



Federal
Financial
Management
System
Requirements

Human Resources & Payroll Systems Requirements

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What is JFMIP?

The Joint Financial Management Improvement Program (JFMIP) is a joint and cooperative undertaking of the U.S. Department of the Treasury, the General Accounting Office, the Office of Management and Budget, and the Office of Personnel Management, working in cooperation with each other and other agencies to improve financial management practices in government. The Program was given statutory authorization in the Budget and Accounting Procedures Act of 1950 (31 USC 65). Leadership and program guidance are provided by the four Principals of the JFMIP-- Comptroller General of the United States, Secretary of the Treasury, and the Directors of the Office of Management and Budget, and the Office of Personnel Management. Each Principal designates a representative to serve on the JFMIP Steering Committee, which is responsible for the general direction of the Program. The JFMIP Executive Director, and a program agency representative (who serves for 2 years) are also on the Steering Committee.

The Program promotes strategies and guides financial management improvement across government; reviews and coordinates central agencies' activities and policy promulgations; and acts as catalyst and clearinghouse for sharing and disseminating information about good financial management practices. This information sharing is done through conferences and other educational events, newsletters, meetings with interagency groups and agency personnel, and through FinanceNet, an electronic clearinghouse on the Internet.

The JFMIP has worked on interagency projects that developed a financial systems framework and financial systems requirements. For the future JFMIP plans to assist Federal agencies in improving their financial systems through its Program Management Office. The Office will work on revising the Federal government's requirements definition, testing and acquisition processes, the first target of opportunity is core financial systems. The objectives of the Office are to develop systems requirements, communicate and explain Federal and agency needs, provide agencies and vendors information to improve financial systems, ensure that products meet relevant system requirements, and simplify the procurement process.

Information on JFMIP can be found at its website at www.financenet.gov/financenet/fed/jfmip/jfmip.htm or call (202) 512-9201.

Foreword

This is a functional requirements document for human resources and payroll systems for U.S. civilian personnel. Functional requirements for non-civilian personnel, such as military personnel and foreign nationals, are agency specific and therefore will be developed by agencies having such personnel. It is one of a series of functional systems requirements documents published by the Joint Financial Management Improvement Program (JFMIP) on Federal financial management systems requirements.

The Human Resources Technology Council (HRTC), addressing a long-standing requirement to define core functionalities of a Federal human resources system, prepared a report to the President's Management Council (PMC) in November 1997. That authoritative document provides guidance and direction to the human resources community for the development, maintenance, and enhancement of such systems. The study can be found on the Office of Personnel Management's (OPM) world wide web site at www.opm.gov/hrtc.

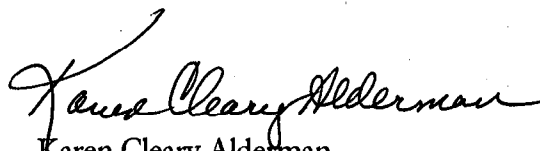
This JFMIP document reflects financial systems requirements associated with human resources and payroll systems. In order to establish a comprehensive understanding of the full range of Federal human resources and payroll systems requirements, this JFMIP functional requirements document must be read in conjunction with the HRTC's Governmentwide Human Resources Information Systems Study. The HRTC Study will be updated periodically and shared with the JFMIP so that applicable modifications can be made to this functional requirements document.

All of the JFMIP Federal Financial Management System Requirements (FFMSR) series of documents should be considered together when determining how best to use information and supporting services to meet the financial management needs of a Federal agency.

The FFMSR series addresses the goals of the U. S. Government Chief Financial Officers' (CFO) Council, the JFMIP, the HRTC, and others, to promote the efficient management of assets, and to improve financial management systems governmentwide to provide useful financial information on Federal government operations.

Agencies may develop additional technical and functional system requirements as necessary to support unique mission responsibilities. Agencies must also develop strategies for interfacing or integrating human resources and payroll systems with the agency's core financial system.

We want to take this opportunity to thank agency officials and others in the financial, human resources, and payroll management communities who contributed to this document. We value their assistance and support. With continuing support such as theirs, we can confidently face the financial management challenges in the next century.



Karen Cleary Alderman
Executive Director
April 1999

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Acronyms

| | |
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| <i>CFO</i> | Chief Financial Officer |
| <i>COTS</i> | Commercial Off-the-Shelf |
| <i>FASAB</i> | Federal Accounting Standards Advisory Board |
| <i>FFMIA</i> | Federal Financial Management Improvement Act |
| <i>FFMSR</i> | Federal Financial Management System Requirements |
| <i>FLSA</i> | Fair Labor Standards Act |
| <i>GAO</i> | General Accounting Office |
| <i>GMRA</i> | Government Management Reform Act |
| <i>GPRA</i> | Government Performance and Results Act |
| <i>HRTC</i> | Human Resources Technology Council |
| <i>ITMRA</i> | Information Technology Management Reform Act |
| <i>JFMIP</i> | Joint Financial Management Improvement Program |
| <i>NPR</i> | National Performance Review |
| <i>OMB</i> | Office of Management and Budget |
| <i>OPM</i> | Office of Personnel Management |
| <i>PMC</i> | President's Management Council |
| <i>SGL</i> | Standard General Ledger |

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Introduction

As the world's largest and most complex enterprise, the U. S. Federal government faces tremendous challenges in the employment and payment of a large civilian workforce including hundreds of thousands of people worldwide. These enormous responsibilities involve the management of billions of dollars of resources, and pose tremendous challenges as we rapidly approach the twenty-first century.

The Federal government has consistently recognized the importance of having high quality financial management systems to support improvement of government operations and provide financial and related information to program and financial managers. In response, the JFMIP began the process of defining financial management system requirements by publishing the FFMSR series of requirements documents, beginning with the *Core Financial System Requirements* document in January 1988. Since then JFMIP has issued several other publications in the FFMSR series.

In addition to the basic JFMIP systems requirements documents, several Federal organizations and agencies recognized the need for a comprehensive document describing a variety of general systems requirements, e.g., system integration, data stewardship, and internal controls. As a result, JFMIP published the *Framework for Federal Financial Management Systems* document in January 1995.

The Federal Financial Management Improvement Act (FFMIA) of 1996 mandated that agencies implement and maintain systems that comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the U.S. Government Standard General Ledger (SGL) at the transaction level. The FFMIA statute codified the JFMIP financial systems requirements documents as a key benchmark that agency systems must meet, in order to be substantially in compliance with systems requirements provisions under FFMIA. To support the requirements outlined in the FFMIA, JFMIP is updating publications which are obsolete and is publishing additional requirements documents. This is an update of the May 1990 JFMIP *Personnel-Payroll System Requirements* document, which is being renamed as *Human Resources & Payroll Systems Requirements* document.

This *Human Resources & Payroll Systems Requirements* document is intended for human resources and payroll financial systems analysts; system accountants; and others who design, develop, implement, operate, and maintain financial management systems. This includes buying or building systems. The primary purposes for this update are to reflect:

1. changes in statutes, regulations, and technology that have occurred since the document was originally published in May 1990, e.g., passage of the Chief Financial Officers (CFO) Act of 1990; FFMIA of 1996; and Information Technology Management Reform Act (ITMRA) of 1996;
2. changes in personnel practices brought about by the National Performance Review (NPR); and
3. increased availability of commercial off-the-shelf (COTS) software packages.

The CFO Act strengthened the government's efforts to improve financial management by:

1. assigning clearer financial management responsibilities to senior officials;
2. establishing new financial organizations; and
3. requiring enhanced financial systems, audited financial statements, and improved planning. The Government Performance and Results Act (GPRA); Government Management Reform Act (GMRA); FFMIA; ITMRA; and others further enhanced these responsibilities and requirements.

The Secretary of the Treasury; Director of OMB; and Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB) in October 1990, to recommend Federal accounting principles and standards. After the FASAB sponsors decide to adopt recommendations, standards are published by

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OMB and GAO, at which time the standards become effective. The Statements of Federal Financial Accounting Standards (SFFAS) are published by OMB as the official standards for the Executive Branch of the Federal government. However, agencies may engage in transactions that are not addressed by these standards. In that event, the Board has agreed to, and the Office of Management and Budget has published in its *Form and Content of Agency Financial Statements* (OMB 97-01), a hierarchy that will be viewed as providing sources of generally accepted accounting principles for the Federal government.

Increasingly, integrated financial management systems are necessary to support program managers, financial managers, budget officials, and others simultaneously. Data and information supplied by systems to these individuals are expected to be accurate, timely, and consistent across organizations, agencies, and the Federal government. Systems and data are shared more and more by multiple organizations, agencies, etc., with common needs.

Federal Financial Management Framework

This document provides high level functional requirements for human resources and payroll systems that will provide the capability for financial managers and others to control and account for human resources and payroll salaries and expenses as defined in governmentwide and agency specific statutes, regulations, and guidelines. This document is one component of a broad program to improve Federal financial management which involves the establishment of uniform requirements for financial information, financial systems, reporting, and financial organizations. Appendix A contains a listing of relevant statutory and regulatory references.

