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Federal
Financial
Management
System
Requirements

Travel System Requirements

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Joint Financial Management Improvement Program

The Joint Financial Management Improvement Program (JFMIP) is a joint cooperative undertaking of the Office of Management and Budget, the General Accounting Office, the Department of the Treasury, and the Office of Personnel Management, working in cooperation with each other and with operating agencies to improve financial management practices throughout the government. The Program was initiated in 1948 by the Secretary of the Treasury, the Director of the Bureau of the Budget, and the Comptroller General, and was given statutory authorization in the Budget and Accounting Procedures Act of 1950. The Civil Service Commission, now the Office of Personnel Management, joined JFMIP in 1966.

The overall objective of JFMIP is to make improvements that contribute significantly to the effective and efficient operations of governmental programs. Activities aimed at achieving this objective include:

- Developing general objectives in those areas of common interest to the central agencies for guiding the improvement of financial management across government and promoting strategies for achieving those objectives.
- Reviewing and coordinating central agencies' activities and policy promulgations affecting financial management to avoid possible conflict, inconsistency, duplication, and confusion.
- Undertaking projects and special reviews of significant problems and new technologies in financial management and publishing the findings and conclusions.
- Acting as a catalyst and clearinghouse for sharing and disseminating financial management information about good financial management techniques and technologies.
- Reviewing the financial management efforts of the operating agencies and serving as a catalyst for further improvements.

Publications in the Federal Financial Management System Requirements Series

***Framework for Federal Financial
Management Systems (January
1995)***

***Core Financial System
Requirements (January 1988,
revised 1994 and 1995)***

***Personnel/Payroll System
Requirements (May 1990)***

***Travel System Requirements
(January 1991)***

***Seized/Forfeited Asset System
Requirements (March 1993)***

***Direct Loan System Requirements
(December 1993)***

***Guaranteed Loan System
Requirements (December 1993)***

***Inventory System Requirements
(June 1995)***

The JFMIP plays a key role in mobilizing resources and coordinating cooperative efforts in the improvement of financial management practices, and relies on the active participation of federal agencies to be successful. The Joint Program is guided by a Steering Committee consisting of key policy officials from each of the central agencies. A key official from a program agency also serves on the Steering Committee. A small staff headed by an Executive Director provides support to the Committee.

Preface

This travel system functional requirements document is the second extension of the *Core Financial System Requirements*. Its preparation, as did the *Core Financial System Requirements* and the *Personnel/Payroll System Requirements* documents, addresses the goal of the President's Council on Management Improvement (PCMI) and JFMIP to improve the efficiency and quality of financial management in the federal government.

Agencies are to use these travel system functional requirements in planning improvements to their financial systems. Agencies must include their own unique requirements, both technical and functional, with the requirements in this document. Further, each agency must develop its own strategy for either interfacing or integrating existing program and subsidiary systems with the agency's financial management system.

We want to take this opportunity to thank the agency officials and others in the financial and personnel management communities who contributed to the document. With continuing support such as this, we can confidently face the financial management challenges of the 1990s.

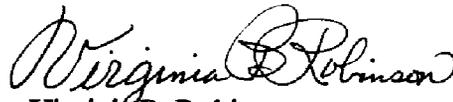

Virginia B. Robinson
Executive Director

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Acronyms

ATM.....	Automated Teller Machines
FMS.....	Financial Management Service
GAO.....	General Accounting Office
GSA.....	General Services Administration
GTR.....	Government Transportation Request
JFMIP.....	Joint Financial Management Improvement Program
JFTR.....	Joint Federal Travel Regulations
M&IE.....	Meals and Incidental Expenses
NARA.....	National Archives and Records Administration
OMB.....	Office of Management and Budget
OPM.....	Office of Personnel Management
POV.....	Privately-Owned Vehicle
RII.....	Relocation Income Tax
SGL.....	Standard General Ledger
SSN.....	Social Security Number
WTA.....	Withholding Tax Allowance



Introduction

The Management by Objectives Program for the federal government includes a cross-cutting objective for financial management:

“... To guarantee the effectiveness and integrity of programs and services for the public and the proper stewardship of public resources.”

Achieving this objective will require a number of improvements in federal financial management information and systems.

