

September 2002

BENEFIT SYSTEM REQUIREMENTS

Checklist for Reviewing Systems under the Federal Financial Management Improvement Act



PREFACE

September 2002

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management system requirements. These requirements are detailed in the Federal Financial Management System Requirements series issued by the Joint Financial Management Improvement Program (JFMIP) and in the guidance issued by the Office of Management and Budget (OMB): Circular A-127, *Financial Management Systems*, and the January 4, 2001, *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*. JFMIP intends for the requirements to promote understanding of key financial management systems concepts and requirements, to provide a framework for establishing integrated financial management systems to support program and financial managers, and to describe specific requirements of financial management systems.

We are issuing this checklist, which reflects JFMIP's *Benefit System Requirements* (JFMIP-SR-01-01, September 2001), to assist (1) agencies in implementing and monitoring their benefit systems and (2) managers and auditors in reviewing their benefit systems to determine if they substantially comply with FFMIA. Among the types of benefit programs covered by these systems would be those for retirement, disability, death, survivor, and other.

This checklist is not required to be used in assessing benefit systems. Rather, it is provided as a tool for use by experienced staff and is one in a series of documents we have issued to assist agencies in improving or maintaining effective operations. (See the last page of this document for a list of related products.) This checklist, the JFMIP source document, and the two previously mentioned OMB documents should be used concurrently. Those using this tool must apply experienced judgment in its interpretation and application. They must consider the impact of the completed checklist on an entire benefit system and whether the system, as a whole, substantially complies with requirements.

Additional copies of the checklist can be obtained from the U.S. General Accounting Office by calling (202) 512-6000 or TDD (202) 512-2537. This checklist exposure draft is available on the Internet on GAO's home page (<http://www.gao.gov>) under "Other Publications" and the subheading "Accounting and Financial Management." Copies of the JFMIP document can be downloaded from the JFMIP Web site at <http://www.jfmip.gov> under "JFMIP Documents" and the subheading "System Requirements."



Jeffrey C. Steinhoff
Managing Director
Financial Management and Assurance

(BLANK)

CONTENTS

	<u>Page Number</u>
Overview	5
Authoritative Guidance	6
How to Use This Checklist	7
Benefit System Requirements	8
Functional Requirements	9
Claims Acceptance and Tracking	9
Claims Processing	13
Benefit Payment Administration	24
Recovery Receivable Management	47
Accounting for Benefit Transactions	60
Reporting	70
Interfaces	79
Quality Assurance and Maintenance	83
Technical Functions	88
Information Stores	99
Application Information Stores	99
Claimant Master Record Information Store	111
Financial Information Store	113
Figure 1: Agency Systems Architecture	5
Related Products	115

CONTENTS

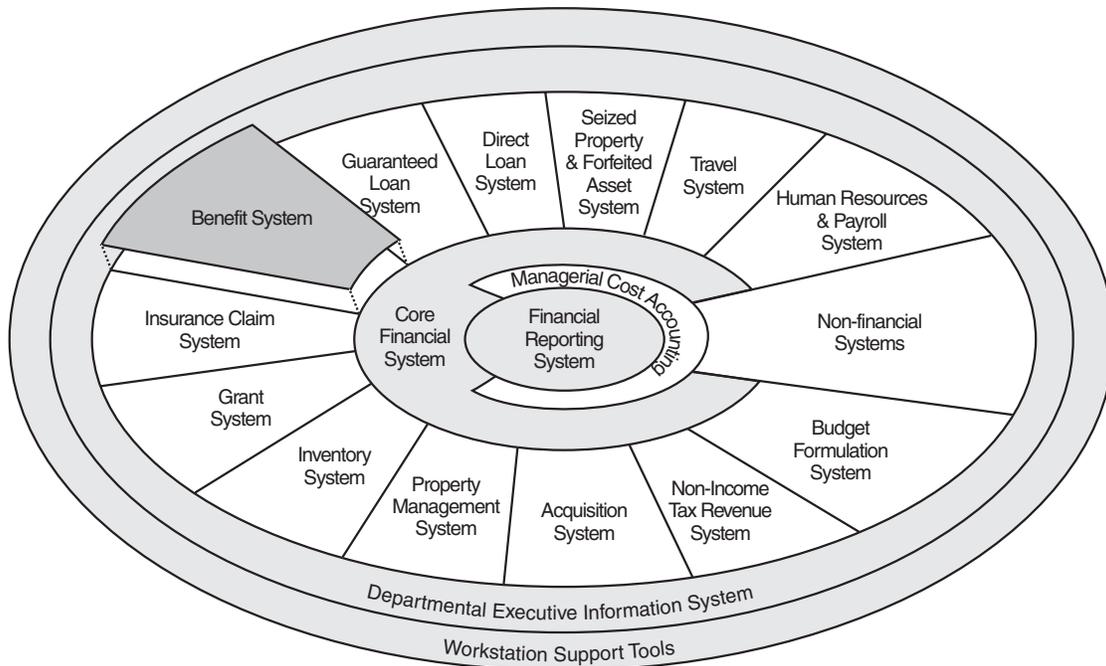
Abbreviations

ACH	automated clearinghouse
ALC	agency location code
CDO	chief disbursing officer
CFO	chief financial officer
CFR	Code of Federal Regulations
CSRS	Civil Service Retirement System
DCA	Debt Collection Act of 1982
DCIA	Debt Collection Improvement Act of 1996
DOD	Department of Defense
DOL	Department of Labor
EFT	electronic funds transfer
FACTS	Federal Agencies' Centralized Trial Balance System
FASAB	Federal Accounting Standards Advisory Board
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FFMSR	Federal Financial Management System Requirements
FMS	Financial Management Service
GMRA	Government Management Reform Act of 1994
GPRA	Government Performance and Results Act of 1993
HHS	Department of Health and Human Services
IVR	interactive voice response
IRS	Internal Revenue Service
JFMIP	Joint Financial Management Improvement Program
OMB	Office of Management and Budget
OPM	Office of Personnel Management
RRB	Railroad Retirement Board
SFFAS	Statement of Federal Financial Accounting Standards
SGL	<i>U.S. Standard General Ledger</i>
SSA	Social Security Administration
SSN	Social Security Number
TAFS	Treasury account fund symbol
TFM	<i>Treasury Financial Manual</i>
TIN	taxpayer identification number
TOP	Treasury Offset Program
USC	United States Code
VA	Department of Veterans Affairs

OVERVIEW

FFMIA requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management system requirements. These requirements are detailed in the Federal Financial Management System Requirements series issued by the Joint Financial Management Improvement Program (JFMIP)¹ and in Circular A-127, *Financial Management Systems*, issued by the Office of Management and Budget (OMB). The JFMIP requirements document describes the federal financial system architecture as consisting of (1) core financial systems, (2) other financial and mixed systems (including the benefit system requirements), not all of which are applicable to all agencies, (3) shared systems, and (4) departmental executive information systems (systems to provide management information to all levels of management).² Figure 1 is the JFMIP model that illustrates how these systems interrelate in an agency's overall systems architecture.

Figure 1: Agency Financial Management Systems Architecture



Source: JFMIP *Benefit System Requirements* (September 2001).

¹JFMIP is a joint undertaking of OMB, GAO, the Department of the Treasury, and the Office of Personnel Management (OPM), working in cooperation with each other and with operating agencies to improve financial management practices throughout the government. The program was initiated in 1948 by the Secretary of the Treasury, the Director of the Bureau of the Budget (now OMB), and the Comptroller General. The JFMIP was authorized by the Budget and Accounting Procedures Act of 1950 (subsequently codified at 31 U.S.C. 3511 (d)). The Civil Service Commission, now the Office of Personnel Management, joined JFMIP in 1966.

²JFMIP has also issued the *Framework for Federal Financial Management Systems* (FFMSR-0, January 1995), which defines the framework for establishing and maintaining financial management systems to support management and deliver programs of the federal government. GAO published a companion checklist, *Framework for Federal Financial Management System Checklist* (GAO/AIMD-98-21.2.1, May 1998).

