



Generic Valuation Tool

Financial Management

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Generic Valuation Tool (GVT)

FINANCIAL MANAGEMENT

How to use this tool:

- This tool is designed for IM specialists to use with relevant business areas when identifying information resources of business value (IRBV) and retention specifications.
- The IRBV and retention specifications contained in this document are recommendations only and should be customized to apply in each institutional context. The complete document should be read before using any recommendations.
- **This GVT does not provide Government of Canada institutions with the authority to dispose of information.** GVTs are not Records Disposition Authorities (RDA) and do not replace the Multi-Institutional Disposition Authorities (MIDA).

Validation: The business processes and IRBV of this GVT have been validated by subject matter experts from the following departments: Treasury Board Secretariat, National Research Council and Parks Canada. As well, the business process analyses on which this GVT is based were validated by numerous Government of Canada institutions through the Financial Management Business Process Initiative out of the Office of the Comptroller General.

Defining the Activity

Financial Management is identified at the sub-program level of the Treasury Board Secretariat's (TBS) *Guide on Internal Services Expenditures: Recording, Reporting and Attributing*¹.

Treasury Board Secretariat defines financial management services as "activities undertaken to ensure prudent use of public resources in an effective, efficient and economic manner, and their stewardship. The activities include those of planning, budgeting, accounting, reporting, control and oversight, analysis, decision support and advice, and financial systems."²

There is a financial component to most Government of Canada functions and activities. This GVT has attempted to describe only business processes and IRBV directly related to finance. In order to capture all the processes and IRBVs of a function, users will need to consult other GVTs as noted below.

Financial Management Services are prescribed through a number of legislative, regulatory and policy instruments including: *Financial Administration Act* (1985), *Policy Framework for Financial Management* (2010), *Policy on Financial Management Governance* (2009), *Policy on Internal*

¹ [Guide on Internal Services Expenditures: Recording, Reporting and Attributing](#), TBS, 2015.

² [Policy on Internal Control](#) TBS, 2009.

Control (2009), Policy on Financial Resource Management, Information and Reporting (2010), Policy on the Stewardship of Financial Management Systems (2010).

Relationship to Other GVTs

Business processes and activities often overlap. When the IRBV from an activity is identified in another GVT, there is a note in the table of IRBV and retention recommendations (below) to direct the user to the proper tool.

The business processes for financial management are very closely related to those in the GVTs for **Real Property, Materiel Services, Acquisition** and **Human Resource Management**. While every effort has been made to identify only the financial aspects of these activities within this GVT, overlaps are inevitable and users should also consult the GVTs above.

The creation of quarterly and annual financial statements is described as part of Performance and Reporting in the **Management and Oversight GVT**.

Business processes and IRBV relating to the *management* of a grants and contributions program can be found in the **Transfer Payments GVT**.

Business Processes

All business processes and IRBV within this GVT are based, with permission, on the work of the Common Financial Management Business Process (FMBP) Initiative managed by the Office of the Comptroller General. This exhaustive project has identified all the activities and associated data surrounding financial management in the Government of Canada. In each description of the business processes below, the version of guideline consulted has been identified. The alignment between the service groupings of the Treasury Board Secretariat's *Guide on Internal Services Expenditures: Recording, Reporting and Attributing* (2015) and the FMBP is described in Appendix A.

Financial Planning and Budgeting

1. Manage Planning and Budgeting

Manage planning and budgeting describes the business processes in the internal departmental planning drafting and approval of all plans and budgets, including the revenue, operating, transfer payment and investment (capital) budget. The IRBV identified include the data used to decide on budgetary needs, the draft and final integrated budgets. These final plans and budgets are inputs in other financial activities.

Guideline on Common Financial Management Business Process, 1.1 Manage Planning and Budgeting, Version 1.0 2013-02-27, RDIMS REFERENCE: TBSSCT-# 996789 v1

2. Manage Forecasting and Budget Review

The forecast and budget review describes the creation of an integrated year-to-date review and forecast package. IRBV identified include the data compiled for the review, such as prior year information and year-to-date (YTD) financial results for all expenditure areas, the analysis of this data and the development of forecasts for the coming fiscal year. These forecasts are challenged and approved and the results actioned through revisions to the budget. This review and forecast process is done at minimum quarterly.

Guideline on Common Financial Management Business Process, 1.2 Manage Forecasting and Budget Review DRAFT v1.0, 2011-10-07, RDIMS REFERENCE: TBSSCT-#973612 v4

Expenditure Control and Payments

3. Manage Departmental Chart of Accounts

The departmental chart of accounts is “a list of departmental accounts and codes for all fields used to classify, record and report financial transactions in the government-wide coding block.”³ The business processes for managing the chart of accounts involve managing the request to create, update or suspend an account code which is completed by updating the departmental chart of accounts with the change requested and conducting a periodic review of the departmental chart of accounts. The IRBV for these processes would include the complete departmental chart of accounts as well as supporting documentation for their change and review.

Guideline on Common Financial Management Business Process 7.3, Manage Departmental Chart of Accounts DRAFT v0.1, 2013-01-08, RDIMS REFERENCE: TBSSCT - #1149546 v2

4. Manage Delegation of Financial and Spending Authorities

The business processes for manage financial and spending authorities include the delegation of financial and spending authorities, changes to those authorities, and the updating and annual review of the departmental delegation document. Authority is delegated to positions, not individuals and all the authorities are usually summarized in a departmental delegation document. These business processes are only for the management of the authorities; the process of exercising the authority and validating expenditures under Section 33 or 34 are described within the processes that require verification and certification.

Guideline on Common Financial Management Business Process, 7.4 Manage Delegation of Financial and Spending Authorities DRAFT v0.1, 2012-04-13, RDIMS REFERENCE: TBSSCT-1098068 v1

5. Manage Procure to Payment

Procure to Payment activity describes the business processes for “expenditures that involve operational or capital procurement using a purchase order or other type of contract.” (Guideline,

³ Treasury Board Secretariat, [Directive on Recording Financial Transactions in the Accounts of Canada](#), 2009, Appendix.

p.3) The processes of procuring services and entering into contracts with third-party providers is described in the Acquisition Services GVT. While there are overlaps, this GVT attempts to isolate the financial processes of managing payments and describes the IRBV created in identifying, verifying and submitting payments requests to the Receiver General.

Guideline on Common Financial Management Business Process, 3.1 Manage Procure to Payment Final Version, RDIMS REFERENCE: TBSSCT-#941089

6. Manage Travel

Most business processes for travel by a government employee will be found in the Travel and Other Administrative Services GVT. This GVT describes the business processes and IRBV created in verifying, authorizing and issuing payments for travel expenses.

Guideline on the Common Financial Management Business Process, 3.2 Manage Travel v 1.0, 2013-01-07, RDIMS REFERENCE: TBSSCT-#1020360 v5

7. Manage Other Payments

“Other payments” are those common payment transactions not covered in other business processes. Other Payments fall into the four following categories as described in the Guideline:

- **Other Operational Payments:** expenditures that result in a reduction in appropriations... such as awards, repayable loans, employee reimbursements, refunds....These payments do not use a purchase order to initiate a transaction and do not require a formal procurement process.
- **Legal Payments:** expenditures resulting in a reduction in appropriations such as ex gratia payments, legal settlements, claims against the Crown, and nugatory payments. These transactions are typically triggered by a legal obligation and are not initiated from a program requirement. Since there is no acquisition of goods and services, there is, therefore, no procurement process. In addition, there are usually additional approvals required such as a legal opinion before the payment can be made.
- **Payments Not Impacting Appropriations:** expenditures that do not cause a reduction of the appropriations such as garnishments, other deductions, tax remittances, payments against imprest funds and repayment of contractor holdbacks. These transactions do not impact appropriations and there is no acquisition of goods and services, however the need to obtain certification and payment authority is still present.
- **Periodic Payments:** regular (usually monthly) payments as a result of a multi-year agreement established in Manage Procure to Payment. These payments can be a fixed amount or usage-based.

Also included in this section are the processes for managing petty cash and managing expenses related to employee relocation.

8. Manage Administration of Acquisition and Fleet Cards

Acquisition cards are credit cards issued to Government of Canada employees for the procurement and payment of goods and services that are authorized government business. A fleet card is a credit card that is normally assigned to a single government vehicle for the purchase of fuel and other operating and maintenance expenses related to the vehicle. The business processes described are for the issuance, monitoring and cancelling of the cards. The IRBV include those required for the approval of the card, logs and other documentation surrounding the use of the card and user information.

Guideline on Common Financial Management Business Process 3.4 Manage Administration of Acquisition and Fleet Cards, DRAFT v0.3, 2012-12-11, RDIMS REFERENCE: TBSSCT-# 1139042 v2

9. Manage Vendor Master Data File

“Vendor records are datasets used in departmental financial management systems to uniquely identify, record and maintain information about organizations or individuals who supply goods or services to the Government of Canada for which an accounts payable will be established”. (Guideline, p. iii) The business processes include the creation, updating or deactivating of a vendor record and the periodic review of the Master Data File. The IRBV for this activity would include the complete dataset.

Guideline on Common Financial Management Business Process, Manage Vendor Master Data File DRAFT v0.1, 2012-03-13, RDIMS REFERENCE: TBSSCT #1060479 v1

10. Manage Post-payment Verification

As per the *Directive on Account Verification*⁴, departments are required to perform post-payment verification on a sampling of medium- and low-risk transactions to ensure quality control. The business processes include creating one or more post-payment verification sampling plans, conducting post-payment verification and reporting on the results. All high-risk transactions are to be reviewed which is described in the business process “Manage Procure to Payment”.

Guideline on Common Financial Management Business Process, 8.1: Manage Post-payment Verification, DRAFT v 0.3, 2012-04-12, RDIMS REFERENCE: TBSSCT-# 1067997 v1

11. Manage Financial Close

The business process focuses on activities such as reconciliations and adjustments to the accounts receivable and accounts payable leading to the submission of timely and accurate trial

⁴ Treasury Board Secretariat, [Directive on Account Verification](#) (2009)

balances submitted to the Central Financial Management Reporting System in support of the preparation of financial statements and other period end requirements.

Guideline on Common Financial Management Business Process, 8.2 Manage Financial Close DRAFT v0.1, 2013-02-08, RDIMS REFERENCE: TBSSCT-# 1159190 v2

12. Manage Pay Administration (HR/Finance interactions)

Many activities identified in the *Guideline on Common Financial Management Business Process for Manage Pay Administration* are described and the IRBV identified in the **Human Resources Management GVT**. The activities included here are those solely related to the financial management process and include the payment requisition, section 33 and 34 verification and authorization of the payment transaction.

Guideline on Common Financial Business Process, 5.1 Pay Administration v2.0, 2013-01-28, RDIMS REFERENCE: TBSSCT-# 793829

Transfer Payments

13. Manage Grants and Contributions

Many activities identified in the *Guideline on Common Financial Management Business Process for Manage Grants and Contributions* are described and the IRBV identified in the **Transfer Payments GVT**. The activities included here are those solely related to the financial management process and include managing funds, formalizing the funding agreement, performing section 33 and 34 authorizations and overseeing recipient audits done by independent auditors.