As shown in Illustration 1, standards and systems requirements assist agencies in developing effective and efficient systems and provide a common framework so that in-house programmers or outside vendors can provide software more economically. Each agency should integrate its unique requirements with these governmentwide standard requirements to provide a uniform basis for the standardization of financial management systems as required by the CFO Act of 1990, FFMIA of 1996, ITMRA of 1996, and others.

Financial management systems in the Federal government must be designed to support the vision articulated by the government's financial management community. This vision requires financial management systems to support the partnership between program and financial managers and to assure the integrity of information for decision-making and measuring performance. This includes the ability to:

- collect accurate, timely, complete, reliable, and consistent information;
- provide for adequate agency management reporting;
- support governmentwide and agency-wide policy decision-making;
- support the preparation and execution of agency budgets;
- facilitate the preparation of financial statements and other financial reports in accordance with Federal accounting and reporting standards;
- provide information to central agencies for budgeting, analysis, and governmentwide reporting, including consolidated financial statements; and
- provide a complete audit trail to facilitate audits.

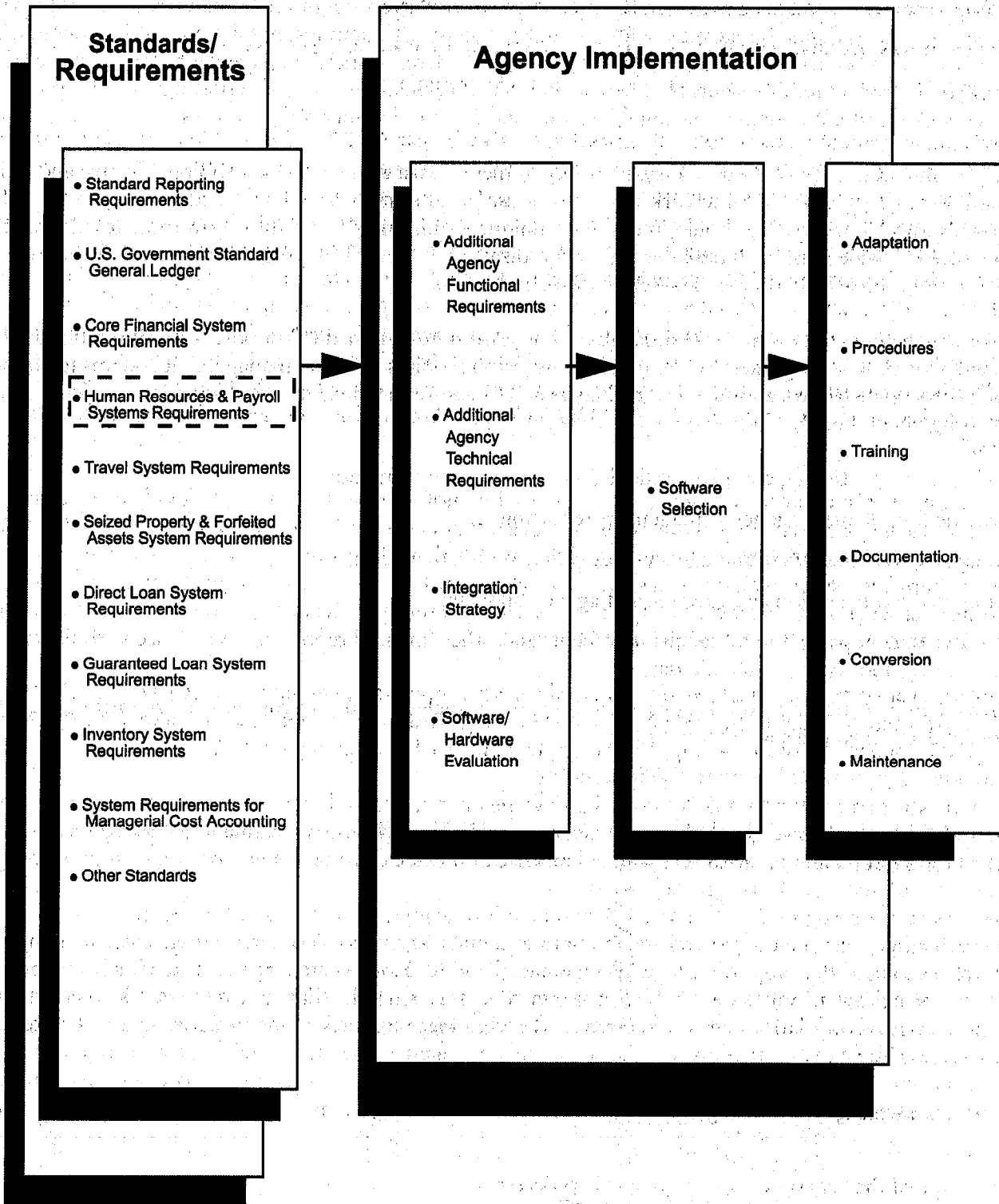
In support of this vision, the Federal government must establish governmentwide financial management systems and compatible agency systems, with standardized information and electronic data exchange, to support program delivery, safeguard assets, and manage taxpayer dollars.

It is critical that financial management systems plans support the agency's mission and programs, including planned changes to them, and that financial management systems plans are incorporated into the agency's plans for information technology infrastructure and information systems as a whole. Further, systems design efforts should include an analysis of how systems improvements, new technology supporting financial management systems, and modifications to existing work processes can together enhance agency operations and improve program and financial management. Reassessing information and processing needs and redesigning processes, procedures, and policies are essential steps to meeting user needs.

Integrated Financial Management Systems

Financial management systems must be designed with effective and efficient interrelationships between software, hardware, personnel, procedures, controls, and data contained within the systems. To be integrated, financial management systems must have, as a minimum, the following four characteristics:

Financial System Improvement Projects



--- Subject of this report

Illustration 1

1. standard data classifications (definitions and formats) established and used for recording financial events;
2. common processes used for processing similar kinds of transactions;
3. internal controls over data entry, transaction processing, and reporting applied consistently; and
4. a design that eliminates unnecessary duplication of transaction entry.

The financial management systems policy described in OMB Circular A-127, "Financial Management Systems," requires that each agency establish and maintain a single integrated financial management system. Without a single, integrated financial management system to ensure timely and accurate financial data, poor policy decisions are more likely to occur, due to inaccurate or untimely information; managers are less likely to be able to report accurately to the President, the Congress, and the public on government operations in a timely manner; scarce resources are more likely to be directed toward the collection of information rather than to delivery of the intended programs; and modifications to financial management systems necessary to keep pace with rapidly changing legislation, regulations, and user requirements cannot be coordinated and managed properly. The basic requirements for a single, integrated financial management system are outlined in OMB Circular A-127, "Financial Management Systems." Other financial and information systems requirements are included in OMB Circular A-123, "Management Accountability and Control," and OMB Circular A-130, "Management of Federal Information Resources."

Having a single, integrated financial management system does not necessarily mean having only one software application for each agency covering all financial management systems needs. Rather, a single, integrated financial management system is a unified set of financial systems and the financial portions of mixed systems encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls, and data necessary to carry out financial management functions, manage financial operations of the agency, and report on the agency's financial status to central agencies, Congress, and the public.

Unified means that systems are planned and managed together, operated in an integrated fashion, and linked together electronically in an efficient and effective manner to provide agencywide financial system support necessary to carry out the agency's mission and support the agency's financial management needs.

Integration means that the user is able to have one view into systems such that, at whatever level the individual is using the system, he or she can get to the information needed efficiently and effectively through electronic means. However, it does not mean that all information is physically located in the same database.

Interfaces, where one system feeds data to another system following normal business/transaction cycles such as salary payroll charges recorded in general ledger control accounts at the time the payroll payments are made, may be acceptable as long as the supporting detail is maintained and accessible to managers. In such cases, interface linkages must be electronic unless the number of transactions is so small that it is not cost-beneficial to automate the interface. Easy reconciliations between systems, where interface linkages are appropriate, must be maintained to ensure accuracy of the data.

To develop any integrated information system, it is critical that senior systems analysts and systems accountants identify:

- the scope of the functions to be supported (processes),
- how data quality will be assured (data stewardship),
- the information to be processed (management information),
- how systems fit together to support the functions (systems architecture), and
- safeguards needed to ensure the integrity of operations and data (internal control).

All of these pieces must be brought together in a model such as the one shown in Illustration 2. These pieces must work together to form an efficient integrated information system. A change to any part of the model will require determination of the implications on other parts of the model. For example, a new reporting requirement may require changes throughout the entire model.

Agency Financial Management Systems Architecture

Agency financial management systems are information systems that track financial events and summarize information to support the mission of an agency, provide for adequate management reporting, support agency level policy decisions necessary to carry out fiduciary responsibilities, and support the preparation of auditable financial statements.