To date, JFMIP has issued 11 of the 15 functional requirements shown in figure 1.³

We are issuing this checklist—which reflects JFMIP’s first issuance of the *Benefit System Requirements* (JFMIP-SR-01-01, September 2001)—to assist (1) agencies in implementing and monitoring their benefit system(s) and (2) managers and auditors in reviewing agency benefit systems to determine if they substantially comply with FFMIA. Five categories of federal benefit programs covered by these system requirements are retirement, disability, death, survivor, and a catch all covering things such as education benefits.

This checklist is not a requirement. However, it is provided as a tool for use by experienced staff. This checklist; the JFMIP source document; OMB Circular A-127, *Financial Management Systems*; and OMB’s *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued January 4, 2001, should be used concurrently. Staff members who use this tool must apply experienced judgment in its interpretation and application. They must consider the impact of the completed checklist on the entire benefit system and whether the system, as a whole, substantially complies with requirements.

Authoritative Guidance

OMB Circular A-127; OMB circulars A-123 and A-130 that are cited in A-127; and OMB’s January 4, 2001, *Revised Implementation Guidance for the Federal Financial Management Improvement Act* provide the basis for assessing compliance with the FFMIA requirements. The OMB guidance identifies various criteria that an agency must meet to substantially comply with these requirements. One set of criteria listed in the OMB guidance is the JFMIP system requirements series.

The source of all the questions in this checklist is the JFMIP *Benefit System Requirements* (JFMIP-SR-01-01, September 2001). The JFMIP document acknowledges that benefit system functionality does not necessarily reside in a single software application or functional system. In fact, benefit information may reside in or may be calculated in a number of applications or systems. The benefit system described in the JFMIP document may consist of all these applications and/or systems, their interfaces, and the processes required to manage a benefit properly. It should be noted that the checklist is based on the existing published JFMIP standards and that changes in laws, regulations, and standards and practices since the standards were issued are not included in the checklist.

The JFMIP document segregates functional requirements into two general categories—mandatory and value-added. The mandatory requirements describe what the system must do. They consist of the minimum acceptable functionality necessary to establish a system and are based on federal laws, regulations, directives, or judicial decisions. Mandatory requirements are those against which agency heads are to evaluate their systems to determine substantial compliance with system requirements under FFMIA. These requirements apply to existing systems in operation and new systems planned or

³Thus far, the series includes the (1) *Core Financial System Requirements*, (2) *Inventory System Requirements*, (3) *Seized Property and Forfeited Assets System Requirements*, (4) *Direct Loan System Requirements*, (5) *Guaranteed Loan System Requirements*, (6) *Travel System Requirements*, (7) *Human Resources & Payroll Systems Requirements*, (8) *System Requirements for Managerial Cost Accounting*, (9) *Grant Financial System Requirements*, (10) *Property Management Systems Requirements*, (11) *Benefit System Requirements*, and (12) *Acquisition/Financial Systems Interface Requirements*.

under development. The checklist uses “M” immediately following the question to indicate a mandatory system requirement.

The value-added requirements describe optional features and may consist of any combination of the following: (1) using state-of-the-art technology, (2) employing the preferred or best business practices, or (3) meeting the special management needs of an individual agency. Agencies should consider value-added features when judging systems options. The need for these value-added features in agency systems is left to the discretion of each agency head. The checklist uses “V” immediately following the question to indicate that the item is value-added and not mandatory.

How to Use This Checklist

OMB’s 2001 implementation guidance provides chief financial officers (CFO) and inspectors general with a means for determining whether their agencies’ financial management systems substantially comply with federal financial management system requirements. The annual reporting required by 31 U.S.C. 3512(d) is one means of assisting agencies in the determination of substantial compliance. Agencies can also use this checklist as a tool to help determine compliance with federal financial management system requirements.

Completing this checklist will allow agencies to systematically determine whether specific systems requirements are being met. In determining substantial compliance, agencies should assess the results of the completed checklist based on the benefit system requirements taken as a whole.

The checklist contains three columns with the first citing the question. Use the second column to answer each question “yes,” “no,” or “na.” Use the third column to explain your answer. A “yes” answer should indicate that the agency’s benefit system provides for the capability described in the question. For each “yes” answer, the third column should contain a brief description of how the benefit system satisfies that capability and should also refer to a source that explains or shows the capability.

A “no” answer indicates that the capability does not exist. For a “no” answer, the third column should provide an explanation and, where applicable, a reference to any related supporting documentation (e.g., the agency is working on modifying or implementing its benefit system to have the capability available in subsequent years; management believes the capability is not cost-effective and will not enhance the benefit system’s ability to manage operations). Cost-benefit studies or support for a “no” answer should be identified in the explanation column. If there are no cost-benefit studies or other support, a full explanation should be provided.

“No” answers should not be viewed individually or taken out of context. Rather, “no” answers should be assessed as to their impact on the overall benefit system and the extent to which the “no” answers inhibit the entire benefit system from achieving compliance.

Certain questions within the checklist may not be applicable to the agency. Answer these question(s) with “na” and provide an appropriate explanation in the third column.

BENEFIT SYSTEM REQUIREMENTS

The benefit system requirements document provides high-level functional requirements for benefit systems that can help financial managers, program managers, and others control and account for federal benefit programs as defined in government and agency-specific statutes, regulations, guidelines, and need assessments. The benefit system requirements document is divided into two major sections, “functional requirements” and “information stores—required data elements,” which are described below.

1. Functional requirements identify the major activities that are characteristic of the federal benefit system. A benefit system tracks the life of benefit claims from initial receipt through final payment and maintains a complete history of financial activity relating to those claims. The federal benefit system primarily consists of nine major functions and the data processed by those functions. The functions identified by the JFMIP source document are (1) claims acceptance and tracking, (2) claims processing, (3) benefit payment administration, (4) recovery receivable management, (5) accounting for benefit transactions, (6) reporting, (7) interfaces, (8) quality assurance and maintenance, and (9) technical functions.
2. Information stores—required data elements refers to the grouping of related types of data. The term information store (rather than database or file) is used to avoid any reference to the technical or physical infrastructure of the data storage medium. Actual data storage (physical databases and files) must be determined by each agency during system development and implemented based upon the benefit program’s statutory requirements as well as the agency’s technical environment, processing volumes, organizational structure, and degree of system centralization or decentralization. The JFMIP source document divides the required data elements into four major groupings. They are (1) application information stores, (2) claimant master record store, (3) program criteria store, and (4) financial information store.

The checklist questions follow the JFMIP source document, JFMIP-SR-01-01 September 2001, and page number references follow each of the questions. It should be noted that not all questions will apply in all situations and, as with the use of any checklist, professional judgment should be exercised. Using the JFMIP source document and its “Appendix B: Glossary,” which defines terms used, along with OMB Circular A-127, *Financial Management Systems*, and OMB’s *Revised Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued January 4, 2001, will help ensure that the user is cognizant of the background information necessary to fully understand the questions.

Benefit System Requirements

Functional Requirements <i>Claims Acceptance and Tracking</i>	Yes/no/na	Explanation
1. Does the benefit system capture all applicable and mandatory data elements (i.e., universal and appropriate) as specified in the Application Information Stores ⁴ section of this document? ⁵ M (p. 14) ⁶		
2. Does the benefit system maintain all data elements specified in the Application Information Stores section so information is readily accessible through standard on-line queries ⁷ or reports until approval ⁸ or denial of the claim? M (p. 14)		
3. By fiscal year 2003, will the benefit system provide for electronic acceptance of benefit applications? M (p. 14)		
4. If an agency anticipates electronic receipt of 50,000 or more submittals of a particular form, will the benefit system allow multiple methods of electronic signatures for the submittal of each form, whenever feasible and appropriate? M (p. 14)		

⁴Application information stores refers to all data recorded from the source document(s) used in determining eligibility as well as the status of the review and approval of the application

⁵See questions 333 through 387.

