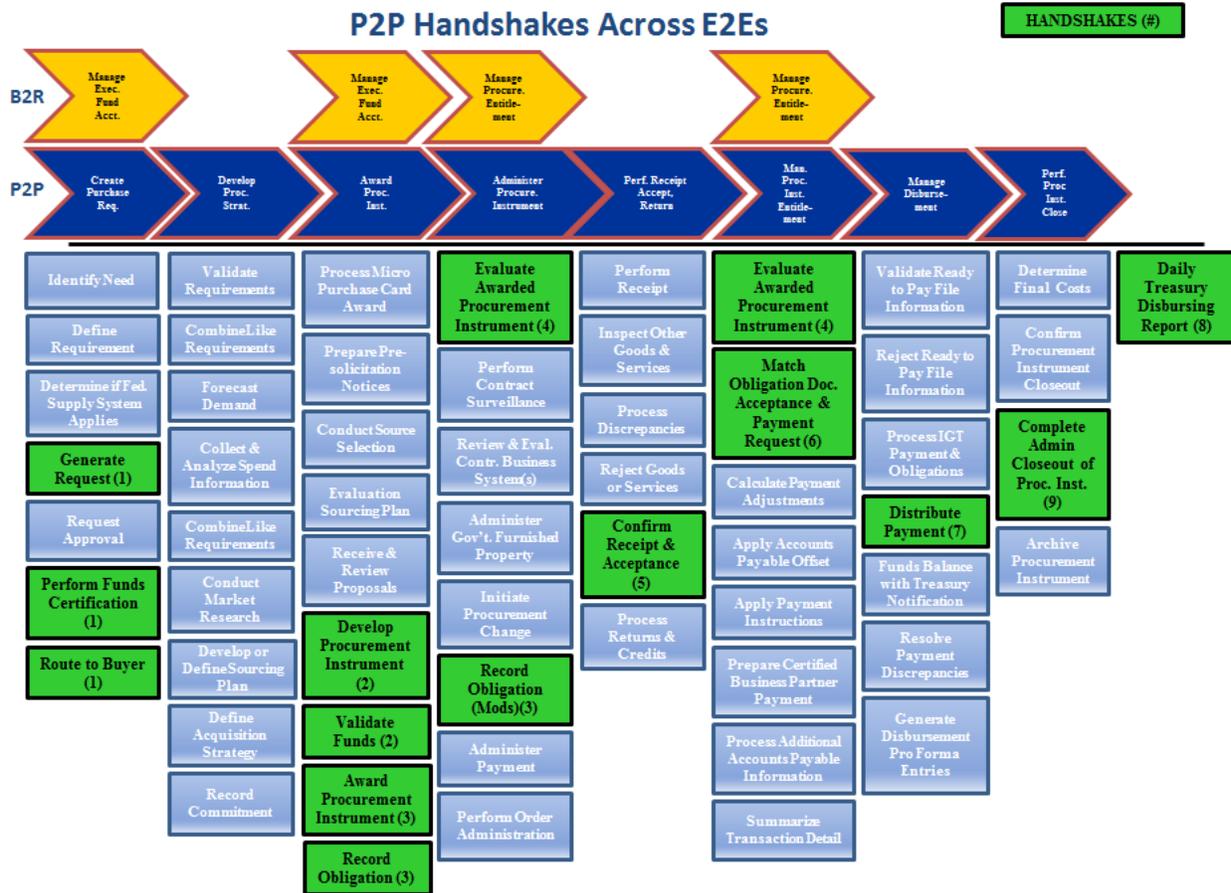
In 2010, the set of standard instructions were given clause-like numbers so that contracting personnel using any contract writing system (e.g. Standard Procurement System or PADDs) could insert these instructions as data into Section G, just as one would with any other numbered clause rather than as manually provided text. The entitlement system can then recognize any of the contract-level payment instructions as data based upon the associated clause-like number, and successfully allocate the appropriate funding lines automatically with little to no human intervention.

Once fully implemented, this will reduce costs incurred by the Components in DFAS billing rates since it enables a closed-loop approach to solely allocating payment electronically rather than manually at DFAS, while reducing the risk for errors and payment delays.

