

Capital Accounting Center

***HELPFUL HINTS GUIDE***

for

Obligating, Reconciling and Approving

Foreign Transaction (SF-1221) Activity

December 2003

## **DESCRIPTION OF SF-1221 SYSTEM/PROCESS**

The SF-1221 process is used by the State Department, in lieu of an invoice, to electronically bill for the services and/or goods their embassies provide to employees of other Federal agencies abroad. The State Department receives immediate reimbursement when these transactions are processed through the U. S. Department of Treasury. Unlike the process for invoices where the payment is not made until approval is provided by the DOE program official, the State Department receives payment when the bill is transmitted via downloaded files from their web site. In other words, DOE's appropriations have already been charged by the time DOE receives the SF-1221 billing. On a monthly basis, DOE is responsible for reconciling their accounting records to Treasury's balances.

The Accounts Payable Division (APD) provides the respective DOE program office a copy of the SF-1221 download that is received from the State Department. APD then waits for the designated approving official to submit the CID and B&R allocation breakdown so that costs and payments can be applied to the appropriate funding resource. In the meantime, DOE's accounting records have to be reconciled to the DOE account balances maintained by Treasury at the end of each month. In order to complete this monthly reconciliation process, APD records unapproved 1221s into a *temporary* receivables suspense account.

Items recorded in this temporary account must be cleared within 30 days after receipt of the SF-1221. When there are unusual problems, this timeframe may be extended up to 60 days. Several problems can emerge if cost/payment allocations are not recorded to the appropriate funding resource in a timely manner: (1) large uncosted/unpaid obligation balances are reflected for your program funds until the charge is applied against the proper funding citation, and (2) as reported by the Office of the Inspector General (OIG), such practices make the Department vulnerable to violations of the Anti-Deficiency Act.

## **PROGRAM OFFICE FINANCIAL MANAGEMENT RESPONSIBILITIES**

1. Ensure funds are reserved in DISCAS (DOE's accounting system) once a need to procure goods or services via a U.S. Embassy is identified.
2. Coordinate with the U.S. Embassy to procure the goods or services that are being requested and obtain cost information.
3. Prepare appropriate obligating document (interagency agreement, memo obligation, travel authorization, CHRIS training form) and process accordingly. Interagency agreements are processed through Procurement. Travel and training obligations are processed automatically through Travel Manager and the CHRIS systems respectively. Memo obligation documents should be forwarded to ME-142 for processing:

Systems Operations and Financial Support Services Team (ME-142)  
C-271, GTN  
Attn: Shirley Barker, Team Leader  
FAX: 301-903-0326

4. Provide a copy of all obligating documents to the Accounts Payable Division, ME-144, Room C-224, GTN.
5. Use information from the obligating document to provide 'fiscal data' to the Embassy for the goods or services requested. The fiscal data should contain the following information:

Appropriation Number  
Allotment Code  
Function Code (DOE's B&R number)  
Obligation Number (DOE's contract identification number (CID))  
Object code  
Amount

The terminology shown is how the State Department refers to certain elements of DOE's accounting data. It is important to use State's terminology, not DOE's, when communicating with the overseas' entity procuring the requested goods or services. This will facilitate the review and reconciliation of the SF-1221 billing.

6. Receive from APD, review and reconcile the monthly SF-1221 billing using supporting documentation as appropriate. Identify by CID and B&R the obligation against to which the SF-1221 charges are to be applied. Verify sufficient funds have been obligated to cover the cost of the bill; if not, immediately obligate the necessary funds prior to forwarding approval to APD.
7. **Contact the appropriate Embassy if you do not have adequate support or if you have questions concerning the billing. If the Embassy does not respond to your request, contact APD who will in turn contact liaison personnel at the State Department in Arlington, VA for assistance.**
8. Ensure that the State Department is billing and submitting support documentation timely and accurately.

9. **Submit cost/payment allocation breakdown and approval to APD no later than 30 calendar days after receipt of the SF-1221 billing:**

**Accounts Payable Division, ME-144  
C-227, GTN  
Attention: Mildred Lynn  
Fax: 301-903-0131  
E-mail: mildred.lynn@hq.doe.gov**

10. Provide support documentation to field offices for the charges that are allocated to other DOE field offices and respond to their questions.
11. Ensure authorized approving official has a current Travel Authorization and Program Manager Signature card (HQ F 1500.5) on file with ME-14. Blank forms are available at:

<http://www.directives.doe.gov/pdfs/forms/hq1500-5.pdf>

ME-14 POC for signature cards:

Laura Gurganus  
Systems Operations/Financial Support Services Team, ME-142  
C-277, GTN  
1-800-877-8339 for relay, then extension 3-8826  
[laura.gurganus@hq.doe.gov](mailto:laura.gurganus@hq.doe.gov)

### ***DISPUTED CHARGES/CREDITS***

- 12. Resolve disputed billings with appropriate Embassy immediately. The Embassy will issue a credit through the SF-1221 process if deemed appropriate. The APD cannot return nor reject an SF-1221 charge.**

### **TRAINING OBLIGATIONS**

Training obligations are normally processed into DISCAS via an interface from CHRIS. In order for obligations to successfully pass through the interface, the record state of the transaction in CHRIS must be "ENROLLED".

### **TRAVEL OBLIGATIONS**

As with any Government-funded travel, ensure that an approved TA is in place and funds have been obligated in DISCAS. Be sure that items such as limousine and interpreter services, if required, are noted and approved on the TA. Because these items are contracted through the Embassy and billed to the agency by the State Department, the traveler should obtain receipts or some other form of documentation for these services and provide them to the program office upon their return. Possession of this documentation will facilitate the approval of the SF-1221 charge when it is received, which can occur several months after the travel has been completed.

### **CONSIDER USING LUMP-SUM OBLIGATIONS**

If your program office cannot meet the established timeframes for providing approvals, you may want to consider setting up lump-sum obligations under one CID at the beginning of the fiscal year so that when SF-1221 billings are received, they can be processed in a timely manner. When you have determined the appropriate CID and B&R allocation of the individual SF-1221s

received, then you can submit a memorandum to the Capital Accounting Center requesting that the obligation, cost and payment entries be adjusted and moved to the correct CID.

## **QUESTIONS**

Contact ME-144 if you have any questions concerning this guide:

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