⁶Unless otherwise indicated, the page number reference is to JFMIP-SR-01-01.

⁷These are specified in the claims processing section. See questions 16 through 65.

⁸Approval would result in the establishment of a master record.

Benefit System Requirements

Functional Requirements <i>Claims Acceptance and Tracking</i>	Yes/no/na	Explanation
5. Does the benefit system provide for the electronic acknowledgment of electronic forms that are successfully submitted? M (p. 14)		
6. Does the benefit system capture various correspondences, including due process requests submitted by various electronic mediums, and does it automatically associate the correspondence with a specific claim plan of action? M (p. 14)		
7. For manually submitted correspondence, does the benefit system link the correspondence for the required action to <i>one</i> of the following: <ul style="list-style-type: none"> a. the specific application or b. the existing claimant master record? M (p. 14) 		
8. When electronic methods (e.g., Web-based communications) are used to facilitate claim form acceptance, does the benefit system incorporate input and completeness controls to ensure that only complete ⁹ applications are accepted by the system? M (p. 14)		
9. Does the benefit system user have the ability to flag a claimant's paper-based application as incomplete and to suspend further processing		

⁹The claimant fills in all the required fields.

Benefit System Requirements

Functional Requirements <i>Claims Acceptance and Tracking</i>	Yes/no/na	Explanation
of the application until it is properly completed as specified by program requirements? M (p.14)		
10. Does the benefit system store incomplete applications in accordance with agency policies and automatically purge incomplete applications after a specified period? M (p. 14)		
11. For each claim, does the benefit system associate a unique identifier (e.g., initials or user code) of the employee assigned to review the claim? M (p. 14)		
12. Does the benefit system utilize an alternative application procedure that accommodates persons with disabilities (e.g., blind, missing limbs)? M (p. 14)		
13. Does the benefit system provide capabilities to track the status of due process or other appeal proceedings, when applicable, after an initial claim has been denied? M (p. 14)		

Benefit System Requirements

Functional Requirements <i>Claims Acceptance and Tracking</i>	Yes/no/na	Explanation
<p>14. Does the benefit system maintain a record of pending claims and the status of other information, including</p> <ul style="list-style-type: none"> a. where in the process an ongoing claim is located, b. who is holding the claim, c. what actions are needed to complete the claim, d. whether additional information is needed, and e. accommodation of explanation codes to indicate the reason why the claim is pending? V (p. 15) 		
<p>15. Does the benefit system allow the user to update the status of pending claims and other information? V (p. 15)</p>		

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Administrative Process	Yes/no/ na	Explanation
16. Does the benefit system utilize claimant data that have been submitted electronically in an automated fashion without manual intervention? M (p. 15)		
17. Does the benefit system have the ability to date and time stamp due process requests and other time-sensitive correspondence that have been received through electronic mediums? M (p. 15)		
18. Does the benefit system accommodate automated case workload distribution by providing for various claim routing options ¹⁰ as determined and maintained by the system administrator? M (p. 15)		

¹⁰For example, does it provide for the ability to route claims for manual validation?

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Administrative Process	Yes/no/ na	Explanation
19. Does the benefit system indicate if the benefit payment calculation or verification thereof has occurred manually? M (p. 15)		
20. Does the benefit system <i>either</i> provide the user with the ability to update a claimant’s master record with the results of a manual claim validation or manual verification of the benefit amount <i>or</i> allow for the creation of a new master record, if none exists? M (p. 15)		
21. Does the benefit system have the ability to capture the information needed from the claimant in order to complete an incomplete claim? M (p. 15)		
22. Does the benefit system provide for electronic approvals of claims at all levels of the approval process, whenever feasible? M (p. 15)		

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Administrative Process	Yes/no/ na	Explanation
23. Does the benefit system incorporate a notification mechanism that informs users (i.e., claim evaluators and supervisors) when an application has not completed processing within a time frame that can be specified by the agency? M (p. 15)		
24. Does the benefit system facilitate user queries ¹¹ on individual claims? M (p. 16)		
25. Does the benefit system accommodate explanation codes to indicate the reason why a claim has been denied? M (p. 16)		
26. Does the benefit system automatically create a claimant master record ¹² using the claimant information for initial claims that are approved, when a master record for the claimant did not previously exist? M (p. 16)		

¹¹For example, are data retrievable by query of full name and social security number (SSN) or taxpayer identification number (TIN)?

¹²The master record must contain all of the mandatory data as specified in the requirements under “Claimant Master Record Information Store” section of the Benefit Systems Requirements (see questions 388 through 393).

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Administrative Process	Yes/no/ na	Explanation
27. Does the benefit system automatically update an existing claimant master record ¹³ to reflect the status (i.e., pending, approved, or rejected) of additional claims for other benefits the agency administers that are sought by the claimant? M (p. 16)		
28. Does the benefit system automatically merge the mandatory claimant data maintained in the application information stores ¹⁴ into the appropriate master record after a claim has been approved and a claimant master record has been established? M (p. 16)		
29. Does the benefit system provide capability to generate statistics on approved and rejected claim applications? M (p. 16)		
30. Does the benefit system provide capabilities to accept, identify, track, and report manual overrides of system-generated acceptance/rejection recommendations? M (p. 16)		

¹³This occurs when the claimant already receives a different type of benefit administered by the agency.

¹⁴This refers to all data recorded from the source document used in determining eligibility, and it also includes the status of the review and approval of the application. See JFMIP-SR-01-01, p. 42, first paragraph.

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Administrative Process	Yes/no/ na	Explanation
31. Does the benefit system allow a user, who has proper access, to reverse or affirm an initial decision regarding the denial of a benefit and process the claim accordingly? M (p. 16)		
32. Does the benefit system provide capabilities to review all prior employee notations or decisions made while processing a benefit claim? M (p. 16)		
33. Does the benefit system provide capabilities to record an estimated completion date for pending claims? V (p. 16)		
34. Does the benefit system have the ability, where multiple claims exist for the same claimant, to process the claims sequentially based on order of precedence? V (p. 16)		

Functional Requirements <i>Claims Processing</i> Eligibility Determination Processes	Yes/no/ na	Explanation

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Eligibility Determination Processes	Yes/no/na	Explanation
35. Does the benefit system have the ability to automatically compare information contained in application(s) that have been submitted by a claimant against agency program eligibility criteria (i.e., screen applications for eligibility)? M (p. 16)		
36. Does the benefit system have the ability to accept the manual validation of a claim? M (p. 16)		
37. Does the benefit system have the ability to provide for maintaining separate eligibility criteria and processing routines by type of claim? M (p. 16)		
38. Does the benefit system provide for the establishment of various age limitations, depending on the type of benefit, for automatic verification of program eligibility? ¹⁵ M (p. 16)		
39. Does the benefit system have the ability to cross-validate applicant information against data maintained for other benefit payment programs? ¹⁶ M (p. 17)		

¹⁵For example, does the system allow for age attainment verification to determine whether one is eligible for Social Security Administration retirement benefits?

¹⁶For example, can the system ensure that an applicant has not filed for multiple conflicting benefits?

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Eligibility Determination Processes	Yes/no/ na	Explanation
40. Does the benefit system provide features to indicate that an applicant has submitted the required evidence? ¹⁷ M (p. 17)		
41. Does the benefit system provide features to create and maintain a system record of accepted and rejected claim applications? M (p. 17)		
42. Does the benefit system provide tools to check the appropriate data files to determine whether the applicant has submitted a duplicate application or had a recent benefit application rejected? M (p. 17)		
43. Whenever legally permitted, does the benefit system provide features to determine whether payments being made to the claimant in relation to other internal benefit payment programs affect the claimant's eligibility or payment amount for the benefit under consideration? M (p. 17)		
44. Does the benefit system allow the user to suspend processing of a claim while verifying questionable information and to release the suspended status as appropriate? M (p. 17)		

¹⁷For example, does the system allow the user to record receipt of a school certification pertaining to a claimant or dependent child?

