



U.S. Department of
Transportation
Office of the Secretary
of Transportation

ORDER

DOT 1200.9

7-16-18

Subject: DOT INTER AND INTRA AGENCY AGREEMENTS ORDER

1. **PURPOSE.** This Order provides the Department policy and guidance on Interagency/Intra-agency Agreements (IAAs).¹ This Order applies to both Economy Act and non-Economy Act IAAs. This Order also establishes the U.S. Department of Transportation (DOT) financial management policies related to: (1) funding and executing IAA agreements; (2) preparing and maintaining complete financial management information regarding these agreements; and (3) performing accounting-related functions, including billing and collecting. Offsetting collections based on specific appropriations authority, where funding is not being exchanged for goods and services, are not subject to this Order and do not require IAAs.
2. **CANCELLATIONS.** This Order cancels the following guidance: DOT Order 2300.8A dated September 22, 2008, *Financing Activities at the Department of Transportation/Research and Innovative Technology Administration's Volpe National Transportation Systems Center* and the OST-Budget Memorandum CFO-2011-001, *Guidance for Executing Departmental Intra-Agency Agreements*, dated November 23, 2010. This Order also replaces the DOT Financial Management Policies Manual, Section 9, *Financial Management Policies Governing Funded Interagency and Intra-agency Agreements* dated October 24, 2006.
3. **APPLICABILITY OF SYSTEMS.** This document references Delphi and PRISM as the Department's primary financial and procurement systems. However, it is implied that these processes and procedures must remain applicable to all financial and procurement systems in use by each DOT Operating Administration (OA). The intent of this policy is to prescribe processes for managing IAA's, rather than specify a required system while DOT awaits the implementation of Treasury's G-invoicing system. For more details on requirements for DOT systems, please reference DOT Order 2300.3B from February 22, 2018.
4. **POLICY.** The Office of the Secretary's Chief Financial Officer (CFO) and Assistant Secretary for Budget and Programs directs Secretarial Offices and DOT OAs to follow policy and guidance as described in this Order and discussed in detail in the Appendix to this Order, DOT's Financial Management Policies Governing Funded IAAs. Secretarial offices and

¹ For the purposes of this Order, IAAs and agreements are used interchangeably.

DOT OAs are directed to ensure the Department's IAA guidance is followed and that internal controls are developed to support well-managed IAA practices and procedures regarding IAAs. Each DOT OA is responsible for ensuring their IAAs are awarded in accordance with this Order and its attached appendices, consistent with other applicable laws and guidance.

To prevent inconsistencies among IAA funding documents, DOT OA CFOs are responsible for ensuring the following procedures are followed:

- a. Ensuring their IAAs are awarded in accordance with this Order and its attached appendices, consistent with other applicable laws and guidance.
- b. The following items are required for DOT IAAs:
 1. No agency shall provide goods or services until an IAA is fully executed between the buyer and seller. A fully executed IAA should have authorized signatories on both sides before the seller begins performance and include all elements listed in the Appendix of this Order, entitled, "Required Elements of Interagency/Intra-agency Agreements."
 2. The fully executed IAA for DOT buyers and sellers must include the full-year agreement amount even during a continuing resolution (CR).
 3. For intra-agency IAAs (a DOT seller and buyer), a fully executed IAA must include both the Bureau of Fiscal Services General Terms & Conditions (GT&C) 7600A and 7600B Order form.
 4. For interagency IAAs (DOT and another Federal entity) a document may be used in lieu of the Treasury's 7600A & B forms and must include the required agreement elements below in 1.4.3.
 5. Buyers must also provide their obligation number on signed 7600B (Order) document to the seller for annual renewable IAAs.
- c. Renewable IAAs for severable services with a period of performance (POP) starting at the beginning of a fiscal year shall have an order (form 7600B) established prior to the start of a new fiscal year identifying the full funding amount needed for the POP of the order. The order must also include a subject to availability of funds statement.
- d. For severable IAAs starting with a POP at the beginning of a fiscal year, where the funding is restricted by a CR the following apply:
 1. The following language shall be included in the IAA and in the buyers obligating document/purchase order "This agreement is Subject to the Availability of Funding. During a CR, advances will be taken and obligations will be recorded in accordance with CR guidelines, with the CR percentage based on the FY 20XX agreement of \$XXX or the prior FY 20XX amount, whichever is less. Upon enactment of full-year appropriations, remaining advances and obligations shall be executed as specified in the agreement."

This language enables agencies to sign IAAs and obligating documents and purchase orders prior to the start of the fiscal year if an appropriation act or CR has not been enacted.

2. When executing severable IAAs during a CR, the following procedures apply:
 - a. At the beginning of each CR period, buyers must immediately record an obligation in the Department's accounting system, Delphi, in accordance with the CR amounts (appropriate CR percentage).
 - b. During a CR, the seller should confirm with the buyer before an advance is taken to ensure that the advance amount is consistent with CR guidelines, which includes the automatic apportionment memoranda from OMB and the associated control tables from OST-Budget (B-10)
- e. Buyers must have a corresponding obligating document (e.g., fully executed 7600B form) and purchase order signed and in place prior to the first day of the POP of the IAA. The obligating document must show the full-year IAA amount. The IAA must also be recorded in Delphi based on CR rules. The POP of the 7600B may not start prior to the POP of the IAA and cannot lengthen the POP of the IAA beyond the period of funds availability when the agreement is severable (i.e., 12 months for one-year availability). The point of obligation must be reflected as the date of the fully signed and executed IAA. For IAAs with a POP starting at the beginning of a fiscal year, obligations shall be recorded as soon as Delphi opens for processing current year transactions.
- f. For all DOT Intra-agency agreements, advance payments are mandatory unless prohibited by law. Initial advance payments must be collected when the agreement is first signed, and are to be collected based on the negotiated agreement or under CR rules, whichever applies. For IAAs with a POP starting at the beginning of a fiscal year, the sellers shall draw advances as soon as Delphi opens for processing current year transactions.
- g. All proprietary and budgetary United States Standard General Ledger (USSGL) accounting must remain in sync between buyer and seller from POP start date through account cancellation of the IAA. Specifically, incoming advances must be recognized as new budget authority at the time the cash is received. If anticipated collections authority does not yet exist on an Office of Management and Budget (OMB)-signed SF-132, the budget authority must remain in un-apportioned status until the time an OMB-signed SF-132 is received.
- h. Carryover reimbursable funding from prior years may only be re-allotted for obligation where the POP of the IAA continues or is extended by mutual agreement of the buyer and seller.
- i. When recoveries (de-obligations of prior year funding) occur on an IAA where the POP has expired, funding may not be re-allotted by the seller for new

obligations even if recovery authority otherwise exists within that Treasury Appropriation Fund Symbol (TAFS).

