

CONCEPT of OPERATIONS (DRAFT)



for

Department of Defense Intragovernmental Transaction System

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BACKGROUND

In August 2001, President Bush announced the President's Management agenda to "address the most apparent deficiencies where the opportunity to improve performance is greatest". One such deficiency is intragovernmental transactions, which the General Accounting Office (GAO) has classified as a government-wide material weakness. It is from this deficiency and presidential initiative to improving financial management that the concept of the Intra-governmental Transactions Portal (IGTP) was developed. IGTP is part of 24 initiatives under the e-Government goal of the President's Management Agenda. Office of Management and Budget (OMB) memo M-03-02 dated October 4, 2002 describes the business rules for the IGTP.

The IGTP will be responsible for handling buyer/seller exchange transactions for federal agencies that acquire goods or services from other federal agencies. The IGTP will become operational for four pilot agencies (General Services Administration, Department of Commerce, Department of the Interior and National Science Foundation) in October 2003. On or before July 1, 2004, all Federal departments and major agencies are expected to process buyer and seller transactions for Rent and Reimbursable Information Technology Services through the IGTP (see Appendix E for a listing of relevant transactions). Agencies are required to either modify their systems or develop other means of meeting this requirement. Treasury's Financial Management Service (FMS) is working to harmonize the data requirements of its Intragovernmental Payments and Collections (IPAC) system with the newly defined intragovernmental data architecture.

The Department of Defense (DoD) has acknowledge intragovernmental eliminations as a material weakness in the FY2002 DoD Agency-Wide Financial Statements. The Office of the Under Secretary of Defense, Comptroller OUSD(C) has authorized Defense Finance and Accounting Service (DFAS), Systems Integration Directorate, to establish a Program Management Office for this effort. The scope of the DoD IGTS project encompasses the design, development and implementation of a transaction-processing infrastructure for DoD buyer and seller transactions. This document is a Concept of Operations (CONOPs) for the Department of Defense Intragovernmental Transaction System (DoD IGTS), an electronic solution to manage DoD buyer and seller exchange transactions. For purposes of this CONOPs, Intra-DoD transactions are defined as the sale of goods or services within DoD. See Appendix A of this CONOPS for a detailed description of the intra-DoD elimination levels. DoD IGTS will provide the means to accomplish intra-DoD elimination entry postings and it will facilitate DoD's migration to the IGTP.

The DoD IGTS will be compliant with the DoD Business Modernization Management Program (BMMP) Architecture. It will also comply with the OMB business rules for intragovernmental transaction and the DoD concept of operations for intragovernmental transactions.

It will support the five financial statement assertions in OMB Bulletin No. 01-02 and related General Accounting Office guidance, which are:

- All assets and liabilities actually exist and expense transactions actually were incurred (Existence and Occurrence).
- All transactions and accounts are presented in the financial statements (Completeness).
- Amounts recorded as assets represent property rights and the amounts recorded as liabilities represent obligations (Rights and Obligations).
- Assets, liabilities, revenue and expenses are assigned proper values (Valuation and Allocation).
- Accounting principles are properly applied and disclosures are adequate (Presentation and Disclosure).

PURPOSE

The DoD IGTS will provide a standardized systemic solution for capturing intragovernmental transactions data needed to prepare DoD entity and agency level Audited Financial Statements elimination postings. . In addition, it will be designed to route DoD intragovernmental buyer and seller transactions with non-DoD federal agencies through the IGTP. DoD logistics transactions will continue to be routed through the Defense Automated Address System Center (DAASC), with intragovernmental information to be provided to the OMB designated system (IGTP) by DAASC.

The DoD IGTS will be designed to accommodate either manual or batch file input of buyer and seller transactions, leveraging existing solutions such as:

- Reutilization of an existing database application to edit orders and bills transaction lines of accounting.
- Reutilization of existing software to reformat and route incoming/outgoing data into required file formats
- Reutilization of components of existing software to manage the eliminating entry matching/reconciliation/reporting process

APPROACH

The project approach is phased and will be built on the success to-date, with a goal that each phase will provide increases in functionality.

