



## 5.5 IPAC transactions recorded on manual payment document upon receipt

Standardize the use of the manual payment process (PM041) to record Intergovernmental Payment and Collection (IPAC) transactions when received and linked to invoices when the ACCS is identified (CFS Bureaus only).

Create an unapproved PM041 transaction for the total IPAC amount. Once the IPAC information is approved, and identified ACCS information is available (an undelivered order is recorded), create and approve the PM003 (vendor invoice) transaction with linkage to the PM041 transaction and Undelivered Order (UDO). Approve the PM041 transaction to record accomplishment by Treasury.

For those bureaus **not** using Core Financial System by Commerce Business Systems, use a manual payment document type to record the IPAC when received, referencing undelivered orders/ACCS data as applicable.

The IPAC system is used by federal agencies to pay and collect funds from other federal agencies. The funds stay within the Treasury and are transferred electronically as debits and credits to the agencies' accounts. Agencies must initiate the transaction and identify the trading partner agency by Treasury Account Symbol (TAS).

AP records these transactions in the financial system as non-payment transaction (no-check) entries, as Treasury has already transferred the funds to the billing agency.

### Examples

**Example 1 CFS Bureaus:** PO executes an IAA with OPM for services. UDO established for an anticipated amount in the financial system. PO/FO makes copy of IAA and UDO available to AP. OPM performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP records an unapproved PM041 transaction for total IPAC amount. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in financial system as PM003 referencing the UDO as a non-payment entry. (Money has already been disbursed via IPAC system). AP approves the PM041 to record accomplishment.

**Example 2 Non-CFS Bureaus:** PO executes an IAA with OPM for services. UDO established for an anticipated amount in the financial system. PO/FO makes copy of IAA and UDO available to AP. OPM performs services and initiates a transaction in the IPAC system. AP obtains the IPAC transaction showing money disbursed. AP creates a manual payment document type in the financial system. AP sends IPAC information (invoice) to PO for approval. PO approves IPAC invoice with UDO reference and returns to AP. AP enters IPAC invoice in the financial system as vendor invoice referencing the UDO. AP completes Manual Payment Document referencing invoice and UDO. AP approves Manual Payment Document recording the accomplishment. (Money has already been disbursed via IPAC system).



## Sources

- 1. Source:** AP BPR Recommendation 4.5.2 Interagency Agreements (MOU)  
**Document ID:** Accounts Payable Standardization and Optimization Business Process Re-Engineering Analysis (Accounts Payable BPR Analysis 2007 v3.0.doc)  
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- 2. Source:** AP BPR Phase II Recommendation 2.21.1.1 Interagency Agreements  
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- 3. Source:** AP BPR 4.21.2.1 Process IPAC transactions on PM041 on receipt  
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