Agency financial management systems fall into four categories:

1. core financial systems;
2. other financial and mixed systems, including human resources and payroll systems,
3. shared systems, and
4. departmental executive information systems (systems to provide management information to all levels of management).

These systems must be linked together electronically to be effective and efficient. Summary data transfers must be provided from agency systems to central systems to permit summaries of management information and agency financial performance information on a governmentwide basis.

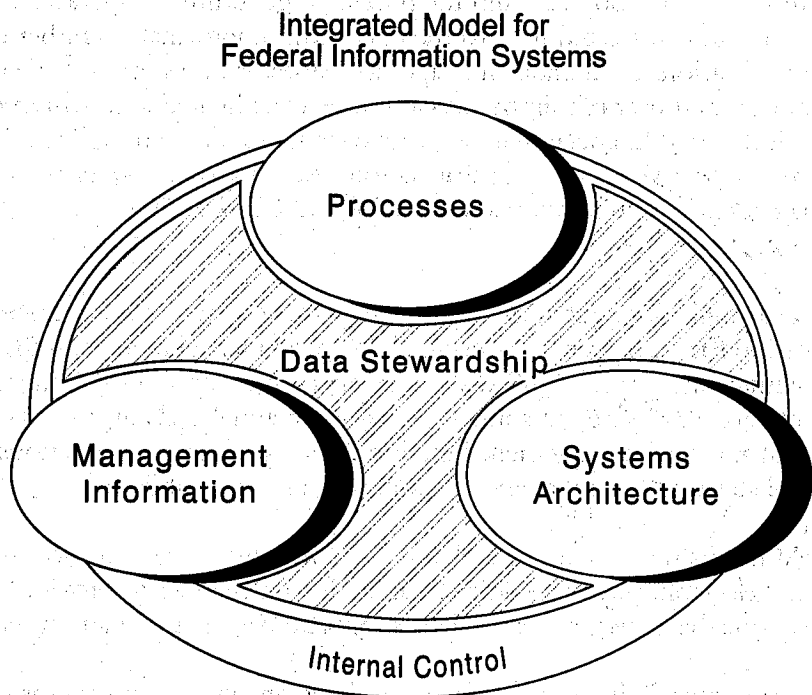


Illustration 2

Subject to governmentwide policies, the physical configuration of financial management systems, including issues of centralized or decentralized activities, processing routines, data, and organizations, is best left to the determination of the agency, which can determine the optimal manner in which to support the agency mission. The physical design of the system, however, should consider the agency's organizational philosophy, the technical capabilities available, and the most appropriate manner to achieve the necessary single, integrated financial management system for the agency.

The agency systems architecture shown in Illustration 3 provides a logical perspective identifying the relationships of various agency systems types. Although this does not necessarily represent the physical design of the system, it does identify the systems types needed to support program delivery/financing and financial event processing for effective and efficient program execution.

Human Resources and Payroll Systems

As shown in Illustration 3, human resources and payroll systems are an integral part of the total financial management system for virtually all Federal agencies. Human resources and payroll systems support programmatic objectives and interact with core financial systems to validate funds availability; update budget execution data; record human resources and payroll salaries and expenses; and record other personnel and payroll related transactions.

Agency Systems Architecture

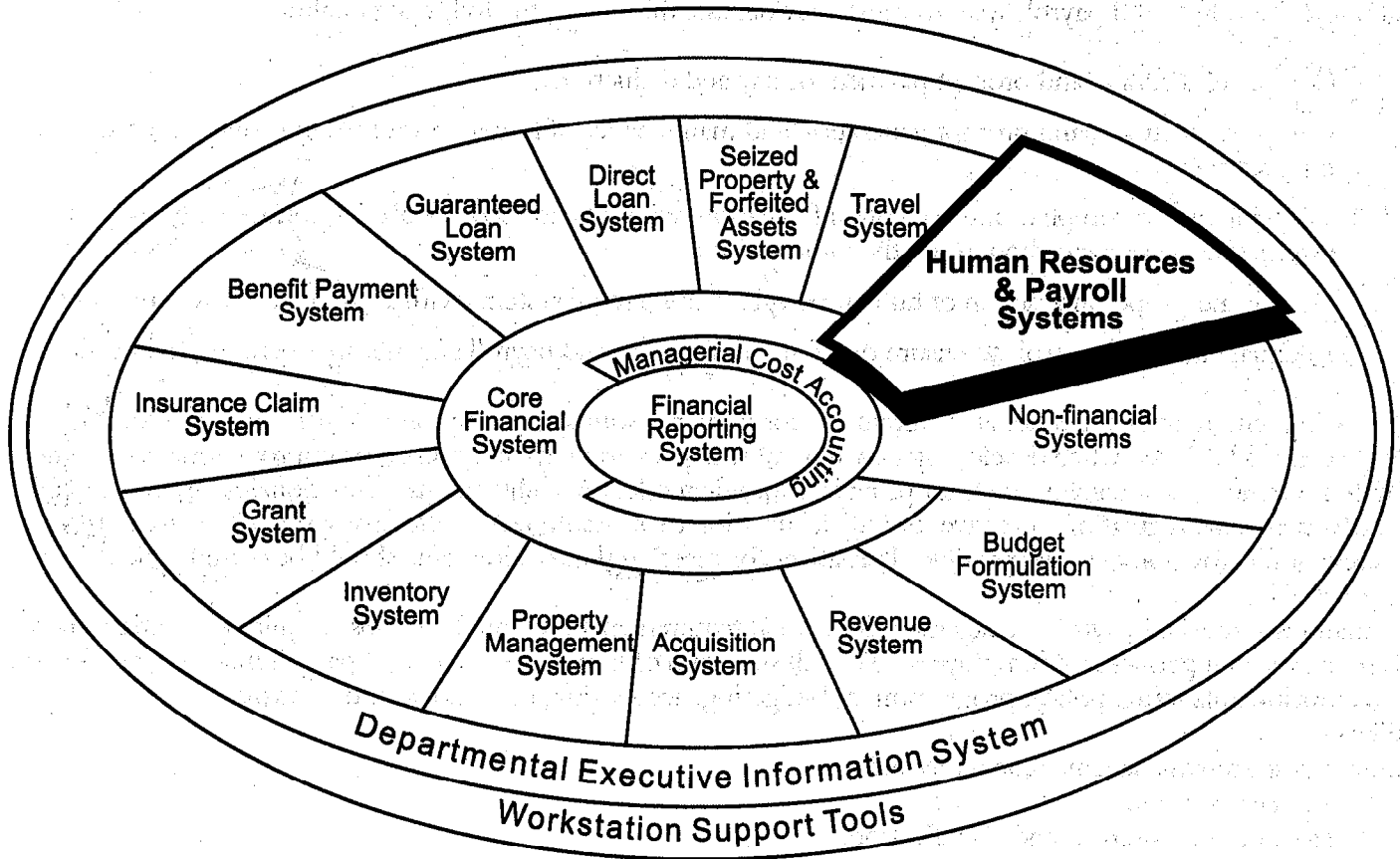


Illustration 3

System Overview

The complexity, diversity, and size of the employee population in Federal government agencies place unique demands on managers of human resources and payroll operations. The constantly changing requirements of human resource management has led management to look not only at the functional capabilities of human resources and payroll systems, but also the managerial environments in which these systems are supported and/or operated.

All human resources and payroll systems that are being designed and implemented, or are in use, must operate in accordance with laws, regulations, and judicial decisions. It is the responsibility of each agency to be knowledgeable of the legal requirements governing its human resources and payroll operations.

All human resources and payroll systems must provide, as a minimum, the following qualities:

- Complete, accurate, and prompt payment of pay and deductions;
- Complete, accurate, and prompt generation and maintenance of human resources and payroll records and transactions;
- Timely access to complete and accurate information, without extraneous material, to those internal and external to the agency who require the information;
- Timely and proper interaction of human resources and payroll systems with Core financial systems; and
- Adequate internal controls to ensure that human resources and payroll systems are operating as intended.

This document identifies functional requirements for human resources and payroll systems. Although the document may be used when developing new human resources and payroll systems, or improving or evaluating current systems, the document does not provide a specific model for such systems. Functional requirements not mandated by law, regulation, directive, or judicial decision must result in cost-effective systems that are in the interest of the government. All possible alternatives for meeting the requirements should be considered.

Human resources and payroll management functional requirements presented are those required to initiate and maintain the compensation of employees. The full spectrum of human resources and payroll management functions would include planning, policy, programming, budgeting, accounting, operations, and controls.

Human resources management activities include:

- position management and classification;
- recruitment and staffing;
- personnel action administration;
- benefits administration;
- labor, management and employee relations; and
- work force development.

Payroll management activities include:

- time and attendance processing;
- leave processing; and
- pay processing.

Other management activities include:

- labor cost distribution;
- reporting, reconciliation, and records retention; and
- general systems requirements.