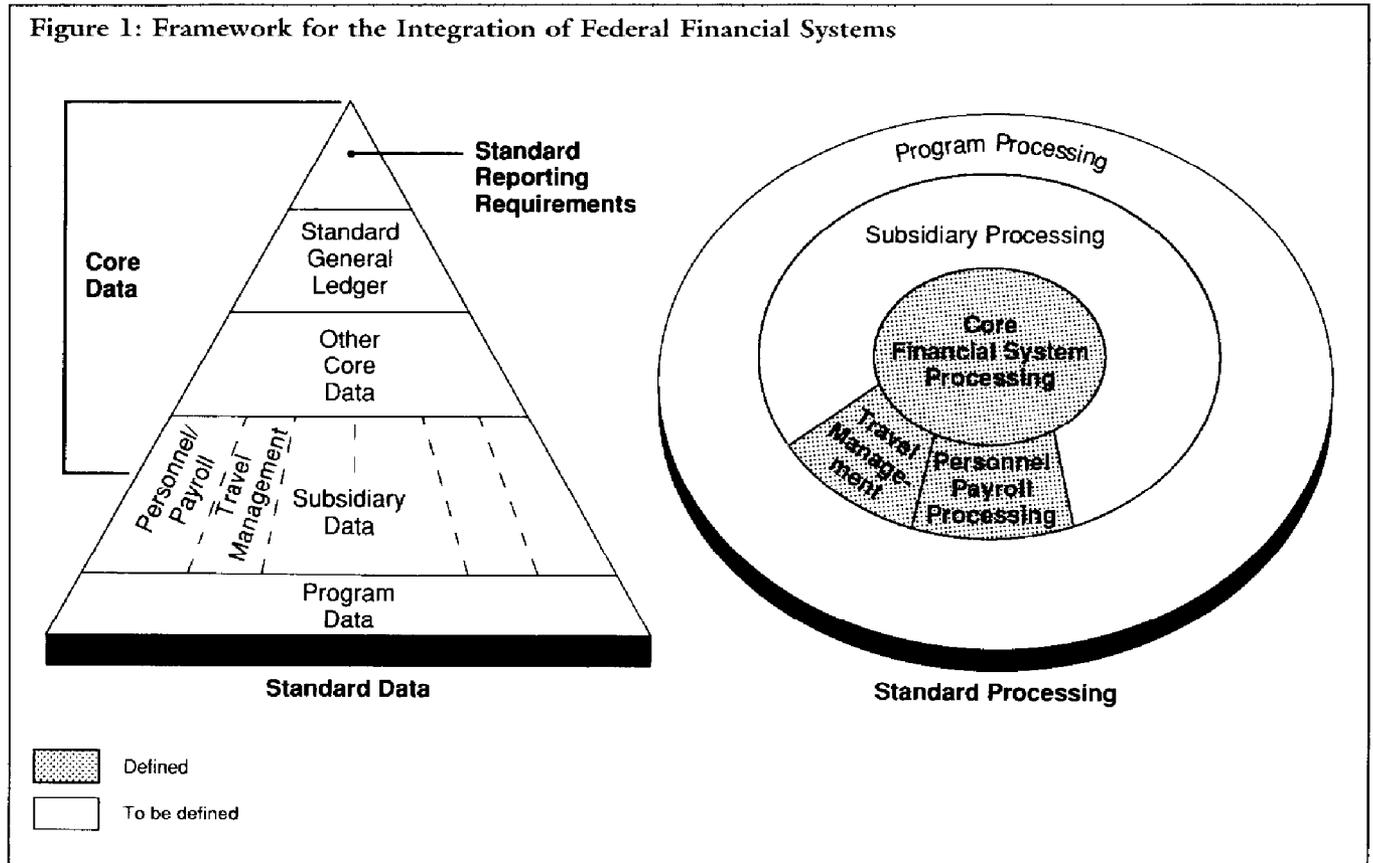
This Joint Financial Management Improvement Program (JFMIP) document, *Travel System Requirements*, has been prepared as a continuation of the *Federal Financial Management Systems* series which began with the *Core Financial System Requirements*, January 1988. The series also includes the *Personnel/Payroll System Requirements*, May 1990. The requirements have been prepared in consultation with the Office of Management and Budget (OMB), the General Accounting Office (GAO), the Department of the Treasury, and federal program agencies.

When implemented by incorporation in GAO's accounting principles and standards, in Treasury's reporting requirements, and in OMB circulars, these requirements will become mandatory. The GAO and agency inspectors general will independently review agency compliance.

Financial Management Framework

This document is a part of a broad program to improve federal financial management. This program involves the establishment of standards for financial information, financial systems, reporting, and financial organization. The interrelationship between systems and data standards is shown in figure 1.

Figure 1: Framework for the Integration of Federal Financial Systems



In 1982, the Federal Managers' Financial Integrity Act provided a cornerstone for improved financial management. Section 4 of this legislation requires annual reports on the compliance of agency systems with GAO standards under the policy direction of OMB on behalf of the President.

In 1984, the GAO issued new accounting standards as *Title 2 of its Policy and Procedures Manual for Guidance of Federal Agencies*. In 1984, OMB established Circular A-127, "Financial Management Systems," providing policy guidance for a broad program of improvement for all federal financial information and systems. In 1986, the Treasury issued new standards for improved business-type financial reporting and OMB issued the *Standard General Ledger (SGL)*. The SGL provides for a uniform chart of accounts for accounting and budgetary information. It governs the recording of transactions within every agency financial system.