- Phase 1 – **Concept Demonstration** – provides demonstrable proof, with initial business requirement definition, development and start-up time, that interoperability of existing solutions can achieve quick proof of concept success. This phase will include development of a prototype for rent transactions using the Standard Accounting and Reporting System (STARS) and the General Services Administration

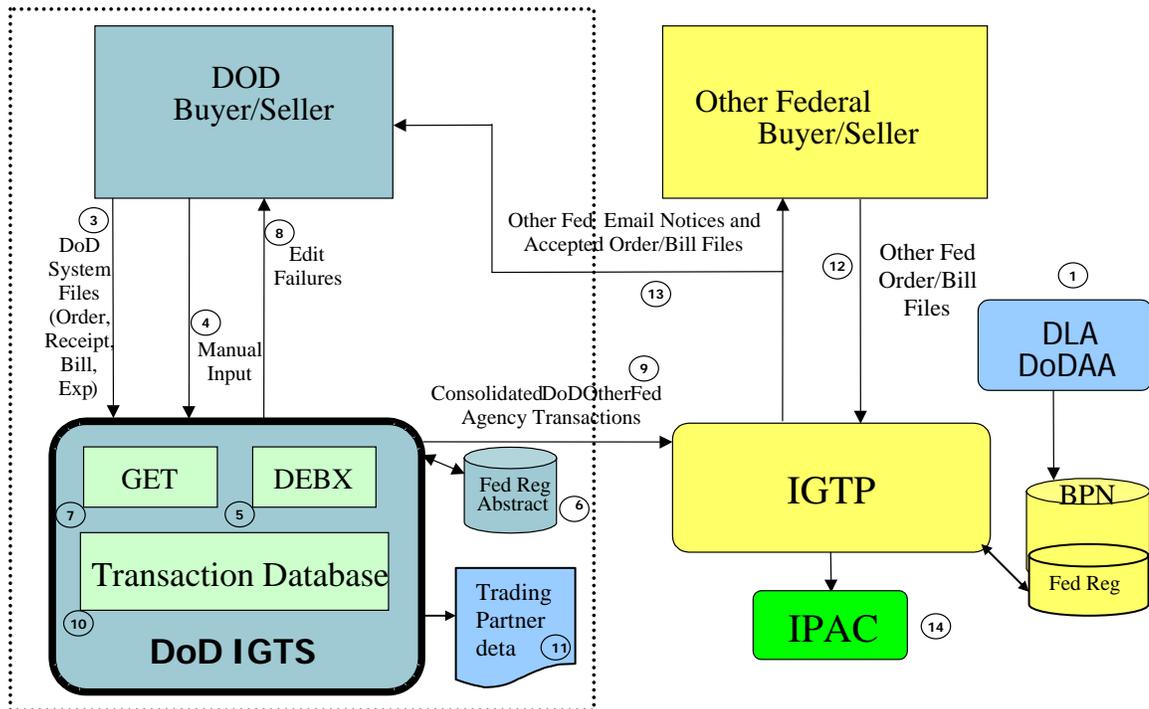
(GSA) rent system, in order to demonstrate the capability of processing orders/bills between DoD and the IGTP. This will be accomplished using data elements that currently exist in DoD systems. In addition, this Phase will include the capability to identify and route intra-DoD buyer/seller transactions to a reconciliation repository within DoD IGTS.

- Phase 2 – **Pilot Phase** – Rapid transition from Phase 1 and building on requirements definition gained, this phase will design, build and field sufficient interoperability to achieve complete end-to-end intragovernmental transactional data flow for the acquisition of goods and services. The design will include the capability to identify, route, match and report intra-DoD eliminating entries. This phase will result in further refinement of requirements for the development of Phase 3. The number of DoD systems will be limited for the Pilot Phase to build confidence in the plan, allow for analysis of requirements, and accelerate the learning curve. Two non-DoD agencies (GSA and Department of Energy) and four DoD systems (Defense Industrial Financial Management System (DIFMS), STARS, and two other systems yet to be determined), will participate in the pilot.
- Phase 3 – **Full Operational Capability (FOC)** – Remaining interoperability with IGTP and relevant DoD systems will be achieved using net-centric functionality where possible. The IGTP will act as the matching/reconciliation process to provide elimination information to enable elimination entry posting of intragovernmental transactions at the federal government level. The DoD IGTS will perform the required matching/reconciliation processes that will support the Defense Departmental Reporting System (DDRS) eliminations for intra-DoD transactions.