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Eligibility Determination Processes	Yes/no/na	Explanation
45. Does the benefit system provide the ability to inform an applicant of potential eligibility for other internal benefit payment programs? V (p. 17)		
46. Does the benefit system have the ability to automatically validate survivor applicant information against information about the deceased/former spouse or related former guardian that is maintained in a master record database? V (p. 17)		
47. When permitted by statute, does the benefit system automatically validate dates of employment, earnings, and other claimant-specific data provided on the application for benefits against the work history and earnings information reported to central agencies such as the Internal Revenue Service (IRS), Social Security Administration (SSA), and Office of Personnel Management (OPM)? V (p. 17)		

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Computational Processes	Yes/no/ na	Explanation
48. Does the benefit system have the ability to determine if the effective date of the claim has been reached, ¹⁸ and does it have the ability to initiate subsequent processing? M (p. 17)		
49. Does the benefit system provide features to compute the amount of both recurring and nonrecurring benefit payments based on all available information? ¹⁹ M (p. 17)		
50. Does the benefit system determine the ending date for recurring payments of limited duration? M (p. 17)		
51. When processing an approved claim for benefits, such as retirement, disability, death, survivor, and other claims, does the benefit system calculate the amount of recurring payment, or does it capture the amount of the claimant's recurring payment that has been determined externally? M (p. 17)		
52. Does the benefit system provide flexibility in maintaining pay rates? ²⁰ M (p. 17)		

¹⁸For example, can it determine the effective date of a retirement claim?

¹⁹For example, can it determine this using applicant data and specific benefit program criteria?

²⁰For example, does it use tables that are easily maintained by the user?

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Computational Processes	Yes/no/ na	Explanation
53. Does the benefit system provide for adjusting the amount of payment when the claimant is receiving offsetting monetary amounts? ²¹ M (p. 17)		
54. For federal and uniformed service retirement systems, does the benefit system identify whether the claimant retired under provisions of a voluntary separation incentive, and does it capture the amount of the incentive? M (p. 18)		
55. For federal and uniformed service retirement systems, does the benefit system compute the base amount of retirement pay by determining the “highest paid 36 ²² months of paid service?” M (p. 18)		
56. Does the benefit system determine the creditable years of service based on dates of employment or active military service? M (p. 18)		

²¹For example, is military retired pay offset on a dollar-for-dollar basis against veterans compensation, and for individuals under age 65, are social security benefits offset at a predetermined ratio for every dollar earned by claimant above the established threshold amount?

²²This can also be any other number as required by law, regulation, or statute.

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Computational Processes	Yes/no/ na	Explanation
57. Does the benefit system provide features to calculate the claimant's and/or related dependent's age based on the birth date provided in an application or other verified source for subsequent use in determining claimant eligibility? M (p. 18)		
58. Does the benefit system provide for user defined reasonableness or tolerable limit checks on the amounts of benefit payments that are calculated by the system? M (p. 18)		
59. Does the benefit system flag or suspend processing of a claim that fails reasonableness edits to facilitate manual verification of the amount computed? M (p. 18)		
60. Does the benefit system enable approved users to resume processing a claim that was suspended for failing a reasonableness edit once it has been verified as accurate? M (p. 18)		
61. Does the benefit system allow a user to initiate the calculation of a claimant's benefit amount at any time based on claimant data existing at the time the request is made? M (p. 18)		

Benefit System Requirements

Functional Requirements <i>Claims Processing</i> Computational Processes	Yes/no/ na	Explanation
62. Does the benefit system have the ability to record the amount of manually computed benefit payments? M (p. 18)		
63. Does the benefit system provide for an automatic system-initiated calculation and/or recalculation of benefit amount by claim type that is based on a specific user-defined event such as claim validation and approval, court order, claimant-initiated withholding change, etc.? M (p. 18)		
64. Does the benefit system provide for automated routines that access claimant master record data to facilitate calculating the amount of benefits due claimants? M (p. 18)		
65. Does the benefit system provide features to calculate and send overpayment information ²³ to the receivables and collections subsidiary ledger? M (p. 18)		

²³Overpayment information includes date of occurrence, claimant name, and overpayment amount.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payee Information Maintenance Process	Yes/no/na	Explanation
66. Does the benefit system maintain payee information that includes data to support obligation, accounts payable, and disbursement processes? M (p. 19)		
67. Does the benefit system support payments made to parties who act as agents for the payee without changing permanent claimant information that is maintained in the claimant's master record, such as the claimant's name, address, or financial institution? M (p. 19)		
68. Does the benefit system allow the user to capture the current tax status, number of exemptions, and other information requested on applicable IRS withholding forms (i.e., W-4P, W-4S, and W-4V)? M (p. 19)		
69. Does the benefit system maintain detailed information for each payee to comply with IRS reporting requirements? ²⁴ M (p. 19)		

²⁴For example, does the system maintain information needed for 1099 reporting, including SSN or TIN? In cases where payments are made to third parties who are serving in fiduciary capacities, does the system maintain 1099 information for the principal party rather than the agent?

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payee Information Maintenance Process	Yes/no/na	Explanation
70. Does the benefit system provide the capability to automatically update payee records to reflect automated clearinghouse (ACH) or electronic funds transfer (ETF) related changes? ²⁵ M (p. 19)		
71. Does the benefit system, at a minimum, accumulate actual payments for each payee annually? M (p. 19)		
72. Does the benefit system provide search capability for payee information (e.g., payee name)? M (p. 19)		
73. Does the benefit system produce payee lists based on agency-defined criteria (e.g., payee name and SSN)? M (p. 19)		
74. Does the benefit system maintain, as part of the claimant's master record, a complete history of all financial transactions executed for each payee receiving benefits under the claim holder's master record? ²⁶ M (p. 20)		

²⁵Treasury, financial institutions, or other sources may supply these updates periodically.

²⁶This includes payments, collections, waivers, or offsets resulting from overpayments.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payee Information Maintenance Process	Yes/no/na	Explanation
75. For all active payees, does the benefit system make the financial transaction history data of the most recent 18 months available for on-line query and review? M (p. 20)		
76. Does the benefit system allow for maintaining deposit account information on at least two financial institutions for a single payee? V (p. 20)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Warehousing Process	Yes/no/na	Explanation
77. Does the benefit system have the ability to determine whether the benefit payment is a nonrecurring payment? M (p. 20)		
78. Does the benefit system automatically determine the due date and amount of benefit payments? M (p. 20)		
79. Does the benefit system reestablish payables for voided checks or EFTs that were not successful? M (p. 20)		
80. Does the benefit system allow for reversing the accounting transaction leading to the disbursement and reestablishing a payable, as appropriate? M (p. 20)		
81. Does the benefit system allow anticipated obligation or expenditure transactions so that documents may be entered early, stored, and posted at the appropriate date? V (p. 20)		
82. Does the benefit system subject these documents ²⁷ to edit and validation procedures prior to posting? V (p. 20)		

²⁷Please refer to the previous question.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Warehousing Process	Yes/no/na	Explanation
83. If the anticipated obligation does not occur, does the benefit system permit the user to delete the transaction without posting it? V (p. 20)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Funds Availability Editing	Yes/no/na	Explanation
84. Does the benefit system allow for the recording of funding transactions? ²⁸ M (p. 21)		
85. Does the benefit system include adequate controls to prevent recording obligations or expenditure transactions that exceed available balances? M (p. 21)		
86. Does the benefit system also support recording obligations or expenditures that exceed available balances based on proper management approval? ²⁹ M (p. 21)		
87. Does the benefit system provide for designated authorities to establish and modify the system's response ³⁰ to the failure of a funds availability edit? M (p. 21)		
88. Does the benefit system record the financial impact of all transactions that affect the availability of funds, such as commitments, obligations, expenditures, and the establishment of, and collections against, recovery receivables? M (p. 21)		

²⁸This includes recording internal allocations or allotments from within the agency.