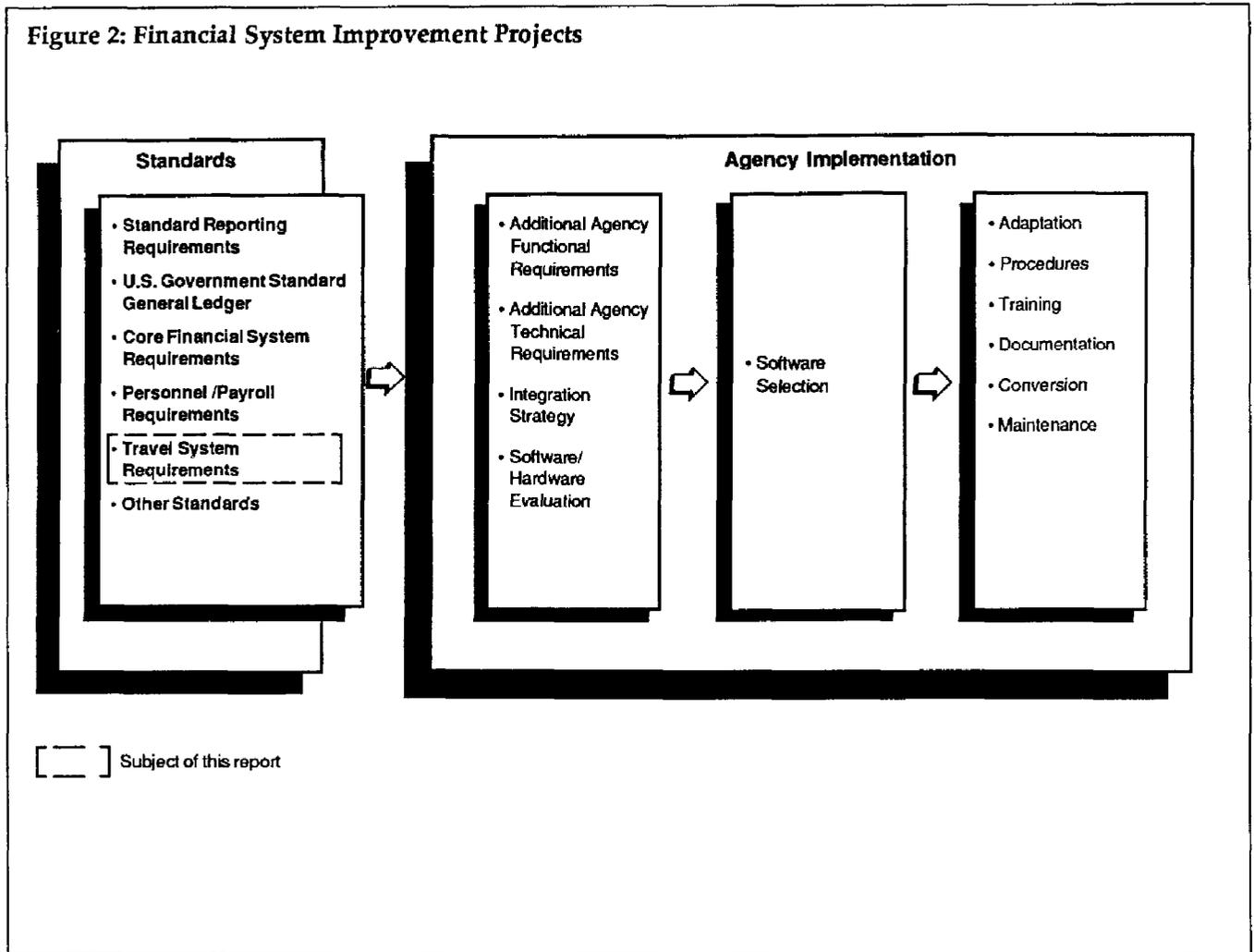
The JFMIP initiated a series of publications entitled *Federal Financial Management Systems*. The first of the series was the *Core Financial System Requirements* published in January 1988. This document, for the first time, described the functional capabilities necessary for a federal financial system. These requirements were signed by the Comptroller General, the Secretary of the Treasury, and the Director of OMB. The second publication of the series was the *Personnel/Payroll System Requirements*, May 1990. This publication, *Travel System Requirements*, continues the effort to establish required functional capabilities that are needed for subsidiary systems that are being improved, consolidated or replaced, and linked to an agency's core financial system.

The JFMIP's *Federal Financial Management Systems* series of publications and efforts in data standards will be a continuing effort to refine financial information and systems in an evolutionary manner to foster quality improvements and the ability to exchange and report information throughout government.

Standard Requirements Implementation

The emphasis on commonality and standardization of financial systems continues. As shown in figure 2, establishing standard requirements is only part of the process of improving financial management systems and information. Standardization can be achieved through the selection, development, and/or purchase of applications that meet approved functional requirements and technical as well as data management specifications. Agencies must implement the standard requirements.

Figure 2: Financial System Improvement Projects



Good governmentwide standard requirements assist agencies in developing strong systems and information by eliminating duplicative work among agencies and providing a common framework so that outside vendors can more economically provide systems software. Development of standard core functional requirements for each application is a critical effort that will affect internally developed

Standard Requirements Implementation

systems and the evaluation and selection of commercially available systems. However, agencies must augment these standard requirements with their own unique agency requirements, which must be carefully defined to assure consistency with the governmentwide standard requirements. Each agency must also integrate the standard requirements with existing systems and with the major program systems that are unique to the agency.

Background

Travel policy establishes reasonable, allowable, and acceptable rules governing travel procedures. Central agencies such as the General Services Administration (GSA) and Office of Personnel Management (OPM) prescribe travel policies in governmentwide regulations and rules for federal departments and agencies. In many instances, the policies defer to departments and agencies the responsibility for developing specific procedures to implement the regulations. Travel policy affects every step of the travel cycle and the rules derived from it govern an agency's travel management practices, whether manual or automated.

Each agency should devise a comprehensive financial management system based on its technical infrastructure and need to record, manage, distribute, and access financial data. Most financial functions interface or integrate with a core financial system, and it indirectly links to one or more administrative support systems. The requirements for a travel system, therefore, must be evaluated on the basis of how the system performs its control function within the technical and financial architecture of the agency. Implementation of the travel system may be achieved by a mixture of centralized and distributed functions.

System Overview

As Figure 3 shows, the travel system must be able to track the status of a travel order and the travel voucher as it goes through the various stages of preparation and approval. The system must incorporate the preparation and approval of travel and transportation authorizing documents, including fund certification; preparation and authorization of travel advances; and computation, preparation, and approval of travel vouchers. Additionally, the system should provide for interfacing with the travel office arranging tickets and transportation and processing of claims from vendors related to the travel and transportation documents.

