

## INFORMATION PAPER

CEFC-F  
2 April 2002

SUBJECT: Intra-governmental Payment and Collection (IPAC) System

1. PURPOSE: To provide the USACE Director of Resource Management with background on the functionality of the IPAC system.

2. BACKGROUND:

a. In 1985, the Department of Treasury, Financial Management Service (FMS), developed the automated On-Line Payment and Collection (OPAC) system to modernize agency cross-disbursing methods and make the process more efficient. In an effort to reduce paperwork, eliminate errors and promote the timely submission of data within the government financial network, the FMS automated various documents and information received from or submitted to Federal agencies. Through the Government On-Line Accounting Link System (GOALS), Federal Program Agencies (FPAs) were able to transmit and receive accounting and financial data through a commercial timesharing service via a telecommunications network. OPAC/GOALS virtually eliminated the production of hardcopy FMS Form 1081, *Voucher and Schedule of Withdrawals and Credits*, and automated the process for producing the FMS Form 1081. Additionally, GOALS eliminated the need to issue most US Treasury checks between government agencies.

b. In 1997, FMS began developing a plan that would migrate the GOALS applications from a contractor-operated platform to a government owned and operated platform. FMS chose to develop most of the GOALS applications with internal resources. However, FMS requested the Federal Reserve Bank (FRB) of Richmond, Treasury's Fiscal Agent, to assist in the development and the operation of a new system for intra-governmental payments. The OPAC system included approximately 800 individual sites that processed over 50,000 transactions valued at \$75 billion monthly. The IPAC system was released as the replacement system for OPAC in December 2001.

c. IPAC was designed to improve the current intra-governmental payment process and was implemented on 3 December 2001. IPAC enables agencies to transmit transactions in a real-time environment and provide detailed information with each transaction. Each transaction must include detailed information; e.g., invoice number, receiver department code, and purchase order number for the transaction to be posted to the appropriate Agency Location Code (ALC). Users have the capability to process transactions on-line interactively, or via a bulk transmission. Users can build a file from their accounting system and transmit the file to Treasury via an FRB selected bulk software tool. In a future release of IPAC, FMS plans to support the use of Electronic Data Interchange (EDI) technology.

### 3. FACTS:

- a. IPAC was implemented within the USACE on 3 December 2001. It is currently used interactively and a CEFMS bulk file transmission is being programmed.
- b. b. USACE-wide approximately 8,000 collection and disbursement transactions are processed monthly through the IPAC system. USACE volume will continue to increase as Transactions for others (TFOs) billings are converted to IPAC.
- c. IPAC greatly improves the intra-governmental payment and collection process. Agencies collect their accounts receivable automatically and the billed agency is notified the next business day of the disbursements that need to be posted in their accounting system. Billed agencies are not authorized to adjust or reject billings without valid support that the charge is erroneous and proper coordination with the billing agency.

### 4. CURRENT STATUS:

- a. We are aggressively converting customer orders to the IPAC payment method and encouraging supported activities to utilize the IPAC system.
- b. The IPAC system can be used for all customer order billings, except where a customer cannot accept IPAC or when a Direct Fund Cite is used.
- c. Many agencies have initially denied payment to the USACE because the USACE could not process the payment through the IPAC system. We are coordinating with those agencies to collect delinquent accounts receivable through IPAC.

### 5. APPROVED BY: Thomas L. Brockman, Jr., Director, USACE Finance Center.

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