The CONOPs outlined in this document is limited to Phase 2, or the Pilot Phase of the DoD IGTS. This concept observes the business rules for intragovernmental transactions specified by the Office of Management and Budget, as well as the concept of operations for DoD specified by OUSD(C).

INTRAGOVERNMENTAL TRANSACTION PROCESS

A graphic view of the overall intragovernmental transaction processing architecture, including the proposed DoD eliminating entry solution, is presented below. The area within the dotted line represents the “to-be” concept for identifying intra-DoD eliminating entries.



DOD IGTS BUSINESS RULES

1. In preparation for implementing this CONOPs, each DoD buying and selling activity will review and update their registration of DoD Activity Address Codes (DoDAAC) in compliance with the DoD Financial Management Regulation Volume 11B, Chapter 51 and DoD 4000.25-6-M, and the OMB Business Rules for Intragovernmental Transactions.

- **DoD + DoDAAC will be the unique identifier.**
- Information registered in the Defense Logistics Agency’s DoD Activity Address File (DoDAAF) will comply with the requirements of the Business Rules for Intragovernmental Transactions. For example, the alpha prefix “DoD” plus the DoDAAC will serve as the unique location identifier for the buying/selling activity.

2. Federal Registrar (Fed Reg.) database, a subset of a Business Partner Network (BPN), will house trading partner information that will be used by DoD IGTS and the IGTP for identifying buyer/seller.

- DoD buyer/seller trading partner information in the DoDAAF will be reviewed and maintained by a Central Service Point of Contact (CSP) for each DoD entity via the DoD Trading Partner Number (TPN) Registration database that may be accessed at https://www.daas.dla.mil/tpn_inq/tpn_access.html. Data entered in the TPN by DoD CSPs will be downloaded to the Fed Reg.
 - For non-DoD Federal agencies, a Data Universal Numbering System (DUNS) code will reside in the Fed Reg. to serve as the buyer-seller link.
- See Addendum for 3

3. A mechanized process (DoD IGTS) will accept input of buyer and seller transactions from existing DoD systems. The OMB business rules require use of the document number assigned by the buyer for intragovernmental transactions and the use of a DUNS number to identify the buyer and seller. DoD guidance allows use of the modified DoDAAC described above in place of a DUNS number. It is anticipated that many of the applicable existing DoD systems would require modification to capture and transmit DoDAAC and DUNS numbers. The IGTS concept calls for development of a method to use data elements that currently reside in existing DoD systems to build key data elements required for this process such as the trading partner identifying numbers.

3.1 Orders. According to current treasury guidance, when an order is placed, the buyer will book a commitment. OMB business rules mandate that the buyers record an obligation when order is placed, before acceptance. The buyer will provide required order details to IGTS.

According to current treasury guidance, when acceptance or modification of an order occur, the buyer will book the obligation and the seller will book the customer order.

3.2 Accounts Payable. Upon receipt of goods or services, the buyer will book accounts payable. The buyer will provide required receipt details to IGTS.

3.3 Bills. When the bill is submitted, revenue and accounts receivable will be booked by the seller. The seller will provide required billing details to IGTS

3.4 Expenditures. When disbursement transactions occur, accounts payable will be liquidated and the buyer will book cash disbursement. The seller will book the cash collection and liquidate accounts receivable.

** Fund Balance with Treasury (disbursement and collection) transactions will be input to the IGTS.

(To be determined whether the system will provide required expenditure details to IGTS)

**In some cases, receipt of goods or service is not known before expenditure transactions are received, therefore there is no accounts payable to liquidate resulting in an unmatched disbursement.