- j. When an IAA's POP and billing is completed, the seller must promptly, or at the earliest possible date, return all advances from prior years back to the buyer as an obligation and outlay.

5. COMPLEMENTARY GUIDANCE. This Order is intended to complement the DOT IAA Handbook issued by DOT's Office of the Senior Procurement Executive (OSPE).

6. REFERENCES. This Order is issued pursuant to the following provisions of law and regulation:

- Federal Acquisition Regulation (FAR) Subpart 17.5 (48 C.F.R. 17.5) *Interagency Acquisitions*, <https://www.acquisition.gov/browsefar>.
- Transportation Acquisition Manual (TAM), Subchapter.5 Interagency and Intra-agency Acquisitions, October 1, 2015, see Policy & Oversight link at: http://our.dot.gov/team/ost.m60/SitePages/Acquisition_Portal.aspx
- 31 U.S.C. § 1501, Documentary evidence requirements for Government obligations.
- 31 U.S.C. § 1535, Economy Act of 1932, as amended. Authorizes Federal agencies to place orders for supplies or services from other Federal agencies or from components within the same agency for in-house performance or performance by contract. This authority should not be used if an inter- or intra-agency agreement is authorized by a separate statute, such as the Administrative Working Capital Fund's enabling legislation (49 U.S.C § 327), the Volpe Center's Working Capital Fund's enabling legislation (49 U.S.C § 328), as well as any others where applicable.
- 49 U.S.C. 106(l)(6) and/or 106(m). The FAA Administrator, consistent with its independence acquisition authority (contrary portions of this order notwithstanding) may enter into such contracts, leases, cooperative agreements, and other transactions with any Federal agency (as such term is defined in section 551(1) of title 5) or any instrumentality of the United States, any State, territory, or possession, or political subdivision thereof, any other governmental entity, or any person, firm, association, corporation, or educational institution, on such terms and conditions as the Administrator may consider appropriate.
- OMB Circular A-11, which includes guidance on reimbursements for providing supplies and services between Federal agencies.
- Principles of Federal Appropriations Law, Government Accountability Office ("GAO Redbook").
- Policy and Procedures Manual for Guidance of Federal Agencies, *Transactions Among Appropriations and Fund Accounts*, Section 2.4, Government Accountability Office.
- Treasury Financial Manual, Chapter 4700, Appendix 10, *Intragovernmental Transaction (IGT) Guide*, July 2017.

- Treasury Departmental Memorandum, Intragovernmental Receivables – No Allowances for Losses, September 15, 2017.
- DOT Administrative Working Capital Fund. The Working Capital Fund’s enabling legislation is 49 U.S.C § 327.
- FAA Franchise Fund. The FAA Franchise Fund’s enabling legislation can be found in the Notes of Title 49 U.S.C § 40113.
- All annual Appropriations acts and General Provisions that provide specific exceptions and requirements for Reimbursable authorities and other Offsetting Collections where funding is being exchanged for goods and services (such as FAA’s Operations account).
- Volpe Center Working Capital Fund enabling legislation. The Volpe Center Working Capital Fund enabling legislation is 49 U.S.C § 328.
- Treasury’s United States Standard General Ledger (USSGL) Approved Economy Act Scenarios that describes standard transaction guidance for budgetary and proprietary accounts involving IAA accounting. Revised by USSGL Bulletin Number 2018-4 (March 2018)
https://www.fiscal.treasury.gov/fsreports/ref/ussgl/ussgl_home.htm.
- Federal Information Technology Acquisition Reform Act (FITARA) Section 831 Chief Information Office Authority Enhancements, sub-section 10 USC 11319 Resource, planning and portfolio management.
- DOT Order 1351.39 Information Technology Management Policy.
- DOT Acquisition Policy Letter (APL) 2008-12 Contract File Checklist and Interagency and Intra-agency Checklists for Economy Act and Non-Economy Act Agreement, with Attachments.
- OST-B Memorandum titled Guidance on Review of Obligations and Undelivered Orders (UDOs), February 27, 2013.

7. SCOPE. This Order is applicable to all funded IAAs, including those involving working capital and franchise funds, between Departmental offices and DOT OAs or between an OA and another Federal agency. This policy does not apply to: (1) grants; (2) cooperative agreements; (3) loans; (4) contracts, purchase orders or any other type of Federal procurement awarded under the Federal Acquisition Regulations (FAR); (5) any other type of offsetting collections authority (as defined in OMB A-11 Sec 83.5) based on specific appropriations authority where funding is not being exchanged for goods and services; and (6) any other form of agreement between DOT and commercial entities, educational institutions, non-profit and not-for-profit organizations, individuals, State, Tribal and local governmental Territories, foreign governments and international institutions. This Order identifies authorities and responsibilities and establishes general policy and procedures for preparing, reviewing, approving, monitoring, and completing funded IAAs. Each DOT OA is encouraged to develop and implement more detailed policies and standard operating procedures (SOPs) consistent with departmental policies as directed in this Order and Appendix.

8. RESPONSIBILITIES.

DOT CFO (OST-B): Establishes this Order and directs DOT components to follow this guidance based on applicable references listed above.

- a. Provides leadership and oversight on all aspects of IAAs; and
- b. Determines policy, procedures, and standards for IAAs that ensure compliance with all applicable Federal laws and regulations.

Office of Budget and Programs (B-10): Ensures that offsetting collections where funds are being exchanged for goods or services under IAAs are apportioned by the selling agency in accordance with this guidance. Coordinates with OMB, B-30, and Office of General Counsel to streamline Budgetary guidance for IAA's when circumstances arise that require deviation from existing written guidance.

Office of Financial Management (B-30): Manages DOT's IAA policies and will aid Secretarial Offices and program areas with expert advice where needed. B-30 will also lead the Department with Treasury's G-Invoicing initiative. G-Invoicing is a front-end application that allows for agencies to originate IAA buy/sell transactions via GT&C Agreements, Orders and Invoices.

Office of the OSPE(M-60): Provides input to the Office of the CFO and oversight on all aspects of interagency acquisitions, including policy, procedures, and standards for interagency acquisitions resulting in contracts. Ensures that applicable Procurement systems support all applicable financial controls prescribed by OMB, Treasury, and DOT.

Office of the Chief Information Officer (S-60): Reviews and approves all IAAs used to purchase or fund Information Technology (IT) goods, services or initiatives. This review period must occur before the IAA is processed (i.e., before funds are obligated or payments are processed).