There are three specific cases where the payment instructions are required. Those are contracts and orders that:

1. Include contract line items that are funded by multiple accounting classification citations for which a contract line item or items are not broken out into separately identifiable subline items (informational subline items are not separately identifiable subline items);
2. Contain cost-reimbursement or time-and-materials/labor-hour line items; or
3. Authorize financing payments.

Appendix D: Overview of All P2P Handshakes



Handshakes

The term “handshake” referenced in the figure on the previous page refers to electronic information exchanges that take place either within or between two processes related to procuring goods or services. There are nine handshakes within the P2P End-to-End process. For each handshake, the procurement, logistics and finance communities are collaborating to ensure that standards are created or maintained to ensure efficiencies are achieved or maintained. As these standards mature or are deployed at the enterprise level, changes to accounting, logistics, contracting and other payment systems may occur. These handshakes are defined as follows:

Handshake 1: “Define and Fund the Requirement” – The development and receipt of an appropriately formatted, set of Purchase Request (PR) data by the contract writing system. This process includes the performance of a commitment and certification of funds against a PR in the accounting system.

Handshake 2: “Validate that funds are in alignment with the proposed award” - The execution of a pre-award funds validation or “funds-check” in order to ensure that funds committed remain unchanged and certifiable.

Handshake 3: “Posting awards to accounting system(s)” - The automated electronic recording of the obligation, including the full set of contract data required to facilitate traceability, in the accounting system at time of contract award or funded modification.

Handshake 4: “Posting awards to entitlement system(s)” - The automated electronic recording of the contract in the entitlement system at time of contract award or funded modification is critical to successful contract administration.

Handshake 5: “Confirm receipt and acceptance” - The confirming of receipt and acceptance of goods or services, aligned with a specific award, to the Government to facilitate entitlement.

Handshake 6: “Perform entitlement” - The process of taking ownership of goods delivered to the Government to facilitate payment.

Handshake 7: “Pay the Vendor” - Payment systems receive accurate accounting and entitlement data, which is then used to make timely and accurate payments to vendors.

Handshake 8: “Report Payments to Treasury” - DoD financial systems provide complete and accurate payment data to the US Treasury in accordance with Federal standards.

Handshake 9: “Perform Contract Closeout” - Completed/terminated contracts are closed in DoD acquisition and financial systems, and remaining funds are de-obligated.

Appendix E: Handshake 3 and 4 Metrics

3A Contract Writing System Metrics

Metric Vision	A set of successive measures will be used to determine if required information is being electronically exchanged between systems to facilitate traceability across the Procure to Pay (P2P) process. These metrics will measure whether systems and organizations are capable of performing required procedures (including passage of specified data elements). The requirements for Handshake 3 are defined in the "Handshake" Standard Operating Procedure document.						
Handshake 3A Requirement	All contract writing systems electronically provide contract award data in the PDS format from the GEX, and provide 100% of those data elements identified in the P2P SOP within 3 days. Note that these metrics do not deal with MIPR processing.						
Stage	1A	2A	3A	4A	5A	6A	7A
Metric	Post contract data (record obligation) electronically.	System Interface Method	Data Standard - Award	Data Standard - Modifications	Post contract data within 3 days.	SLOA Compliance 1	SLOA Compliance 2
Description	Is the contract writing system capable of posting contract (obligation) data in an automated (i.e. system to system) fashion that does not require manual intervention?	Is the data made available to the accounting system via the GEX for all transactions?	List the contract data standard produced by the contract writing system for awards.	List the contract data standard produced by the contract writing system for modifications.	Does the system post contract data within 3 days? If manual processes are employed, these must be standardized and performed in all circumstances in an auditable fashion.	Is the contract writing system capable of storing SLOA?	Does the contract writing system store the LOA as parsed/discrete data elements?
Assessment Methodology	Yes or No	Yes or No	PDS, EDI 850, None	PDS, EDI 860, None	Yes or No	Yes or No	Yes or No
ACPS							
COINS							
ConWrite							
DISA IDEAS							
DLA ECC							
EMALL							
FEDMALL							
eProcurement							
ITIMP							
MDO							
oContrax							
ONR PRISM							
PADDS							
SeaPort							
SNAP							
SPS							
DHA ECS							
Possible responses	Yes No	Yes No	PDS Compliant Status EDI 850 None	PDS Compliant Status EDI 860 None	Yes No	Yes No	Yes No