The following discussion illustrates the relationship between human resources and payroll activities. When an individual is hired, human resources establishes salary, grade, entitlements, etc. This information is then passed to payroll to affect leave and pay processing. Any changes to the basic authorizations and entitlements must be made by the human resources activity before being reflected in the payroll system.

Functional requirements of the Federal government's human resources and payroll systems can be segregated into two general categories, mandatory and value added. Following are definitions for these two categories of requirements:

Mandatory - Mandatory requirements describe what the system must do and consists of the minimum acceptable functionality, necessary to establish a system, or are based on Federal laws and regulations. Mandatory requirements are those against which agency heads evaluate their systems to determine substantial compliance with systems requirements under the FFMIA. These requirements apply to existing systems in operation and new systems planned or under development.

Value-added - Value added requirements describe features or characteristics and may consist of any combination of the following: (1) using state of the art technology, (2) employing the preferred or best business practices, or (3) meeting the special management needs of an individual agency. Value-added, optional, and other similar terminology may be used to describe this category of requirements. Agencies should consider value added features when judging systems options. The need for these value-added features in agency systems is left to the discretion of each agency head.

Human resources requirements in this document are grouped by the functional areas commonly found as separate work units in human resources offices. These functional areas are further categorized under the headings: 1. **Primary Use or User** (Manager Self-Service, Personnel Action Processing, Personnel Action Tracking, Official Personnel Folder, Employee Self-Service, and Case Management and Administration); 2. **Regulatory Compliance and Administration**; and 3. **Functional Requirements**. Under the category **Primary Use or User**, the use of the word "must" denotes that item described is mandatory. Whereas, the word "should" indicates that the system would have increased "value added" functionality if these items were part of the system. Requirements that are found under **Regulatory Compliance and Administration** all include the direction of "must" and are therefore required in any information system. **Functional Requirements** outline the subparts of the functional area with a description of what that subpart entails. This description is given to further enhance the reader's understanding of the complexity of the system. These functional requirements must be present in human resources systems. However, the Federal statutory and regulatory environment governing the human resource system supports increasingly flexible and variable management practices under broad guidelines. This human resources requirements environment is more fully presented in the HRTC's Governmentwide Human Resources Information Systems Study that can be found on the OPM web page at: www.opm.gov/hrtc. Recognizing that there are many statutory and regulatory requirements in the Federal sector applicable to human resource systems and that the current statutory and regulatory environment permits a range of flexibility and experimentation, the Agencies, in consultation with OPM, are responsible for identifying and exercising exceptions to mandatory requirements. Value added requirements are identified by the use of "should."

Payroll requirements in this document are mandatory system requirements. They are identified with bold headings, **Functional Requirements** and **Regulatory Compliance and Administration**. While there are many potential value added features for Payroll systems, they are not presented in this document.

The burden of demonstrating that value added features are cost effective and clearly in the interest of the government rests with agency heads. Further, each agency must develop an efficient, effective, and economical strategy for interfacing or logically integrating its human resources and payroll systems (or subsystems) with each other and with other systems (or subsystems) that provide information to, or utilize information from, standard human resources and payroll systems..

Human resources and payroll activities can be further categorized based on types of activities. The remainder of this document provides functional requirements based on these categories as follows:

Position Management and Classification: Provides for position management and classification including the collection and editing of data.

Recruitment and Staffing: Provides for recruitment and staffing.

Personnel Action Administration: Provides for personnel action administration.

Benefits Administration: Provides for benefits administration.

Labor-Management and Employee Relations: Provides for labor management and employee relations matters.

Work Force Development: Provides for work force development.

Time and Attendance Processing: Collects time and attendance and labor distribution data to be used with entitlement data on a pay period basis, as required.

Leave Processing: Processes and controls leave advances, accruals, conversions, transfers, usages, and forfeitures for each employee.

Pay Processing: Calculates gross pay and allowances, deductions, employer contributions, and net pay for each employee.

Labor Cost and Distribution: Provides for the collection, maintenance, and management of labor costs based on classifications and coding structures specified by the agency, for the purpose of reporting data to other systems, e.g., cost accounting systems.

Reporting, Reconciliation, and Records Retention: Accesses, manipulates, and formats data as required to satisfy internal, external, and management requirements, e.g., payroll system data for comparison and reconciliation with disbursing and accounting systems to ensure accuracy and completeness. Maintains current and historical personnel; pay; leave; time and attendance; and retirement data for each employee. Supports both payroll-related data and human resources-related data in logically integrated databases and/or interfaced systems.

General Systems Requirements: Includes a variety of general data stewardship, interface requirements, and other hardware and software related requirements.

The following sections define uniform core functional requirements and creates a framework for designing effective and efficient human resources and payroll systems based on the foregoing categories of human resources and payroll activities.

The identified standard core requirements, when integrated with agency unique requirements, will move the Federal government towards a higher degree of uniformity in the design and capabilities of human resources and payroll systems while, at the same time, support the special information management needs of individual agencies.

Introduction to Functional Requirements

The following core functional requirements have been identified by key human resource and payroll functional areas and are expected to be integrated with agency unique requirements in a manner that best supports the agency's programs, operations, technical environment, and management philosophy. The requirements listed for each functional area are not intended to be exhaustive, but are aimed at providing a high-level description of the major information and processing capabilities needed to have modern human resources and payroll systems.

Position Management and Classification

Primary Use or User:

Manager Self-Service:

- The system should facilitate full manager empowerment of delegated position classification authority.
- The system should allow managers to structure organizations under their control and quickly develop classification documents through the use of standard position descriptions or generation of new classification determinations through the use of expert or decision support systems as appropriate to their requirement.
- The system must also provide the capability to produce pertinent information in response to classification appeals.
- An important aspect which the system should support is full identification of position requirements. For example, managers should be able to annotate a position's unique requirements such as mobilization responsibilities, drug testing requirements, position sensitivity, financial disclosure obligations, position-based skill and competency requirements, and a wide variety of other position-based requirements that emerge and change over time.
- The system should also automatically generate documents which facilitate related human resources management activities (e.g., recruitment, performance management, and training and development).
- A related functionality that must be provided is organizational decision support for managers that will simplify their organization and position design decisions (e.g., budget and Full Time Equivalent (FTE) management, activity based costing, work effort as related to performance measures and indicators).
- Further, the system should provide sufficient flexibility to enable management to account for total work force utilization that can encompass the efforts and associated costs of contractors, military members, and volunteers.

Regulatory Compliance and Administration: The system must be designed to comply with statutory and regulatory requirements when processing transactions and providing decision support capabilities for position management and classification activities. This includes documenting regulatory determinations that are derived from the position and applying appropriate classification standards. For example, Fair Labor Standards Act (FLSA), competitive level, bargaining unit status, and applicable classification determinations (title, series, and grade). Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Analyze Organization Structure. Provide the analysis, recommendations, and maintenance of position structures supporting an assigned task.

Evaluate Duties and Responsibilities. Describe the work of a position and apply standards, policies, and guidelines to determine the type and level of work, to include identification of knowledge, skills, abilities, and competencies.

Classify Positions. Classify positions according to OPM standards.

Process Associated Human Resources Data. Update position and manpower information in the appropriate personnel files and produce the necessary documentation.

Recruitment and Staffing

Primary Use or User:

Manager Self-Service:

- The system should enable managers to electronically initiate the full range of recruitment-based actions (e.g., internal and external recruitment actions, reassignment actions, details) and flow these actions to the appropriate individuals and offices for approvals and processing.
- Using position-based requirements, the system should provide expert or decision support capabilities to generate documentation needed to complete the recruitment process. This includes preparation of vacancy announcements which contain specific selection criteria (e.g., knowledges, skills and abilities (KSAs) and competencies, and conditions of employment).
- The system should also have the flexibility to allow managers to electronically receive and act upon referral lists, resumes that contain appropriate candidate qualification information, and fully take into account regulatory requirements.
- The system should also provide a means for applicants and employees to apply as either external or internal candidates for vacant positions.
- The system should also provide the capability to process reduction in force actions including the determination of retention rights, issuance of notices, and generation of required documentation.

Regulatory Compliance and Administration: The system must be designed to comply with statutory and regulatory requirements when processing transactions and providing decision support capabilities in accomplishing recruitment, staffing, and reduction in force activities. This includes, for example, priority placement entitlements, time-in-grade restrictions, and minimum qualification criteria for processing recruitment and staffing actions, veterans preference, type of appointment, length of service, and performance data for processing reduction in force actions. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Prepare Staffing Plans. In conjunction with managers, process historical information to identify both short and long term staffing needs.

Recruit Applicants. Includes all activities involved in acquiring applicants and recording them in an automated system. Major tasks include job analysis, soliciting applications, evaluating candidates, and notifying applicants of status.

Assign Employees. Includes those actions necessary to process requests by management or the employee that affect employees during Federal employment. This involves actions that promote, reassign, detail, and voluntarily separate employees.

Issue Referrals. This involves referring candidates to the selecting official, monitoring the status of the issued referrals, and documenting the entire process.