Guideline on Common Financial Management Business Process, 6.1 Manage Grants and Contributions DRAFT v0.3, 2012-03-14, RDIMS REFERENCE: TBSSCT-# 1060850 v1

Collections and Receivables

14. Manage revenue, receivables and receipts

Manage revenue, receivables and receipts includes the processes to establish financial arrangements and billing requests, to manage invoices/receivables, to manage receipts and reconciliation of deposits and to determine financial coding and revenue recognition. IRBVs include the approved financial arrangement and supporting documentation as well as the invoices and receipt documentation involved in reconciling deposits.

Guideline on Common Financial Management Business Process, 2.1 Manage Revenue, Receivables and Receipts DRAFT v0.1, 2011-12-12, RDIMS REFERENCE: #1036369 v11

15. Manage Interdepartmental Settlements

“Interdepartmental settlements are transactions that are settled through the Receiver General’s Standard Payment System/Interdepartmental Settlements sub-system (SPS/IS).”(Guideline, p.iii) The process “begins with identifying the need for an IS transaction request with another government department and is completed with reconciling the corresponding IS transaction between departments and recording the IS transaction in the proper account.” (Guideline p. 3) The IRBV include the terms and conditions of the interdepartmental arrangement, the transaction details and the information resources that support the processing of the transaction.

Guideline on Common Financial Management Business Process, 2.2 Manage Interdepartmental Settlements DRAFT v 0.1, 2011-12-15, RDIMS REFERENCE: TBSSCT-#1037298 v1A

16. Manage Collection of Overdue Receivables

The collection of overdue receivables “involves the identification of overdue accounts and is completed with the collection of the receivable, or the write-off, remission and/or forgiveness of debts as required.” (Guideline, p. iii) IRBV include documentation about the debt and customer, the financial transaction when the debt is paid and supporting documentation to support the decision regarding the write-off or forgiveness of debt. Note that the collection of taxes is not included in these business processes.

Guideline on Common Financial Management Business Process, 2.3 Manage Collection of Overdue Receivables DRAFT v1.0, 2012-11-16, RDIMS REFERENCE: TBSSCT-#1033550 v10

17. Manage Customer Master Data File

The TBS *Standard on Customer Record* (2012)⁵ outlines the data requirements for a customer record. The customer record is the dataset used in the departmental financial and material management system to uniquely identify and consistently record information about a customer. These records are kept in a database which can be integrated with the department’s departmental financial and material management system (DFMS). This business process includes the creation, updating or deactivating of a customer record and the periodic review of the customer master data file. The entire dataset would have business value, as is indicated in the table below. The process to change the data requires evidence of permission or authority, which is reflected in the IRBV.

Guideline on Common Financial Management Business Process, 7.2 Manage Customer Master Data File DRAFT v1.0, 2012-10-15, RDIMS REFERENCE: TBSSCT-#1077599 v6

Accounting for Assets and Liabilities

18. Manage Other Capital Assets

⁵ Treasury Board Canada, [Standard on Customer Record](#), Appendix A.

Most of the activities described in the *Guideline on Common Financial Management Business Process for Manage Other Capital Assets* are described and the IRBV identified in the Materiel Management GVT. “Materiel” is defined as all moveable assets. The activities described in this GVT are those which are only of a financial nature and include updating the financial record for assets to reflect changes to the value of assets due to amortization, assessment or disposal.

Guideline on Common Financial Management Business Process, 4.1 Manage Other Capital Assets v1.1, 2013-01-10, RDIMS REFERENCE: TBSSCT-#989872

19. Manage Real Property

Many activities identified in the *Guideline on Common Financial Management Business Process for Manage Real Property* are described and the IRBV identified in the Real Property GVT. The activities included here are those solely related to the financial management process and include updating the financial record for real property to reflect changes to the value of real property due to amortization, assessment or disposal.

Guideline on Common Financial Management Business Process, 4.2 Manage Real Property DRAFT v0.1, 2012-09-07, RDIMS REFERENCE: TBSSCT-#1116253-v1

20. Manage Inventory

When describing the activities for managing inventory, it is difficult to separate financial management and materiel management, especially if the inventory systems are integrated with the accounting systems. As indicated in the *TBS Policy on Accounting for Inventories*, “Departments must possess reliable inventory records to support the amounts recorded in their financial statements.”⁶ However, many activities identified in the *Guideline on Common Financial Management Business Process for Manage Inventory* are described and the IRBV identified in the Materiel Management GVT. The activities included in this GVT are those solely related to the financial management process and include recording journal entries to reflect the consumption, write-off or transfer of inventory.

Guideline on Common Financial Management Business Process, 4.3 Manage Inventory DRAFT v 0.2, 2012-07-16, RDIMS REFERENCE: TBSSCT- # 1117447 v1

Retention

Recommended retention specifications in GVTs are determined based on traditional or best practices, a review of government-wide legislation and policy, and validation with subject matter experts. Retention periods are suggestions only; departments must take into account their own legislative requirements and business needs.

⁶ Treasury Board Canada, [Accounting Standard 3.4 – Treasury Board – Inventories](#), section 10 (2002)

As per the *Income Tax Act* (R.S.C., 1985, c. 1 (5th Supp.))(Section 230) the retention period for financial information resources is “six years from the end of the last taxation year to which the records and books of account relate.”⁷ Since this is a stable and traditional retention schedule, it is the recommended period for all IRBV described below and therefore the column for retention recommendations, present in other GVTs, is excluded here. Departments may wish to assign shorter retention periods for information resources that are included in subsequent summary information resources. An example of this would be a quarterly statement where the information is captured in the annual statement.

⁷ [Income Tax Act](#) (R.S.C., 1985, c. 1 (5th Supp.))(Section 230)

FINANCIAL PLANNING AND BUDGETING

1. Manage Planning and Budgeting

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Develop notional budget allocations</p> <ul style="list-style-type: none"> • Confirm ARLU budget allocations • Estimate departmental carry-forward • Identify TB approved funding adjustments • Develop notional budget allocations • Develop and communicate integrated planning package 	<ul style="list-style-type: none"> • Notional budget allocations • Annual Reference Level Updates (ARLU) • TB confirmation of funding adjustments (e.g. TB submissions, collective agreement adjustments, frozen allotments, budget reductions, etc.) • Carry forward estimate • Current year forecasts • Integrated planning package
<p>Conduct operational planning</p>	<ul style="list-style-type: none"> • <i>Please see Management and Oversight GVT</i>
<p>Develop revenue budget</p> <ul style="list-style-type: none"> • Review historical revenue trends • Review current revenue information • Develop revenue assumptions • Develop revenue budget by source or by program • Validate revenue budget; revise as required • Draft revenue budget 	<ul style="list-style-type: none"> • Revenue budget • Analysis of historical and current revenue information • Revenue assumptions • Updated revenue information

<p>Develop Operating Budget</p> <ul style="list-style-type: none"> • Identify operational resource requirements • Develop operating assumptions • Develop salary budget • Develop non-salary budget • Identify operation budget pressures, surpluses and risks • Validate operating budget, pressures, surpluses and risks; revise as required 	<ul style="list-style-type: none"> • Operating budget <ul style="list-style-type: none"> ○ Operating assumptions ○ Non-salary operating budget ○ Salary budget; including capitalized salary • Operating budget pressures and surpluses
<p>Develop Transfer Payment Budget</p> <ul style="list-style-type: none"> • Develop transfer payment assumptions • Develop transfer payment budget • Identify transfer payment budget pressures, surpluses and risks • Validate transfer payment budget, pressures, surpluses and risks; revise as required 	<ul style="list-style-type: none"> • Transfer payment budget <ul style="list-style-type: none"> • Transfer payment assumptions • Transfer payment budget pressures and surpluses
<p>Conduct Project Planning and Budgeting</p>	<p><i>For IRBV related to project planning, please refer to the Management and Oversight GVT.</i></p>
<p>Conduct Capital Asset Lifecycle Planning and Budgeting</p> <ul style="list-style-type: none"> • Analyze capital asset lifecycle requirements • Prioritize capital asset lifecycle requirements • Revise capital asset lifecycle plan and budget • Revise and validate capital asset lifecycle plan and budget 	<ul style="list-style-type: none"> • Capital asset lifecycle plan and budget <ul style="list-style-type: none"> ○ Asset assessment results ○ Analysis of capital asset lifecycle requirements ○ Validated capital asset lifecycle requirements

<p>Conduct Acquired Services Planning and Budgeting</p> <ul style="list-style-type: none"> • Summarize capital asset lifecycle and project portfolio acquired services • Estimate other acquired services requirements • Update acquired services plan and budget • Validate acquired services plan and budget • Revise acquired service plan and budget as required 	<ul style="list-style-type: none"> • Acquired services plan and budget <ul style="list-style-type: none"> ○ Historical acquired services actual expenditures ○ Estimate of other acquired services requirements ○ Summary of capital asset lifecycle acquired services requirements ○ Summary of project portfolio acquired services requirements
<p>Conduct Project Portfolio Planning and Budgeting</p> <ul style="list-style-type: none"> • Confirm budget allocation for in-progress projects • Confirm budget allocation for new approved projects • Estimate budget allocation for validated potential projects • Rebalance project portfolio plan and budget • Validate project portfolio plan and budget • Revise Project Portfolio Plan and Budget as required 	<ul style="list-style-type: none"> • Project portfolio plan • Project portfolio budget <ul style="list-style-type: none"> ○ Budget allocation for in-progress projects ○ Budget allocation for new approved projects ○ Estimated budget allocation for validated potential projects ○ Approval by Investment Management Governance
<p>Update Internal Investment Plan and Budget</p>	<ul style="list-style-type: none"> • Updated internal investment plan and budget
<p>Consolidate and Approve plans and budgets</p> <ul style="list-style-type: none"> • Consolidate budgets, pressures and surpluses • Review, challenge and approve budgets, re-allocation decisions and plans • Communicate approved budget allocations • Finalize budgets in Departmental Financial Management System (DFMS) • Determine if investment plan must be submitted to TBS • Prepare and submit investment plan to TBS (see Management and Oversight GVT) 	<ul style="list-style-type: none"> • Approved consolidated budgets for <ul style="list-style-type: none"> ○ internal investment plan and budget ○ operating plan and budget ○ revenue budget ○ transfer payment budget • Drafts which contain substantial changes not reflected in the final information resource • Consolidated pressures and surpluses • Approved budget allocations

2. Manage Forecasting and Budget Review

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Initiate Forecasting and Budget Review</p> <ul style="list-style-type: none"> • Compile year to date (YTD) financial information • Develop and distribute integrated YTD review and forecast package 	<ul style="list-style-type: none"> • Integrated YTD review and forecast instructions • Year to date financial results and performance results
<p>Analyze revenue financial results and develop forecast</p> <ul style="list-style-type: none"> • Review YTD revenue • Update YTD revenue • Compare YTD revenue with approved budget and prior year results • Identify and explain significant variances • Develop total annual revenue forecast • Identify revenue risks • Validate revenue forecast • Revise revenue forecast 	<ul style="list-style-type: none"> • Total annual revenue forecast (includes forecast and relevant changes in operations, risks, uncertainties and assumptions) <p>Supporting documentation which may include:</p> <ul style="list-style-type: none"> ○ Comparison of YTD results to budget and comparative period ○ Revenue variance analysis ○ Information to support revisions to revenue forecast ○ YTD Revenue and forecast analysis
<p>Analyze Operating Financial Results and Develop Forecast</p> <ul style="list-style-type: none"> • Review YTD operating expenditures • Review operating commitments • Update YTD operating expenditures and/or commitments • Compare YTD operating expenditures with approved budget and prior year results • Identify and explain significant variances • Develop total annual salary forecast 	<ul style="list-style-type: none"> • Comparison of YTD results to budget and comparative period • Operating budget variance analysis • Information to support revisions to operating forecast • Total annual operating forecast (includes forecast, pressures and surpluses, as well as relevant changes in operations, risks, uncertainties and assumptions) • Operating expenditure and forecast analysis