As travel transactions take place, they must be recorded in chronological and systematic order. To be processed, all documents must be placed under document control, tracked, and approved for payment. The system must document travel information so it is easily and readily available for analysis, decision support,

Standard Requirements Implementation

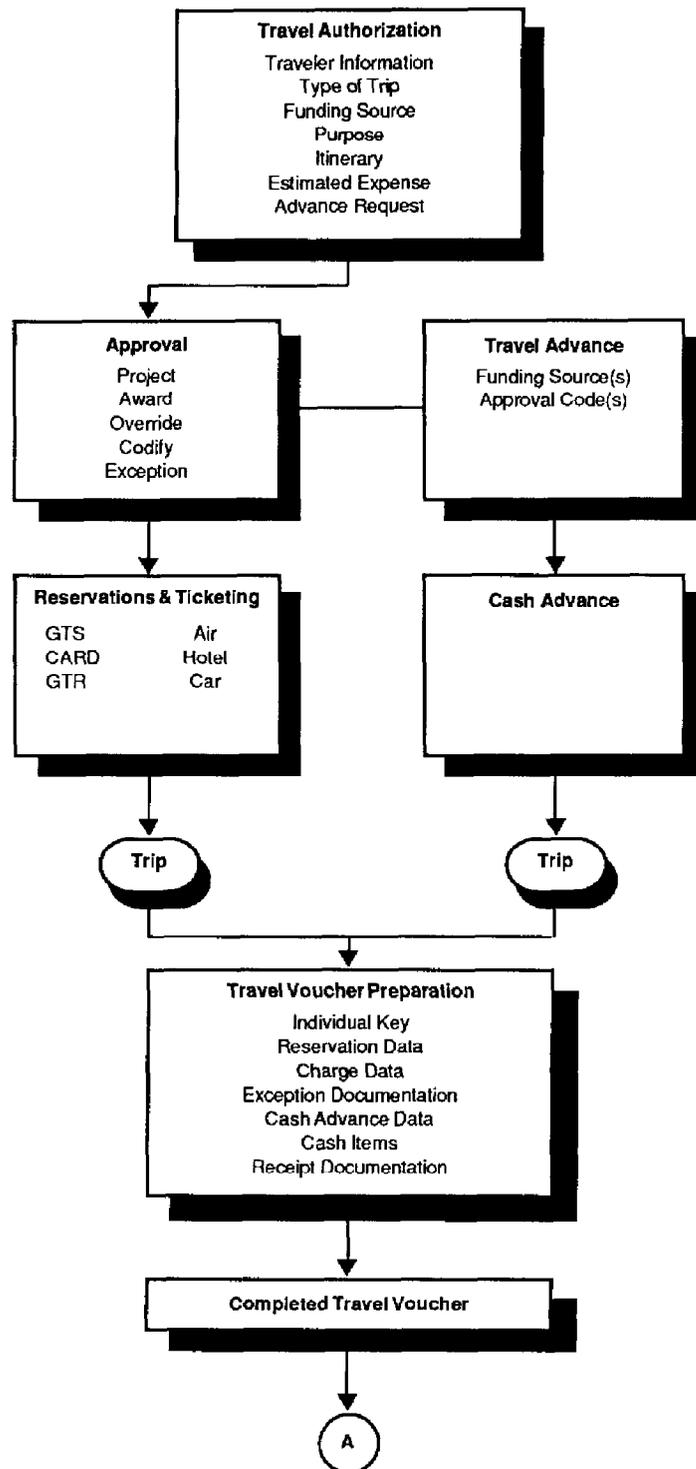
operational control management, and external regulatory reports. The travel system should also provide the traveler or support clerical staff with the capability to produce travel information and control the processing of travel and financial data.

If automated, the travel system must provide the user with prompts and readable, logically-ordered screens to make the travel process as easy as possible and functionally make maximum use of previously-entered data.

Appropriate levels of security are required by travel systems to protect the travel process and the informational content of the system. Risk analysis should measure whether the benefits gained outweigh the costs necessary to protect the system.

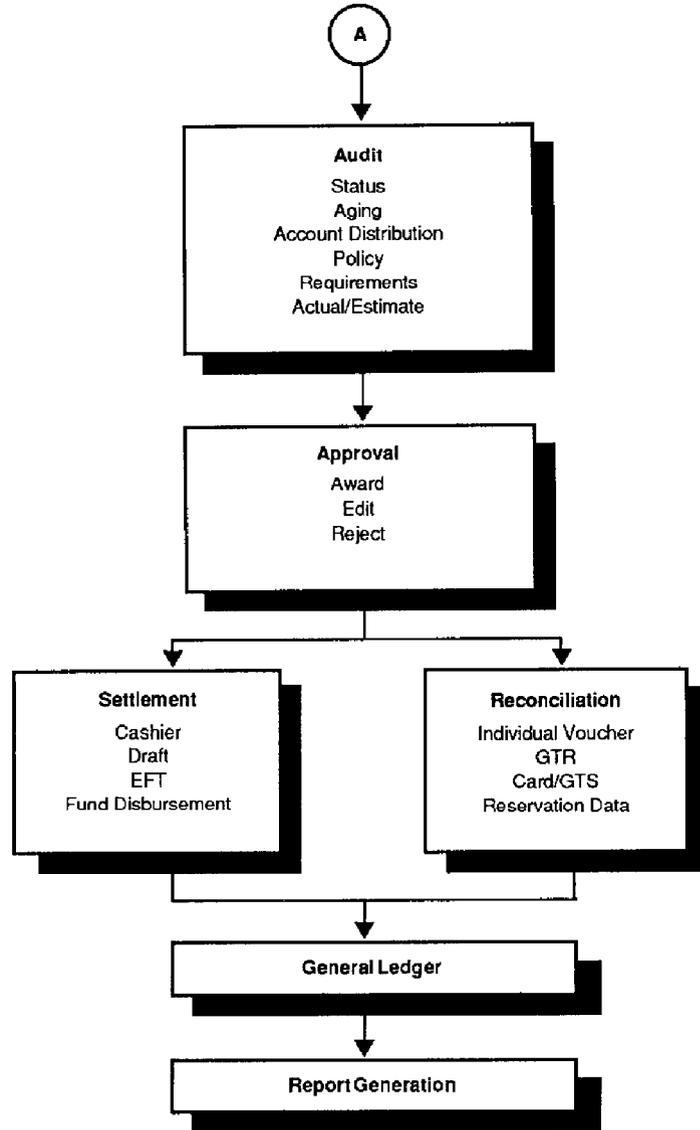
Standard Requirements Implementation

Figure 3: The Travel Process



Standard Requirements Implementation

Figure 3: The Travel Process (continued)



