

**Commitment Accounting
Business Benefits****Standardized and
Integrated Business:**

Process: All financial data is housed centrally within FBMS, which interfaces with other components. This eliminates the need for duplicate data across multiple systems, resulting in fewer errors and more accurate data.

**Improved internal
Controls and Auditing
Capabilities:**

The Department's goal for tighter internal controls and improved audit tracking capabilities is met through the requirement of Purchase Requisitions and approval/acceptance of goods receipts and service entry sheets for all procurements.

**Reduces Manual Paper
Process:**

Approval processes are paperless, saving time and effort for Contracting Officers.

Overview

Commitment accounting will become a component of the FBMS Purchase Requisition (PR) process. It is being developed as part of SAP's (provider of the FBMS Enterprise Resource Planning software) Enhancement Package 4 which will be deployed at Deployment 5 Go-live in November 2010 to U.S Geological Survey and the Bureaus currently using FBMS.

Commitment accounting enhances the management of funds used for the purchasing of goods and services by reserving funds during PR processing. This change only applies to the PR process used with the FBMS Financial Assistance and Acquisition functions and will not affect GOV Trip or any other system that interfaces with FBMS.

Key Features

- **Funds Management (FM) Funds Budget Availability Check:** After final approval by the Certifying Funds Approver, the PR data passes through an FM Funds Budget Availability Check and a validation check to confirm that funds are available and that the account strings are valid. If the PR is unfunded, the subject to funds availability indicator will be checked to allow it to bypass the funds check.
- **Notification Message of Fund Budget Availability Check Failure:** When a PR fails the funds availability checks, a pop up screen appears in the request notifying the user that the PR cannot be completed until funds are available or the account strings are valid. A notification is then sent to the Requisitioner to update the PR.
- **Oversight of the Commitment of Funds:** Funds commitment will not occur until the Certifying Funds Approver releases the PR.
- **Posting of Commitment Documents:** A commitment document is posted in FBMS's Financial Management database, which contains the requisition number, account information, and amount. The posting date for the commitment is the date the PR is released.
- **Pre-Award Changes:** When a pre-award change to a PR occurs, the original PR amount will be de-committed, and replaced with the amount submitted on the pre-award change. When an award is made for less than the amount on the PR, the remaining funds will be de-committed and returned to budget.
- **Post-Award Changes:** When a post-award change is submitted, the funds will remain committed until the contracting officer processes a modification. A new PR is needed to fund the new line with new accounting information. If subsequent documents (GR, SES, or IR) have been posted, no changes will be allowed without manually backing out the documents.