<ul style="list-style-type: none"> • Develop total annual non-salary operating forecast • Identify operating forecast pressures, surpluses and risks • Validate operating forecast, pressures, surpluses and risks • Revise operating forecast 	
<p>Analyze transfer payment financial results and develop forecast</p> <ul style="list-style-type: none"> • Review YTD transfer payment expenditures • Review transfer payment commitments • Update YTD transfer payment expenditures and/or commitments • Compare TYD transfer payment expenditures with approved budget and prior year results • Identify and explain significant variances • Develop total annual transfer payment forecast • Identify transfer payment forecast pressures, surpluses and risks • Validate transfer payment forecast, pressures, surpluses and risks • Revise transfer payment forecast 	<ul style="list-style-type: none"> • Comparison of YTD results to budget and comparative period • Transfer payment variance analysis and explanations • Information to support revisions to transfer payment forecast • Total annual transfer payment forecast (includes forecast, pressures and surpluses, as well as relevant changes in operations, risks, uncertainties and assumptions) • Transfer payment expenditure and forecast analysis

<p>Analyze Capital Asset Financial Results and Develop Forecast</p> <ul style="list-style-type: none"> • Review YTD capital asset additions • Review YTD proceeds from disposals of capital assets • Review capital asset commitments • Update YTD capital asset additions, proceeds and/or commitments • Compare YTD capital asset additions and proceeds with approved budget and prior year results • Identify and explain significant variances • Develop total annual forecast of capital asset additions • Develop total annual forecast of capital asset disposals • Identify capital asset forecast pressures, surpluses and risks • Validate capital asset forecast, pressures, surpluses and risks • Revise capital asset forecast 	<ul style="list-style-type: none"> • Comparison of YTD results to budget and comparative period • Capital asset variance analysis and explanations • Information to support revisions to capital asset forecast • Total annual capital asset forecast (includes forecast, pressures and surpluses, as well as relevant changes in operations, risks, uncertainties and assumptions)
<p>Analyze project financial results and develop forecast</p> <ul style="list-style-type: none"> • Review YTD project expenditures • Review project commitments • Update YTD project expenditures and/or commitments • Compare YTD project expenditures with approved budget • Identify and explain significant variances • Develop total project forecast • Identify project forecast pressures, surpluses and risks • Validate project forecast, pressures, surpluses and risks • Revise project forecast 	<ul style="list-style-type: none"> • Comparison of YTD results to budget and comparative period • Project variance analysis and explanations • Information to support revisions to project forecast • Total project forecast by fiscal year (includes forecast, pressures and surpluses, as well as relevant changes in operations, risks, uncertainties and assumptions) • Project expenditure analysis and forecast

<p>Analyze performance results</p>	<ul style="list-style-type: none"> • YTD performance results • Performance indicators • Analysis of YTD performance results
<p>Consolidate, review and challenge results and forecasts</p> <ul style="list-style-type: none"> • Develop integrated financial and performance report • Review report and identify proposed actions to be taken • Validate report and proposed actions to be taken • Update plans 	<ul style="list-style-type: none"> • Budgeting assumptions and constraints (e.g. carry forward limitations) • Integrated financial and performance report (includes YTD analysis, forecasts, pressures, surpluses and risks) • Proposed actions to be taken (e.g. budget re-allocations, risk mitigation strategies) • Information to support update to plans (e.g. revised budgets, revised prioritization of activities, performance indicators) • Approved revised plans • Proposed budget re-allocations • Proposed departmental funding adjustments
<p>Review and action budget reallocations</p> <ul style="list-style-type: none"> • Complete budget reallocation request • Review and approve budget reallocation request • Action budget reallocation in financial system 	<ul style="list-style-type: none"> • Approved budget re-allocation request • Approved revised budget

EXPENDITURE CONTROL AND PAYMENTS

3. Manage Departmental Chart of Accounts

<p>Common Business Processes</p>	<p>Recommendations: Information Resources of Business Value (IRBV)</p>
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<p>Manage Departmental chart of accounts</p>	<ul style="list-style-type: none"> • Departmental Chart of Accounts
<p>Initiate request to create, update or suspend an account code</p> <ul style="list-style-type: none"> • Identify need to create, update or suspend an account code • Obtain advice to define request within acceptable parameters • Define Financial Coding Block Elements and/or Account Code Requirements • Conduct Impact Assessment • Create Request • Recommend Request for Approval 	<ul style="list-style-type: none"> • Receiver General release notes • Request to create, update or suspend an account code • Supporting documentation for validation of request • Acceptable parameter-related supporting documentation • Related supporting documentation • Financial coding block requirements • Related supporting documentation proposed and historical transaction
<ul style="list-style-type: none"> • Process Request to Create or Update an Account Code • Receive Request and Supporting Documentation • Verify That Request was Appropriately Approved • Conduct Challenge Function to Assess Request for Reasonableness • Determine Compliance and Map to Government-Wide Chart of Accounts • Predetermine Value and Cross-Validation Rules • Identify Data and Supporting Documentation Requirements • Validate Request Against Supporting Documentation • Provide Final Approval of Request • Inform Requestor of Refusal 	<ul style="list-style-type: none"> • Approved request and supporting documentation • Other independent sources of data • Memo or email to inform requestor (including reason for refusal)
<p>Process Request to Suspend an Account Code</p> <ul style="list-style-type: none"> • Receive Request and Supporting Documentation • Verify that Request was Appropriately Approved • Conduct Challenge Function to Assess for Reasonableness • Confirm That Account Code and Coding String Exist and Have Not Been Suspended in System • Assess Impact on Government-wide and Departmental Chart of Accounts 	<ul style="list-style-type: none"> • Analysis of account code • Impact assessment • Account balance • Report for outstanding invoices and commitments • Anticipated transactions • Approval to suspend account code • Memo or email to inform requestor (including reason for refusal)

<ul style="list-style-type: none"> • Check for Outstanding Balances and Pending Transactional Activities • Identify Data and Supporting Documentation Requirements • Validate Request Against Supporting Documentation • Provide Final Approval of Request • Inform Requestor of Refusal 	
<p>Carry Out the Request to Create, Update or Suspend an Account Code</p> <ul style="list-style-type: none"> • Enter Requested Change into System to Create, Update or Suspend an Account Code and Verify Input Data • Communicate Completed Action to Appropriate Parties 	<ul style="list-style-type: none"> • Communication to appropriate parties • Completed action
<p>Plan Periodic Review</p> <ul style="list-style-type: none"> • Conduct Risk Assessment • Develop Approach and Review Procedures • Prepare or Update Planning Document • Review and Approve Planning Document 	<ul style="list-style-type: none"> • Approved planning document • Departmental periodic review risk assessment • Stakeholder comments and feedback on chart of accounts
<p>Implement Periodic Review</p> <ul style="list-style-type: none"> • Gather Information Required to Perform Periodic Review • Perform Periodic Review • Document and Analyze Results • Revise Departmental Policies and Procedures for Departmental Chart of Accounts 	<ul style="list-style-type: none"> • Periodic review risk assessment • Receiver General exception and error reports • Extracts and reports from the Chart of account database and other documentation from Chart of account stakeholders • Documented results and analysis from the periodic review

4. Manage Delegation of Financial and Spending Authorities

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Maintain Financial and Spending Authorities Delegation Instrument</p> <ul style="list-style-type: none"> • Review Current Delegation Instrument • Update Delegation Instrument and Obtain Internal Approval 	<ul style="list-style-type: none"> • Requirement to review current delegation instrument • Results of the annual review of delegated financial and spending authorities • Memorandum of Understanding between departments or other circumstances where financial authorities are delegated

<ul style="list-style-type: none"> • Brief and Request Signature of the or Deputy of the Minister or Both as Applicable • Communicate Approved Change to Delegation of Financial Authorities Instrument 	<ul style="list-style-type: none"> • Approved revised financial and spending authorities delegation instrument
<p>Maintain Authorities Delegated to Incumbents</p> <ul style="list-style-type: none"> • Identify Requirement to Create Signing Authorities Delegated to Incumbents • Identify Requirement Change Signing Authorities Delegated to Incumbents • Identify Requirement to Suspend or Remove Signing Authorities Delegated to Incumbents • Confirm Completion of Required Training and/or Revalidation • Complete Required Training and/or Revalidation • Complete and Submit Specimen Signature Document • Complete and Submit Required Change to Signing Authorities • Complete and Submit New Specimen Signature Card noting changes made • Complete and Submit Required Removal of Signing Authorities • Process Request • Advise Designated Superior and Designated Official that Request has Been Completed 	<ul style="list-style-type: none"> • Human resource requirements • Ad-hoc requirement to create, change, or suspend or remove authorities delegated to incumbents • Proposed changes to specimen signature documents • Completed specimen signature document • Training logs and records • Approved financial and spending authorities delegation instrument • Completed financial and spending signing authority request
<p>Perform Annual Review of Delegated Financial and Spending Authorities</p> <ul style="list-style-type: none"> • Plan or Update and then Communicate Review of Delegation of Financial and Spending Authorities • Conduct Review of Financial and Spending Authorities Delegation Instrument • Conduct Review of Specimen Signature Documents • Conduct Review of Processes for Maintaining Delegations of Financial and Spending Authorities • Document and Analyze Results • Revise Processes for Maintaining Delegations of Financial and Spending Authorities 	<ul style="list-style-type: none"> • Proposed changes to delegation instrument • Proposed changes to specimen signature documents • Proposed changes to processes for maintaining delegation of financial and spending authorities • Delegation instrument • Plan to review delegated financial and spending authorities • Delegated financial and spending authorities review results • Approved delegation instrument

<ul style="list-style-type: none"> • Obtain Approval of Delegation Instrument • Communicate Revised Instrument 	
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5. Manage Procure to Payment

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Determine Requirements	<i>For IRBV related to procurement, please refer to the Acquisitions GVT.</i>
Determine/Exercise Expenditure Initiation Authority <ul style="list-style-type: none"> • Determine Required Expenditure Initiation Authority • Exercise or Obtain Authority • Submit Requisition for Goods/Services 	<ul style="list-style-type: none"> • Delegation documents/proof of authorization • Requisition (description, type of good/service, estimated cost, quantity, etc.) <ul style="list-style-type: none"> ◦ Financial coding (authority, object, sub-activity, responsibility centre, etc.)
Verify Unencumbered Balance <ul style="list-style-type: none"> • Determine Unencumbered Balance • Provide Authorization 	<ul style="list-style-type: none"> • Commitment authorization
Manage Commitments <ul style="list-style-type: none"> • Record/ Update Commitment • Close Out Commitment 	<ul style="list-style-type: none"> • Commitment record
Manage Contracts	<i>For IRBV related to any contracting of services, please refer to the Acquisitions GVT.</i>
Administer Contracts and Deliverables	<i>For IRBV related to any contracting of services, please refer to the Acquisitions GVT.</i>
Manage Payables <ul style="list-style-type: none"> • Verify That Supporting Documentation Is Complete • Confirm That Contract Terms Are Met • Confirm That Payee Is Entitled to Payment • Validate That Three-Way Matching Occurred 	<ul style="list-style-type: none"> • Invoice or credit memo • Certification pursuant to FAA, section 34 • Request for payment • Financial coding • Certification authority • Delegation documents