²⁹That is, does the system provide the capabilities and controls for authorized users to override funds availability edits?

³⁰That is, does the system either reject the transaction or provide a warning?

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Funds Availability Editing	Yes/no/na	Explanation
89. Does the benefit system automatically update all appropriate budgetary tables and ledger account balances (when applicable) to ensure that the system always maintains and reports the current status of funds for all open accounting periods? M (p. 21)		
90. Does the benefit system provide for designated authorities to establish and modify the level of funds control using the elements of the classification structure, including object class, program, organization, project, and fund? V (p. 21)		
91. Does the benefit system provide the ability to produce an on-line status of funds report down to the lowest level of the organizational structure, including amounts available or allotted, open commitments, open obligations, expenditures, and balance available? V (p. 21)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Commitments	Yes/no/na	Explanation
92. Does the benefit system allow commitment transactions to be entered on line from multiple locations? V (p. 21)		
93. Does the benefit system maintain information related to each commitment transaction? ³¹ V (p. 21)		
94. Does the benefit system provide for modifications to commitment transactions, including ones that change the dollar amount or the accounting classification elements cited? V (p. 22)		
95. Does the benefit system allow for commitment transactions to be future-dated, stored, and posted on the appropriate date? V (p. 22)		
96. Does the benefit system close open commitments under the following circumstances: <ul style="list-style-type: none"> a. by the system upon issuance of an obligating document, b. by an authorized user, and c. as part of the year-end closing if the commitment is in an annual appropriation or in the last year of a multiyear appropriation? V (p. 22) 		

³¹At a minimum, does the system capture accounting classification elements and estimated amounts?

Benefit System Requirements

Functional Requirements <i>Benefit Payment</i> <i>Administration</i> Commitments	Yes/no/ na	Explanation
97. Does the benefit system provide the capability to support commitment accounting based on agency needs? V (p. 22)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Obligations and Expenditures	Yes/no/ na	Explanation
98. Does the benefit system update budgetary tables to reflect obligations based on obligating documents and liquidate, at the user's request, the related commitments, either partially or fully? M (p. 22)		
99. Does the benefit system update budgetary tables to reflect obligations for which there are no related commitments? M (p. 22)		
100. Does the benefit system maintain information related to each obligation document, including amendments? M (p. 22)		
101. At a minimum, does the benefit system capture the following: <ul style="list-style-type: none"> a. obligating document number and type; b. accounting classification elements, as appropriate; c. referenced commitment, if applicable; d. other identification, including benefit payee SSN or TIN; and e. dollar amounts? M (p. 22) 		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Obligations and Expenditures	Yes/no/na	Explanation
102. Does the benefit system allow obligation documents to be entered on-line and from multiple locations? M (p. 22)		
103. Does the benefit system allow authorized modifications and cancellations of posted obligation documents? M (p. 22)		
104. Does the benefit system provide on-line access to all unliquidated obligations by selection criteria (e.g., document number)? M (p. 22)		
105. Does the benefit system maintain an on-line history file of closed-out documents for a user-defined period? M (p. 22)		
106. Does the benefit system close open obligating documents to accommodate both of the following circumstances: <ul style="list-style-type: none"> a. automatically when classifying an unliquidated obligation to an expenditure and b. by an authorized user? M (p. 22) 		

Benefit System Requirements

Functional Requirements <i>Benefit Payment</i> <i>Administration</i> Obligations and Expenditures	Yes/no/ na	Explanation
107. Does the benefit system allow multiple commitments to be combined into one obligation or expenditure document and one commitment document to be split into various obligating or expenditure documents? V (p. 22)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration Analysis</i>	Yes/no/na	Explanation
108. Does the benefit system maintain current information on obligations according to the classification elements established by the agency on a fund-by-fund basis? M (p. 23)		
109. Does the benefit system sort and provide on-line access to both summary level and detailed information, based on the defined level of funds control, for those transactions that represent obligations and expenditures? M (p. 23)		
110. Does the benefit system provide control features that ensure the amounts reflected in the fund control structure agree with the general ledger account balances at the end of each update cycle? M (p. 23)		
111. Does the benefit system track the use of funds against operating or financial plans? V (p. 23)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(Agencies with Delegated Disbursing Authority)</i>	Yes/no/na	Explanation
<p>112. If the agency has delegated disbursing authority,³² does the benefit system support of the reporting and other requirements specified in Volume I of the <i>Treasury Financial Manual (TFM)</i>, Part 4, as exemplified by the following?</p> <ul style="list-style-type: none"> a. Report all disbursements made under the delegation in the agency's payment accounting reports to the Financial Management Service (FMS) using the appropriate agency accounting codes, as authorized by FMS.³³ b. Submit timely, accurate check issuance data to FMS no later than the close of business of the week in which the issue dates occur and at month's end. (See I TFM 4-6025.10.)³⁴ c. Comply with applicable Treasury offset guidelines established under the 		

³²Some agencies have "delegated disbursing authority" and can print checks or make EFTs without using Treasury as an intermediary. Title 31 U.S.C., section 3321(b) provides that, for economy and efficiency, the Secretary of the Treasury may delegate the authority to disburse public money to officers and employees of other federal agencies.

³³As stated in section 10025 of the TFM the agency must submit immediately to the chief disbursing officer (CDO) any irregularity in accounts involving disbursement activity. Furthermore, the agency is responsible for resolving any irregularities or discrepancies associated with such reports.

³⁴FMS must receive this information within the required time frame to carry out its check reconciliation responsibilities properly, to decline final payment, or to reclaim payment on certain improperly negotiated Treasury checks or counterfeit checks. See 31 Code of Federal Regulations (CFR) Part 240.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(Agencies with Delegated Disbursing Authority)</i>	Yes/no/na	Explanation
<p>authority of 31 U.S.C. 3716(c).³⁵</p> <p>d. Comply with FMS guidelines concerning applicable requirements, to include a payee’s TIN on payment vouchers in accordance with 31 U.S.C. 3325(d).³⁶</p> <p>e. Comply with all applicable EFT system requirements, including those related to message authentication and enhanced security, unless explicitly waived in writing by the chief disbursing officer. M (pp. 23 & 24)</p>		

³⁵Under 31 U.S.C. 3716 (c), an authorized disbursing official is allowed to reduce recipient benefits by administrative offset to satisfy a creditor agency claim “...certified to the Secretary of the Treasury.”

³⁶“The head of an executive agency or an officer or employee of an executive agency ... shall include with each certified voucher submitted to a disbursing official pursuant to this section the taxpayer identifying number of each person to whom payment may be made under the voucher.”