4. Provision will be made in DoD IGTS for the manual entry of transactions. For those buyers/sellers with systems, which can not provide all the required details, IGTS will provide work arounds such as manual data entry capability.
5. DEBX routing and reformat of incoming files. DEBX logic will identify each transaction as either an intra-DoD transaction or as a transaction between DoD and another federal agency. The DoDAAC and DUNS data elements will be the identifying elements that determine whether the transaction is routed to the IGTP or routed to the intra-DoD reconciliation repository. Transactions between DoD and another federal agency will carry a DUNS number for either the buyer or the seller. Intra-DoD transactions will carry a DoDAAC for both the buyer and the seller. In cases where existing DoD accounting systems cannot capture and transmit the DoDAAC/DUNS numbers, this concept calls these data elements to either be entered manually or to be constructed from existing data within DoD systems.
6. Fed Reg. trading partner (DoDAAC) edit/validations will be performed.
7. Line of Accounting (LOA) edit/validations will be performed using a Global Edit Table (GET).
8. Transactions failing Fed Reg. validation will be returned to the sending entity. The sending entities will either correct the submitted transaction and resubmit, or update the TPN and re-submit the transaction. Transactions failing the GET edits will be returned to the sending entity for correction and re-submission to DoD IGTS.
9. Transactions between DoD and other government agencies will be reformatted into the IGTP defined file format/structure and submitted to the IGTP. Intra-DoD transactions will be held in a repository for the matching buyer and seller process to occur. The matching process will provide elimination information to enable Level 2 and Level 3 elimination entry postings as described in Appendix A. The Defense Departmental Reporting System – Audited Financial System (DDRS-AFS) will perform the elimination entry postings for all intra-DoD transaction.

10. The DoD IGTS will receive buyer and seller transaction data sent by DoD systems, and house those transactions in a repository.

11. The DoD IGTS will provide users with a query capability to search on key data fields (i.e. Accounts Receivable for a given Trading Partner)

12. The IGTP will receive and route buyer and seller transaction data sent by other federal agency systems, and house those transactions in a repository with the non-intra-DoD transactions from the DoD IGTS. The IGTP data repository may be used by government agencies to assist with the elimination process at the federal government level. IGTP routing includes:

- Retrieval of BPN information
- Transmission of Accepted Order and Bill files to relevant systems
- Accept/Reject and Approval/Dispute email notification process for Orders and Bills (13)
- Transmission of the transfer of funds request to IPAC (14)

- It is anticipated that current DoD billing/collection/disbursement processes will remain the same. A possible exception is the DFAS billing process of non-DoD buyers. As currently designed, the IGTP will transmit the disbursement (transfer of funds) request to IPAC for these billings. An analysis of the impact of this change will be conducted.

- Accomplished Payment data will still be obtained from the IPAC database using the Agency Locator Code (ALC) and a document reference number assigned by the IGTP. The IGTP does not require any change to the current IPAC reconciliation process.

- Assumptions:
 - Required funding will be available
 - Any required business process changes will be mandated at the appropriate level
 - Full and timely OSD approval to proceed

- Proposed schedule based on assumptions

Task	Target
Field IGTS	7/1/2005
Establish PMO	11/24/2003
Phase I (Concept/Prototype)	12/31/2003
Phase II (Pilot)	2/28/2004
LCM Documentation	3/29/2004
Milestone A/B Review	4/1/2004
Milestone C Review	6/15/2004
Phase III (Full Production Implementation Phase)	7/1/2005

APPENDIX A

Elimination Levels

(Source: Financial Management Regulations)

The DoD Financial Management Regulations (DoD FMR), DoD 7000.14R, Volume 6B, Chapter 13, states that all DoD reporting entities are required to report intragovernmental eliminations to offset the effect of related transactions.

DoD FMR specifies three levels of intragovernmental elimination with three sub-levels from Level 3. DDRS-AFS has six levels.

1303 LEVELS OF INTRAGOVNERMENTAL TRADING PARTNERS

With regard to sales of goods or services between federal entities, there are three levels of intragovernmental trading partners for which intragovernmental transactions must be identified.

130301. Level 1 Trading Partners. Level 1 trading partners are non-DoD federal agencies. Level 1 transactions are between the Department and other federal agencies, e.g., between the Department of the Air Force and the Department of Commerce. Level 1 transaction balances are identified by Treasury Index (TI) codes and are eliminated to prepare the “Financial Report of the U.S. Government” (FRUSG), formerly called the “Consolidated Financial Statement of the United States.” The Department of the Treasury prepares the FRUSG from the trial balances reported by federal agencies via the FACTS I. Level 1 transactions include sales of goods and services, and specialized transactions, such as loans, interest receivable, other postemployment benefits, or civil service retirement benefit payments. The DoD reporting entities are to document the procedures the entity used to identify and verify the accuracy of its intragovernmental assets, liabilities, and revenue balances.