<ul style="list-style-type: none"> • Ensure That Payee Information Is Accurate • Ensure That Financial Coding Is Correct • Verify That Relevant Regulations, Policies and Directives Were Followed • Verify Accuracy of Transaction • Resolve Discrepancies • Exercise or Obtain Authority 	<ul style="list-style-type: none"> • Expenditure initiation authority • Transaction authority
<ul style="list-style-type: none"> • Perform Payment Authority • Receive Request for Payment • Perform Quality Assurance • Calculate Interest • Exercise FAA, Section 33 Certification (Including EAA Key) • Submit Payment Requisition to Receiver General 	<ul style="list-style-type: none"> • Quality assurance results • Section 33 certification (signature) • Electronic authorization and authentication section 33 details • Section 34 verification and certification • Approved payment requisition
<p>Issue Payments (Receiver General)</p> <ul style="list-style-type: none"> • Issue Payment • Process Return Payment File • Finalize Payment 	<ul style="list-style-type: none"> • Payment return file

6. Manage Travel

Most of the business process surrounding travel will be found in the Travel and Other GVT. This chart reflects only the activities involving the financing of travel.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Manage Commitment</p> <ul style="list-style-type: none"> • Record or Update Commitment • Close Out Commitment 	<ul style="list-style-type: none"> • Commitment record • Commitment authorization • Travel request (includes estimated costs and updates) • Prepaid credit card statement • Travel claim
<p>Perform Payment Authority (FAA, section 33)</p> <ul style="list-style-type: none"> • Receive Request for Payment • Perform Quality Assurance 	<ul style="list-style-type: none"> • Request for payment • Payment requisition to Receiver General • Section 34 verification and certification • Travel advance request form

<ul style="list-style-type: none"> • Exercise FAA, Section 33 Certification (Including EAA Key) • Submit Payment Requisition to Receiver General 	<ul style="list-style-type: none"> • Approved payment requisition • Quality assurance results • Section 33 certification (signature)
<p>Issue Payment (Receiver General)</p> <ul style="list-style-type: none"> • Issue Payment • Process Return Payment File • Finalize Payment 	<ul style="list-style-type: none"> • Payment return file

7. Manage other Payments

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Determine Requirements</p> <ul style="list-style-type: none"> • Identify Needs • Examine and Select Vendor 	<ul style="list-style-type: none"> • Estimated costs • Supporting documentation
<p>Determine/Exercise Expenditure Initiation Authority</p> <ul style="list-style-type: none"> • Determine Required Expenditure Initiation Authority • Exercise or Obtain Authority 	<ul style="list-style-type: none"> • Authorization form • Legal settlement notice • Delegation documents/proof of authorization • Description and type of good/service • Estimated costs
<p>Verify Unencumbered Balance</p> <ul style="list-style-type: none"> • Determine Unencumbered Balance • Provide Authorization 	<ul style="list-style-type: none"> • Authorization documentation
<p>Manage Commitments</p> <ul style="list-style-type: none"> • Record / Update Commitments • Close Out Commitments 	<ul style="list-style-type: none"> • Commitment authorization
<p>Manage Payables</p> <ul style="list-style-type: none"> • Verify That Supporting Documentation Is Complete • Obtain Legal Opinion • Confirm That Requirements are Met • Confirm Payee Is Eligible for Payment • Ensure That Amount or Price Is Reasonable • Ensure That Payee Information Is Accurate 	<ul style="list-style-type: none"> • Request for payment • Supporting documentation • Legal opinion (if applicable) • Evidence of FAA, section 34 certification • Liability account or commitment balance • Credit memo data (if applicable) • Certification authority • Evidence of expenditure initiation authority (if applicable)

<ul style="list-style-type: none"> • Ensure That Financial Coding Is Correct • Verify That Relevant Regulations Were Followed • Verify That Balance Is Sufficient • Verify Accuracy of Transaction • Resolve Discrepancies • Exercise or Obtain Authority 	<ul style="list-style-type: none"> • Evidence of transaction authority (if applicable).
<p>Perform Payment Authority</p> <ul style="list-style-type: none"> • Receive Request for Payment • Perform Quality Assurance • Calculate Interest • Provide FAA, Section 33 Certification (includes EAA key) • Submit Payment to Receiver General 	<ul style="list-style-type: none"> • Payment requisition • Legal opinion (if applicable) • Evidence of provision of spending authority • Section 34 of the FAA verification and certification • Quality assurance results • Approved payment requisition • Section 33 certification (signature) • Electronic authorization and authentication section 33 details • Payment requisition file
<p>Issue Payment</p> <ul style="list-style-type: none"> • Issue Payment • Process Return Payment file • Finalize Payment 	<ul style="list-style-type: none"> • Payment to payee • Payment return file
<p>Manage Petty cash⁸</p> <ul style="list-style-type: none"> • Establish or change custodian of petty cash or other imprest fund • Reconciliation of funds and receipts • Investigate cash shortages 	<ul style="list-style-type: none"> • Approval from Public Services and Procurement Canada for establishment of fund • Documentation of authority of custodian (written statement to transfer fund) • Reports on reconciliation • Reports on shortages
<p>Manage (expenses related to) relocation of employees⁹</p> <ul style="list-style-type: none"> • Initiate expenditure • Exercise commitment control • Manage payables • Perform payment authority (FAA section 33) • Issue payment from Receiver General • Update payment records 	<ul style="list-style-type: none"> • Approved letter of offer or equivalent (input from human resources process) • Invoice from Central Removal Service • Departmental travel expense account invoice • Invoice from CRSP (Contracted Relocation Service Provider) • Invoice from moving company • Certification pursuant to FAA section 34 • Request for payment • Payment authority pursuant to FAA section 33 • Updated payment records

⁸ Directive on Accountable Advances, TBS, 2009.

⁹ Appendix F. Guideline on Common Financial Management Business Process, 3.3 Manage Other Payments v1.1, 2013-05-30, p. 86

8. Manage Administration of Acquisition and Fleet Cards

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Issue Card</p> <ul style="list-style-type: none"> • Complete Application • Recommend Application for Approval • Process and/or Approve Card Application • Secure Card • Obtain Training • Conduct Pre-issuance Activities • Issue Card • Use Card 	<ul style="list-style-type: none"> • Card application or request (acquisition card); Card request form (fleet card) • Delegation documents /proof of authorization • Card tracking • Proof of training • Card information • Signed acknowledgement form • Vehicle log (fleet card only)
<p>Monitor Cards</p> <ul style="list-style-type: none"> • Review Card or Fleet Usage • Report to Management • Investigate Issues • Take Appropriate Action • Monitor Acquisition Cardholder Activity • Review Notification and Reports 	<ul style="list-style-type: none"> • List of active cards • Card and fleet reports (to managers) • Reports regarding issues and resolution of issues • Fleet management service provider notification and reports • Vehicle log • Purchase log • Results of investigation
<p>Maintain Cards</p> <ul style="list-style-type: none"> • Review and Accept Information • Update Card Data 	<ul style="list-style-type: none"> • Ad hoc request • Card information • Card or fleet status • Credit limit • Financial coding
<p>Cancel Card</p> <ul style="list-style-type: none"> • Perform Due Diligence • Determine Recoveries • Close Account • Destroy Card 	<ul style="list-style-type: none"> • Cancellation notification • Ad hoc cancellation notification • Notice sent to card holder • Card statement • Record of fleet usage data • Account receivable information

9. Manage Vendor Master Data File

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Manage Vendor Master Data File	<ul style="list-style-type: none"> • Vendor Master Data File dataset
<p>Process request to Create or Update Vendor Record</p> <ul style="list-style-type: none"> • Receive Vendor Record Request and Supporting Documentation to Create or Update • Verify That Request was Approved by an Appropriate Individual • Conduct a High-Level Challenge Function to Assess Request for Reasonableness • Confirm Status of Vendor in the Vendor Master Data File • Identify Data and Supporting Documentation Requirements Given Category of Vendor • Validate Request Against Supporting Documentation • Refuse Request and Inform Requestor 	<ul style="list-style-type: none"> • Vendor record Request and related supporting documentation • Approval of request by requestor and/or designated individual in compliance with departmental policy and mandate • Needs/requirements analysis • List of acceptable requestors • Memo or e-mail to inform requestor
<p>Process Request to Deactivate Vendor Record</p> <ul style="list-style-type: none"> • Receive Vendor Record Request and Supporting Documentation to Deactivate Vendor Record • Verify That Request was Approved by an Appropriate Individual • Conduct a High-level Challenge Function to Assess Request for Reasonableness • Confirm that Vendor Exists and has not Been Deactivated in the Vendor Master File • Check for Outstanding Balances, Contracts and Purchase Orders • Identify Required Supporting Documentation • Validate Request Against Supporting Documentation • Refuse Request and Inform Requestor 	<ul style="list-style-type: none"> • Request to deactivate vendor record and related supporting documentation • Approval of vendor record request by requestor or designated individual in compliance with departmental policy/mandate • Departmental delegation of financial signing authority • Verification information such as: <ul style="list-style-type: none"> ○ HR employee departure documentation ○ HR employee termination notification ○ Notification from program area (close out of program) ○ Outstanding invoice reports ○ Searches for duplicate vendors • Memo or email to inform requestor • External vendor notification

<p>Carry Out Request to Create, Update or Deactivate Vendor Record</p> <ul style="list-style-type: none"> • Enact and Verify Creation, Updating or Deactivation of Vendor Record in the Vendor Master Data File • Perform Quality Assurance • Exercise FAA, section 33 Certification (Including EAA Key) • Submit Payment Requisition to Receiver General • Complete Test for Electronic Banking Information (Accuracy, Completeness and Validity) • Inform appropriate parties that action to vendor record has been completed, as required 	<ul style="list-style-type: none"> • Approved vendor record request • Related supporting documentation • FAA, section 33 verification and certification • Approved payment requisition • Quality assurance results • Confirmation from vendor that test payment was successful • SPS payment return file • Supporting documentation for banking information (may include a VOID cheque) • Documentation to evidence that the request was carried out • Memo or email (e.g., to inform vendor record has been created)
<p>Plan periodic Review</p> <ul style="list-style-type: none"> • Conduct Risk Assessment • Create or Update Periodic Review Approach and Review Procedures • Develop or Update Periodic Review Planning Document • Review and Approve Periodic Review Planning Document 	<ul style="list-style-type: none"> • Trigger to review: regular data maintenance activities or a request made after an issue is found e.g. internal audit reports and vendor record stakeholder feedback and other comments • Departmental periodic review risk assessment and supporting documentation • Vendor record stakeholder comments/feedback • Periodic review approach and procedures document • Periodic review planning document
<p>Implement Periodic Review</p> <ul style="list-style-type: none"> • Gather Information Required to Perform Periodic Review • Perform Periodic Review • Document and Analyze Periodic Review Results • Revise Vendor Master Data File Departmental Policies and Procedures, as Required 	<ul style="list-style-type: none"> • Extracts and reports from the vendor master data file database and other documentation from vendor record stakeholders • Documented results and analysis from the periodic review • Documentation to update vendor record • Departmental vendor master data file policies and procedures (revised)