* SPS provides EDI 850/860 in native formats that are translated at the GEX

Handshake 3A Measurements

3B Accounting System Metrics

Metric Vision	A set of successive measures will be used to determine if required information is being electronically exchanged between systems to facilitate traceability across the Procure to Pay (P2P) process. These metrics will measure whether systems and organizations are capable of performing required procedures (including passage of specified data elements). The requirements for Handshake 3 are defined in the "Handshake" Standard Operating Procedure document.									
Handshake 3B Requirement	All accounting systems electronically receive contract award data in the PDS format from the GEX, and post 100% of those data elements identified in the P2P SOP within 3 days. Note that these metrics do not deal with MIPR processing.									
Stage	1B	2B	3B	4B	5B	6B	7B	8B	9B	10B
Metric	Post contract data (record obligation) electronically.	System Interface Method	Data Standard - Awd	Data Standard - Mod	SOP Compliance - Accounting for Firm Fixed Price (FFP) Contracts	SOP Compliance - Accounting for Contracts with Financing Payments	Post contract data within 3 days.	Successful electronic posting of contracts to accounting	SLOA Compliance 1	SLOA Compliance 2
Description	Is the accounting system capable of posting contract (obligation) data in an automated (i.e. system to system) fashion that does not require manual intervention?	Does the accounting system receive all transactions via the GEX?	If the accounting system receives and stores award data using an accepted data standard (i.e. PDS (including SLOA) or the X12 EDI (including SLOA)), list the standard used.	If the accounting system receives and stores contract modification (to include Admin. Contracting Officers Mod) data using an accepted data standard (i.e. PDS (including SLOA) or the X12 EDI (including SLOA)), list the standard used.	What percent of the "contracts" data elements identified in [Memorandum TBD] is the system capable of storing?*	What percent of the "accounting for contracts with financing payments" data elements identified in [Memorandum TBD] is the system capable of storing?*	Does the system post contract data within 3 days? If manual processes are employed, these must be standardized and performed in all circumstances in an auditable fashion.	What percent of contract actions are posted electronically without manual intervention?	Is the system capable of storing SLOA?	Does the system store the LOA as parsed/discrete data elements?
Assessment Methodology	Yes or No	Yes or No	PDS, EDI 850, None	PDS, EDI 860, None	% of Data Elements Captured	% of Data Elements Captured	Yes or No	% of Contracts Posted Electronically	Yes or No	Yes or No
CEFMS										
DAI										
DBMS										
DEAMS										
DIFMS										
DISA WAAS										
DoDEA WAAS										
DLA EBS										
DWAS										
EBAS-D										
EBAS-TJS										
E-BIZ										
FAMIS-CS										
FAMIS-EAS										
GAFS-R										
GFEBs										
IMPS										
LMP										
MHPI										
MSC FMS										
Navy ERP										
NOAS										
SABRS										
SBSS										
SMAAS										
SOMARDS										
STANFINS										
STARS-FL										
STARS-HQ										
TFRS										
TMA ECS										
Possible responses	Yes No	Yes No	PDS or EDI 850 None	PDS or EDI 860 None	Numerical *Includes all basic/crosscutting data elements - e.g. contract number	Numerical **Refers to only the set of data elements, beyond those mentioned in metric 4, required to process financing payments.	Yes No	Numerical (%)	Yes No	Yes No