Agency Contracting Officers (COs): For IAAs that will result in the award of a contract, task order delivery order, agency COs must follow all Federal and Departmental IAA policies including FAR Subpart 17.5, Interagency Acquisitions and the OSPE IAA Guide.

Enterprise Services Center (ESC): Ensures that the department-wide financial management system Delphi is properly designed and coded to support the recording of the full suite of scenarios and business events pertaining to IAAs. Recording those events and transactions must generate accurate accounting without the need for unreasonable manual reconciliation, workarounds, corrections, or manual journal entries. The benefits of enhancing the system to automate manual processes must outweigh the costs.

DOT OA CFOs: Ensures the Department's policy is upheld and internal guidance and controls are developed to support a well-managed IAA program, including:

- a. Maintains financial control and fiduciary responsibility over all IAA's where they are the selling agency. Provides financial guidance to agency program offices where they are the buying agency.
- b. Implements internal controls necessary to certify and prevent over-obligation of funds, including obligation in advance of a signed SF-132.
- c. Develops, issues, and interprets financial management policies for IAAs (subject to the policies issued by the Office of the CFO).
- d. Develops and maintains accurate and timely financial information on the status of interagency projects, obligations, and expenditures incurred.
- e. Ensures that appropriations are used in accordance with applicable laws, for the designated purpose, and within the period of availability of funds.

Procurement Officials, Program Officers and Contracting Officer's Representatives

(CORs): Ensures that IAAs receive appropriate levels of review and approval prior to execution, including:

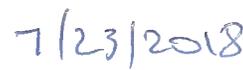
- a. Ensures that all IAAs within their area of jurisdiction are properly authorized and executed prior to performing work.
- b. Serves as primary point of contact for issues regarding IAAs within their area of jurisdiction.
- c. Prepares the D&F for Economy Act IAAs.
- d. Ensures the official IAA files contains all relevant documents in accordance with this order and appendix.
- e. Monitors activity and age and provide justification for agreements with no activity over 180 days.
- f. Initiate financial completion process.
- g. Ensures that the IAAs are properly closed out and that files are retained in accordance with record retention policies.

9. IMPLEMENTATION. Upon issuance, any further guidance or SOPs issued by DOT OAs to implement the provisions of this Order will be forwarded to the CFO/Assistant Secretary for Budget and Programs, Attention: B-30.

FOR THE SECRETARY OF TRANSPORTATION:



 Lana Hurdle
 Acting Chief Financial Officer and Assistant Secretary
 For Budget and Programs



 Date

APPENDIX to DOT Order 1200.9
Financial Management Policies
Governing Funded Interagency and
Intra-Agency Agreements

1.1 PURPOSE

This Appendix establishes the U.S. Department of Transportation (DOT) financial management instructions/guidance related to: (1) funding and executing interagency and intra-agency agreements (IAAs); (2) preparing and maintaining complete financial management information regarding these agreements; and (3) performing accounting-related functions including billing and collecting.

1.2 SCOPE

This Appendix is applicable to all IAAs, including those involving working capital and franchise funds, between Departmental offices and DOT Operating Administrations (OAs) or between an OA and another Federal agency. This appendix does not apply to: (1) grants; (2) cooperative agreements; (3) loans; (4) contracts, purchase orders or any other type of Federal procurement awarded under the Federal Acquisition Regulations (FAR); (5) any other type of offsetting collections authority (as defined in OMB A-11 Sec 83.5) where funding is not being exchanged for goods and services; and (6) any other form of agreement between DOT and commercial entities, educational institutions, non-profit and not-for-profit organizations, individuals, State, Tribal and local governmental Territories, foreign governments, and international institutions. This appendix identifies authorities and responsibilities and establishes general guidance and procedures for preparing, reviewing, approving, monitoring, and completing funded agreements. Each OA is encouraged to develop and implement more detailed policies and desk procedures consistent with this and other Departmental policies.

1.3 DEFINITIONS

For the purposes of this section, the following definitions are applicable:

Allotment/Alotees: Authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations and make expenditures within a specified amount. These amounts are specified by the Budget office and pursuant to OMB apportionment or reappportionment actions as well as other statutory authority making funds available for obligation. An allotment may further subdivide or restrict the apportioned amount available for obligation and expenditure. Sub-allotments are subdivisions of allotments. Allotees are typically designated as the head of an office or organization who receive the allotment from the Budget office to obligate available funds.

Buyer. A Government agency that requests and receives supplies or services from a seller.

Continuing Resolution (CR). An appropriation act that provides budget authority for federal agencies, specific activities, or both to continue in operation when Congress and the President have not completed action on the regular appropriation acts by the beginning of the fiscal year. A CR continues the terms and conditions of the prior year appropriation, and includes general provisions that apply to all appropriations covered by the CR. In limited circumstances, the CR also provides anomalies that apply to single accounts and typically deviate from some of the general provisions. These anomalies, if present, will be specified within the CR law.

Enterprise Services Center (ESC). The (ESC), located at the Mike Monroney Aeronautical Center (MMAC), in Oklahoma City, Oklahoma, is a Federal Aviation Administration (FAA) franchise fund organization that is a financial management shared service center for DOT. ESC provides accounting services to DOT OAs.

Financial Completion. A term used to describe the point at which the seller has completed all applicable administrative and financial actions associated with an agreement. The buyer uses this finalizing procedure to complete final processing of funds.

Federal Acquisition Regulation (FAR). The FAR is the primary document of the Federal Acquisition Regulations System, which was established for the codification and publication of uniform policies and procedures for acquisition by executive agencies, except for those having their own acquisition authority (e.g., FAA).

Federal Information Technology Acquisition Reform Act (FITARA). FITARA, passed by Congress in December 2014, is the latest in a series of public laws intended to strengthen CIO review and approval of all information technology spending and contracting in federal agencies. In particular, FITARA and related OMB guidance, underscores the need for CIO review and approval of all information technology spending, contracts and investments.