10. Manage Post-Payment Verification

<p>Common Business Processes</p>	<p>Recommendations: Information Resources of Business Value (IRBV)</p>
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<p>Create or Update, Review and Approve the Post-payment Verification Sampling Plan(s)</p> <ul style="list-style-type: none"> • Gather Information Required to Create/Update the Post-payment Verification Sampling Plan(s) • Create or Update the Post-payment Verification Sampling Plan(s) • Review the Post-payment Verification Sampling Plan(s) • Approve the Post-payment Verification Sampling Plan(s) 	<ul style="list-style-type: none"> • Sampling framework • Approved post-payment verification sampling plan(s)
<p>Obtain Population(s) and Extract Samples</p> <ul style="list-style-type: none"> • Obtain Population(s) • Extract Samples • Identify Required Supporting Documentation for Verification • Communicate Request for Supporting Documentation 	<ul style="list-style-type: none"> • Post-payment verification population • Population extracts
<p>Perform Post-payment verification and document results</p> <ul style="list-style-type: none"> • Obtain Sample Documentation • Conduct Post-payment Verification • Compile and Document Results of Post-payment Verification • Validate and Approve Results of Post-payment Verification 	<ul style="list-style-type: none"> • Required sample documentation such as: Invoices, contracts, purchase orders, letter of offer or other supporting documentation (copies, as required) • Post-payment verification documented results, such as: <ul style="list-style-type: none"> ○ A spreadsheet of high-level verification performed; ○ Checklist for each transaction verified and the results.
<p>Communicate and Address Individual Errors found during Post-Payment Verification</p> <ul style="list-style-type: none"> • Prepare and Review Individual Error Communication • Communicate Individual Errors to Required Managers • Correct Error, if Required • Follow-up on Errors, if Required 	<ul style="list-style-type: none"> • Individual errors communication
<p>Analyze and report on the overall Functional and Recurring results of the Post-Payment Verification</p> <ul style="list-style-type: none"> • Analyze Post-payment Verification Results • Determine and Document Required Functional and/or Systemic Corrective Action • Determine and Recommend Consequences Related to Errors 	<ul style="list-style-type: none"> • Approved high-level overview results report <ul style="list-style-type: none"> ○ List of consequences related to errors ○ Action plan

<ul style="list-style-type: none"> • Develop Action Plan to Address Required Functional and/or Recurring Corrective Action • Prepare High-level Overview Results Report • Approve High-level Overview Results Report • Communicate High-level Overview Results Report 	
<p>Request Corrective action on Overall Functional and Recurring Issues</p> <ul style="list-style-type: none"> • Request Corrective Action on Overall Functional and/or Recurring Issues • Take Corrective Action • Follow-up on Overall Functional and Recurring Corrective Actions 	<ul style="list-style-type: none"> • Request to required stakeholders • Follow-up report

11. Manage Financial Close

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Perform Ongoing Reconciliations and Adjustments</p> <ul style="list-style-type: none"> • Perform RG-GL / PS-GL Reconciliations • Perform Treasury System Reconciliations • Perform Account Analysis • Record Adjustment 	<ul style="list-style-type: none"> • Treasury system details • Control data • Receiver General Exception reports • DFMS control account balances • PS-GL control data • RG-GL control data • DFMS Control account details • Account balance details • Suspense account details • Prior Year account balances • Adjustment data
<p>Establish and communicate Internal Closing Schedule</p> <ul style="list-style-type: none"> • Review Receiver General Closing Schedule and Guidance • Prepare Internal Closing Schedule • Communicate Period End Schedule 	<ul style="list-style-type: none"> • Internal closing schedule • RG info sessions • RG year-end requirements

<p>Process Accounts Payable Adjustments</p> <ul style="list-style-type: none"> • Analyze Commitments • Estimate Value of Accruals • Confirm Interdepartmental Settlement With other government departments • Record Accruals • Validate commitment balances • Adjust or close out commitments 	<ul style="list-style-type: none"> • Accounts payable data • Commitment data • Contract data • Deliverables receipt data • Interdepartmental settlement data • Estimated amounts • FAA, section 34 certification • Financial data (commitments, actuals to date) • Entry in DFMS to record accrual
<p>Process Accounts Receivable Adjustments</p> <ul style="list-style-type: none"> • Review Financial Arrangements • Estimate Value of Revenue Earned • Confirm Interdepartmental Settlement with OGD • Record Receivables • Review External Aged Receivables Schedule • Estimate Value of Doubtful Accounts • Record Adjustment to Allowance for Doubtful Accounts • Review Deferred Revenue Balance • Estimate of Value of Goods/Services Delivered • Record Adjustment to Deferred Revenue Balance 	<ul style="list-style-type: none"> • Provisions relating to cost recoveries • Actual revenues • Inventory records (if applicable) • Shipping documentation • Interdepartmental settlement data • Receivables data • Aged receivables schedule • Customer credit information • Allowance for doubtful accounts • Deposit documentation • Receipt documentation • Adjustment details • Deferred revenue balance • Estimated amounts
<p>Process Other Adjustments</p> <ul style="list-style-type: none"> • Identify Compensation-Related Accruals • Estimate Value of Compensation-Related Accruals • Record Compensation-Related Accruals • Review Prepaid Expense Balance • Estimate Value of Goods/Services Consumed • Record Adjustment to Prepaid Expense Balance • Identify Other Adjustments • Estimate Other Adjustments • Record Other Adjustments 	<ul style="list-style-type: none"> • Estimated amounts • Prepaid expense balance • Prepaid expense schedule
<p>Prepare Trial Balance and Submit to CFMRS</p> <ul style="list-style-type: none"> • Generate Trial Balance • Verify Trial Balance for Exception Report Errors • Reconcile RG-GL / PS-GL • Conduct Variance Analysis • Record Adjustments 	<ul style="list-style-type: none"> • Validation report • Certificate of representations • Control accounts • Trial balance • PS-GL data • RG-GL data

<ul style="list-style-type: none"> • Close Period • Submit Trial Balance to CFMRS • Prepare and Submit Certificate of Representations 	<ul style="list-style-type: none"> • Adjustment amount • Financial coding • Certificate of Representations
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12. Manage Pay Administration (HR/Finance interactions)

Many activities identified in the Guideline on Common Financial Management Business Process for Manage Pay Administration are described and the IRBV identified in the Human Resources Management GVT. The activities included here are those solely related to the financial management process. Please also see the Human Resources Management GVT.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Determine HR Requirements	<i>Please see Human Resources Management GVT.</i>
Determine and Exercise Expenditure Initiation Authority <ul style="list-style-type: none"> • Determine Required Expenditure Initiation Authority • Exercise or Obtain Expenditure Initiation Authority 	<ul style="list-style-type: none"> • HR request for expenditure initiation (description, type of change or service, estimated cost, quantity, etc.) • Delegation instruments and proof of authorization
Manage Funds Availability <ul style="list-style-type: none"> • Determine Funds Availability • Provide Authorization (FAA section 32) 	<ul style="list-style-type: none"> • Delegation instrument and proof of authorization • Financial coding (authority, object, sub-program, responsibility centre, etc.)
Manage Commitment <ul style="list-style-type: none"> • Record and Update Commitment • Close Out Commitment 	<ul style="list-style-type: none"> • Commitment record • Commitment authorization
Update Salary Forecast <ul style="list-style-type: none"> • Maintain Salary Forecast 	<ul style="list-style-type: none"> • Salary Forecast • Planned employee- and position-related data • Forecast amounts
Manage HR Pre-Payroll <ul style="list-style-type: none"> • Determine Required Transaction Authority • Exercise or Obtain Transaction Authority 	<ul style="list-style-type: none"> • Supporting employee and position documentation (from request for payment, letter of offer, request for overtime payment, etc.) • Expenditure initiation authority

<ul style="list-style-type: none"> • Exercise or Obtain FAA Section 34 Authority 	<ul style="list-style-type: none"> • FAA section 34 certification and transaction authority
Manage Pay Pre-Payroll	<i>Please see Human Resources Management GVT.</i>
Perform Account Verification (Compensation) <ul style="list-style-type: none"> • Verify That Supporting Documentation Is Complete • Confirm That Requirements Are Met • Confirm That Payee Is Eligible for Payment • Ensure Employee Information Is Accurate • Verify That Relevant Regulations, Policies and Directives Were Followed • Verify Accuracy of Transaction • Resolve Discrepancies 	<ul style="list-style-type: none"> • Supporting documentation • Request for pay transaction • Authorizations (expenditure initiation, commitment, HR, transaction)
Perform Payment Authority <ul style="list-style-type: none"> • Receive Request for Pay Transaction • Perform Quality Assurance • Exercise FAA Section 33 Certification (electronic or manual) 	<ul style="list-style-type: none"> • Approved request for pay transaction • Section 34 verification and certification • Delegation instruments and proof of authorization • Quality assurance results • Section 33 certification (signature)
Issue Payment Note: most steps of “issue Payment” are out of scope for this GVT since they are the responsibility of Public Services and Procurement Canada , and not of the individual departments. <ul style="list-style-type: none"> • Stop Payment 	<ul style="list-style-type: none"> • Payroll control data report • Control account balance report • Internal journal voucher report • Detailed expenditure extract file • Stop payment intercepts and recalls
Manage Post-payroll <ul style="list-style-type: none"> • Distribute Pay Stubs • Record Pay Transactions • Record Other Salary Transactions 	<ul style="list-style-type: none"> • Approved payment release (payroll register) • Detailed pay expenditure file • Government-wide payroll control totals (trial balance) • Data and supporting documentation relating to Pay and Other Salary transactions
Complete Account Verification <ul style="list-style-type: none"> • Verify That Supporting Documentation Is Complete • Confirm That Payee Is Eligible for Payment • Validate That Three-Way Match Occurred • Ensure Financial Coding Is Correct • Verify Accuracy of Transaction 	<ul style="list-style-type: none"> • Supporting documentation • FAA section 34 verification completed • Authorizations (expenditure initiation, commitment, HR, transaction) • Request for pay transaction

<ul style="list-style-type: none"> • Resolve Discrepancies 	
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TRANSFER PAYMENTS

13. Manage Grants and Contributions

Many activities identified in the Guideline on Common Financial Management Business Process for Manage Grants and Contributions are described and the IRBV identified in the Transfer Payments GVT. The activities included here are those solely related to the financial management process. Please also see the Transfer Payments GVT.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Determine and Exercise Expenditure Initiation Authority <ul style="list-style-type: none"> • Determine Required Expenditure Initiation Authority • Exercise or Obtain Authority 	<ul style="list-style-type: none"> • Delegation of authorities instruments or proof of authorization • Funding agreement application (if applicable)
Manage Funds Availability <ul style="list-style-type: none"> • Determine Funds Availability • Authorize (section 32) • Decline Proposal or Amendment 	<ul style="list-style-type: none"> • Funding information • Section 32 authorization • Notice of agreement status
Manage Commitments <ul style="list-style-type: none"> • Record/Update Commitment • Close out Commitment 	<ul style="list-style-type: none"> • Commitment record
Formalize Funding Agreement or Funding Agreement Amendment <ul style="list-style-type: none"> • Conduct or Update Recipient Risk Assessment • Obtain Minister Approval for Exceptions to Terms and Conditions • Develop Funding Agreement or Funding Agreement Amendment • Review funding Agreement 	<ul style="list-style-type: none"> • Signed and approved funding agreement or funding agreement amendment • Individual recipient risk assessments • Other relevant information to assess risk