130302. Level 2 Trading Partners. Level 2 trading partners are other DoD reporting entities. Level 2 balances result from transactions between the DoD reporting entities, e.g., between the Department of the Army Working Capital Funds (WCF) and the Department of the Navy General Funds. The DoD reporting entities are identified in Chapter 1, section 0106 of this volume. Level 2 transactions are identified by TI codes and supplemental internal DoD codes. The elimination of these asset, liability and revenue balances is necessary for the preparation of the DoD Agency-wide Consolidated Annual Financial Statements.

130303. Level 3 Trading Partners. Level 3 trading partners are within a DoD reporting entity. Level 3 transactions are between Components of the DoD audited financial statement reporting entities, i.e., Army WCF, Supply Management and Army WCF, Depot Maintenance, Other; and Department of the Navy General Fund, Operations and Maintenance and Department of the Navy

General Fund, Research Development, Test, and Evaluation. There are up to four sub-levels of eliminations. The elimination totals are shown on the DoD reporting entity's supporting consolidating statements. For example, the Navy General Funds level 3 eliminations would be between: (A) Navy and Marine Corps, (B) Navy Military Personnel and Navy Procurement, (C) Navy Military Personnel trial balance AT17AA1_1453 and Navy Military Personnel trial balance AT17AA1_1405, and (D) internally within Navy Military Personnel trial balance AT17AA1_1453.

APPENDIX BUSSGL Accounts Affected by Eliminating Entries
(Source DDRS-AFS)

1310 Accounts Receivable
1330 Receivable for Transfers of Currently Invested Balances
1335 Expenditure Transfers Receivable
1340 Interest Receivable
1360 Penalties, Fines, and Administrative Fees Receivable
1369 Allowance for Loss on Penalties, Fines, and Administrative Fees
Receivable
1410 Advances to Others
1450 Prepayments
1610 Investments in U.S. Treasury Securities Issued by the Bureau of the Public
Debt
1611 Discount on U.S. Treasury Securities Issued by the Bureau of the Public
Debt
1612 Premium on U.S. Treasury Securities Issued by the Bureau of the Public
Debt
1613 Amortization of Discount and Premium on U.S. Treasury Securities Issued
by the Bureau of the Public Debt
1990 Other Assets
2110 Accounts Payable
2120 Disbursements in Transit
2130 Contract Holdbacks
2140 Accrued Interest Payable
2150 Payable for Transfers of Currently Invested Balances
2155 Expenditure Transfers Payable
2170 Subsidy Payable to the Financing Accounts
2179 Contra Liability for Subsidy Payable to the Financing Accounts
2190 Other Accrued Liabilities
2213 Employer Contributions and Payroll Taxes Payable
2215 Other Post-Employment Benefits Due and Payable
2225 Unfunded FECA Liability
2290 Other Unfunded Employment Related Liability
2310 Advances From Others
2320 Deferred Credits
2400 Liability for Deposit Funds, Clearing Accounts, and Undeposited
Collections
2510 Principal Payable to the Bureau of the Public Debt
2520 Principal Payable to the Federal Financing Bank
2590 Other Debt
2920 Contingent Liabilities