Forms 7600A and B (Treasury IAA Forms). The standard Treasury IAA form is comprised of two sections, the General Terms and Conditions (GT&C) Section and Order Requirements and Funding Information (Order) Section. It is the standard form to be used government-wide for all reimbursable agreements at the trading partner level per Treasury IAA guidance at the following website: https://www.fiscal.treasury.gov/fsreports/ref/fincMgmtStdzn/iaa_forms.htm

- a. **GT&C 7600A Form:** The GT&C is the partnership section of the IAA. It sets the relationship between the trading partners. It identifies the agencies entering into the agreement, the authority permitting the agreement, and the agreement action, period, and type. Each IAA must include only one GT&C. This section identifies the GT&C that will govern the relationship between the requesting agency and servicing agency, including roles and responsibilities for both trading partners to ensure effective management of the IAA. A GT&C can be used in place of a memorandum of understanding (MOU). No fiscal obligations are created through the execution of the GT&C; therefore, no services may be performed and/or no goods may be delivered in the absence of an appropriate obligating document, such as the Order 7600 B Form.
- b. **Order 7600B Form:** The Order 7600 B Form is the funding section that creates a fiscal obligation when the requesting agency demonstrates a bona fide need and

provides the necessary product(s)/service(s) requirements; funding information is provided for both trading partners; and all required points of contact sign to authorize the Order. The Order identifies the specific requesting agency requirements for the expected delivery of products and/or services by the servicing agency. This section identifies the roles and responsibilities for both trading partners to ensure effective management of the Order and use of the related funds. An IAA must contain one GT&C and at least one Order, but may contain many Orders to one GT&C. A copy of the GT&C must be kept with the Orders that it supports.

In-Kind Contribution. An in-kind contribution is a contribution other than a monetary contribution, for example, for services or property, that is formally included in a memorandum of agreement (MOA) or MOU.

Information Technology (IT). As defined in OMB's Circular A-130, IT is:

- a. Any services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the Agency; where
- b. Such services or equipment are 'used by an Agency' if used by the Agency directly or if used by a contractor under a contract with the Agency that requires either use of the services or equipment, or requires either use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.
- c. IT includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the life cycle of the equipment or service), and related resources.
- d. IT Includes High Performance Computing (HPC) capabilities including capabilities that are not commodity in nature.
- e. IT does not include any equipment that is acquired by a contractor incidental to a contract that does not require use of the equipment.

Interagency Agreement. An agreement whereby a DOT OA obtains or provides needed supplies or services from, to, or through, another Federal agency in exchange for payment or reimbursement from available funds. All IAAs must be authorized by law.

Intra-agency Agreement. An agreement whereby a DOT OA obtains or provides needed supplies or services from, to, or through, another DOT OA or entity in exchange for payment or reimbursement from available funds. All intra-agency agreements must be authorized by law. This includes agreements for reimbursable cross-modal awards or bonuses as well as agreements for reimbursable details.

Intra-governmental Payment and Collection (IPAC) System. The IPAC System (https://www.fiscal.treasury.gov/fsservices/gov/acctg/ipac/ipac_home.htm) is a way for Federal Program Agencies (FPAs) to transfer funds from one agency to another with standardized descriptive data.

Memorandum of Agreement (MOA). A document that describes terms and conditions of agency agreements to exchange goods and services and will be implemented via IAAs.

Memorandum of Understanding (MOU). A document that describes how a shared or common function will be carried out or better accomplished between Federal government agencies. This is not a valid format to capture funded IAAs because there is no payment or reimbursement provided. MOUs cannot be used as the vehicle for documenting the transfer of funds between Federal entities in exchange for services or goods, nor can they formally commit the agency to enter into agreements in support of a project or program. An MOU may be useful in establishing the overall goals and objectives of a mutually-pursued project or program or to exchange information.

Non-severable Services. Non-severable services are those services that represent a single undertaking that, if not completed in full, would not provide the buyer with any useful segments. If non-severable, agreements for such services may begin in one fiscal year and extend into the next fiscal year. Questions regarding whether or not particular services are non-severable should be referred to legal counsel.

Period of Performance (POP). The period of time required to fulfill the terms of the Interagency/Intra-agency Agreement or the specific Orders under an IAA.

Reimbursable Authority. Is a form of spending authority from offsetting collections, as defined in OMB A-11 Sec 83.5. Reimbursable authority allows a federal provider (or seller) of government services to collect money and incur obligations to perform work on a reimbursable basis for another entity. Reimbursable agreements usually result from business-like transactions with another federal agency or with the public where advances are collected in exchange for goods and services. These reimbursable collections provide budget authority upon receipt, and are deposited into expenditure accounts rather than added to a miscellaneous receipt account. Generally, Reimbursable authority is authorized by Congress but not available for obligation until it is apportioned by OMB, and subsequently allotted.

Renewable Agreements. Renewable agreements refer to those agreements that are planned to be renewed for continuing services that must be in place by the beginning of the new fiscal year. They do not represent new actions or new programs, projects or activities.

Seller. A Government agency that provides supplies or services to a buyer.

Severable Services. Severable services are continuing and recurring in nature and therefore may be funded on a fiscal year basis, or on an incremental basis, pursuant to agreements with

periods of performance contained within a fiscal year, or crossing fiscal years up to 12 months, authorized by law.

SF 1080. The SF 1080 (Voucher for Transfers Between Appropriations and/or Funds [http://contacts.gsa.gov/webforms.nsf/0/26D9F07936E3D9B285256BFA004D7279/\\$file/sf1080.pdf](http://contacts.gsa.gov/webforms.nsf/0/26D9F07936E3D9B285256BFA004D7279/$file/sf1080.pdf)) is prescribed by Treasury for use in sending a physical bill in cases where a governmental agency does not participate in the IPAC process.

SF 1081. The SF 1081 (Voucher and Schedule of Withdrawals and Credits (<http://w3.gsa.gov/web/c/newform.nsf/0/D69A1A98BBC335FE85256521004B52F8?OpenDocument>) is prescribed by Treasury for use as a combined billing and payment document for interagency payment transactions by agencies within the Treasury disbursing area (https://fm.fiscal.treasury.gov/v1/supplements/v1p2c510/v1p2c510_supp_proc.pdf) to process expenditure withdrawals and credits between appropriation, fund, and receipt accounts. DOT also uses the SF 1081 as an intra-agency billing/payment document.

Trading Partner. Refers to the Government agency with which an agency is involved in an IAA. For the seller, the trading partner is the buyer; for the buyer the trading partner is the seller.

Transportation Acquisition Manual. The Transportation Acquisition Manual (TAM) implements and supplements the Federal Acquisition Regulation (FAR). The TAM is mandatory for all OAs except for the FAA, which is governed by its own acquisition authority. The TAM I includes guidance on IAAs especially with regard to the Economy Act

Treasury Appropriation Fund Symbol (TAFS). These fund account symbols represent individual appropriations, receipts, and other fund accounts. Agencies post appropriations or spending authorizations granted by Congress to these accounts. A full listing of Federal fund symbols and descriptions can be found at https://www.fiscal.treasury.gov/fsreports/ref/fastBook/fastbook_home.htm.