<ul style="list-style-type: none"> • or Funding Agreement Amendment and Support File • Exercise or Obtain Authority and Approval of Funding Agreement/or Funding Agreement Amendment • Resolve Issues • Close Application • Update Funding Agreement Information • Comply with Disclosure Requirements 	
<p>Perform Section 34 Verification and Certification for Grants</p> <ul style="list-style-type: none"> • Ensure Recipient Information is Accurate • Confirm that Recipient is Entitled to Payment • Confirm that Funding Agreement Terms are Met • Ensure Financial Coding is Correct • Verify that Relevant Policies, Regulations and Directives were Followed • Verify Accuracy of Transaction • Exercise or Obtain Authority • Resolve Discrepancies 	<ul style="list-style-type: none"> • Request for payment • Funding agreement • FAA section 34 certification
<p>Perform Section 34 Verification and Certification for Contributions</p> <ul style="list-style-type: none"> • Record Claim • Ensure Recipient Information is Accurate • Confirm that Recipient is Entitled to Payment • Confirm that Funding Agreement Terms are Met • Ensure Financial Coding is Correct • Verify that Relevant Policies, Regulations and Directives were Followed • Verify Accuracy of Transaction • Verify Supporting Documentation Based on Risk • Exercise or Obtain Authority • Resolve Discrepancies 	<ul style="list-style-type: none"> • Request for payment • Claim • Funding agreement • Supporting documents • FAA section 34 certification
<p>Perform Section 34 Verification and Certification for Contribution Advances</p> <ul style="list-style-type: none"> • Confirm Amount of Advance • Ensure Recipient Information is Accurate • Ensure all Criteria for Advances are Met • Confirm that Recipient is Entitled to Payment • Confirm that Funding Agreement Terms are Met 	<ul style="list-style-type: none"> • Request for payment • Funding agreement • Supporting documentation • FAA section 34 certification

<ul style="list-style-type: none"> • Ensure Financial Coding is Correct • Verify that Relevant Policies, Regulations and Directives were Followed • Verify Accuracy of Transaction • Exercise or Obtain Authority • Resolve Discrepancies 	
<p>Perform Section 34 Verification and Certification for Claims Related to Contribution Advances</p> <ul style="list-style-type: none"> • Record Claim • Ensure Recipient Information Is Accurate • Confirm That Recipient Is Entitled To Payment • Confirm That Funding Agreement Terms Are Met • Ensure Financial Coding Is Correct • Verify that Relevant Policies, Regulations and Directives were Followed • Verify Accuracy of Transaction • Verify Supporting Documentation Based on Risk • Determine Balance Owning to or From Recipient • Authorize Claim • Apply Expense to Advance • Exercise or Obtain Authority • Resolve Discrepancies 	<ul style="list-style-type: none"> • Request for Payment • Funding agreement • Claim • Supporting documentation • FAA section 34 certification
<p>Perform Section 34 Verification and Certification for Contribution Progress and Milestone Payments</p> <ul style="list-style-type: none"> • Record Progress and Milestone Payment • Ensure Recipient Information is Accurate • Confirm that Recipient is Entitled to Payment • Confirm that Funding Agreement Terms are Met • Ensure Financial Coding is Correct • Verify that Relevant Policies, Regulations and Directives were Followed • Verify Accuracy of Transaction • Verify Supporting Documentation Based on Risk • Validate Expenses And Reconcile Total Payments • Exercise or Obtain Authority • Resolve Discrepancies 	<ul style="list-style-type: none"> • Supporting documentation for progress or milestone payment • Funding agreement • Claim • Supporting documentation for claim • FAA section 34 certification

<p>Perform Section 33 Payment Authority</p> <ul style="list-style-type: none"> • Receive Payment Requisition • Perform Quality Assurance • Provide Section 33 Certification (Incl. Electronic authorization and authentication [EAA] Key) • Submit Payment Requisition to Public Services and Procurement Canada 	<ul style="list-style-type: none"> • Payment requisition • Delegation of authority instruments and proof of authorization <ul style="list-style-type: none"> ◦ Funding agreement data • Section 34 verification and certification • Approved payment requisition • Quality assurance results • Section 33 certification (signature)
<p>Issue Payment</p> <ul style="list-style-type: none"> • Issue Payment (Receiver General) • Process Return Payment File • Upload Return File 	<ul style="list-style-type: none"> • Payment to vendor • Payment return file
<p>Recover Overpayments</p> <ul style="list-style-type: none"> • Record Receivable • Determine Recovery Method and Notify the Recipient • Record Receivable/Payable Offset 	<ul style="list-style-type: none"> • Supporting documentation for the recovery • Receivable entry • Recipient notification
<p>Manage Recoveries for Repayable Contributions</p> <ul style="list-style-type: none"> • Monitor Re-Payment Schedule • Monitor Re-Payment Conditions • Record Receivable • Inform Recipient • Offset Receivable with Payable • Remove Conditional Receivable 	<ul style="list-style-type: none"> • Repayable funding agreement • Recipient supporting documentation • Written notification or invoice
<p>Terminate Funding Agreement</p> <ul style="list-style-type: none"> • Assess Financial Impact • Prepare, Approve and Send Termination or Acknowledgement Letter (Out-of-scope) • Update Funding Agreement Information 	<ul style="list-style-type: none"> • Signed termination or acknowledgement letter • Updated Funding agreement
<p>Plan Recipient Audits</p> <ul style="list-style-type: none"> • Assess Alternative Sources Of Assurance • Update Recipient Audit Plan (Program Level) • Update Recipient Audit Plan (Department Level) • Coordinate with Other Programs or Departments to Plan a Single Audit • Update And Communicate Risk-Based Audit Plan to Relevant Stakeholders 	<ul style="list-style-type: none"> • Risk based Approved recipient audit plan (program level) • Risk based Approved recipient audit plan (department level)

<p>Conduct Recipient Audits</p> <ul style="list-style-type: none"> • Determine Required Assurance Level • Determine Recipient Audit Scope, Standards And Criteria • Select Independent Auditor • Develop Recipient Audit Planning Memorandum • Notify Recipient of Audit • Monitor Recipient Audit Progress • Discuss Draft Recipient Audit Report and Findings • Communicate Results to Recipient and Stakeholders 	<ul style="list-style-type: none"> • Recipient Audit planning memorandum • Documentation of Assurance level • Recipient audit scope, standards, criteria • Signed agreement for recipient audit services • Recipient audit working papers • Budget analysis • Final recipient audit report <p><i>For IRBV related to contracting of independent auditor, please see the Acquisitions GVT</i></p>
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COLLECTION AND RECEIVABLES

14. Manage revenue, receivables and receipts

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Create Financial Arrangement</p> <ul style="list-style-type: none"> • Receive Request for Financial Arrangement • Cancel request • Accept Request and Define Requirements • Establish Terms and Conditions for Financial Arrangement • Develop Financial Arrangement Document 	<ul style="list-style-type: none"> • Request (high-level description, type of good/service; estimated cost, quantity, etc.) • Description of requirements • Financial arrangement document
<p>Manage Customer Credit Risk</p> <ul style="list-style-type: none"> • Conduct Appropriate Credit Risk Assessment • Obtain Authorization to Grant Credit • Create Credit Documentation and Credit File • Revise Terms and Conditions • Cancel Request 	<ul style="list-style-type: none"> • Credit assessment documentation • Request (description, type of good/service; estimated cost, quantity, work and technical specifications, milestones and delivery dates, etc.) • Revised terms and conditions • Credit file • Credit documentation

<p>Validate and Approve Documentation for Financial Arrangement</p> <ul style="list-style-type: none">• Exercise or Obtain Departmental Authority/ Approval• Cancel Financial Arrangement• Adjust Financial Arrangement Documentation• Obtain Customer Approval	<ul style="list-style-type: none">• Financial authority documentation• Changes to financial arrangement• Final/approved financial arrangement document
<p>Transfer Transaction to Invoicing/Receivables</p> <ul style="list-style-type: none">• Create Billing Request;• Approve Billing Request• Monitor Billing Requests (Completeness of Processing)	<ul style="list-style-type: none">• Approved billing request
<p>Create Invoice/Credit Memo</p> <ul style="list-style-type: none">• Validate Billing request to financial arrangement• Create and verify Invoice/Credit memo• Review and approve Invoice/Credit memo	<ul style="list-style-type: none">• Customer cancellation/refund request• Other notification of need for credit memo• Invoice or credit memo sent to customer• Evidence of review and approval process

<p>Record Receivable</p> <ul style="list-style-type: none"> • Record entry for receivable • Verify entry (e.g. validity, completeness, accuracy including coding) • Create/verify adjustment 	<ul style="list-style-type: none"> • Receivable entry
<p>Process Cash Receipts and Cheques</p> <ul style="list-style-type: none"> • Provide Customer Confirmation of Payment • Safeguarding Receipts and Supporting Documentation • Record Receipt or Update Receivable • Create Deposit/ Complete Deposit slip • Record Deposit/Conduct End of Day Close and Daily Reconciliation Process • Deposit Receipts at Financial Institution 	<ul style="list-style-type: none"> • Cash receipts and cheques and the supporting documentation • Confirmation of customer payment • Accounting entry of receipt or updated receivable • Stamped deposit slip • Receiver General deposit detail file • Confirmation documentation (e.g. cashier receipt, etc.) • Invoice • Receivable documentation • Receipt documentation (e.g. cash blotter, etc.) • Deposit documentation • Daily deposit reconciliation
<p>Process Electronic Receipts and Third Party Service Provider Remittances</p> <ul style="list-style-type: none"> • Third Party Processes Receipts/Card Acceptance (out-of-scope) • Third Party Deposits funds into the Consolidated Revenue Fund (out-of-scope) • Receipts Processed by Third party: Validation of Remittance Information by Program Area • Receipts Processed by Third party: Record and/or Adjust Receipt, Deposit, or Receivable • Credit/Debit card: Department Initially Processes Credit/Debit Card Transaction • Credit/Debit card: Provide Confirmation of Payment to Customer • Third Party Service Provider Obtains Funds and Forwards to Financial Institution (out-of-scope) • Credit/Debit card: Record Receipts/ Conduct End of Day Close and Daily Reconciliation Process 	<ul style="list-style-type: none"> • Electronic receipts, third party service provider remittances • Receipt documentation • Remittance information • Confirmation of payment to customer documentation • Daily deposit reconciliation • Pre-authorized debit file • Standard Payment System requisition file • Deposit documentation • Standard Payment System reject file

<ul style="list-style-type: none"> • Pre-authorized Debit: Department Creates Pre-authorized Debit file • Pre-authorized Debit: Record Receipts/ Deposits; Update Receivable in the Departmental Financial and Materiel Management System as Required • Pre-authorized Debit: Create Requisition File in the Departmental Financial and Materiel Management System/Send to Standard Payment System • Pre-authorized Debit: Adjust Pre-authorized Debit Information/Process and Clear Reject File 	
<p>Reconcile Deposits</p> <ul style="list-style-type: none"> • Reconcile and Identify Variances Between Deposit and Government Banking System Deposit Detail File • Record Approved Entry for Adjustments • Review and Approve Reconciliation 	<ul style="list-style-type: none"> • Receiver General deposit detail file • Departmental financial and materiel management system deposit listing/report • Third party remittance information • Journal entry and supporting documentation • Non-sufficient funds remittance and financial institution documentation • Reconciliation
<p>Determine financial coding and revenue recognition</p> <ul style="list-style-type: none"> • Identify Financial Coding • Analyze Revenue Recognition Criteria • For Special Considerations: Confirm Compliance with Authorities and Appropriate Accounting Policy/Treasury Board Secretariat Policies and Directives (i.e. Revolving Fund, Net Vote/ Re-spendable Revenues, Specified Purpose Accounts, Interest Revenue) • For Deferred Revenue: Identify Financial Coding and Record Approved Entry • Monitor Deferred Revenue Balance • Entry Not Required at this Time; Identify Financial Coding Only • For Revenue Earned: Identify Financial Coding and Record Approved Entry 	<ul style="list-style-type: none"> • Final approved financial arrangement • Invoice/receivable supporting documentation • Receipts, remittance file/information, Government Banking System deposit detail file • Accounting entry documentation • Deposit documentation • Financial coding • Receipt documentation • Related supporting documentation • Remittance information • General ledger balances