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(All Other Agencies)</i>	Yes/no/na	Explanation
113. Does the benefit system automatically identify and select payments to be disbursed in a particular payment cycle based on their due dates? ³⁷ M (p. 24)		
114. Does the benefit system provide a function for review and certification by an authorized certifying officer? M (p. 24)		
115. Does the benefit system allow changes to payment schedules by authorized staff prior to acceptance by the disbursing office? M (p. 24)		
116. Does the benefit system allow specific payments selected for disbursement to be excluded from the payment cycle and held for later payment? M (p. 24)		
117. Does the benefit system automatically distinguish taxable benefit payments from nontaxable payments? M (p. 24)		

³⁷Questions 113 through 136 are applicable only to agencies for which Treasury does the actual disbursing.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(All Other Agencies)</i>	Yes/no/na	Explanation
118. Does the benefit system automatically compute net amounts to be disbursed after taking into account the following: a. withholdings, b. interest, c. garnishments, d. other offsets, as needed, in accordance with applicable regulations? M (p. 24)		
119. Does the benefit system also generate the appropriate transactions to reflect the computed deductions and additions? M (p. 24)		
120. Does the benefit system collect information on interest paid, if applicable, and record the amounts to the proper ledger account? M (p. 24)		
121. Does the benefit system calculate totals by agency location code (ALC) and Treasury account fund symbol (TAFS) for inclusion on the payment schedule? M (p. 24)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(All Other Agencies)</i>	Yes/no/na	Explanation
122. Does the benefit system sort individual payment detail by TAFS to enable SF-224 reconciliation? M (p. 24)		
123. Does the benefit system provide for various forms of payment to be used (i.e., check or EFT)? M (p. 24)		
124. Does the benefit system support Treasury-specific standards for format of check and EFT payment requests? M (p. 24)		
125. Does the benefit system automatically update payment records based on updates recorded in the payee’s master record, such as changes of address or changes in deposit account information? M (p. 24)		
126. Does the benefit system allow a payment request to be removed from the automated scheduling stream and scheduled as a manual payment by an authorized official? M (p. 24)		
127. Does the benefit system allow the user to trigger an immediate benefit payment for “emergency” ³⁸ situations? M (p. 24)		

³⁸Emergency situations are defined by the administering agency.

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(All Other Agencies)</i>	Yes/no/na	Explanation
128. Does the benefit system provide the capability to schedule and make payments in various forms ³⁹ as required by an agency's disbursing offices, including physical media ⁴⁰ (e.g., tape and electronic transfer)? M (p. 24)		
129. Does the benefit system allow for cancellation of an entire payment schedule, or a single payment within a schedule, after payments are scheduled and prior to actual disbursement by Treasury? M (p. 24)		
130. Does the benefit system provide offset features, if applicable, to reduce the payment amount due a claimant in accordance with applicable laws, regulations, and provisions of the Treasury Offset Program (TOP)? M (p. 24)		
131. Does the benefit system properly record the impact ⁴¹ of the entire amount of the transaction in both budgetary and proprietary terms? M (p. 24)		

³⁹For example, can payments be scheduled or made with ACH or SF-1166?

⁴⁰Physical media include tape or EFT.

⁴¹That is, does the system record whether, for example, (1) the entire amount is expensed, (2) payables or cash accounts reflect net outlay, and (3) budgetary resources are increased by the amount of nonfederal receivables collected?

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Execution Process <i>(All Other Agencies)</i>	Yes/no/na	Explanation
132. Does the benefit system provide for reissuing payments for misplaced payments and lost or stolen checks? M (p. 24)		
133. Does the benefit system automatically consolidate amounts due a benefit claimant when the claimant is entitled to more than one benefit administered by the same agency? V (p. 25)		
134. Does the benefit system itemize per Treasury specifications all payments covered by one check or EFT on a payment advice or addendum to the EFT file? V (p. 25)		
135. Does the benefit system allow for the splitting of a single benefit payment into separate bank accounts (i.e., allotments) ⁴² as indicated on the claimant's direct deposit request form? V (p. 25)		
136. Does the benefit system provide for making payments in a foreign currency? V (p. 25)		

⁴²That is, does the system allow for a minimum of one allotment in addition to the primary deposit account?

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Confirmation and Follow-up Process	Yes/no/na	Explanation
137. Does the benefit system update master record information resulting from payments made by the core system, if applicable? M (p. 25)		
138. If original checks are lost, stolen, or destroyed, does the benefit system allow the user to record the outcome of the Treasury search when recertified checks are issued? M (p. 25)		
139. Does the benefit system provide information about each payment to reflect the stage of the scheduling process that the payment has reached and the date each step was reached for the following processing steps: <ul style="list-style-type: none"> a. payment scheduled, b. schedule sent to the appropriate disbursing office, and c. payment issued by the appropriate disbursing office? M (p. 25) 		
140. Does the benefit system provide for comparison of the agency's payment schedule and the disbursing office's accomplished schedule? M (p. 25)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Confirmation and Follow-up Process	Yes/no/na	Explanation
141. Does the benefit system update the payment information when confirmation is received from the disbursing office, including the paid schedule number, check numbers or trace numbers, date and amount of payment, and payment method? M (p. 25)		
142. Does the benefit system maintain a history of every payment including the following information: a. authorizing document number, b. payment schedule number, c. payment date, d. payment address, and e. TAFS charged? M (p. 25)		
143. Does the benefit system provide on-line access to claimant and payment information? M (p. 25)		

Benefit System Requirements

Functional Requirements <i>Benefit Payment Administration</i> Payment Confirmation and Follow-up Process	Yes/no/na	Explanation
144. Does the benefit system provide on-line access to open documents based on agency selection criteria? M (p. 25)		
145. Does the benefit system produce IRS 1099s in IRS acceptable form ⁴³ when required by IRS regulations? ⁴⁴ M (p. 25)		
146. Does the benefit system automatically liquidate the related liability or the in-transit amount when payment confirmation updates the system? M (p. 25)		

⁴³IRS acceptable form would be, for example, hard copy or magnetic tape.

⁴⁴For example, IRS 1099s are required for miscellaneous payments of over \$600 to individuals.

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Establishment Process	Yes/no/na	Explanation
147. Does the benefit system record the establishment of receivables in the claimant's master record? M (p. 26)		
148. Does the benefit system provide for the establishment of receivables in other systems, such as centralized accounts receivable systems, that are based on individual claim holder debts? M (p. 26)		
149. Does the benefit system provide the capability for a user to select the reason the receivable is being recorded from a domain of recognized reasons? M (p. 26)		
150. Does the benefit system support the establishment and tracking of receivables to be paid under installment plans, including plans for which payments have been rescheduled? M (p. 26)		
151. Does the benefit system provide the capability for a user to record the beginning and ending dates of the payment period as well as the frequency and amount of each payment? M (p. 26)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Establishment Process	Yes/no/na	Explanation
152. Does the benefit system calculate, generate, and post the required ledger entries for receivables resulting from duplicate payments or erroneous payments as well as the corresponding expenditure reductions or other offsets? M (p. 26)		
153. Does the benefit system print bills accommodating the generation of standard forms and turnaround documents (i.e., as a remittance advice)? M (p. 26)		
154. Does the benefit system allow customized text in generated billing documents? M (p. 26)		
155. Does the benefit system provide features to notify overpaid individuals (or a claimant's estate) of the following: <ul style="list-style-type: none"> a. the amount overpaid and how and when overpayment occurred, b. the right to appeal the overpayment determination, c. the required recovery, and d. the right to request a waiver of recovery? M (pp. 26 & 27) 		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Establishment Process	Yes/no/na	Explanation
156. Does the benefit system record adjustments, both increases and decreases (i.e., noncash credits), and post them to a claimant's master record? M (p. 27)		
157. Does the benefit system date the bills with the system-generated date or with the date provided by the authorized user? M (p. 27)		
158. Does the benefit system accept transactions that generate receivables from other systems in a standard format for entry into the benefits system? M (p. 27)		
159. Does the benefit system print statements as well as bills? V (p. 27)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Servicing Process	Yes/no/na	Explanation
160. Does the benefit system maintain detailed information by account (i.e., individual) sufficient to provide audit trails and to support billing and research activities? M (p. 27)		
161. Does the benefit system update each master record when billing documents are generated and collections are received? M (p. 27)		
162. Does the benefit system provide on-line query capability to receivable and account information? M (p. 27)		
163. Does the benefit system provide information concerning the age of receivables, on a summary basis as well as an individual basis, to allow for management and prioritization of collection activities? M (p. 27)		
164. Does the benefit system provide automatic calculation and assessment of interest, administrative charges, and penalty charges, as applicable, on overdue receivables? M (p. 27)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Servicing Process	Yes/no/na	Explanation
165. Does the benefit system allow for the waiver of the charges with appropriate authority? M (p. 27)		
166. Does the benefit system identify and report receivables that meet predetermined criteria for bad debt provisions or write-off? M (p. 27)		
167. Does the benefit system maintain data for receivables referred to other federal agencies and/or outside organizations for collections? M (p. 27)		
168. Does the benefit system automatically initiate transactions to record the write-off of delinquent or uncollectible receivables (including interest, penalties, and administrative charges) based on user-defined criteria? M (p. 27)		
169. Does the benefit system also maintain data to monitor closed accounts? M (p. 27)		
170. Does the benefit system produce dunning (collection) letters for overdue receivables in accordance with Treasury requirements and existing legislation? M (p. 27)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Servicing Process	Yes/no/na	Explanation
171. Does the benefit system allow authorized users to customize the dunning process parameters and dunning letter text? M (p. 27)		
172. Does the benefit system provide information to allow either manual or automated reporting of delinquent accounts to commercial credit bureaus and referral to collection agencies or other appropriate governmental organizations? M (p. 27)		
173. Does the benefit system maintain information needed to support reporting required by IRS? M (p. 27)		
174. Does the benefit system maintain a history of billings and receipts for each receivable and account in accordance with agency requirements? M (p. 28)		
175. Does the benefit system match receipts to the appropriate receivables and update system balances? M (p. 28)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Recovery Receivable Servicing Process	Yes/no/na	Explanation
176. Does the benefit system provide the ability to apply receipts to more than one receivable? M (p. 28)		
177. Does the benefit system update receivable balances document by document, classifying and posting against principal, interest, and administrative fees as required by OMB Circular A-129, ⁴⁵ <i>Managing Federal Credit Programs</i> ? M (p. 28)		
178. Does the benefit system identify receivables that have been reduced by some means other than cash collections, such as waivers or write-offs? M (p. 28)		
179. Does the benefit system provide for reestablishment of a receivable for checks returned due to insufficient funds? M (p. 28)		