Apply Recommended Pay Scales. Determine and apply the appropriate pay scale for the employee.

Document Recruitment and Staffing Actions. Maintain historical files documenting the recruitment and staffing process, including delegated examining authority, in a manner that provides a complete audit trail of all actions. This is particularly important in responding to data calls associated with grievances, appeals, and equal employment opportunity complaints.

Personnel Action Administration

Primary Use or User:

Personnel Action Processing:

- The system must preclude duplicate data entry by automatically accessing position and employee information already residing within the system.
- The system must process (with both current and future effective dates) the full range of individual and mass personnel actions such as appointments, reinstatements, transfers, promotions, separations, retirements, terminations, furloughs, change to lower grades, reassignments, pay changes (including locality and national adjustments, allowances, differentials, premium pay, movement between pay plans or schedules, and pay and grade retention), and details.
- The system must fully document the associated personnel action with all regulatory required information such as legal authority and nature of action citations.
- Incumbent-related information such as date of hire, service computation date, retirement service date, severance pay date, Civil Service Retirement System, Federal Employees Retirement System, Federal Employees Group Life Insurance and Thrift Savings Plan eligibility dates, Federal Employee Health Benefits enrollment date, step increase and prior military service information must also be recorded. There is also a need for the capability to correct or cancel these actions, and provide the necessary audit trail.

Personnel Action Tracking:

- The system must enable managers and human resources staffs to track past, current, and pending personnel actions.
- It must also automatically generate personnel action reminders that will prompt management decisions on such actions as within-grade-increases, completion of probationary period and temporary appointments, and any similar time-sensitive actions.
- The system should enable on-line approval or disapproval of such recurring actions.

Official Personnel Folder:

- The system should support the conversion of the paper Official Personnel Folder (OPF) to an electronic medium.
- An electronic OPF system would help agencies reduce the significant operational burden of maintaining paper OPFs while affording human resources professionals, managers and employees easier access to historical employment information.

Regulatory Compliance and Administration: The system must ensure that statutory and regulatory authorities that authorize the processing of the action is correctly cited and documented. This includes, for example, entering the prescribed remarks, retained grade expiration date, career-conditional conversion date, probationary period expiration date, and leave accrual category. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Finalize Personnel Actions. This involves the consummation of management and employee requested personnel actions by either the generation of a paper SF-50 or the electronic storage of data associated with the SF-50. Also included in this process are those actions ancillary to employment, such as requesting security investigations,

arranging physical examinations and identifying drug testing requirements, requesting and providing SF-75 information, and the administration of the in-processing activities.

Records Upkeep. All activities associated with establishing, updating, purging, storing and disposing of a variety of human resources documents and records. This also includes miscellaneous record maintenance activities such as corrections, employee record validation, and record keeping personnel action processing. The requirements presently being developed in support of an electronic OPF by the interagency Digital OPF project must also be planned for and supported by agencies' information systems.

Benefits Administration

Primary Use or User:

Employee Self-Service:

- The system should have the capability to enable maximum employee access to self-service personal benefits information and automated transaction processing. The intent of this requirement is to allow employees to manage their own benefits, such as requesting information and initiating actions, with a minimum exchange of forms or other paper documents.
- The system coverage should, for example, include:
 - Federal Employees Health Benefits Life Event and Open Season Elections.
 - Thrift Savings Plan Life Event and Open Seasons Elections.
 - Federal Employees Group Life Insurance Life Event and Open Season Elections.
 - Retirement Calculations for all categories of employees under all applicable retirement programs to the agency.
 - Miscellaneous Changes (e.g., Address, name, emergency contact information).
 - Alternative data and processing entry points for individual with disabilities in compliance with the American Disability Act.

Regulatory Compliance and Administration: The system must ensure that employee initiated transactions are authorized by law or regulation, are accurately effected and documented, and are confirmed in a timely manner to the employee. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Provide Basic Information. Explain requirements, benefits, and procedures related to employee benefits.

Determine and Process Employee Entitlements. Determine employee eligibility for entitlements and process and document the action.

Flow of Information. Any new information system should have the capability to allow for the paper less flow of information directly from the system to benefit providers (i.e., health care and insurance providers).

Labor-Management and Employee Relations

Primary Use or User:

Manager Self-Service:

- The system must preclude duplicate data entry by electronically producing position-embedded performance criteria necessary to generate individual performance appraisal plans.
- The system should be sufficiently flexible to allow for multiple performance rating configurations and evaluation methods.
- The system should provide for electronic routing, completion, approval and recording of the performance plan and resulting rating from management to the human resources office.
- The system should also provide for support capabilities to electronically generate, approve and process the full range of monetary and honorary awards for employees, and be flexible enough to tailor to individual agency needs.
- The system should have the capability to create, monitor and maintain performance improvement plans.

Case Management and Administration:

- The system must provide the capability to track and record the full range of employee, management, or third-party generated appeals and grievances. This includes events such as performance and conduct cases, Unfair Labor Practices, and labor contract administration.
- The tracking functionality must include such information as case nature, case date, case steps and resolution.

Regulatory Compliance and Administration: The labor and management employee relations functional activities and processes performed by the system must comply with statutory and regulatory requirements, and the guidance provided by the Executive Order on Management-Labor Partnerships. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Administer Incentive Programs. Assure eligibility edits, obtain necessary approvals, and process necessary documentation for incentive awards.

Conduct Employee Relations. Includes the ability to track employee relations actions from initiation through completion.

Administer Performance Management. Includes all tasks involved in administering a system for evaluating employee performance and probationary periods.

Administer Labor Relations. Gather and store data in support of negotiations or other labor-management discussions, contract administration and to resolve disputes. Data on the dollar value of time spent by union employees on representational activities including travel and per diem and the dollar value of services provided to unions (telephones, office space, computers, etc.) should also be tracked and reported by human resources or financial management systems.

Work Force Development

Primary Use or User:

Manager and Employee Self-Service:

- The system must provide the capability to use position and personal data already residing within the system to facilitate on-line initiation of the full range of work force development activities. These activities include nomination, approval, enrollment, evaluation, and personnel record documentation.
- The system must also record essential data relative to the cost and source of developmental activities and enable analysis of such activities to determine future budget needs and return on investment.

Regulatory Compliance and Administration: The work force development functional activities and processes performed by the system must comply with statutory and regulatory requirements. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Administer Employee Development Program. Support the planning, development and delivery of training and career development programs to meet agency and employee needs. Track completion of training by employees.

Develop Training Budget. Support the preparation of financial projections and implementation of controls which maximize the utilization of training funds.

Evaluate Development and Training Activities. Support the evaluation of the effectiveness and quality of course design, program content, delivery methodology and instructional value.

Time and Attendance Processing

The system must capture time and attendance information on workschedule hours worked, units of pay, and leave taken which are necessary. For computing pay, leave, and allowances the principal input is the time and attendance record, accounting for time in a pay or non-pay status.

- The system must capture information on time, or units of measurement worked, to determine gross pay.
- The system must be flexible enough to capture multiple types of work units and all types of leave earned and used.

Regulatory Compliance and Administration: The system must be designed to comply with statutory and regulatory requirements when processing transactions and providing decision support capabilities in accomplishing activities associated with the time and attendance function. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Collect Time and Attendance (T&A) Data.

Collect work and leave hours on an established tour of duty, including alternative work schedule and flexitime hours information. This requires pre-approved or positive acknowledgement from the approving official that the employee worked the established tour and that time and attendance data is approved.

Collect actual hours or days worked, and other pay-related data, e.g., piecework, fee basis units/dollars, and differentials for each employee.

Collect T&A data on a pay period basis, e.g., daily, weekly, biweekly, semimonthly, and/or monthly basis.

Capture T&A data in days, fractions of hours, or other units of measure as required.

Collect T&A data on employees who work temporarily in other or multiple pay classifications.

Accept T&A data through various processing modes, e.g., automated time entry or internet.

Calculate and adjust weekly, biweekly, or pay period hours based on FLSA, Title 5, and other statutory and regulatory requirements.

Determine premium pay entitlements based on scheduled tour, actual hours worked, and leave data.

Report and Release T&A Data.

Accept electronic, or other appropriately documented, approvals from authorized approving officials.

Release T&A data for further system processing.

Generate reports to monitor T&A data.

Edit and Correct T&A Data.

Edit T&A data at the earliest time to ensure that the data are complete, accurate, and in accordance with legal requirements.

Support the correction of current-pay period and prior-pay period T&A records.

Leave Processing

Leave Processing:

- The system must provide for the performance of all activities associated with determination of proper leave balances for all types of leave, leave advances, accruals, usages, forfeitures, limitations, and transfers.
- The system must apply current period leave accruals and leave charges to each employee's available leave balances, leave transfers, donations to leave banks or individuals, and adjustments to leave balances for restored leave, EEO settlements, and similar after-the-fact situations.
- The system must process leave forfeitures and carryovers for each employee.