2950 Liability for Subsidy Related to Undisbursed Loans
 2960 Accounts Payable From Canceled Appropriations
 2970 Resources Payable to Treasury
 2980 Custodial Liability
 2990 Other Liabilities
 3102 Unexpended Appropriations - Transfer-In
 3103 Unexpended Appropriations - Transfer-Out
 5100 Revenue From Goods Sold
 5109 Contra Revenue for Goods Sold
 5200 Revenue From Services Provided
 5209 Contra Revenue for Services Provided
 5310 Interest Revenue
 5319 Contra Revenue for Interest
 5400 Benefit Program Revenue
 5409 Contra Revenue for Benefit Program Revenue
 5720 Financing Sources Transferred In Without Reimbursement
 5730 Financing Sources Transferred Out Without Reimbursement
 5740 Appropriated Earmarked Receipts Transferred In
 5745 Appropriated Earmarked Receipts Transferred Out
 5750 Expenditure Financing Sources - Transfer-In
 5755 Nonexpenditure Financing Sources - Transfer-In
 5760 Expenditure Financing Sources - Transfer-Out
 5765 Nonexpenditure Financing Sources - Transfer-Out
 5780 Imputed Financing Sources
 5790 Other Financing Sources
 5900 Other Revenue
 5909 Contra Revenue for Other Revenue
 6100 Operating Expenses/Program Costs
 6310 Interest Expenses on Borrowing From the Bureau of the Public Debt
 and/or the Federal Financing Bank
 6330 Other Interest Expenses
 6400 Benefit Expense
 6720 Bad Debt Expense
 6730 Imputed Costs
 6800 Future Funded Expenses
 6850 Employer Contributions to Employee Benefit Programs Not Requiring
 Current-Year Budget Authority (Unobligated)
 6900 Nonproduction Costs
 7110 Gains on Disposition of Assets
 7190 Other Gains
 7210 Losses on Disposition of Assets
 7290 Other Losses
 7400 Prior-Period Adjustments - Not Restated
 7401 Prior-Period Adjustments - Restated

7500 Distribution of Income - Dividend
8801 Asset Activity Summary
8802 Purchases - Assets

APPENDIX C

Office of Management and Budget Business Rules for Intragovernmental Transactions

1. Federal agencies that acquire goods or services from another federal agency and federal agencies that provide goods or services to another federal agency must obtain and use Dun & Bradstreet Universal Numbering System (DUNS) numbers as unique business location identifiers. Each agency may determine the organizational level for assignment of the DUNS numbers below the minimum assignment level, which is the major component or reporting entity. Each organizational level above the major component or reporting entity must also obtain a DUNS number for identification and consolidation purposes. Assignment at the regional location of each major component or reporting entity is strongly encouraged to facilitate reconciliation of intragovernmental activity and balances.
2. Federal agencies must register their DUNS numbers in the Central Contractor Registration (CCR) database by January 31, 2003, and must observe the requirements established by the system owner/manager, which is currently within the Department of Defense. A registration template will be provided separately.
3. Federal agencies are responsible for the accuracy of their respective CCR registration data.
4. The business process rules and data architecture is effective on January 1, 2003 on a “go-forward” basis. Augmentation of existing unfilled intragovernmental orders will not be required.
5. Beginning on October 1, 2003, certain purchases for goods and services that equal or exceed \$100,000 per order or agreement must be transmitted via the intragovernmental electronic commerce portal (portal). For orders that are not transmitted via the portal, agencies may continue to use existing methods and systems as long as the required data elements are associated with the order. Additional information on the transactions to be forwarded via the portal will be provided separately.
6. The threshold stipulated in rule #5 may be raised or lowered at a future date.
7. These rules are effective for all intragovernmental purchases of goods and services. Exceptions to these rules will be made for purchase card acquisitions, for

national emergencies, and for national security considerations. The agency head (or his designee) may authorize such exceptions.

8. When the requesting agency (or buyer) determines that a requirement will be fulfilled by another federal agency, the requestor will prepare and transmit an intragovernmental order (order) to the providing agency (or seller). Negotiations between the business partners may take place prior to the preparation of the order, and the seller may prepare the order for the buyer. In addition to the order number, an interagency agreement number may be assigned. However, the order number assigned by the buyer will serve as the document control number. An agency may not assign the same document control number to more than one order.

9. To ensure that order fulfillment and revenue can be associated with a specific intragovernmental order, the seller must capture the buyer's intragovernmental order number in the seller's order fulfillment or non-tax revenue system to associate the buyer's order number with any agreement or control number assigned by the seller's system.

10. The order must be authorized/approved in accordance with existing agency policies before transmittal to the seller. Necessary funding information/citation must be included on the order.

11. An order may, on occasion, contain consolidated or summary information. Additional information, such as a statement of work, occupancy agreements, terms and conditions, specifications, etc., may be attached to the order, if desired or necessary for order fulfillment and payment.