Functional Description

Travel Authorization

All official travel for the federal government must be specifically authorized. The travel authorization is the foundation upon which all other travel documents are processed. No travel advance or voucher payment can be made until the corresponding authorization has been established.

The travel authorization function should provide the capability to create travel orders and provide funds certification for domestic, in-cash or in-kind, or unlimited and limited travel authorizations. This function must also:

- Provide the capability to maintain the order of precedence for executing each travel step (i.e., authorization must precede an advance, etc.).
- Provide override capability to change the order of precedence of the processing steps to handle unusual travel demands or local travel.
- Provide for determining whether the traveler is a holder of a government-issued charge card or is eligible for a card based on frequency of travel.
- Allow for processing unlimited open-travel authorizations, limited open-travel authorizations, and trip-by-trip authorizations.
- Provide for coding and processing structures that will link all phases of travel together.
- Provide for verification that authorization exists and that the travel ceilings have not been exceeded.
- Record detailed itinerary information.
- Calculate authorized per diem and meals and incidental expenses (M&IE) based on the itinerary and actual travel performed.
- Provide for the electronic routing, including categories of travel that will have special routing considerations, of travel authorizations to approving and reviewing officials.
- Provide the ability to cite multiple funding sources for each trip planned and authorized.
- Provide the capability to process travel orders with split fiscal year funding and with multiple funding and object classification codes.
- Provide for identifying valid travelers and to have available certain key information about the traveler to be used in the travel system processing steps.

Functional Description

- Maintain adequate separation of duties.
- Allow correction, amendment, and cancellation of the travel order with appropriate controls and reports to the traveler, approving official, and accounting office.
- Provide at initial entry for retention of the traveler's personal information (e.g., staff ID, SSN, payment address, permanent duty station, organization, position title, office phone, etc.) for subsequent travel actions.
- Provide for recording travel authorizations for official travel which is performed at no expense to the government, administrative control and fund control purposes, and the establishment of the rights and entitlements of the traveler.

Travel Advances

The travel advance function must provide for entry, processing, approval, and the payment and liquidation of government funds used to defray travel expenses of employees or non-employees. This function should provide for the tracking, aging, and control of advances. The function must:

- Provide the capability to set, change, and apply established limits on travel advances, in whatever mode selected for payment.
- Provide for use of Automated Teller Machines (ATM) for advances and to account for handling charges based on travel regulations or other criteria established by an agency.
- Provide for aging outstanding travel advances based on the end of trip date and generate follow-up letters and memoranda to the travelers and administrative staff concerning delinquent advances effecting payroll offsets or other means of collection.
- Provide properly authorized and approved travel advance transactions for direct deposit or to the cashiering function (cash, travelers checks, third party drafts, etc.), if applicable. Also provide the capability to reflect cash disbursements from the cashier against the appropriate authorizing and payment documents to preclude duplicate payments and update the travel advances aging and collection process.
- Interface with the agency's accounts receivable system and the Standard General Ledger to establish a receivable for overdue travel

Functional Description

advances and ensure that these are collected through normal agency collection procedures.

- Provide for limiting the allowed advance based upon transportation method (Government Transportation Request—GTR vs. non-GTR), subsistence rates (single trip vs. long-term vs. special rate for this trip), miscellaneous expenses, and possession of or eligibility for a charge card. Advances issued to holders of or those eligible for contractor-issued charge cards are to be held to a minimum and only approved when circumstances warrant.

Travel Voucher

Once a travel assignment has been completed, the government traveler will file a travel voucher for reimbursement for travel expenses. All claims must be in accordance with travel policies. The system should provide for input by both travelers and support clerical staff at central and remote locations. The system should provide for automated point-of-entry input and be easy to use with adequate direction and prompts to lead the user through the program and collect the necessary information to prepare the voucher.

Information reflected on the travel authorization and advance should be transferred to the travel voucher preparation. The user would input information regarding actual times, lodging costs and other actual travel expenses (parking fees, local transportation, etc.). This function must:

- Provide messages to the user regarding required receipts, surrendering unused tickets, refund, certificates, etc., supporting documentation requirements and justifications.
- Process partial claims against a travel order to expedite liquidation of an outstanding advance.
- Capture of information on entry dates for tracking management report requirements.
- Allow entering subsistence rates, mileage allowance, etc., when not available from the tables resident in the travel system.
- Provide the capability to draw upon the information provided by the traveler; the system should format and prepare the voucher/claim as required. The system should include a database of per diem, mileage allowances, standard mileage (distances), etc., that will provide data to the authorization and voucher preparation processes. The system should calculate authorized amounts based on itinerary and other related information.
- Provide the capability to calculate entitlements after entry of required information. It should make required reductions or adjustments in

Functional Description

allowances against standard parameters. Override capability will be required to handle special travel that falls outside the standard parameters of the system.