Regulatory Compliance and Administration: The system must be designed to comply with statutory and regulatory requirements when processing transactions and providing decision support capabilities in accomplishing leave transactions. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Accrue Leave.

Accrue each type of leave to which an employee is entitled, including partial accruals and carryovers. Special accrual rules for employees using donated leave, etc., must be accommodated.

Accrue leave for part-time employees. Leave accruals for part-time employees are based on actual applicable hours in a pay status.

Process leave accruals and units for special category employees, e.g., firefighters, etc.

Process Leave.

Process leave for each reported leave type at the end of each effective pay period. Process advances, accruals, and restored leave before usages are applied to the appropriate available balance.

Offset advanced sick leave balances against subsequent pay period accruals of sick leave.

Process current period and prior-period leave transactions on an effective pay period basis.

Determine compensatory time or credit hours to be forfeited or paid as appropriate based on predetermined elapsed time limits; maximum carry over limits; and maximum earning ceilings.

Maintain detailed audit trail and control data to ensure that all reported leave hours have been processed accurately and that the hours used in pay calculation are correct.

Provide for fiscal-year-end, leave-year-end and calendar-year-end processing and forfeitures in accordance with established Governmentwide and agency specific guidelines.

Ensure leave without pay (LWOP) or furloughs for retirement, Office of Workers Compensation Program (OWCP), education, and military purposes is separately designated and does not affect Within Grade Increase (WGI), etc.

Adjust Leave.

Modify leave accruals, limits and/or balances for employees who change either leave systems or work schedules (i.e., full-time to part-time, etc.).

Automatically convert leave taken in excess of available balance, based upon an established leave priority policy. When appropriate, provide for management review (e.g., to determine advance leave, leave without pay, or absence without leave).

Recompute leave balances due to prior-period hour adjustments or retroactive entitlement changes for each period subsequent to the effective period of the change (leave, benefits and payments) in the following order: (1) retroactive entitlement changes and then (2) prior-period hour adjustments.

Pay Processing

Manager and Employee Self Service:

- The system must calculate gross pay, deductions, net pay, employee, and employer contributions for each employee on an effective pay period basis.
- The system must compute gross pay as the sum of each rate of pay times the number of units related to it, minus retirement annuity offsets, if applicable, plus all appropriate allowances and/or other gross pay components, classify and total deductions, subtract total deductions from gross pay, and apply formulas or utilize tables to determine employer contributions required for certain payroll taxes and benefits.

Regulatory Compliance and Administration: The system must be designed to comply with statutory and regulatory requirements when processing transactions and providing decision support capabilities in accomplishing activities associated with calculating and paying employees. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Calculate Gross Pay.

Calculate pay at the end of each pay period after properly authorized inputs have been received from the Time and Attendance Processing Function, and after personnel action processing is completed.

Process prior period, current, and future period pay actions, based on effective dates.

Process current-period and prior-period adjustments as an integral part of the payroll cycle.

Make retroactive calculations based on prior-period hour adjustments, changes to an employee's entitlement (for earnings or deductions) or mass table changes.

Compute various types of pay entitlements, e.g., foreign and nonforeign allowances, differentials, awards, and premium pay.

Compute pay for various types of employees, e.g., firefighters, law enforcement officers, emergency medical technicians, teachers, etc.

Compute earnings amounts or rates for partial pay periods when entitlement dates do not coincide with pay period beginning and ending dates. Process earnings adjustments on a begin-date/end-date basis.

Calculate overtime based on either FLSA or Title 5, as appropriate.

Calculate differentials based on applicable hours that are certified by an approving official.

Accommodate information requirements to support supplemental pay actions and recertified checks.

Calculate allowances, premiums, and differentials as defined by law or regulation. These may be set dollar amounts or computed as a percentage of pay, applying caps or other limitations when applicable.

Process and compute pay and deductions for multiple positions under different appointment authorities, and different pay, leave, and benefit entitlements.

Perform statutory limit and reasonableness tests on gross pay.

Calculate and Apply Deductions.

Calculate the following deduction types for each employee:

1. mandatory deductions (e.g., retirement, Federal, state, local, and FICA taxes),
2. voluntary deductions (e.g., state and local taxes for multiple taxing authorities, life insurance, health insurance, thrift savings deductions, allotments, bonds, and pre-tax deductions for transportation benefits), and
3. involuntary deductions (e.g., IRS levies, garnishments, and administrative debt collections).

Provide for percentage computation of deductions that are subject to annual or regulatory limits (e.g., the current rate for Federal taxes on supplemental payments, Thrift Savings Plan (TSP) contributions, and Social Security taxes).

Provide the capability to process deductions that apply in various pay periods and/or have specified limitations, e.g., garnishment pay-off amount.

Prorate insurance premium deductions for part-time, seasonal, and applicable accessions and separating employees, using the daily pro-ration rule.

Accelerate deductions for employees paid an annual salary in less than one year (e.g., teachers).

Determine when a bond may be issued given its type, denomination, per pay deduction, and balance from previous pay deductions.

Deduct some items in every pay period and others in selected pay periods only, e.g., discretionary allotments.

Ensure that deductions do not exceed gross pay, as established by appropriate laws and regulations.

Compute the maximum variable deductions for levies, garnishments, and/or offsets based on appropriate limitations of each type of deduction.

Adjust Pay Calculations.

Electronically compare leave, benefits, and payments, for adjusted time and attendance data with prior period data and automatically compute differences.

Support payroll adjustments and regular calculations that cross fiscal and/or calendar years, and provide needed information to the core financial and other information systems.

Subtract deductions calculated in the order of precedence specified by OPM or other laws or regulations, while ensuring that net pay is not negative. Follow appropriate rules for taking no deductions within a priority level or partial deductions, if allowed.

Adjust taxable gross pay by deducting untaxed items (e.g., Thrift Savings Plan deductions) and civil service retirement annuity offsets.

Offset the dollar amount of advanced leave balances (computed at the rate of pay in effect when the leave was taken) against the dollar amount of earnings for pay period of separation and any unused annual leave (based on the current pay rate) on termination of an employee from federal employment. Calculate indebtedness for leave advances upon separation. Accommodate requests for waiver of collections for leave advances.

Pay Processing

Offset the dollar amount of other receivables owed the agency against earnings for pay period of separation or, if applicable, lump sum payments.

Maintain Data.

Allow employees to update personal payroll information, at the employee's discretion, e.g., tax withholding information, savings bond information, electronic funds transfer information, and allotments.

Maintain each pay record by the pay period in which it was calculated and by the pay period to which it applies (the effective pay period).

Record gross pay, deductions, and net pay, generating information to update other functions and other systems, as appropriate, including the Standard General Ledger maintained in the Core financial system.

Capture the overtime rate in effect when compensatory time is earned for possible future payout.

Maintain individual retirement data, including service history and fiscal history for each employee. Maintain separate records for military (post-1956) and civilian deposits.

Maintain data to support preparation of notifications of employee indebtedness, e.g., health benefits.

Generate Output.

Support unemployment compensation for Federal employees processing and responding to ES 931 Request for Wage and Separation Information - UCFE requests.

Generate payment for severance pay, not exceeding the amount authorized for each employee, on a pay period basis and provide for Department of Defense employees, the option of a lump sum payment.

Make electronic funds transfer payments as well as other methods of payments, including off-cycle and third party payments.

Generate payment of unpaid compensation to beneficiaries.

Accommodate information requirements for accounting transactions for accruals of pay and benefits during the year. This process is to provide for accruing and reversing accounting information relative to pay and benefits on other than a monthly basis.

Provide a means for correcting accounting transactions for an employee for one or more past pay periods, and for generating adjusting accounting transactions to reverse the improper charges and record the correct ones.

Make information available to other functions to generate internal and external payroll reports not created directly in the Pay Processing function.

Use posted time, scheduled tours, and partial pay period computations for accrual processing.

Provide the capability to track and report pay associated with job-related injury time (continuation of pay (COP)).

Provide data to establish receivables or follow up on types of leave that may result in an employee indebtedness, including health and life insurance premiums for employees on approved leave without pay and certain jury duty fees while on court leave.

Provide information to analyze detailed pay transactions and establish each as either a disbursement or as a debt due the government.

Labor Cost and Distribution

Cost Accumulation:

- The system must accumulate cost information for use in budgeting and controlling costs; performance measurement; determining fees and prices for services; assessing programs; and management decision making. Labor costs are an integral part of determining the cost of doing business.
- The system must accumulate work units by cost object (e.g., organization and activity), and responsibility center and be provided to other systems performing cost accounting functions.

Regulatory Compliance and Administration: Support the collection of labor distribution hours based on the classification code structure defined in the JFMIP Core Requirements document. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Accumulate work units by predefined data elements.

Provide flexibility to update data elements driving the cost accumulation process.

Provide electronic output on distributed work units from the labor distribution process for use in other systems.

Provide electronic output on undistributed employer contributions and benefits for use in other systems.

Reporting, Reconciliation, and Records Retention

Information Management Services: The system must provide for reporting, reconciling, and retaining records to accommodate a number of requirements.