15. Manage Interdepartmental Settlements

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Confirm the requirement for an IS transaction (Request for Goods or Services; Request for Transfer of funds; Request for Recoveries)</p> <ul style="list-style-type: none"> • For Debtor Only: Confirm Compliance of IS Request to Mandate/Legislative Requirements • Review Request and Define High-level IS Transaction Requirements • For Debtor Only: Determine and Exercise/Obtain Required Expenditure Initiation Authority 	<ul style="list-style-type: none"> • IS request • Other government department request for a business arrangement • Request for goods and services • Request for transfer of funds • Request for recoveries • Documentation of high-level IS transaction requirements and authority • Requisition/Human Resource agreement (high-level description, type purpose and type of IS transaction, date (s) required, estimated cost/billings, quantity, etc.) • Delegation of authorities instrument/proof of authorization
<p>Establish Terms and Conditions with other Government Department</p> <ul style="list-style-type: none"> • Determine Transaction Terms and Conditions (e.g. Specifications, Cost, Supporting Documentation Requirements, Initiator of the IS Transaction, etc.) • For Debtor Only: Determine Funds Availability • For Debtor Only: Authorize in Accordance with FAA, section 32 • For Debtor Only: Record/Update Commitment • For Debtor Only: Obtain Appropriate IS Codes and Details/Financial Coding; Include in Written Terms and Conditions • Confirm Terms and Conditions (e.g. for Accuracy, Validity and Completeness) 	<ul style="list-style-type: none"> • Written terms and conditions with other government department • Delegation of authorities instrument/proof of authorization

<p>Apply and Confirm Departmental Authority/Approval</p> <ul style="list-style-type: none"> • Determine Required Departmental Authority/Approval; and • Exercise or Obtain Departmental Authority/Approval 	<ul style="list-style-type: none"> • Delegation of authorities instrument/proof of authorization • Approved and signed IS transaction details
<p>Process Creditor-Initiated IS Transaction by Creditor-Initiator</p> <ul style="list-style-type: none"> • Create Invoice and Verify Details Including IS Codes and Financial Coding • Send Invoice to Other Government Department Recipient • Create IS Requisition for SPS/IS • Apply EAA Key 	<ul style="list-style-type: none"> • Request for credit memo by other government department • Invoice • IS return/notification file • Billing requests (as appropriate) • IS requisition • Delegation of authorities instrument/proof of authorization
<p>Process Creditor-Initiated IS Transaction by Debtor-Recipient</p> <ul style="list-style-type: none"> • Load Files in Departmental Financial and Materiel Management System • Monitor IS Transactions Pending Approval in SPS/IS • Verify that Supporting Documentation is Complete and IS Transaction Details are Met • Ensure Financial Coding is Correct • Resolve Discrepancies • Exercise or Obtain Authority in Accordance with FAA, section 34 • Update/Close Commitment 	<ul style="list-style-type: none"> • Documentation for receipt of goods/services/event triggering IS has been completed • Invoice • IS return/notification files • FAA section 34 certification • Acceptance of deliverables data, deliverables receipt data, and/or evidence that event triggering IS has been completed • Auditable evidence of account verification • IS return/notification file • Approved IS detail document (including terms and conditions) • Invoice data • Certification authority • Delegation of authorities instrument/proof of authorization • Departmental authority/approval • Expenditure initiation authority • Commitment authorization • Financial data (budget, commitments, actuals to date) • Goods receipt data • Requisition amount

<p>Process Debtor-Initiated IS Transaction by Debtor-Initiator</p> <ul style="list-style-type: none"> • Verify that Supporting Documentation is Complete and IS Transaction Details are Met • Ensure Financial Coding and IS Codes are Correct • Resolve Discrepancies Where Applicable • Exercise or Obtain Authority in Accordance with FAA, Section 34 • Update/Close Commitment • Create IS Payment Requisition • Perform Quality Assurance • Exercise FAA, Section 33 Certification (Including EAA) • Submit Payment Requisition to Receiver General (SPS/IS) 	<ul style="list-style-type: none"> • Acceptance of deliverables data and/or evidence that event triggering the IS has been completed • Approved IS detail document (including terms and conditions) • Certification authority • Departmental authority/approval • Expenditure initiation authority • Commitment authorization • Goods receipt data • Payment requisition (including payment details) • Evidence of FAA section 34 verification and certification • FAA section 33 certification (signature) • EAA FAA section 33 details • Quality assurance results • Approved payment requisition including payment details • SPS/IS requisition file
<p>Process Debtor-Initiated IS Transaction by Creditor-Recipient</p> <ul style="list-style-type: none"> • Load Files in Departmental Financial and Materiel Management System • Monitor IS Transactions Pending Approval in SPS/IS 	<ul style="list-style-type: none"> • IS return/notification file • Acceptance of deliverables data, deliverables receipt data, and/or evidence that event triggering the IS has been completed
<p>Monitor and Clear IS Suspense Account Items</p> <ul style="list-style-type: none"> • Analyze/Investigate IS Suspense Account Items • Verify that Supporting Documentation is Complete and IS Details are Met • Clear IS Suspense Account 	<ul style="list-style-type: none"> • Supporting documentation is retained to provide an audit trail of how the IS suspense account item was resolved. • Acceptance of deliverables data, deliverables receipt data, and/or evidence that event triggering the IS has been completed • Approved IS details document including terms and conditions • Financial coding • Invoice • IS coding • IS return/notification file • Other government department data • Supporting documentation for adjustments
<p>Investigate and Discuss Issues with Other Government Department</p> <ul style="list-style-type: none"> • Contact and Discuss Options for Resolving Issues/ IS Suspense Account Item • Obtain Necessary Information to Explain Issues/IS Suspense Account Item 	<ul style="list-style-type: none"> • Confirmation of agreement to resolve IS transaction • Acceptance of deliverables data, deliverables receipt data, and/or evidence that event triggering the IS has been completed • Accounting adjustments • Approved IS detail document (including terms and conditions) • Invoice • Payment requisition (including payment details)

<ul style="list-style-type: none"> • Senior Management to Discuss/Resolve Issues or IS Suspense Account Items • Prepare a New IS Transaction for Processing (Including Credit Memos) • Cancel Original IS Transaction by Questioning (as Part of Agreement with Other Government Department) • Adjust Existing IS Transactions in Departmental Financial and Materiel Management System 	<ul style="list-style-type: none"> • Tax remittance (goods and services tax, harmonized sales tax) • Transfer of funds • Briefing memo of key issues/ areas under dispute • Supporting documentation for the new IS transaction
<p>Question IS Transaction</p> <ul style="list-style-type: none"> • Department Conducts Selective IS Questioning Method in SPS/IS • Further Discussion Between the Departments/Senior Management as Required • Department Does Not Approve IS transaction pending in SPS/IS within 15 working days 	<ul style="list-style-type: none"> • Confirmation by other government department regarding questioning of IS • Confirmation of agreement to resolve IS issue/concern (by questioning the original IS transaction or further discussion) • Other related supporting documentation.
<p>Record IS Transaction in the Appropriate Account</p>	<ul style="list-style-type: none"> • Acceptance of deliverables data, deliverables receipt data, and/or evidence that event triggering IS has been completed • Confirmation of agreement to resolve IS transaction • Invoice and credit memo data • IS coding • Original approved IS transaction details document including terms and conditions • Other supporting documentation for the manual entry/adjustment

16. Manage Collection of Overdue Receivables

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
<p>Identify Overdue Accounts Based on Terms</p> <ul style="list-style-type: none"> • Track Payment Due Dates • Monitor Debtor Relationship • Identify and Confirm Amount/Details of Overdue Accounts • Calculate Interest As Required • Create and Verify Adjustment/ Credit Memo 	<ul style="list-style-type: none"> • Receivable aging report or account statements • Account statements sent to debtor if required • Supporting documentation • Invoice report • Customer statement • Deposit documentation • Receipt documentation • Receivable documentation

<ul style="list-style-type: none"> Record the Approved Adjustment/ Credit Memo Prioritize and Plan Collection Activities 	<ul style="list-style-type: none"> Revised financial arrangement document Invoice (e.g. date, amount) Journal entry and supporting documentation Accounts payable report indicating amounts owing to customer (for set-off purposes)
<p>Notify Debtor of Amount Overdue and Conduct Collection Activities</p> <ul style="list-style-type: none"> Contact Debtor Identify Reason for Debtor Non-Payment Update Debtor Credit Status as Required <p>Billing Error Identified:</p> <ul style="list-style-type: none"> Create and Verify Adjustment/ Credit Memo if Required Record Approved Adjustment/Credit Memo <p>Debtor Willing to Pay:</p> <ul style="list-style-type: none"> Re-establish Payment Terms Inform Debtor of Potential Set-off Arrangement in Writing Obtain Approval from Appropriate Parties for Set-off Arrangement Apply Set-off to Receivable Balance Review and Approve All Payment Terms, Conditions and Schedule by Appropriate Parties <p>Debtor Not Willing to Pay:</p> <ul style="list-style-type: none"> Assess Collectability and Determine Collection/Debt Deletion Activities As Required 	<ul style="list-style-type: none"> Phone calls, dunning letters, e-mails, and debtor account statements Legal advice Debtor information/supporting documentation Deposit documentation Journal entry and supporting documentation Receipt documentation Receivable documentation Amended financial arrangement document Description of roles and responsibilities Revised payment methods Written documentation to communicate potential set-off arrangement Written documentation outlining set-off procedures, terms and conditions Overdue account information for period-end Returned statements from debtor Third party collection information (e.g. cost, timing, roles and responsibilities, etc.)
<p>Manage Third Party Collection Activities</p> <ul style="list-style-type: none"> Assess Need to Update/ Change Collection Activities 	<ul style="list-style-type: none"> Receivable aging report Third party collection activity status report Third party invoice for commission and fees Third party overdue receivable information for period-end and/or third party's recommendations for write-offs <p><i>For IRBV related to any contracting of services, please refer to the Acquisitions GVT.</i></p>
<p>Manage Legal Actions</p> <ul style="list-style-type: none"> Identify and Discuss Proposed Legal Action Ensure All Required Approvals to Commence or Continue Legal Action is Completed Monitor Impact of Legal Action on Overdue Accounts 	<ul style="list-style-type: none"> Correspondence with debtor Supporting documentation regarding status and history of debtor Receivable aging report Request or supporting documentation to initiate legal action Third party collection activity status report Third party overdue receivable information for period-end Compromise Settlement agreement (where legal action is to continue)