- Provide for certification statements and other standard clauses required on the vouchers. They should be made part of the system and either automatically entered on the voucher or be available for selection by the operator.
- Provide the capability to cite multiple funding sources.
- Provide information to the user on required receipts and documentation based on standard parameters. The system should provide for partial vouchering and for amended vouchers and shall have the capability to update related systems/modules.
- Provide to the traveler the capability to create and modify travel vouchers before final approval. The voucher then would be electronically transferred and queued to the approval official. The approving official would either deny and remand it to the traveler or approve it through electronic signature and forward it for audit and certification for payment.
- Provide for a tracking system that will allow travelers, payment offices, etc., to determine the status of any voucher/claim.
- Provide for the generation of notices to the traveler when information has not been submitted timely; follow up on these notices.
- Provide interfaces with the accounts receivable module when salary offsets or other management reports shall be generated to support fiscal period cut-offs or on demand for interim periods. Access to claims shall be controlled as determined by each agency.
- Provide the capability to allow a requesting office to generate a request for approval and transmit it through appropriate agency channels to the approving official for review and action. The routing and approval levels may be different and defined by each agency. Once the approvals are obtained, the system will include the approvals on the travel voucher.
- Allow special routing and approval levels for certain classes of travel, e.g., international travel or travel external to the agency.
- Provide for matching of travel vouchers with the travel authorizations and/or centrally issued passenger tickets and provide for audit of the claim in accordance with Federal Travel Regulations for

Functional Description

relocations of civil service employees and the temporary duty travel of all government travelers (domestic and international), the Joint Federal Travel Regulations (JFTR) for the travel of all military members, and the Foreign Service Travel Regulations for relocations or special allowance travel of foreign service employees.

- Integrate the issuance and control of the travel advances with the travel voucher payment process to ensure that the advance is liquidated or collected prior to the issuance of a payment to the traveler unless the traveler has been authorized a "retained" travel advance.
- Provide for a mechanism that is flexible in defining sampling criteria such as dollar amount, travel type, etc., to randomly select sample voucher packages (approved voucher and receipts) for submission to the finance or other designated office for voucher examination and receipt verification.
- Track and report travel obligation and liquidation information based on OMB-defined travel purposes.

Local Travel

The travel system should provide the capability for users to produce a local travel voucher by entering selected data into the system to obligate and pay local travel. In addition to travel expenses incurred while on official business within the employee's designated post of duty, the local travel voucher is also used to reimburse employees who have expended funds in the transaction of official business while in non-travel status at or near the designated post of duty (official duty station). The system must:

- Produce the local travel voucher and prepare additional copies as needed.
- Allow the authorizing official to sign or indicate that the travel for reimbursable claim is authorized.
- Provide for funds certification.
- Provide the capability for the system to derive or allow the user to assign the appropriate accounting classification data to update the accounting system.
- Recording the obligations and disbursements for registration fees for attendance at non-government sponsored meetings (where no travel expenses other than transportation are involved).

Functional Description

- Automatically create a transaction code to record the obligation and payment into the system along with other appropriate accounting information. The system must provide an avenue for recording the type of disbursement and record the appropriate schedule number in the system and update the subsidiary ledgers and the standard general ledger.

Sponsored Travel

The travel system must track the approval process for the acceptance of payment in-cash or in-kind acceptance of services from non-federal sources to defray in whole or in part the travel or related expenses of civilian employees.

The system must:

- Enter the approval, or disapproval, by a designated individual of the approval office and be able to accommodate an approving official at an off-site location.
- Assure that sponsored travel be administratively approved prior to final approval of the travel order (with exception of an override ability to approve sponsored travel after the fact if necessary). Upon approval of the sponsored travel request, the travel management system should prompt the traveler through the system or generate a report to advise the traveler (or the travel office) to enter the travel order in the system.
- Provide notification to the accounting office of required information to establish accounts receivable for deposits/collections.
- Provide the capability to indicate the amounts and entitlements to be paid by the government and those to be paid by the sponsoring organization. For example, if the government authorizes payment of the traveler's meals and incidental expenses and the sponsoring organization is paying for the hotel and airfare (services in-kind), then this must be clearly shown on the travel order. Estimated amounts should be shown where actual amounts are unknown. Traveler's entitlements are limited to those authorized under federal regulations even with regard to sponsored travel.
- Provide the capability in the accounting system to record from the voucher the certified amounts of cash to be deposited to the appropriation or the income to the employee in the form of services in-kind.

Functional Description

- Provide the capability to generate the appropriate obligation records to reflect the cost of the trip to be funded by the government and transactions to record the receipt of income from non-federal sources. (This could be linked with an Accounts Receivable System.)
- Provide reports to the accounting office to indicate the outstanding vouchers where certifications by the traveler have not yet been submitted for sponsored travel.

Interface Requirements

The travel system must provide travel activity transactions to the core financial system by:

- Generating obligation records, including deobligations (cancellations) and adjustments (amendments).
- Updating funds control.
- Updating the standard general ledger.
- Generating disbursement actions by check, EFT, etc., with corresponding accounting transactions. To the extent possible and consistent with current GAO, GSA, and Treasury requirements, the system should provide for electronic transfer of funds.
- Recording travel advance issuance and liquidation actions against corresponding obligation and expenditure records.

The system should provide an interface with the accounts payable function to provide automated scheduling of travel and transportation voucher payments and provide a medium to facilitate the payment of travel vouchers with the cashier function.

The system also should provide for recording sufficient airline ticket information that is essential to the airline ticket payment process so that the accounting office may review the information, verify the amount cited on the airline bill, and determine if a refund is due or reconcile other ticketing differences so that correct payment is made.