- The report processing aspect accesses and formats data as required to satisfy regulatory, managerial, and accounting information requirements.
- This includes the generation of reports at specific time intervals or upon request, including reports that span fiscal years, calendar years, or other time periods.
- User outputs produced include all vouchers and reports necessary to recognize payroll expenses and authorize related disbursements.
- External reports include those required by Treasury, OPM, the Department of Labor, the Federal Retirement Thrift Investment Board, and others.
- Managerial reports include control reports used by human resources/payroll office staff members, as well as reports used by others such as supervisors.
- The purpose of reconciliation is to compare and reconcile data between systems.

Internal Reporting:

- The system must provide employees and managers self-service capabilities in obtaining information pertinent to their needs. For example, employees should have access to their personal employment and earnings data and managers should have access to their organizational and subordinate work force non-personal data.
- Human resources and financial personnel should be able to perform a wide range of organization and work force analyses that will facilitate the strategic needs of their serviced managers and organizations.

Regulatory Compliance and Administration: Reporting services performed by the system must comply with statutory, regulatory and security requirements. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Preparing and Evaluating Human Resources Program Plans. Support reviewing and issuing statistical and narrative human resources program plans based on goals and management objectives. Inquiries are normally complex and cover all activities during periods of up to one year or longer when doing comparisons.

Historical data. The system should maintain the following information in accordance with the statute of limitations:

- An employment history of the employee with information comparable to that in the employee's OPF.
- A pay history showing gross pay by type, deductions by type, and net pay for each pay period;
- A time and attendance history showing hours or days worked by type of pay for each pay period; and
- A leave history showing beginning balances, leave accruals, leave usages, and ending balance, by type for each period.

Reporting Requirements. Provide the capability to generate routine human resources and payroll reports that are prescribed by the functional users. The system must contain ad hoc reporting, and should also include data browsing tools with rapid-response, graphically-oriented, and user-friendly access to the system database.

Produce employee earnings statements detailing the composition of gross pay, deductions, and net pay for the pay period and year to date (electronic and paper copies).

Produce managerial reports to facilitate monitoring of human resources costs, leave authorization, and personnel actions by human resources/payroll staff members and by operational supervisors or managers.

Produce all reports and vouchers necessary to recognize payroll expenses, establish related receivables, and disburse all related payments. Produce supporting detail registers or subsidiary ledgers.

Provide an output matrix of reports that describes report by title, purpose, frequency, distribution level, and the media used to distribute.

External Reporting:

- The system must provide for automatic data conversion and electronic transfer of required data to the OPM and other recipients of Governmentwide reporting information.

Regulatory Compliance and Administration: The external reports fulfill statutory and regulatory mandates, as well as management reporting requirements of Executive Branch and Administration leadership. Although agencies retain the ability to design systems and data structures to conform to their individual business strategies, information sharing and data transfer among agencies is essential to the modernization and efficiency of the human resources and payroll data collection processes. Appendix A contains a listing of relevant statutory and regulatory references.

Reporting Requirements. Produce data required by Treasury; IRS; the Social Security Administration; the Department of Labor; OPM; Equal Employment Opportunity Commission; Federal Retirement Thrift Investment Board; Federal Reserve Banks; OMB; Department of Health and Human Services; and state, local, and other taxing authorities. Examples include Central Personnel Data File (CPDF) submissions, Standard Form 113; W-2 Reporting; Retirement Records, and reports on the use of various methods of payments.

Reconciliation:

- Agency systems must provide for the reconciliation of human resources and payroll data within the systems, for comparison and reconciliation with that of disbursing, accounting, and other administrative systems/subsystems/modules to ensure accuracy, completeness, and data integrity.

Regulatory Compliance and Administration: The systems must be designed to comply with all statutes, regulations, and guidelines that apply to hardware, software, telecommunications, and internal controls. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Disbursing data are reconciled with payroll data to provide assurance that all disbursements authorized for payment by the payroll certifying officer were disbursed completely and accurately.

Human resource data are reconciled to provide assurance that all employees on the payroll are bona fide and that all earnings, entitlements, and benefits are being computed as authorized and recognized in the human resources system.

Health insurance enrollment data are made available to carriers so that payroll and carrier records can be verified.

Reporting, Reconciliation, and Records Retention

Maintain data that is reconciled to pass to the Core financial system and cost accounting modules to update fund balances with Treasury and other assets, expense and liability accounts, appropriations and other cost centers for the payroll, including employer contributions.

Provide for tax deduction reporting, reconciling, and correction processing for each taxing authority.

Derive summary totals of earnings, deductions, contributions, and paid hours for control purposes and to facilitate reconciliation.

Provide for transfers for separating or transferring employees with the next regular payroll.

Generate Monthly Employee Report (SF 113A) and the Monthly Full-Time Equivalent (FTE) Report (SF 113G) to OPM.

Provide disbursement voucher data for verification and certification of the payroll process.

Generate reports of pay and benefit transactions required by the agency Core financial system.

Notify agency human resources and payroll office staff of incorrect or missing data.

Compile employee data related to health insurance enrollment for validation purposes.

Store audit trail data in the standard human resources/payroll data files.

Generate detail registers or subsidiary ledgers which support all vouchers, accounting entries, and disbursements authorized by the payroll office.

Provide a report for health benefits deductions not taken (e.g., for an employee on leave without pay).

Provide a report of employee debt, caused by prior-period adjustments or current-period computation, to be used in administrative collection.

Generate retention records for Reduction in Force (RIF) based on competitive position, tenure, and retention requirements.

Records Retention:

- Agency systems must maintain, store, and permit ready retrieval of employment and payroll data. The time frames for varying pieces of this requirement differ depending on the subject matter and the system must be sufficiently flexible to retain and purge data consistent with the varying record keeping requirements.
- Destruction of records created within the Federal government must be approved by the National Archives and Records Administration (NARA), per 36 C.F.R 1228. Basic payroll records are currently authorized for disposal by General Records Schedule 2, Payrolling and Pay Administration Records, and General Records Schedule 20, Electronic Records. (Copies may be obtained from your agency's records officer or from NARA.) For payroll records not covered by this authority, or for any questions regarding the disposition of Federal records, please contact:

National Archives and Records Administration (NARA)
7th Street and Pennsylvania Avenue NW
Washington, DC 20408

The telephone number for the Life Cycle Management Division is (301) 713-7110.

Regulatory Compliance and Administration: NARA and other specific statutes, regulations, and guidelines, applicable to all governmentwide, agency, and organization specific programs. Appendix A contains a listing of relevant statutory and regulatory references.

Functional Requirements:

Maintain and/or dispose of personnel and payroll records in accordance with governmentwide and agency specific guidelines.

General Systems Requirements

For information on internal controls, systems architecture, software documentation, and other related issues relative to human resources and payroll systems development, operations, and maintenance, reference applicable sections through the *JFMIP Framework for Federal Financial Management Systems* document.

System Interfaces:

- The human resources-payroll system, at the standard and/or agency-level, must be able to accept, process, and report on transactions with other internal and external systems. The system must record and track such transactions and related information in order to provide the basis for central control. This may require a custom interface to properly identify and format the transactions. The system must:
 - Provide system flexibility in accepting data input from multiple media that recognizes the unique data input requirements of interface systems.
 - Subject all transactions from interfacing systems to the standard human resources-payroll system edits, validations, and error-correction procedures.
 - Provide system capability to customize data input, processing rules, and edit criteria. Provide flexibility in defining internal operational procedures and in supporting agency requirements.
 - Provide the capability to identify and process transactions from other systems that enter and update the standard human resources-payroll system.
 - Provide system capability to allow users to customize output for reporting and providing interfaces to other systems necessary to meet agency requirements for external processing (e.g., retirement processing, general ledger posting, budget formulation, budget reconciliation, and budget execution).

Other General Systems Issues:

- A variety of general systems requirements, including data stewardship, systems architecture, systems integration, internal control, and others are contained in the JFMIP FFMSR-0, January 1995, entitled *Framework for Federal Financial Management Systems*. The Framework document, along with all other JFMIP requirements documents, can be found at: www/financenet.gov/fed/jfmip/jfmip.htm

Appendix A: References

General: Examples of relevant laws, regulations, and publications.