12. An obligation must be recorded in the buyer's core financial system prior to transmittal of the authorized order to the seller. If the obligation number is different from the order number, then the obligation record must include the intragovernmental order number and any interagency agreement associated with the obligation. An intragovernmental order will be deemed accepted when signed by both business partners, upon transmittal to the portal by the buyer, or when the order is issued in response to a quotation or proposal tendered by the seller.

13. When the buyer cancels an accepted order, the seller is authorized to collect costs incurred prior to cancellation of the order plus any termination costs.

14. The standard data elements reflected in Attachment A-1 would be associated with the buyer's order record. The data elements to be transmitted to the seller via the portal will be a subset of these standard data elements and will be defined at a future date.

15. Electronic or hard copies of the order will be provided to administrative or program offices responsible for ordering, acceptance, and payment.
16. Bills must be issued according to the terms reflected in the order but not later than 10 days after delivery of the goods or services provided.
17. The standard data elements reflected at Attachment A-2 will be associated with the seller's billing record. The data elements to be transmitted via the portal will be a subset of the standard data elements and will be defined at a later date.
18. Consistent with voucher audit requirements that will be specified, bills transmitted via the portal will be "examined" for payment. Unless a dispute is initiated by the buyer within 10 business days from the bill date, constructive acceptance will be deemed to occur, and the portal will initiate the IPAC transfer automatically and route the payment transaction to Treasury's IPAC system. Notification of this transaction will be sent to the buyer and the seller.
19. Billings for intragovernmental orders that are not transmitted via the portal will be directly processed through Treasury's IPAC system. Only the responsible billing party may initiate the IPAC transaction. Responsibility for initiating the IPAC transfer may be negotiated between the buyer and seller, and the responsible billing party must be explicitly stated on the order. If no responsible billing party is specified, the seller will be deemed the party responsible for initiating the IPAC transfer.
20. There will be no advance payments for service orders unless explicitly required by law. Progress payments and periodic payments are permissible.
21. Advances will be permitted for orders for goods that exceed \$1,000,000. The advance may not exceed 50% of the order amount. Unless explicitly required by law, there will be no advances for orders for goods that are less than \$1,000,000.
22. Advance payments made prior to the effective date of these business rules will be subject to the rule requiring status reports.
23. For advance payments that are permitted, the buyer will record the payment as an "advance to." The seller will record the payments as an "advance from" and will provide monthly status reports to the buyer reflecting revenue earned. The buyer and the seller will make appropriate adjustments to their respective advance accounts.
24. The use of budget clearing account F3885 as outlined in OMB Circular No. A-11 is permitted under these rules.

25. In addition to other required elements, an IPAC transaction will include the buyer's order number, the DUNS number for the buyer's site location, the appropriation symbol for payment from (sender), the seller's bill number, the DUNS number for the seller's site location, and the appropriation symbol for collection by (receiver).

26. The buyer and the seller are expected to resolve any dispute within 30 business days of the billing date using existing dispute mechanisms. If the dispute cannot be resolved using these mechanisms, then the matter must be referred on the next business day to a dispute resolution task force for a binding decision. Administrative costs and penalties may be levied on the agencies involved in the dispute referral.

27. For intragovernmental orders that are not routed through the portal, the cut-off date for issuing new intragovernmental orders for the current fiscal year will be midnight on September 25 of that year (in order to allow selling agencies to receive and record customer orders). For orders that are routed through the portal, the cut-off date will be midnight on September 30 as measured by the date/time stamp assigned by the portal.

28. The cut-off date for new bills for each fiscal year will be midnight on September 30 as measured by the date/time stamp assigned by the portal. Revenue that is earned but not billed will be recorded as an accrued asset and a detailed notification of the revenue recognized will be provided by the seller to the buyer within 5 business days after the end of each fiscal year. The buyer will recognize an equivalent expense or asset and will record an accrued liability for the future payment. There will be no intragovernmental, unbilled account receivable for the seller at year-end.

29. Selling agencies are required to record an unfilled customer order immediately upon receipt and acceptance of an authorized intragovernmental order.

APPENDIX D
Department of Defense Concept of Operations

Purpose:

The Office of Management and Budget (OMB) has proposed Business Rules and Data Elements to facilitate accurate accounting for intragovernmental transactions. The proposed Business Rules include a requirement for each federal buying and selling activity to acquire a unique identification number. On August 21 and 27, 2002, representatives of the Department of Defense (DoD) and the OMB met to discuss the most cost-efficient and secure method for the DoD to comply with this requirement. During these meetings the following assumptions and implementation steps were agreed to.

