

Intra-Governmental Transaction Guidance

As of October 1, 1998, intra-governmental receivable and payable transactions were required to be reported through the Management Analysis and Reporting System (MARS) with an Other Party Identifier (OPI) field to designate the other Federal agency involved in the transaction. Beginning October 1, 1999, the same requirement will apply to intra-governmental cost and revenue transactions as well as several other intra-governmental asset and liability accounts. These requirements are necessary to implement Treasury and OMB financial statement reporting guidance and are intended to resolve reporting inconsistencies between Federal agencies having intra-governmental transactions. In addition, there is a need for identifying categories of non-Federal reimbursable work that also requires the use of OPI codes.

Treasury's draft *Intragovernmental Fiduciary Transaction Accounting Guide*, dated July 26, 1999, requires the Department to periodically reconcile its intra-governmental transactions with our partner agencies. This guide provides reconciliation requirements for four specific types of intra-governmental transactions, all of which will be addressed at the DOE Headquarters level. However, the guide requires agencies to implement procedures for reconciling all other intra-governmental transactions. We will be working with other agencies in the near future to develop the necessary reconciliation procedures to satisfy these requirements. It should be noted, however, that Treasury's guide encourages agencies to reconcile intra-governmental transactions quarterly, which precludes us from establishing an annual reporting process to satisfy the Treasury and OMB reporting requirements.

All intra-governmental revenue and cost transactions must include the appropriate OPI code identifying the partner agency. These codes must begin with "03" and are listed in the MARS/SGL Chart of Accounts and Related Codes Manual. A second requirement is to capture revenues for Non-Federal Reimbursable Work in six categories. These categories and their OPIs are as follows:

<u>Category</u>	<u>OPI</u>
State and Local Government	0598
Small Business Entity	0595
Non-Profit Organizations	0596
Institutions of Higher Education	0594
Foreign Governments	0593
All Other	0599

The new requirements can be summarized as follows:

1. Provide OPIs on all 8132 revenue accounts for fund types 1, 2, and 3.
2. Provide OPIs on any other 8132 (revenue or expense) accounts, for all fund types (except fund types 1, 2 and 3), when the transaction is with another Federal agency. The following intra-governmental revenue B&Rs will require an OPI code:

ZN0601030, ZN0602043, ZN0602053, ZN0702030, ZN0802, ZN0903000, ZN1001013, ZN1001023, ZN1001024, ZN1002013, ZN1002014, ZN1002023, ZN1002024, ZN1003030, ZN1003040, ZN1004030, ZN1004040, ZN1203000, ZN1403024, ZN1909020, ZN1919020, ZN1919030, ZN2301, ZN30, 50 (except 5030)

Several issues have arisen as a result of these requirements:

The first issue is how often will offices be required to report this information? The information will be required quarterly. Although monthly submissions would be preferable, the impact on the field sites and contractors would be greatly increased. Quarterly submissions are necessary due to anticipated Treasury requirements to perform intergovernmental reconciliations on a quarterly basis.

A second issue was the level of detail required on the intra-governmental expense entries. Several sites expressed concern with the difficulty in recording OPIs which are spread over large numbers of Budget and Reporting Codes (B&Rs) as would occur in an overhead distribution program. As a result, the reporting requirement has been modified to require the OPI on only one entry for each Federal agency which the Department has transactions with. An example of this would be if an office/integrated contractor received a GSA telecommunication bill of \$10,000. Although these costs will eventually be spread to numerous B&Rs and Fund Types through the overhead distribution program, the only new Headquarters reporting requirement is one BSC 8132 cost entry of \$10,000 with an OPI of 0313 (GSA). The OPI does not have to be recorded on every overhead distribution entry associated with this telecommunications bill.

Another example involves Online Payment and Collection (OPAC) transactions distributed by the Capital Accounting Center (CAP Center). If the Cap Center receives a \$10 million building rent OPAC charge for the entire Department from GSA, they will record all the costs in an 8132 account with a 0313 OPI, and then back out the 8132 entry without an OPI. This entry will satisfy the Treasury reporting requirement. The costs will then be distributed via OPAC to other DOE field offices. The field offices should continue to record this OPAC distribution using current procedures (no OPI required) since the Capital Accounting Center will have met the Treasury reporting requirement.

The third issue involves whether a materiality threshold can be applied to limit the level of effort required to ensure that all material intra-governmental cost transactions are identified. We will be working with Treasury to determine what their threshold will be on the quarterly intra-governmental reconciliations. Once that is determined, we will be able to finalize a reasonable threshold for recording OPI on these transactions. In the interim, a threshold of \$10,000 per non-OPAC expense transaction is being established. All OPAC transactions will require an OPI code.

A final issue was the definition of what qualifies as a transaction with another Federal agency. Given the Department's unique relationship with its integrated contractors, several questions have been raised in this area. Will the other Federal agency recognize payments to/from an integrated contractor as a cost/revenue to/from DOE? Should all integrated contractor costs involving other Federal agencies have an OPI? We have determined that all reimbursable work revenue reported by the integrated contractors should contain an OPI. Payments to other Federal agencies, with the exception of Federal employment related taxes, should also contain an OPI keeping in mind the \$10,000 dollar threshold.

In addition to the above requirements, six additional asset and liability Balance Sheet Codes will also require an OPI beginning October 1, 1999. These accounts are 1221, 1454, 1811, 3317, 3912, and 3915. Please include OPIs on these accounts on your monthly MARS submissions beginning October 1. The opening balances in these accounts will also have to be adjusted to reflect the OPI reported in your FY 1999 footnote disclosures.

Questions and comments regarding intra-governmental transaction reporting requirements should be directed to Lauren Rippeon (301) 903-3634 in the Office of Financial Control and Reporting.