Undelivered Orders (UDOs). Contracts, orders, awards, or other binding agreements entered into by the agency for some performance that has not yet been received or accepted, and for which the liability has not yet been accrued.

1.4 GENERAL POLICY GUIDANCE

To support DOT financial management of IAAs, the following general guidance is effective immediately:

- a. Agreements will be negotiated and executed according to the authority provided by appropriations acts or other statutes. DOT may not enter into an IAA with another party unless authorized by law.
- b. Services rendered and supplies furnished are financed according to the requirements of the law authorizing the agreement.

- c. The requirements herein apply to all DOT Departmental Offices and OAs.

1.4.1 DOT Buyer and Seller Authority

- a. **Buyer.** IAAs must be signed by an individual authorized through DOT or OA policy and procedures to obligate funding for contracts and IAAs including modifications before they are forwarded to the seller. Generally, obligating authority should be reserved for contracting officials.

Use of the Economy Act must be supported by a Determination and Finding (D&F) that has been approved by the buyer's contracting officer. Economy Act authority can be applied if the buyer's contracting officer determines that the authority is most appropriate for the agreement.

- b. **Seller.** The head of the agency, his/her designee, or OA budget officer shall sign all IAAs or modifications for the seller. Generally, the OA's Office of the CFO should be the signatory for the Finance Point of Contact (POC). Additionally, the seller's budget officer or budget officer's designee shall ensure that the necessary apportionment request is approved by OMB prior to signing the IAA. The seller must also ensure that the agreement cites the proper legal authority prior to executing the IAA.
- c. The buyer and the seller should consult legal counsel as referenced in DOT's TAM.

1.4.2 POP and Funding

- a. **POP. THIS SECTION APPLIES TO POPs INCLUDING ALL MODIFICATIONS.** The POP for any agreement shall not exceed five years, unless otherwise authorized. One GT&C 7600A form may last up to five years while an individual POP does not exist beyond the life of the buyer's funding. An IAA may be structured similarly to a contract with a base year (GT&C 7600A form) with four option years (multiple 7600 B Order forms). The POP of any single order under an IAA shall be limited to the period of availability of the fund unless the services are non-severable or otherwise authorized by law. For example, the POP shall not exceed three years if the buyer's funding comes from a three-year appropriation.

When the buyer enters into an Economy Act agreement and incurs an obligation using an annual or multi-year (in its last year of availability) appropriation, the Economy Act requires the buyer to de-obligate the obligation at the end of the fiscal year to the extent that the seller has not performed or incurred a valid obligation on behalf of the buyer.

- b. **Services that Cross Fiscal Years.** The funds available to pay for services in one fiscal year are not available to pay for services in the following fiscal year unless the services are non-severable or otherwise authorized by law.
 - 1. **Non-Severable Services.** As defined in Section 1.3, non-severable services are those services that represent a single undertaking. Such services may begin in

one fiscal and extend into the next fiscal year if necessary. Services that begin in one fiscal year and continue past the end of the fiscal year may be paid or reimbursed with funds available when the services began if the services are non-severable. Questions regarding whether or not particular services are non-severable should be referred to legal counsel.

Caution. Once an agency determines that services under an agreement are non-severable, **only the funds available in the fiscal year in which services began may be used for the duration of the POP.** Funds that become available in subsequent fiscal years cannot be used for payment or reimbursement of the services.

2. *Severable Services.* Buyer Agencies should not enter into an agreement for severable services that crosses fiscal years, except when: (1) the POP does not exceed one year; and (2) the total amount of the order (7600B form) under the IAA is charged to the first fiscal year's appropriation.
- c. *Fully Executed IAA Requirement.* Except during a national emergency, the seller shall not provide goods and services identified in an agreement until the agreement is fully executed.

Renewable agreements, such as the U.S. Department of Interior (DOI) payroll services, shall be established prior to the start of a new fiscal year including the language 'subject to the availability of funding.'

All new agreements must be fully executed by authorized signatories on both sides before the seller begins performance. Electronic approvals on part of the buyer and seller will suffice.

For severable agreements for services entered at the beginning of the fiscal year, the buyer must create the agreement providing the full amount and it must be annotated within the document. If under a CR, the buyer's obligation must reflect the restricted CR rate.

The seller is not to provide services until a fully executed IAA is in place based on section 3 (b.) in the order above. Agreements must be executed before the end of the period of availability of funds. In the event an IAA is not executed before the end of the period of availability of the buyer's funds and the buyer has already accepted services, the seller must consult their legal counsel and the OST Budget office to document availability of funds to cover such services and to ensure there has been no violation of law.

- d. *Duplicate agreement forms.* This order and appendix requires the use of Treasury's 7600A (GT&C) and 7600B (Order) forms for IAAs and prohibits more than one 7600A form documenting the terms of an IAA. An IAA may have multiple 7600B order forms. In general, the IAA 7600A and 7600B forms may be initiated by the buyer or seller and will serve as the documents of record.

- e. *Collection of Advances (Sellers)*. An advance is mandatory for all agreements unless the enabling legislation does not authorize it. The Economy Act and many other revolving funds authorize advance payments for IAAs. The initial advance should be collected when the IAA is first signed. Advances provided for any transaction must be properly expended and returned to the buyer by the end of the period of availability of the funds unless statutory authority provides otherwise. Both DOT's Working Capital Fund and the Volpe Center Working Capital Fund provide statutory authority to collect advances (Non-Economy Act Authority).
- f. *Negative Cash*. Disbursing fund balances into a negative position in anticipation of reimbursement is strictly prohibited.
- g. *Excess Funding – General Rule (Sellers)*. Funding provided by a buyer to a seller that is in excess of the amount needed to pay for supplies or services required under an IAA shall be returned to the buyer's source appropriation. For severable agreements, sellers must make a determination as to whether there is excess funding in an agreement within a six-month period after the expiration of the POP or expiration of and underlying contract, whichever is later. If the seller determines that there is excess funding, they must communicate with the buyer within 30 days to coordinate the return of funds via IPAC.
- h. *Excess Funding – Intra-agency Agreements*. When the buyer is a Departmental Office or OA, the returned excess at the end of the POP shall be de-obligated, subject to the following:
 1. If the excess is de-obligated before the source appropriation expires, the de-obligated funds may be used for new obligations.
 2. If the excess is de-obligated after the buyer's source appropriation expires, the de-obligated excess must be included and accounted for in the buyer's expired funds. The expired excess may not be used for new obligations.
 3. If the buyer's source appropriation is a revolving fund, the availability of any de-obligated excess is subject to the requirements of the enabling statute for that particular fund.
 4. If the source appropriation is subject to special statutory authority, the returned excess shall be treated according to the special authority.
- i. *Excess Funding – Interagency Agreements*. When the buyer is another Federal agency or entity, the interagency agreement shall contain a provision that requires the return of excess funds following the end of the POP.
- j. *Use of Contracts*. If a contract is used by the seller as part of agreement performance, the contract or the portion of the contract used in support of the agreement (i.e., a task order under a blanket purchase agreement) must adhere to the terms and conditions of the IAA, including POP, agreement amount, and funding source.