Assumptions:

1. All DoD activities/business locations must have a DoD Activity Address Code (DoDAAC) for processing intragovernmental transactions.
2. The OMB will accept a DoDAAC derivative as the business entity/vendor identification/ Data Universal Numbering System (DUNS) code.
3. The OMB will mandate the Central Contractor Registration (CCR) as the single contact for intragovernmental business location information.
4. The CCR will link to the DoD Activity Address File (DoDAAF) for DoD transactions.
5. The Defense Logistics Agency (DLA) Defense Automated Addressing System Center (DAASC) will be responsible for DoDAAF/CCR capability.
6. The CCR will continue to invoice non-DoD entities on a subscription basis, unless the Business Partner Network changes this cost sharing method.
7. The Office of the Secretary of Defense (Command, Control, Computers and Intelligence) will approve security arrangements for this proposal.
8. The portal for intragovernmental transactions will meet DoD performance requirements for speed, capacity, and security so that current DoD operations will not be degraded.

9. All U.S. Government credit card transactions will be excluded from the intragovernment process.
10. Access to federal records in the DoDAAF via the CCR will be limited to federal users.
11. Access to certain National Security records in the DoDAAF via the CCR will be available on a need to know basis as determined by the record owner.
12. In order to provide for National Security interests, DoD will have a continuing role in the design of the OMB intragovernment capability.

Implementation Concept:

In order to further electronic government and improve federal financial management:

1. Each DoD buying or selling activity will register for a DoDAAC, in compliance with the DoD Financial Management Regulation Volume 11B, Chapter 51 and DoD 4000.25-6-M, and the OMB Business Rules for Intragovernmental Transactions.
2. Information in the DoDAAF will comply with the requirements of the Business Rules for Intragovernmental Transactions. For example, the alpha prefix "DoD" plus the DoDAAC will serve as the unique identifier for the buying/selling activity.
3. All DoD intragovernmental transactions will be routed through the intragovernmental portal designated by the OMB, with provisions for national security and other exceptions to be determined.
4. DoD logistics transactions will continue to be routed through Defense Automated Address System Center (DAASC). Intragovernmental information will be provided to the OMB designated system by DAASC.

1.

APPENDIX E

IT Reimbursable Services

**Defined by Product Service Code (PSC) to be transmitted via IGTP on or
Before July 1, 2004**

D314	ADP ACQUISITION SUP SVCS
D310	ADP BACKUP AND SECURITY SERVICES
D311	ADP DATA CONVERSION SERVICES
D303	ADP DATA ENTRY SERVICES
D301	ADP FACILITY MANAGEMENT
D309	ADP INF, BROADCAST & DIST SVCS
D312	ADP OPTICAL SCANNING SERVICES
D306	ADP SYSTEMS ANALYSIS SERVICES
D302	ADP SYSTEMS DEVELOPMENT SERVICES
D307	AUTOMATED INFORMATION SYSTEM SVCS
D313	COMPUTER AIDED DESIGN/MFG SVCS
D315	DIGITIZING SVCS
D308	PROGRAMMING SERVICES
D316	TELECOMMUNICATION NETWORK MGMT SVCS

IT Reimbursable Services

**Defined by North American Industrial Classification System (NAICS)
Code to be transmitted via IGTP on or Before July 1, 2004**

334611	SOFTWARE REPRODUCING
511210	SOFTWARE PUBLISHER
514191	ON-LINE INFORMATION SERVICES
516110	INTERNET PUBLISHING AND BROADCASTING
518111	INTERNET SERVICE PROVIDER
518112	WEB SEARCH PORTALS
518210	DATA PROCESSING, HOSTING, AND RELATED SVCS
541210	ACCOUNTING/BOOKKEEPING SERVICES
541214	PAYROLL SERVICES
541219	OTHER ACCOUNTING SERVICES
541512	COMPUTER SYSTEM DESIGN SERVICES
541513	COMPUTER FACILITIES MANAGEMENT SERVICES
541519	OTHER COMPUTER RELATED SERVICES