<ul style="list-style-type: none"> • Assess Need to Continue Legal Proceedings 	<ul style="list-style-type: none"> • Court documents (where legal action is to continue) • Delegation of financial authorities document/proof of authorization • Departmental legal services recommendation and/or authorization for legal action • Compromise settlement terms and conditions • Receipts from debtor • Cost benefit analysis (litigation costs versus recoveries from debtor) • Legal opinion <p><i>Please see also the Legal Services GVT.</i></p>
<p>Manage Write-offs, Remissions and/or Forgiveness</p> <ul style="list-style-type: none"> • Identify Uncollectible Debt <p>For Forgiveness/ Remission of Debt:</p> <ul style="list-style-type: none"> • Perform Initial Assessment for the Forgiveness/ Remission of Debt (including waiving of interest) • Prepare proposed Forgiveness/ Remission and Obtain Appropriate Approval <p>For Write-offs:</p> <ul style="list-style-type: none"> • Perform Initial Assessment of Criteria Required for Debt Write-off • Prepare Documentation for Proposed Write-off • Obtain Assessment of Write-off by Departmental Review Committee <p>For Forgiveness, Remission and/or Write-offs:</p> <ul style="list-style-type: none"> • Prepare Treasury Board Submission and Obtain Required Departmental Approval • Ensure Review and Approval by Minister or Delegated Authority, As Required <ul style="list-style-type: none"> • Record Accounting Entry • Verify Entry (e.g. Validity, Completeness, Accuracy Including Coding) 	<ul style="list-style-type: none"> • Court documents • Receivable aging report • Third party collection activity reports • Debtor information and history • Analysis and supporting documentation and conditions for forgiveness/remission • Compromise settlement document (including payment terms and conditions) • Documentation for Debt Write-off Review Committee • Draft Treasury Board submission for write-off • Other analysis and supporting documentation for write-off • Recommendation by Debt Write-off Review Committee • Treasury Board submission for remission/forgiveness of debt (reviewed and approved internally by Department) • Departmental recommendation for approval to proceed with forgiveness, remission or write-off • Other supporting documentation • Analysis and supporting documentation for remission, forgiveness, write-off • Approval document from Minister or delegated authority to proceed with write-off • Approval from Treasury Board, Governor in Council or Parliament • Departmental approval document for remission/forgiveness • Accounting entry documentation <p><i>Please see also Treasury Board Submissions GVT.</i></p>

17. Manage Customer Master Data File

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Manage Customer Master Data File	<ul style="list-style-type: none"> • Customer Master Data File dataset
<p>Process Request to Create or Update Customer Record</p> <ul style="list-style-type: none"> • Receive Customer Record Request and Supporting Documentation to Create or Update • Verify That Request was Approved by an Appropriate Individual • Conduct a High-Level Challenge Function to Assess Request for Reasonableness • Confirm Status of Customer in the Customer Master Data File • Identify Data and Supporting Documentation Requirements Given Category of Customer • Validate Request Against Supporting Documentation • Refuse Request and Inform Requestor, As Required 	<ul style="list-style-type: none"> • Customer record request approved by requestor or designated individual for compliance with departmental policy and mandate • Related supporting documentation • Departmental financial authority documentation • List of acceptable requestors • Other independent sources of data such as postal code checks, financial institution files, customer correspondence, memoranda, legal name change and other legal documents • Memo or email to inform requestor
<p>Process Request to Deactivate Customer Record</p> <ul style="list-style-type: none"> • Receive Customer Record Request and Supporting Documentation to Deactivate • Verify That Request was Approved by an Appropriate Individual • Conduct a High-level Challenge Function to Assess Request for Reasonableness • Confirm that Customer Exists and has not Been Deactivated in the Customer Master Data File • Check for Outstanding Balances, Financial Arrangements or Sales Orders • Identify Required Supporting Documentation • Validate Request Against Supporting Documentation • Refuse Request and Inform Requestor, As Required 	<ul style="list-style-type: none"> • Request to deactivate customer record • Accepted customer record request approved by requestor or designated individual for compliance with departmental policy and mandate • Related supporting documentation • Departmental financial documentation • Established list of acceptable requestors • Memo or email to inform requestor • Customer notification • Notification from program area (close out of program) • HR documentation of employee departure requiring a recovery to the Crown • Outstanding billing and invoice reports • Searches for duplicate customers • Memo or email to inform requestor including reason for refusal

<p>Carry Out Request to Create, Update or Deactivate Customer Record</p> <ul style="list-style-type: none"> • Implement and Verify Creation, Update or Deactivation of Customer Record in the Customer Master Data File • Inform Appropriate Parties That Action to Customer Record has Been Completed, as Required 	<ul style="list-style-type: none"> • Approved request to update or deactivate customer records resulting from the department's periodic review • Related supporting documentation (as evidence that the request was implemented) • Memo or email (e.g. to inform requestor that customer record has been created)
<p>Plan Periodic Review</p> <ul style="list-style-type: none"> • Conduct Risk Assessment • Create or Update Periodic Review Approach and Review Procedures • Develop or Update Periodic Review Planning Document • Review and Approve Periodic Review Planning Document 	<ul style="list-style-type: none"> • Information required to assess risk areas and issues regarding customer master data file, including <ul style="list-style-type: none"> ○ Customer record stakeholder comments and feedback; • Approved periodic review planning document and review procedures • Departmental periodic review risk assessment • Related supporting documentation
<p>Implement Periodic Review</p> <ul style="list-style-type: none"> • Gather Information Required to Perform Periodic Review • Perform Periodic Review • Document and Analyze Periodic Review Results • Review and Approve Update/Deactivation of Customer Record • Revise Customer Master Data File Departmental Policies and Procedures, as Required 	<ul style="list-style-type: none"> • Periodic review documentation and other related information which may include: <ul style="list-style-type: none"> ○ Extracts and reports from the customer master data file database and other documentation from customer record stakeholders • Approved periodic review planning document including risk assessment, approach and review procedures • Approved request to action update or deactivate of customer records and supporting documentation • Related supporting documentation • Departmental customer master data file policies and procedures (updated) • Documented results and analysis of periodic review

ACCOUNTING FOR ASSETS AND LIABILITIES

18. Manage Other Capital Assets

Many activities identified in the Guideline on Common Financial Management Business Process for Manage Other Capital Assets are described and the IRBV identified in the Materiel Management GVT. The activities included here are those solely related to the financial management process. Please also see the Materiel Management GVT.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Create or Update Asset Record	<i>Please see Materiel Management GVT.</i>
Calculate Monthly Amortization <ul style="list-style-type: none"> • Calculate Amortization • Verify Reasonableness of Amortization • Make Correction • Record Journal Entry 	<ul style="list-style-type: none"> • Amortization amount (update to asset record) • Journal entry
Conduct Periodic Analysis of Assets Under Construction (AUC) <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry
Conduct Periodic Physical Asset Count	<i>Please see Materiel Management GVT.</i>
Conduct Periodic Asset Assessment <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry
Process Asset Disposal <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry

19. Manage Real Property

Many activities identified in the Guideline on Common Financial Management Business Process for Manage Real Property are described and the IRBV identified in the Real Property GVT. The activities included here are those solely related to the financial management process. Please also see the Real Property GVT.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
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Create or Update Real Property Record	<i>Please see Real Property GVT</i>
Calculate Monthly Amortization <ul style="list-style-type: none"> • Calculate Amortization • Verify Reasonableness of Amortization • Make Corrections • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry <ul style="list-style-type: none"> ○ Accumulated amortization ○ All costs (including additions, in-service costs) • Amortization amount for the period
Conduct periodic Analysis of Real Property under Construction <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry <ul style="list-style-type: none"> ○ Financial coding
Conduct Periodic Physical Real Property Asset Count	<i>Please see Real Property GVT</i>
Conduct Periodic Real Property Assessment <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry <ul style="list-style-type: none"> ○ Financial coding
Process Real Property Disposal <ul style="list-style-type: none"> • Record Journal Entry • Initiate Expenditure Management Process 	<ul style="list-style-type: none"> • Journal entry • Attestation that the money was deposited • Treasury Board approved capital asset plan

20. Manage Inventory

Many activities identified in the Guideline on Common Financial Management Business Process for Manage Inventory are described and the IRBV identified in the Materiel Management GVT. The activities included here are those solely related to the financial management process. Please also see the Materiel Management GVT.

Common Business Processes	Recommendations: Information Resources of Business Value (IRBV)
Record Non-production Inventory <ul style="list-style-type: none"> • Record Journal Entry (for perpetual process) 	<ul style="list-style-type: none"> • Journal entry

<p>Record Inventory for Production</p> <ul style="list-style-type: none"> • Calculate the Amount of Labour Hours, Overhead, and Service Costs • Record Journal Entry (for perpetual process) 	<ul style="list-style-type: none"> • Purchase data (e.g., invoice, supplier, purchase order, contract, warranty information etc.) related to service costs directly related to the production of inventory • Timesheet records coded to specific production • Journal Entry • Calculation of labour, overhead, and service costs
<p>Record Inventory consumption</p> <ul style="list-style-type: none"> • Record Journal Entry (for perpetual process) 	<ul style="list-style-type: none"> • Consumption information • Inventory Information • Journal entry
<p>Record Inventory Write-off</p> <ul style="list-style-type: none"> • Record Write-off in Inventory Record 	<ul style="list-style-type: none"> • Journal entry
<p>Record Sale or Interdepartmental Transfer of Inventory</p> <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry
<p>Conduct Inventory Counts and Record Adjustments</p> <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry
<p>Record Transfer of Inventory Location (if adjustment to the accounting record are required as a result of inventory transfer)</p> <ul style="list-style-type: none"> • Record Journal Entry 	<ul style="list-style-type: none"> • Journal entry

Financial Management Generic Valuation Tool

Appendix A

This table shows the alignment of the service groupings in the Treasury Board Secretariat's (TBS) *Guide on Internal Services Expenditures: Recording, Reporting and Attributing* (2015) with the domains identified by the Office of the Comptroller General's Financial Management Business Process Analysis Initiative (FMBPI) and the business processes used in the FMBPI and this GVT.

TBS Internal Service Grouping	FMBP initiative Domain	FMBP Initiative Business Process
Financial Planning and Budgeting	Planning, Budgeting and Forecasting Domain	Manage Planning and Budgeting
		Manage Forecasting and Budget Review
Corporate Accounting		<i>Please see the Management and Oversight GVT for IRBV relating to "reporting of financial information in corporate reports, including the Public Accounts".¹⁰</i>
Payments Expenditure Control	Expenditures and Accounts Payable Domain	Manage Departmental Chart of Accounts
		Manage Delegation of Financial and Spending Authorities
		Manage Procure to Payment
		Manage Travel
		Manage Other Payments
		Manage Administration of Acquisition and Fleet Cards
		Manage Vendor Master File
		Manage Post-Payment Verification
	Manage Financial Close	
	Human Resources (HR) and Finance Interactions Domain	Manage Pay Administration (HR/Finance interactions)
<i>(Program-related)</i>	Transfer Payments Domain	Manage Grants and Contributions
Collections and Receivables	Revenue and Accounts Receivable Domain	Manage Revenue, Receivables and Receipts
		Manage Interdepartmental Settlements
		Manage Collection of Overdue Receivables
		Manage Customer Master Data File
Accounting for Assets and Liabilities	Materiel/Finance Interactions Domain	Manage Other Capital Assets
		Manage Real Property
		Manage Inventory

¹⁰ [Guide on Internal Services Expenditures: Recording, Reporting and Attributing](#), TBS, 2015