- k. *Reimbursable Authority.* The seller's budget office must apportion and allot reimbursable authority prior to obligation of funds by the program offices. Any reimbursable activity that was not anticipated during the start of the fiscal year must be requested as part of the normal budget execution process. The seller shall not obligate against anticipated budgetary resources, such as anticipated spending authority from offsetting collections, before they are realized.
- l. *Funding Restrictions or Special Provisions.* Any restrictions or special provisions attached to the funds stay with the funds used to pay or reimburse the seller. The seller is also responsible for ensuring proper use of the funds. Accordingly, the buyer is responsible for identifying any funding restrictions or special provisions applicable to the appropriation used for payment or reimbursement.
- m. *Actual Costs.* Actual costs will be charged to the extent they can be reasonably determined through Delphi.
- n. *Overhead.* Overhead can be charged on an estimated basis, or allocated to the extent they can be reasonably determined from Delphi. Cost allocation includes any reasonable technique for identifying costs not directly available in Delphi.
- o. *In-Kind Contributions.* In-kind contributions may be included in an IAA in addition to transfers of funds.

1.4.3 Required Elements of IAAs

- a. *General Rule.* All IAAs involving funding must be in writing and, at a minimum, must contain the information required by this section. An e-mail or MOU may not be used to execute a funded inter or intra-agency agreement, and does not constitute a binding funding document nor a valid obligation. Work shall not begin until the agreement obligating funding is fully executed.
- b. *Required Form.* For intra-agency IAAs, Treasury form 7600A (GT&C) and 7600B (Order) forms must be used to execute all IAAs (DOT OA is seller and buyer). For interagency IAAs (DOT and another Federal entity) a document may be used in lieu of the Treasury's 7600A & B forms and must include the required agreement elements below in 1.4.3 c.
- c. *Required Elements.* All IAAs must, at a minimum, contain the following information:
 1. A statutory citation that authorizes the agreement.
 2. The Obligation Number assigned by the buyer, and the Agreement Number assigned by the seller. The seller must reference the buyer's Obligation Number for all transactions that support the agreement, for example, contracts or payroll records.

3. A complete description of the services, supplies or deliverables required, including any buyer-identified funding restrictions or special provisions.
4. The POP and extensions or options, if any.
5. The Agency Locator Code (ALC) of both the seller and buyer agencies <http://www.fms.treas.gov/fastbook/index.html>.
6. The Treasury Appropriation Fund Symbol (TAFS) of both the seller and buyer agencies.
7. The Trading Partner Code (six-digit department, bureau, and sub-bureau code (if any) of both the seller and buyer agencies.
8. The Data Universal Numbering System (DUNS) assigned by Dun & Bradstreet of both the seller and buyer agencies (<https://www.bpn.gov/far/>).
9. The Taxpayer Identification Number (TIN) of both the seller and buyer Agencies. The TIN is required for ESC supplier set-up.
10. The line(s) of accounting (funding) to be charged of both the seller and buyer agencies.
11. The estimated cost of the work or services with payment terms and schedule.
12. Identification of the POCs for the seller's billing office and the buyer's payment office including POC names, addresses, and phone numbers.
13. Identification of the POCs for the seller and buyer's program office including POC names, addresses, and phone numbers.
14. Signatures of authorizing officials (or their designees) for both the seller and buyer. Officials must be authorized to bind the organization, or if agreement is at the departmental level, to bind the agency.
15. Other elements and supporting documentation required by FAR 17.5 and TAM 1217.5 for Economy Act and Non-Economy Act authorized transactions.
16. Termination clause indicating that at least 120 days' notice will be required for cancellation of services or shorter period if mutually agreeable to buyer and seller.

1.4.4 Modifications and Termination

- a. *Modifications.* All modifications must be re-circulated to the buyer and seller POCs for required signatures to the maximum extent possible and, if unable, then document attempts made to acquire signature. ESC must receive all modifications and the same approval process followed for the original agreement where applicable.
 1. Form. Modifications to existing IAAs must be accomplished through the use of Treasury's 7600B Order form.
 2. Numbering System. OAs must number with a sequential modification number (i.e., 1, 2, 3, etc.) and enter in box "Amendment # / Mod #" of 7600B Order form.

The initial agreement/obligation number should also be referenced on the form.

3. Severable Services. OAs should enter into a new agreement every fiscal year for severable services. If the services provided under an agreement are severable, modifications shall not be made to extend the POP by more than one year from the inception date of the agreement, unless new funds are provided.

- b. *Termination*. Termination occurs when the buyer or seller chooses to end the agreement before the POP has expired or before the goods, services, and/or deliverables under the agreement have been accepted. The buyer or seller initiating the termination must provide at least 120 days' notice before an agreement is terminated. When an agreement is terminated, the agreement must go through the financial completion process. See Section 1.6.7, *Initiate Financial Completion of Interagency/intra-agency Agreements*.

1.4.5 Special Circumstances

- a. *Cash Awards*. When an agency wishes to provide a cash award to an employee of another OA or other Federal agency, the two parties will enter into an IAA which requires the 7600A and B forms prior to the issuance of the award. The employee's Human Resource office will prepare the necessary personnel forms and process the cash award to the employee and will subsequently bill the other agency through the IPAC system.
- b. *Government-wide Initiatives*. Government-wide initiatives are those in which goods, services, or deliverables are provided by another Federal agency for the benefit of the entire Government, and for which individual OAs must provide a share of the funding (e.g., E-Government Initiatives). In these cases, the Secretary of DOT or his/her designee shall:
 1. Negotiate terms and draft the Framework (or Overarching) Agreement with the seller.
 2. Collect funding information from the relevant DOT OAs, and ensure that this information is reflected in the agreement. See Section 1.4.3, *Required Elements of Interagency/Intra-agency Agreements*.
 3. Include a provision in the Framework Agreement stating that the accounting information provided for administrative and planning purposes only and does not constitute an obligation of DOT funds, and that the seller will need to allow a specified period for DOT fund obligation prior to billing each DOT OA via the IPAC system or other specified method.
 4. Ensure that the DOT OA CFO, DOT Acquisition Officer, responsible Program Official or their designee sign the agreement on behalf of the Department and forward the agreement to the seller for signature.
 5. Distribute copies of the agreement signed by both parties to the DOT

OAs, who in turn may designate officials within the OA authorized to obligate the funding.