- United States Code (USC), Title 5, Title 26, Title 42;
- Code of Federal Regulations (CFR), Title 5;
- OPM's CSRS and FERS Handbook for Personnel and Payroll Offices;
- OPM's FEHB Handbook for Personnel and Payroll Offices;
- OPM's FEGLI Handbook for Personnel and Payroll Offices;
- OPM's Guide to Personnel Data Standards;
- OPM's Guide to Personnel Recordkeeping;
- OPM's Guide to Processing Personnel Actions;
- OPM's Guide to the Central Personnel Data File;
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," specifically:
 - Title 2, "Accounting";
 - Title 6, "Pay, Leave, and Allowances;"
 - Title 8, "Records Retention;"
- Treasury Financial Manual;
- Statement of Federal Financial Accounting Standards No. 4, "Managerial Cost Accounting Standards", July 1995. See GAO/AIMD-21.1.1 May 1997, pp. 331-394 and OMB, GPO S/N 041-001-00457-2;
- Statement of Recommended Accounting Standards Number 5 "Accounting for Liabilities of the Federal Government", September 1995;
- OMB Bulletin 93-11, "Fiscal Responsibility and Reducing Perquisites;"
- OMB Circular No. A-34, "Instructions on Budget Execution;"
- OMB Circular No. A-123, "Management Accountability and Control;"
- OMB Circular No. A-127, "Financial Management Systems;"
- OMB Circular No. A-130, "Management of Federal Information Resources;"
- Framework for Federal Financial Management Systems;

Position Management and Classification: Examples of provisions related to position management and classification can be found in:

- Classification Act, Pub. L. No. 92-392 (1949);
- 5 C.F.R. Part 214, Senior Executive Service;
- 5 C.F.R. Part 340, Other than full-time career employment (Part-time, seasonal, on-call, and intermittent);
- 5 C.F.R. Part 511, Classification under the General Schedule;
- 5 C.F.R. Part 532, Prevailing rate systems;

Recruitment and Staffing: Examples of provisions related to recruitment and staffing can be found in:

- 5 C.F.R. Part 6, Exceptions from the competitive service;

- 5 C.F.R. Part 8, Appointments to overseas positions;
- 5 C.F.R. Part 211, Veteran preference;
- 5 C.F.R. Part 212, Competitive service and competitive status;
- 5 C.F.R. Part 213, Excepted service;
- 5 C.F.R. Part 300, Employment;
- 5 C.F.R. Part 330, Recruitment, selection, and placement;
- 5 C.F.R. Part 301, Overseas Employment;
- 5 C.F.R. Part 302, Employment in the excepted service;
- 5 C.F.R. Part 304, Expert and consultant appointments;
- 5 C.F.R. Part 307, Veterans readjustment appointments;
- 5 C.F.R. Part 308, Volunteer service;
- 5 C.F.R. Part 310, Employment of relatives;
- 5 C.F.R. Part 315, Career and career-conditional employment;
- 5 C.F.R. Part 316, Temporary and term employment;
- 5 C.F.R. Part 317, Employment in the Senior Executive Service;
- 5 C.F.R. Part 319, Employment in senior-level and scientific and professional positions;
- 5 C.F.R. Part 330, Recruitment, selection, and placement;
- 5 C.F.R. Part 335, Promotion and internal placement;
- 5 C.F.R. Part 340, Other than full-time career employment (Part-time, seasonal, on-call, and intermittent);
- 5 C.F.R. Part 351, Reduction in force;
- 5 C.F.R. Part 534, Pay under other systems;
- 5 C.F.R. Part 536, Grade and pay retention;
- 5 C.F.R. Part 591, Allowances and differentials;

Personnel Action Administration: Examples of provisions related to personnel action administration can be found in:

- 5 C.F.R. Part 1, Coverage and definitions;
- 5 C.F.R. Part 3, Noncompetitive acquisition of status;
- 5 C.F.R. Part 293, Personnel records;
- 5 C.F.R. Part 294, Availability of official information;
- 5 C.F.R. Part 297, Privacy procedures for personnel records;
- 5 C.F.R. Part 581, Processing garnishment orders for child support and/or alimony;
- 5 C.F.R. Part 582, Commercial garnishment of Federal employees' pay;

Benefits Administration: Examples of provisions related to benefits administration can be found in:

- 5 C.F.R. Part 831, Retirement;

- 5 C.F.R. Part 842, Federal Employees Retirement System-General Administration;
- 5 C.F.R. Part 870-874, Federal Employees Group Life Insurance
- 5 C.F.R. Part 890, Federal Employee Health Benefits Program
- 5 C.F.R. Part 1600-1699, Federal Retirement Thrift Investment Board

Labor-Management and Employee Relations: Examples of provisions related to labor management and employee relations can be found in:

- 5 C.F.R. Part 293, Personnel records;
- 5 C.F.R. Part 359, Removal from the Senior Executive Service, guaranteed placement in other personnel systems;
- 5 C.F.R. Part 430, Performance management;
- 5 C.F.R. Part 432, Performance based reduction in grade and removal actions
- 5 C.F.R. Part 451, Awards;
- 5 C.F.R. Part 752, Adverse actions;
- 5 C.F.R. Part 771, Agency administrative grievance system;

Work Force Development: Examples of provisions related to work force development can be found in:

- 5 C.F.R. Part 410, Training;

Time and Attendance Processing: Examples of provisions related to time and attendance processing can be found in:

- 5 C.F.R. Part 610; Hours of duty;
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," Title 6, "Pay, Leave, and Allowances," Chapter. 3, Time and Attendance;

Leave Processing: Examples of provisions related to leave processing can be found in:

- 5 C.F.R. Part 531, Pay Under the General Schedule;
- 5 C.F.R. Part 532, Prevailing rate systems;
- 5 C.F.R. Part 550, Pay administration (general);
- 5 C.F.R. Part 551, Pay administration under the Fair Labor Standards Act;
- 5 C.F.R. Part 630, Absence and leave;
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," Title 6, "Pay, Leave, and Allowances," Chapter. 6, Leave and Allowances;

Pay Processing: Examples of provisions related to pay processing can be found in:

- Title 5, 5514, Tax Levies;
- 5 C.F.R. Part 179, Claims collection standards;

- 5 C.F.R. Part 251, Agency relationships with organizations representing Federal employees and other organizations;
- 5 C.F.R. Part 530, Pay rates and systems;
- 5 C.F.R. Part 531, Pay under the General Schedule;
- 5 C.F.R. Part 532, Prevailing rate systems;
- 5 C.F.R. Part 534, Pay under other systems;
- 5 C.F.R. Part 550, Pay administration (general);
- 5 C.F.R. Part 551, Pay administration under the Fair Labor Standards Act;
- 5 C.F.R. Part 572, Travel and transportation expenses; new appointees and interviewees;
- 5 C.F.R. Part 575, Recruitment and relocation bonuses; retention allowances; supervisory differentials;
- 5 C.F.R. Part 831, Retirement;
- 5 C.F.R. Part 841, Federal Employees Retirement System-General Administration;
- 5 C.F.R. Part 870, Federal employee's group life insurance program;
- 5 C.F.R. Part 890, Federal Employees Health Benefits Program;
- Treasury Financial Manual, Vol. 1 Part 3, Payroll Deductions and Withholdings;
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," Title 6, "Pay, Leave, and Allowances," Chapter. 1, Introduction; 3, Time and Attendance; 4, Gross Pay; 5, Deductions; 6, Leave and Allowances; and 7, Disbursements;

Labor Cost and Distribution: Examples of provisions related to labor cost and distribution can be found in:

- Statement of Federal Financial Accounting Standards No. 4, "Managerial Cost Accounting Standards";
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," Title 6, "Pay, Leave, and Allowances," Chapter. 2, Overall Requirements;

Reporting, Reconciliation, and Records Retention: Examples of provisions related to reporting can be found in:

- 5 C.F.R. Part 293, Personnel records;
- "U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies," specifically:
 - Title 6, "Pay, Leave, and Allowances;"
 - Title 8, "Records Retention;"

Appendix B: Glossary

- Off cycle payments** Payments to employees other than during the normal pay process when payments are made for all employees
- Recertified checks** Replacement checks for lost checks
- Requirements** JFMIP systems requirements are either mandatory or value added. The definitions of these two categories are:
- Mandatory** Mandatory requirements describe what the system must do and consists of the minimum acceptable functionality, necessary to establish a system, or are based on Federal laws and regulations. Mandatory requirements are those against which agency heads evaluate their systems to determine substantial compliance with systems requirements under the FFMIA. These requirements apply to existing systems in operation and new systems planned or under development.
 - Value-added** Value added requirements describe features or characteristics and may consist of any combination of the following: (1) using state of the art technology, (2) employing the preferred or best business practices, or (3) meeting the special management needs of an individual agency. Value-added, optional, and other similar terminology may be used to describe this category of requirements. Agencies should consider value added features when judging systems options. The need for these value-added features in agency systems is left to the discretion of each agency head.
- Third party payments** Payments to anyone other than the employer and the employee, e.g., health and life insurance companies.
- Tour of duty** Employee work schedule, e.g., 9:00 a.m. to 5:30 p.m., Monday through Friday, including half an hour for lunch.
- Undistributed employment benefits** May include: (1) liabilities associated with employment benefits that have not been distributed by the agency, e.g., accrued annual leave liabilities, or (2) expenses not paid by the agency, e.g., retirement-related pension or insurance expenses recorded during the active employment years of an employee that are paid by OPM after an employee retires.
- Units of pay** Pay basis or units on which an employee's rate of pay is based.

Appendix C: Contributors

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