⁴⁵OMB Circular A-129 prescribes policies and procedures for justifying, designing, and managing federal credit programs, including collecting nontax receivables such as overpayments to beneficiaries.

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Collection Process	Yes/no/ na	Explanation
180. Does the benefit system record complete and partial receipts according to the Debt Collection Act of 1982 (DCA), Debt Collection Improvement Act of 1996 (DCIA), as well as other applicable regulations? M (p. 28)		
181. Does the benefit system record deposits and related debit vouchers for reconciliation to deposit confirmation information provided by Treasury or the banking system? M (p. 28)		
182. Specifically, does the benefit system provide the user the capability to record the deposit ticket or debit voucher document amount, number, and date? M (p. 28)		
183. If a claimant's master record is located when recording a deposit, does the benefit system provide the capability to display all active receivable accounts of record that are related to the claimant? M (p. 28)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management</i> Collection Process	Yes/no/na	Explanation
184. If a user is not able to locate an existing receivable in the master record of the person making a payment and the document being recorded is a deposit ticket item, does the benefit system provide the capability to associate the collection of funds to the claimant's master record, if one exists? M (p. 28)		
185. Does the benefit system provide features to record the method of recovery? ⁴⁶ M (p. 28)		
186. In order to suspend collection activities associated with the receivable, does the benefit system provide the capability to flag a claimant's receivable record to reflect due process status? M (p. 28)		
187. Does the benefit system automatically allow collection activities to resume when due process has expired or the flag has been reversed? M (p. 28)		
188. Does the benefit system capture whether the receivable has been petitioned and/or discharged in connection with bankruptcy proceedings? M (p. 28)		

⁴⁶The method of recovery includes payment, internal offset, TOP, compromise settlement, and civil suit.

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management Collection Process</i>	Yes/no/ na	Explanation
189. Does the benefit system provide for processing cash or credit card receipts against outstanding receivables? V (p. 28)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management Offset</i>	Yes/no/ na	Explanation
190. Does the benefit system provide the ability to report overdue receivables with associated SSN or TIN data to Treasury for possible offset? M (p. 29)		
191. Does the benefit system allow for offset of funds due to delinquent indebtedness through the following: a. administrative offset, b. federal employee salary offset, and c. income tax refund offset? M (p. 29)		
192. Does the benefit system comply with the requirements of the IRS Tax Refund Offset Program and TOP requirements? M (p. 29)		
193. Does the benefit system provide the capability for a user to record the effective date of the offset plan? M (p. 29)		
194. Does the benefit system incorporate logic to reflect the legal authority as to whether the payment type may be reduced by offset or is exempt from TOP or other offsets? M (p. 29)		

Benefit System Requirements

Functional Requirements <i>Recovery Receivable Management Offset</i>	Yes/no/ na	Explanation
195. Can the benefit system exclude certain receivables ⁴⁷ automatically from the offset function? M (p. 29)		
196. Does the benefit system automatically subject receivables to offset, which had been previously excluded because of due process and bankruptcy status, once status has been resolved? M (p. 29)		
197. Does the benefit system provide the capability for a user to select from a domain of offset program participants? ⁴⁸ V (p. 29)		
198. If the desired offset program recipient does not exist as a participant, does the benefit system provide the capability for the user to create a participant record? V (p. 29)		
199. When a retirement account has both garnishment and former spouse deductions, does the benefit system identify bankruptcy debt so that it is bypassed when computing the legally mandated 65 percent maximum deduction amount? V (p. 29)		

⁴⁷For example, does the system exclude receivables that are in due process status or those that relate to bankruptcy filings?
⁴⁸An offset program participant is the recipient of the amount to be offset against a claimant's benefit payments.

Benefit System Requirements

Functional Requirements <i>Recovery Receivable</i> <i>Management</i> Funds Control	Yes/no/ na	Explanation
200. Does the benefit system properly record the budgetary effect on <i>U.S. Standard General Ledger</i> (SGL) balances for all transactions typically involved with receivable management? ⁴⁹ M (p. 30)		

⁴⁹For example, receivable management would include establishing a receivable, adjusting receivables, collections and offsets, as well as waivers and write-offs.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Entity Definition	Yes/no/na	Explanation
201. Does the benefit system allow for recording transactions in multiple TAFS and various fund types? ⁵⁰ M (p. 30)		
202. Does the benefit system accommodate reporting for multiple programs within a TAFS, based on accounting classification elements? ⁵¹ M (p. 30)		

⁵⁰This includes annual, multiyear, and no-year appropriations as well as trust funds.

⁵¹Accounting classification elements include, for example, organization level and cost center.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Account Definition	Yes/no/na	Explanation
203. Does the benefit system use account titles consistent with the account titles provided in the SGL? M (p. 31)		
204. Does the benefit system use account definitions consistent with the account definitions provided in the SGL? M (p. 31)		
205. Does any expansion in the chart of accounts roll up to the accounts as defined in the SGL? ⁵² M (p. 31)		
206. Does the benefit system provide subsidiary ledger support for SGL accounts? M (p. 31)		
207. Does the benefit system also support reconciliation of SGL control accounts to their respective subsidiary records by accounting period? M (p. 31)		
208. Does the benefit system provide the capability to create additional subaccounts to the general ledger for agency-specific tracking and control? M (p. 31)		

⁵² A pseudocode can be used instead of the exact SGL account numbers, providing the account descriptions and posting rules are the same as those used in the SGL for relevant transactions.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Account Definition	Yes/no/ na	Explanation
209. Do these subaccounts roll up to the SGL accounts? M (p. 31)		

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Transaction Definition and Processing	Yes/no/na	Explanation
210. Does the benefit system use standard transactions to record accounting events and to control the related updating of other information ⁵³ maintained in the system? M (p. 31)		
211. Does the benefit system allow standard transactions, including system-generated transactions, to be established, modified, or deleted by authorized personnel? M (p. 31)		
212. Does the benefit system allow changes to be traced? M (p. 31)		
213. Does the benefit system generate and post compound debit and credit entries to the SGL accounts? M (p. 31)		
214. Does the benefit system update both budgetary and proprietary SGL accounts based on a single input transaction? M (p. 31)		
215. Does the benefit system provide the capability to add, modify, and maintain editing and posting rules through systems tables controlled by authorized personnel? M (p. 31)		

⁵³This could include values in tables, such as available funding.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Transaction Definition and Processing	Yes/no/na	Explanation
216. Does the benefit system perform integrity checks on batches received via interfaces? M (p. 31)		
217. Do the integrity checks include batch numbers to detect duplicate or skipped batches and the validity of header and trailer records? ⁵⁴ M (p. 31)		
218. Does the benefit system process transactions consistent with SGL account descriptions and postings? ⁵⁵ M (p. 31)		
219. Does the benefit system process system-generated transactions, such as the following: <ul style="list-style-type: none"> a. automated payment scheduling, b. accruals, c. closing entries, d. recurring payments, and e. transactions that generate other transactions in those cases where a single transaction is not sufficient? M (p. 32) 		

⁵⁴This ensures that counts and amounts in trailer records agree with records in the batch.