- c. *Government-wide Initiatives Paid Through DOT's Working Capital Fund (WCF)*. DOT's WCF processes several government-wide IAAs as a pass-through service with the intent to reduce the number of IAAs and gain efficiencies by eliminating the duplicate processing of IAAs by each OA. One IPAC will be sent to the WCF and DOT OAs will reimburse the WCF for their share of the cost allocation based upon rational cost methodologies.

When a government-wide IAA program manager enters into an annual (MOA)/ (MOU) with Federal managing partner, key program responsibilities include the following:

1. Represent the Department on government-wide IAA committees.
2. Notify the WCF POC when a change in Departmental representation is implemented.
3. Provide the WCF with the managing partner's billing methodology.
4. Advise the WCF of any changes to agency estimates or changes to the distribution of costs methodologies.
5. Provide updated narratives/service descriptions for WCF publications.
6. Process the MOA/MOU as applicable and obtain Departmental signatures.
7. Request and obtain access to all appropriate WCF systems.
 - The PRISM system to process funding documents, IAAs and all back-up documentation necessary to complete the acquisition action.
 - The Delphi system to approve managing partner's IPACs.
8. Present government-wide IAA status updates to the WCF Steering Committee as requested.

When the Assistant Secretary for Administration's Office of Financial Management analyst receives the government-wide IAA requirements/documentation highlighted above, key WCF financial responsibilities include the following:

1. Publish government-wide IAA estimates to customers and certify funds availability.
2. Certify fund availability of PRISM or other purchase request system documents.
3. Initiate annual data calls in January of each year for budget formulation estimates for each government-wide IAA initiative.
 - Request validation of IAA Executive and program manager.
 - Request future year estimates and Service Descriptions from each program manager.
 - Request updated data statistics from appropriate Departmental Offices for each initiative.
 - Collaborate with the Departmental Budget Office to receive Max Data.

- Collect IAA estimates prior to publication of the Congressional Justification.
- 4. Represent the Department as the focal point for accounting inquiries.
- 5. Schedule IAA presentations to the WCF Steering Committee as required/requested.
- 6. Publish narratives and billing methodologies annually for the WCF Steering Committee members.

1.5 ADMINISTRATIVE ACTIVITIES DURING THE POP

1.5.1 Financial Reporting and Reconciliation

- a. *Coordination of Financial Reporting.* A financial, technical, budget or program POC for both the buyer and seller must be designated to monitor each funded IAA. The buyer and seller Finance POC(s) will keep in contact to coordinate the timely processing of billing and collection, or advance of funds and its revenue recognition until the agreement is closed. The POC(s) will coordinate with the appropriate OA personnel to ensure that the fiscal year within which the agreement was closed is accurately reflected in the Delphi system. The Finance POCs for both seller and buyer are specified on the Treasury form 7600 B (Order) in box 39.
- b. *Reconciliation Requirements.* OAs are required to perform quarterly reconciliations of intra-agency and interagency activity with their trading partners to facilitate the elimination of intra-agency/interagency differences for year-end financial reporting. OST's Office of Financial Management, B-30, will conduct quarterly reviews of the intra-agency activity balances to determine intradepartmental eliminations of intra-agency balances for completion of the Departmental consolidated financial statements. OAs should require that information be reported to their program and accounting offices on a timely basis so that enough information exists to support timely management of IAAs.
- c. *Year-end Review.* For severable IAAs, the seller shall review all outstanding orders at fiscal year-end. If the seller does not fully obligate and/or expense an agreement from an expiring Federal annual TAFS, the seller must write the agreement down to the amount that is obligated and expensed against that agreement when required. The buyer must also write down the obligation for that agreement.

The seller shall review all outstanding accounts receivable at year-end. Sellers are required to collect intragovernmental receivables and no allowance for losses are permitted based on Treasury guidance. This Order directs DOT OA sellers to consult OST-Budget if it determines that an accounts receivable cannot be collected. If adequate budgetary resources are not available to cover the reduction in the receivable, the seller must consult the legal counsel and OST-Budget for a possible violation of the Antideficiency Act.

1.5.2 Monthly Billing and Collection

- a. *General Rule.* Billing and collection activities must be performed each calendar

month. As costs are incurred, sellers will prepare billing documents and forward them to their designated finance staff for processing through the IPAC system. A physical bill will be sent in cases where a governmental agency does not participate in the IPAC process.

- b. *Monthly Deadline.* All IPAC transactions must be processed in accordance with Treasury's monthly cut-off period.
- c. *Required Information.* Buyer Agencies will only process a request for payment by means of the IPAC system when all of the following information is provided.
 - 1. ALC of both the buyer and seller.
 - 2. Treasury Symbol to be charged or credited for both the buyer and seller.
 - 3. Department and Bureau Trading Partner Codes for both parties (7-digit Agency Identifier/Main Account Code/TAS)).
 - 4. General Ledger accounts to be posted.
 - 5. Buyer Obligation Number and applicable line number, and Seller Agreement Number.
 - 6. Invoice Number.
 - 7. POCs (name and phone number for both parties listed on the agreement).
 - 8. Whether the payment is an advance.
 - 9. Amount.

1.5.3 Advances and Cost Accruals

From the inception of a buy/sell transaction, trading partners must communicate with each other to ensure proper account postings and eliminations. The objective of effective communication for all buy/sell transactions is to promote consistent accounting treatment of each transaction by both trading partners and to resolve inconsistencies effectively and efficiently.

For advances provided by the buyer, the seller must provide the buyer with proof of performance. Proof of performance is typically provided through a monthly status report prepared by the seller. The buyer will review the monthly status report for accuracy, and liquidate the appropriate amount of advance/prepayment.

Both the buyer and seller should enter cost accruals as appropriate to accurately reflect the activity that occurs at least quarterly. These cost accruals must be done whether or not the buyer's reviews and approvals have been done to prevent discrepancies. Cost accruals should be entered before the close of the accounting period.