Functional Description

Reports

The travel system should provide the capability to generate the required standard reports for control purposes. It should provide for the generation of prospective and retrospective managerial reports to be utilized for budgeting purposes, trip planning, and travel management, as well as provide reports for accounting and payment history purposes, adapted to meet agency needs. This function must:

- Maintain data activity that would include all the information entered by the traveler, the current date, and status of all the travel documents.
- Provide for the retrieval of balances and costs by traveler name and SSN including data elements for non-Federal travelers, funds source(s), organization, project, purpose of travel, travel dates, etc.
- Provide, based on the estimated dates of return, for follow-ups on travel advances with balances outstanding, generating letters and memoranda delinquent notices to the travelers, effecting payroll offsets, accomplishing other collection, or reporting appropriate amounts as earned income.
- Maintain all data elements required to perform on-line queries and to generate standard and ad hoc reports.
- Provide an outstanding travel voucher report.
- Provide for automatic aging of travel advances and regular reporting on the status of the advances.
- Provide a total travel and cost comparison by destination report.
- Generate a letter of notice to travelers with outstanding travel advances who have not submitted a voucher within a given time period.
- Generate a letter to the traveler explaining which claimed expenses were disallowed on the voucher and why.
- Provide travel data to GSA for oversight.

Functional Description

Withholding Tax Allowance (WTA) and Relocation Income Tax (RIT) Allowance

- Provide for the system to maintain a record of all relocation expenses (those taxable and nontaxable), regardless of what system paid the expenses, and send a record of the expenses to the payroll system to be included in the employee's Form W-2, Wage and Tax Statement, or provided as a separate W-2 for relocation expenses, as appropriate.
- Provide the capability of processing more than one RIT, if reimbursement is received in more than 1 calendar year. The traveler must submit additional data to indicate earnings, filing status, and tax rates in order for the computation for the RIT to be made.
- Provide for withholding federal tax on the original voucher when submitted.
- Provide on-line and hard-copy information to the traveler. Warning messages or guidelines should include at least some identification as to where the traveler should go for additional information. If another level for fund certification or approval is required, or if receipts or additional documents are required for certain activities, the system should provide such a message when the order is prepared. In addition, when the voucher segment of the system is activated, the requirement should appear again so that all necessary documentation is available for voucher audit.

System Administration

The system administration provides centralized control and administration of the travel system. Some of the functions that would be assumed by the systems administration would be:

- Table maintenance:
 - Trip purpose
 - Operational expense
 - Locality/M&IE allowances
 - Locality/lodging rate (per diem)
 - Travelers/Diners Club Card
 - ATM access

Functional Description

- Air costs/destination
- Rental car rate/type
- POV mileage rate/mileage
- Users/purpose:
 - Traveler Accountant Technician
 - Cashier, etc.
- Approving Officials:
 - Organization/Funding
 - Delegated Authority
- Financial systems interface:
 - Accounting (obligations, expenditures, adjustments and disbursements)
 - Budget (travel plans, budget)
 - Files received from other systems
- User administration:
 - System acceptance of new users (organization profiles, approving officials)
 - Update, delete capability
- Maintenance of the rules incorporated in the travel system
- General system information, announcements
- Electronic signature.

