



MEMORANDUM FOR THE RECORD

SUBJECT: FI (Finance Only) Invoices

Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the requirements for processing FI invoices. A FI invoice is an invoice that is received by the Center for payment of goods/services that does not have a formal procurement instrument. This means that there is no pre-existing commitment or obligation within SAP to make payment against. When a FI invoice is processed it simultaneously records the commitment, obligation, cost, and disbursement in SAP.

The NASA FY 2010 Appropriation states that NASA's Cross Agency Support Funds (CASX) shall be limited to one-year availability and expire on September 30, 2010.

The "Bona Fide Need Rule", from 31 U.S.C. sec. 1502, limits obligation of funds to the year in which the funds are available:

The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability, or to complete contracts properly made within the period of availability and obligated consistent with section 1501 of this title. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law.

When the need for the goods or services is recurring and continuous, then it should be regarded as severable into the various time periods. Centers must fund severable needs with dollars available for obligation on the date the goods and services are rendered.

In other words, PY 2010 funds cannot be used for invoices for goods or services that were received in FY 2011, nor can PY 2011 funds be used to pay for invoices for goods or services that were received in FY 2010.

This memorandum documents the method to ensure proper payment of FI invoices for services rendered in the current fiscal year when using one-year and expiring funds.

Guidance

All FI invoices should be paid based on prompt payment regulations through August 31. From September 1 through the Agency Fiscal Year End (FYE) disbursement cutoff date, it is recommended that the OCFO waive prompt payment regulations to allow for early payment of FI invoices. This will allow payment to be made upon receipt of the invoice. After the Agency FYE disbursement cut-off date, any goods/services normally processed via FI invoice that are still unpaid should be processed specially. Since the funds need to be obligated by September 30, Centers should create a regular two-way match Purchase Order (not FI) in SAP for these using the outside buyer role. POs should be created for each individual event (i.e. transportation, tort claims, etc.). The PO must be created on or before September 30th. To facilitate tracking for payment in FY 2011, Centers need to include in the PLI reference field in SAP a link to the event (ex: FedEx tracking number, settlement claim number, etc.). These actions will tie up the budget and record a commitment and obligation in preparation for the payment of these expected FI Invoices in FY 2011. This year end process is for expiring funds **only**.

Communication to the NASA community must be included in the FYE close out schedule to ensure that all expiring funds are processed in a timely manner. Center CFO organizations will need to work with their customers (e.g., Logistics for transportation charges, Legal for torts claims, etc.) to obtain accurate values to be used to record the two-way match POs. It is understood that some of the costs will be actual (based on shipments made), while some will be estimates (based on estimated legal settlements).

Even with each Center performing an intelligent forecast, the Agency is exposing itself to some level of risk of not having enough funds to cover unexpected FI invoices received in FY 2011 that pertain to FY 2010. To mitigate this risk, the Agency could post their own Agency emergency forecast two-way match PO in case Centers need additional funding to make payments in FY 2011.

On October 1, 2010, Centers can resume their normal processing of FI invoices for new year activities. To pay those FI invoices that were already entered into SAP in September, 2010 as two-way match POs, Centers will need to work with the NSSC to pay these as LIV invoices, using the information in the PLI reference field in SAP to tie to the source documents. By following this process, Centers avoid having to create an SR (Service Request) requesting OCFO concurrence, and NEACC support, for using expired PY 2010 funds to process the payment in FY 2011.

In cases where additional expired funds are needed, and are over the parameter that the system allows (10% or \$500.00 whichever is lower) to pay the FI invoices, then the existing SR process requiring OCFO approval must be followed.



Treatment of Expiring Funds at FY2

- OCFO to waive Prompt Payment regulations to allow early payment of FI invoices citing expiring funds during September to allow Centers time to commit, obligate and cost expiring funds
- Centers to identify all unpaid FY 2010 FI invoices with expiring funds that will need to be paid in FY 2011 and enter two-way match POs for each event in SAP by September 30
- Agency to forecast emergency amount to cover unforeseen needs in FY 2011 and enter a two-way match PO in SAP to obligate this amount by September 30
- Centers to pay in FY 2011 the FY 2010 FI invoices that need to be paid by recording a LIV disbursement against the two-way match POs setup in SAP in September, 2010 using PY 2010 funds

Input Needed from OCFO

Is it necessary to estimate cost and record an accrual for these types of activities if they are not deemed material in amount? For the last 12 months, the Agency has disbursed 1860 payments totaling \$6.8M. No Centers use FI invoices for large utility payments; all utilize other means (generally POs).