

EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF MANAGEMENT AND BUDGET WASHINGTON, D.C. 20503

July 15, 2024

CA-24-3, Reminder – All Federal agencies are required to adopt Government Invoicing (G-Invoicing) for Intragovernmental Transactions (IGT) Buy/Sell activity no later than October 1, 2025. The Department of the Treasury will discontinue new activity through the Intra-government Payments and Collections (IPAC) system.

Controller Alerts are designed to highlight emerging financial management issues that may require agency attention or action. These Alerts are intended to inform the Chief Financial Officer (CFO) community and Financial Assistance Community of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or prescribe specific tasks for agencies beyond consideration of appropriate steps to address the issue.

The purpose of this Controller Alert is to remind Federal agencies that adoption of Government Invoicing (G-Invoicing) is required for all agencies no later than October 1, 2025.

In accordance with the Department of the Treasury (Treasury), Bureau of the Fiscal Service (Fiscal Service) <u>Treasury Financial Manual (TFM)</u>, <u>Volume I, Chapter 4700</u> and <u>TFM Bulletin No. 2023-10</u>, as of October 2025, the domain value of "Buy/Sell" will be removed as a valid option, and all Buy/Sell activity must be transacted through G-Invoicing. This means Treasury will discontinue the ability for Federal Program Agencies (FPAs) to process new intra-governmental transaction (IGT) Buy/Sell activity through the Intra-government Payments and Collections (IPAC) system on October 1, 2025.

G-Invoicing is critical to improving the integrity and accuracy of IGT Buy/Sell activity and data across the Federal Government. Implementation of G-Invoicing will help address the long-standing material weakness in the audited Financial Report of the U.S. Government (FRUSG) regarding "the federal government's inability to adequately account for intragovernmental activity and balances between federal entities."¹ Moreover, G-Invoicing enables better communication between trading partners, reinforces common data and process standards, and streamlines settlements between trading partners.

The Federal agency community has collaborated and made significant progress on addressing the material weakness since 2015. In 2018, the G-Invoicing solution first became operational. In 2021, the goal was set to ensure customers integrated systems directly with G-Invoicing. Enterprise Resource Planning (ERP) Systems tools were developed and, throughout FY 2023, the majority of CFO Act agencies and significant entities have been executing IGT Buy/Sell activity via G-Invoicing.

¹ Financial Audit: FY 2023 and FY 2022 Consolidated Financial Statements of the U.S. Government, <u>GAO-24-106660</u> (Feb. 15, 2024).

OMB acknowledges that some agencies have raised implementation challenges, such as transitioning in-flight orders to G-Invoicing. In-flight orders are those orders that originally were established prior to the agency's implementation of G-Invoicing. We will work with the Federal agency community to address these challenges. To support this transition effort, OMB is requesting agencies complete the attached <u>template</u> to document the scope of in-flight orders, explain challenges, and help agencies plan to reduce in-flight order balances for each fiscal year.

Agencies should submit this completed <u>template</u> to the Department of the Treasury, Bureau of the Fiscal Service at <u>IGT@fiscal.treasury.gov</u> no later than September 30, 2024. For additional details, please refer to Fiscal Service's G-Invoicing <u>website</u> and the G-Invoicing Program Guide.

OMB is committed to achieving full compliance with the G-Invoicing mandate and recognizes the significant progress the Federal agency community has made to drive continued improvement in the quality of Federal financial data.

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