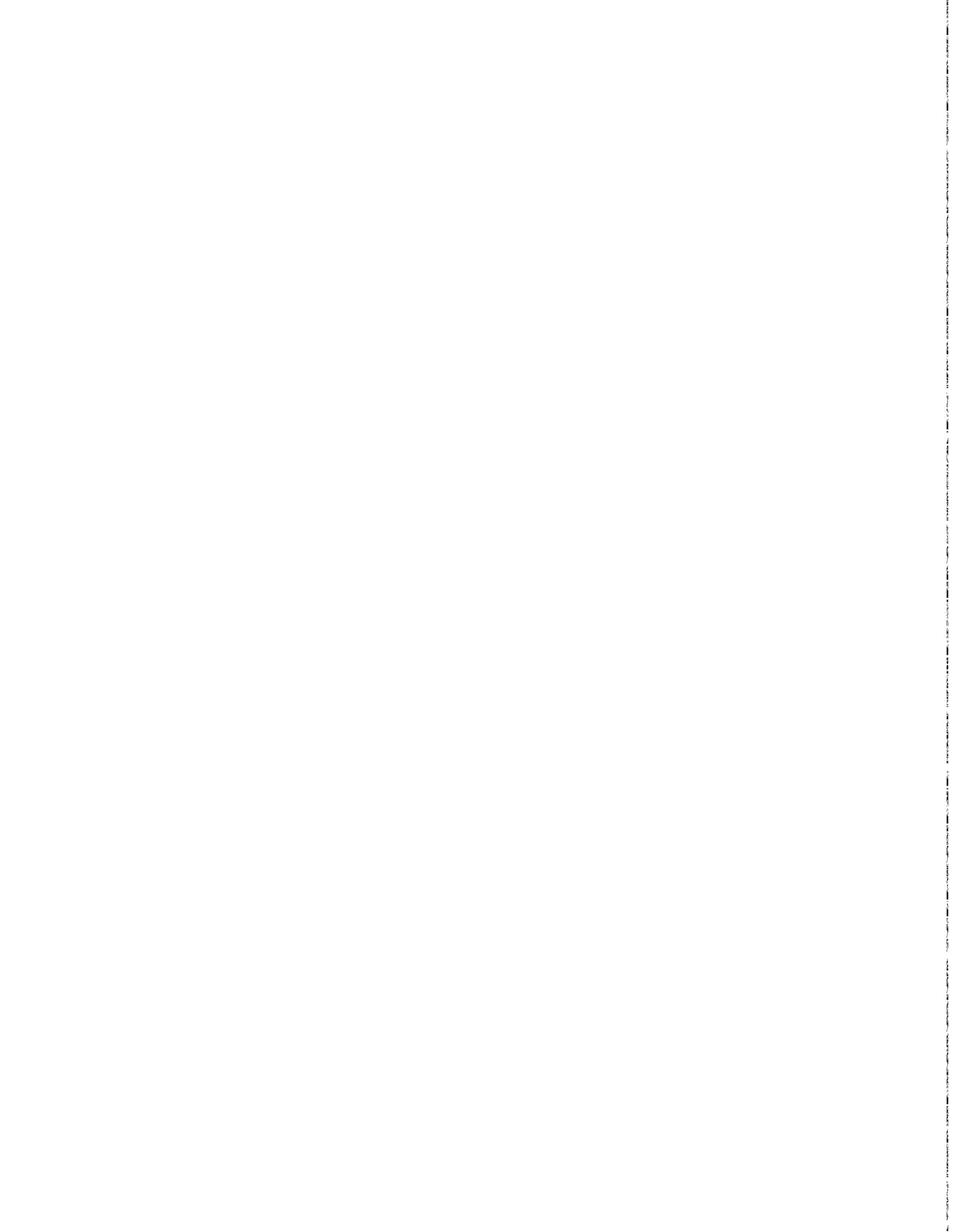
Functional Description

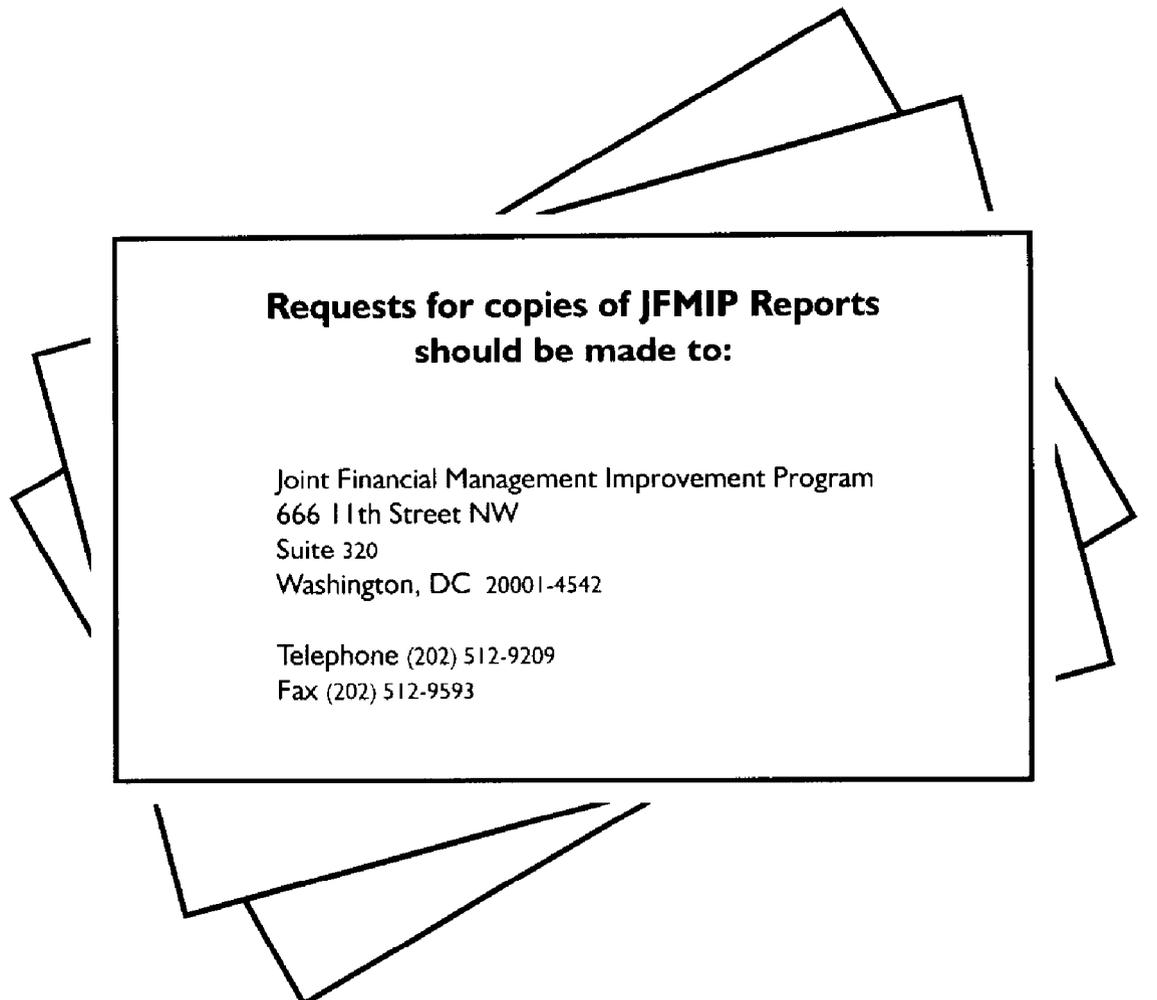
Records Retention

All records created within the Federal government may be destroyed only with the approval of the National Archives and Records Administration (NARA), per 36 CFR 1228. Basic travel records are currently authorized for disposal by General Records Schedule 9, Travel and Transportation Records (copies may be obtained from your agency's records officer or from NARA). For travel and transportation records not covered by this authority, or for any questions regarding the disposition of Federal records, please contact:

Office of Records Administration (NI)
National Archives and Records Administration
Washington, D.C. 20408

The telephone number is (202) 501-6000.





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