1.5.4 Financial Completion

When all applicable administrative and financial actions and all required work of an agreement have been completed by the seller, the buyer uses Financial Completion as a

finalizing procedure to complete final processing of funds. See Section 1.6.7. Initiate Financial Completion of Interagency/Intra-agency Agreements for the steps required in the Financial Completion process.

1.6 MANAGEMENT'S INTERNAL CONTROLS OVER IAAs

This Appendix sets forth the steps that OAs shall follow throughout the IAA cycle. To ensure proper internal control of IAAs, responsibility for their management can be divided among four primary parties – seller, buyer, ESC, and OST, Office of Financial Management (B- 30). The process for developing an IAA may vary among OAs and Federal agencies, as each may have its own procedures and organizational structure, processes, and requirements. However, there are some procedures that should be completed in a specific sequence or order. The following is a recommended process that can be followed to meet the individual needs of OAs and the requirements of the individual agreement being negotiated and developed.

1.6.1 Establish and Monitor Reimbursable Authority

The OAs shall establish procedures for allotting reimbursable authority within their organizations and for ensuring that officers do not enter into transactions without necessary authority. This process must be initiated during the fiscal year's budget submission. Budget officers must receive reimbursable authority from OMB prior to allowing the obligation of funds.

1.6.2 Negotiate Terms and Draft the Agreement

Both the buyer and the seller will negotiate the terms of the agreement including the supplies or services to be provided, the POP, and funding (including overhead) (see Section 1.4.3.c for minimum requirements that must be contained in an agreement).

For intra-agency agreements, the buyer must generate the agreement using Treasury Forms 7600A (GT&C) and 7600B (Order). Another mutually-agreeable document may be used by the Buyer in place of 7600A & B provided it contains all required elements contained in section 1.4.3.c.

In cases where the seller is a non-DOT agency, the agreement should be prepared using either 7600A & B Forms or a form that is mutually agreed upon by both parties. If another agency's form is used, the DOT OA must ensure that the minimum information requirements set forth in section 1.4.3. are met.

The buyer will fill out all parts of the agreement relevant to them, including the obligation number. The buyer must certify the availability of funds and reserve funds that are to be obligated under the agreement.

1.6.3 Forward the Agreement to the Seller

The seller (i.e., financial, program, budget or contracting office) must review the agreement for accuracy and fill out the remaining parts relevant to the seller including an agreement number.

An authorized person or their designee within the seller's budget office will approve and sign the agreement. Before the agreement is signed by the budget office, an inquiry must be made to ensure that reimbursable authority exists for the work contemplated by the parties.

The seller will forward the original signed agreement to the buyer.

1.6.4 Finalize the Agreement

For IAAs where the buyer is a DOT agency, the buyer should follow their OA procedures to create the IAA award obligation. IAAs awarded in the Departmental Procurement Platform (DP2) ESC PRISM system will automatically record an obligation in the Delphi accounting system. IAAs created outside of DP2 require the OA to forward a copy of the completed agreement to ESC, or its designee. ESC or its designee will review the agreement to ensure that all information required by Section 1.4.3 is provided on the agreement. A buyer may not enter an IAA into the Delphi system until ESC or its designee receives the complete and correct information. ESC will return IAAs to the OA until the correct information is provided. This includes the seller not having enough reimbursable obligational authority to cover an agreement.

For IAAs where the buyer is external to DOT, the DOT seller will forward a copy of the agreement to ESC.

If all the required information is on the agreement, the agreement/obligation will be recorded into Delphi. The seller must reference the buyer's obligation number in Delphi for use in billing and reconciliation.

1.6.5 Bill and Collection Under the Agreement

The ESC will perform billing and collection activities and functions in support of OA IAA management. For buyers and sellers, ESC shall establish procedures to ensure a timely reduction of the appropriate budgetary and proprietary accounts.

Any necessary back up documentation required by the buyer for expenditure support and approval must be provided by the OA. The data elements for billing should be provided at the time the agreement is signed. If those data elements are not on the agreement, the agreement will be rejected by ESC.

1.6.6 Reconcile Interagency/intra-agency Activity

For IAAs, both buyers and sellers must reconcile interagency activity balances with their trading partners on a quarterly basis.

For IAAs, both buyers and sellers must reconcile intra-agency activity balances with their trading partners every month and resolve reporting differences for revenue/expense, receivables/payables, and advances/pre-payments balances.

1.6.7 Initiate Financial Completion of IAAs

An IAA must go through a financial completion process within 90 days once the following conditions have been met:

1. performance has been completed; and
2. POP has expired or when an underlying contract has expired, whichever is later, or;
3. the agreement has been terminated.

Once the required conditions outlined above have been met, unused funds must be returned to the buyer and final bills (IPACs) must be sent within 90 days.

For IAAs, the seller will initiate financial completion procedures with ESC. The process of financial completion requires the submission of a final invoice and funds review. In cases where the seller is an agency outside DOT, the buyer will be responsible for contacting both the seller and ESC to coordinate submission of a final invoice and make final adjustments to the budgetary and proprietary accounts.

The buyer should monitor the activity and age of an IAA. For obligation/payable balances older than 180 days, the buyer shall determine the reason for the lack of activity on the IAA. After the buyer determines that an order has been completed, they will inform the seller that the order will be terminated. However, if the seller provides proof of continuing, or unbilled work, an IAA's unliquidated obligation/payable balances shall remain recorded in Delphi.

1.6.8 IAA Closeout

Upon expiration of the POP, IAAs shall generally be closed within 12 months. For IAAs that result in contracts, please consult FAR reference Subpart 17.5. In the event there are extenuating circumstances preventing closeout of the IAA within the specified timeframe (e.g., the IAA is for an assisted acquisition and the associated contract action is not closed or IAAs that require audit follow up), OAs shall document the basis for non-closure within the required timeframe in monthly UDO reports. Also, DOT OAs through their respective CFOs are required to certify the accuracy of their UDO balances to B-30 annually on July 31st for the preceding 12 months ending June 30th. See OST-Budget Memorandum dated February 27, 2013, on guidance on review of obligations and UDOs.

The IAA closeout process includes a final, bi-lateral modification to be performed to de-obligate any excess funds. Generally, this requires both seller and buyer approval via signature or electronic approval (e.g., approval by e-mail). The seller may return any advances and close the agreement upon the seller signature if the buyer is non-responsive after 30 days. The IAA shall be closed out within PRISM or other procurement and/or financial tracking system used by a DOT OA. For zero dollar obligations, a copy of a closeout completion document shall be sent to the ESC. ESC will then closeout the IAA in Delphi. In the event that agencies or ESC will only accept zero dollar modifications, such modifications will be created to complete the closeout.