Handshake 3B Measurements

4A Contract Writing System Metrics

Metric Vision	A set of successive measures will be used to determine if required information is being electronically exchanged between systems to facilitate traceability across the Procure to Pay (P2P) process. These metrics will measure whether systems and organizations are capable of performing required procedures (including passage of specified data elements). The requirements for Handshake 4 are defined in the "Handshake" Standard Operating Procedure document.						
Handshake 4A Requirement	All contract writing systems electronically provide contract award data in the PDS format from the GEX, and provide 100% of those data elements identified in the P2P SOP within 3 days. Note that these metrics do not deal with MIPR processing.						
Stage	1A	2A	3A	4A	5A	6A	7A
Metric	Post contract data (record obligation) electronically.	System Interface Method	Data Standard - Award	Data Standard - Modifications	Post contract data within 3 days.	SLOA Compliance 1	SLOA Compliance 2
Description	Is the contract writing system capable of posting contract (obligation) data in an automated (i.e. system to system) fashion that does not require manual intervention?	Is the data provided to the entitlement system using a "point to point" interface or via the GEX?	List the contract data standard produced by the contract writing system for awards.	List the contract data standard produced by the contract writing system for modifications.	Does the system post contract data within 3 days? If manual processes are employed, these must be standardized and performed in all circumstances in an auditable fashion.	Is the contract writing system capable of storing SLOA?	Does the contract writing system store the LOA as parsed/discrete data elements?
Assessment Methodology	Yes or No	GEX or Point to Point - If "Point to Point," list sending system(s)	PDS, EDI 850, Other - if "other" please specify	PDS, EDI 860, Other if "other" please specify	Yes or No	Yes or No	Yes or No
ACPS							
COINS							
ConWrite							
DISA IDEAS							
EMALL							
FEDMALL							
eProcurement							
DLA ECC							
ITIMP							
MDO							
oContrax							
ONR PRISM							
PADDs							
SeaPort							
SNAP							
SPS							
DHA ECS							
Possible responses	Yes No	GEX Point to Point (specify)	PDS EDI 850 Other (specify)	PDS EDI 860 Other (specify)	Yes No	Yes No	Yes No

Handshake 4A Measurements

4B Entitlement System Metrics

Metric Vision	A set of successive measures will be used to determine if required information is being electronically exchanged between systems to facilitate traceability across the Procure to Pay (P2P) process. These metrics will measure whether systems and organizations are capable of performing required procedures (including passage of specified data elements). The requirements for Handshake 4 are defined in the "Handshake" Standard Operating Procedure document.									
Handshake 4B Requirement	All entitlement systems electronically receive contract award data in the PDS format from the GEX, and post 100% of those data elements identified in the P2P SOP within 3 days. Note that these metrics do not deal with MIPR processing.									
Stage	1B	2B	3B	4B	5B	6B	7B	8B	9B	10B
Metric	Post contract data (record obligation) electronically.	System Interface Method	Pre-Validation	Data Standard - Award	Data Standard - Modification	SOP Compliance - Fixed Price	SOP Compliance - Cost and Financing	Post contract data within 3 days.	SLOA Compliance 1	SLOA Compliance 2
Description	Is the entitlement system capable of posting contract data in an automated (i.e. system to system) fashion that does not require manual intervention?	Is the data provided using a "point to point" interface or via the GEX?	Is the entitlement system performing electronic pre-validation with the accounting system?	If the entitlement system receives and stores award data using an accepted data standard (i.e. PDS (including SLOA) or the X12 EDI (including SLOA)), list the standard used.	If the entitlement system receives and stores contract modification data using an accepted data standard (i.e. PDS (including SLOA) or the X12 EDI (including SLOA)), list the standard used.	What percent of the Fixed Price delivery data elements identified in the Handshake SOP (which includes SLOA) is the system capable of ingesting/storing?*	What percent of the financing payment type data elements identified in the Handshake SOP is the system capable of ingesting/storing?*	Does the system post contract data within 3 days? If manual processes are employed, these must be standardized and performed in all circumstances in an auditable fashion.	Is the system capable of storing SLOA?	Does the system store the LOA as parsed/discrete data elements?
Assessment Methodology	Yes or No	GEX or Point to Point - If "Point to Point," list sending system(s)	Yes or No	PDS, EDI 850, Other	PDS, EDI 860, Other	% of Data Elements Captured	% of Data Elements Captured	Yes or No	Yes or No	Yes or No
AVEDS										
CAPS										
DAI										
DEAMS										
EBS										
EBAS-D										
EBAS-Joint										
FABS										
FAS										
GFEBs										
IAPS										
LMP										
MOCAS										
Navy ERP										
OnePay										
SAVES										
Possible responses	Yes	GEX Point to Point (specify)	Yes No	PDS EDI 850 Other (specify)	PDS EDI 860 Other (specify)	Numerical *Includes all basic/crosscutting data elements - e.g. contract number	Numerical **Refers to only the set of data elements, beyond those mentioned in metric 4, required to process financing payments.	Yes No	Yes No	Yes No

Handshake 4B Measurements