⁵⁵Use of other than SGL account numbers (i.e., a pseudocode) is acceptable providing the account descriptions and posting rules are the same as those used in U.S. SGL for relevant transactions.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Transaction Definition and Processing	Yes/no/na	Explanation
220. Does the benefit system automatically liquidate, partially or in full, balances of preceding documents when entering dependent documents? M (p. 32)		
221. Is this capability used in the liquidation of commitments, obligations, payables, receivables, or other items, as appropriate? ⁵⁶ M (p. 32)		
222. Does the benefit system provide control over the correction and reprocessing of all erroneous transactions through the use of error files and/or suspense accounts? M (p. 32)		
223. Are erroneous transactions maintained and tracked until corrected, posted, or deleted at the specific request of an authorized user? M (p. 32)		

⁵⁶For example, when expending an existing obligation the balance of the open obligation must be automatically reduced by the amount expended.

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Transaction Definition and Processing	Yes/no/na	Explanation
224. Does the benefit system support management controls to ensure the following? a. Transactions are processed in accordance with government and agency-prescribed standards and procedures. b. The integrity of data in the system is maintained. c. Access is restricted to authorized users. M (p. 32)		
225. Does the benefit system provide transaction edits that control, at a minimum, fund availability, account structure, and tolerance levels between related transactions, such as between an obligation and its related accrual? M (p. 32)		
226. Does the benefit system provide controls to prevent the creation of duplicate transactions? M (p. 32)		
227. Does the benefit system post to the current and prior accounting months concurrently until the prior month closing? M (p. 32)		

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Transaction Definition and Processing	Yes/no/na	Explanation
228. Does the benefit system maintain and provide on-line queries and reports on balances separately for the current and prior months? M (p. 32)		
229. At a minimum, does the benefit system maintain balances on line for both the current and prior months until the prior month closing? M (p. 32)		
230. Does the benefit system provide the capability to enter and store for future processing any transactions in the current month for processing in the subsequent month? V (p. 32)		

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Audit Trails	Yes/no/ na	Explanation
231. Does the benefit system provide audit trails to trace transactions from the following: <ul style="list-style-type: none"> a. source documents, b. original input, c. other systems, d. system generated transactions, and e. internal assignment transactions through the system? M (p. 32) 		
232. Does the benefit system provide transaction details to support account balances? M (p. 32)		
233. Does the benefit system provide audit trails to trace source documents and transactions through successive levels of summarization to the financial statements and reverse? M (p. 32)		

Benefit System Requirements

Functional Requirements <i>Accounting for Benefit Transactions</i> Audit Trails	Yes/no/ na	Explanation
234. Does the benefit system provide audit trails to identify changes made to system parameters and tables that would affect the processing or reprocessing of any financial transactions? M (p. 32)		
235. Does the benefit system provide for all types of transactions the capability to select items for review based on user-defined criteria? ⁵⁷ M (p. 32)		
236. Does the benefit system provide audit trails that identify the following actions by the originator: <ul style="list-style-type: none"> a. document input, b. changes, c. approvals, and d. deletions? M (p. 32) 		
237. Does the benefit system provide the capability to record the user identification, date, and time updated for each transaction affecting the general and subsidiary accounts? M (p. 33)		

⁵⁷Examples of selection criteria are accounting period, amount, and payee.

Benefit System Requirements

Functional Requirements <i>Reporting</i> External Reporting	Yes/no/ na	Explanation
238. Does the benefit system maintain accounting data to support reporting in accordance with FASAB accounting standards and OMB and Treasury reporting requirements? ⁵⁸ M (p. 33)		
239. Does the benefit system provide summarized data electronically to systems used by the agency for decision support? M (p. 33)		
240. Does the benefit system provide for the preparation of external reports such as those required by Treasury and OMB? ⁵⁹ M (p. 33)		
241. Does the benefit system report events and transactions according to the accounting classification elements established and within a given accounting period? ⁶⁰ M (p. 34)		

⁵⁸Of particular significance are data needed when preparing actuarial estimates for financial statement preparation in compliance with the reporting requirements specified by SFFAS 5 and 17. For example, does the system facilitate historical trend analysis of various data elements as determined by the agency?

⁵⁹For example, does the system pass the data needed to prepare reports required by the Federal Agencies' Centralized Trial Balance System (FACTS) I, FACTS II, SF-224 (when appropriate), and financial statements to the core financial system?

⁶⁰This includes providing the ability to automatically assign cost by a major program to facilitate preparation of the Statement of Net Costs in accordance with OMB's Bulletin 01-09, *Form and Content of Agency Financial Statements*.

Benefit System Requirements

Functional Requirements <i>Reporting</i> External Reporting	Yes/no/ na	Explanation
242. Does the benefit system maintain the information required for program performance, financial performance, and financial management performance measures needed for budgeting, program management, and financial statement presentation? M (p. 34)		
243. Does the benefit system provide the capability to produce all relevant reports, statements, or returns required by IRS, including year-end 1099 statements? M (p. 34)		
244. Does the benefit system allow a user to request a reissued tax statement for the current or previous year? M (p. 34)		
245. Does the benefit system provide for an automated methodology of data manipulation and data exportation? V (p. 34)		
246. Does the benefit system provide for automatic translation of foreign currency payments based on the exchange rate specified by the user? ⁶¹ V (p. 34)		

⁶¹That is, does the system determine the appropriate amount of corresponding U.S. dollars when recording transactions for payments made in foreign currency?

Benefit System Requirements

Functional Requirements <i>Reporting</i> External Reporting	Yes/no/ na	Explanation
247. Does the benefit system allow a user to request a reissued tax statement for the previous 3 years? V (p. 34)		

Benefit System Requirements

Functional Requirements <i>Reporting</i> Internal Reporting	Yes/no/ na	Explanation
248. Does the benefit system provide for the production of formatted reports? M (p. 34)		
249. Does the benefit system allow for the reformatting of reports to allow for the following attributes: <ul style="list-style-type: none"> a. the presentation of different sorts of information, b. the presentation of only specific information in the format selected, c. the summarization of data, and d. the modification of report formats to tailor the reports to the specific requirements of the user? M (p. 34) 		
250. Does the benefit system provide for program cost accounting data to support reporting requirements specified in OMB's <i>Form and Content of Agency Financial Statements</i> ? M (p. 34)		

Benefit System Requirements

Functional Requirements <i>Reporting</i> Internal Reporting	Yes/no/ na	Explanation
<p>251. Does the benefit system provide for program cost accounting data to support the decision-making process in managing an agency's programs, which includes the following features?</p> <ul style="list-style-type: none"> a. Cost reports to be used in the analysis of programmatic activities. b. Schedules and operating statements based on the accounting classification elements and agency criteria. c. Meaningful cost information needed to support performance measures. d. Ability to transfer cost information directly to and from other systems. M (p. 34) 		
<p>252. Does the benefit system determine the cost of information for comparison to other program data to determine compliance with planned budgeted activities? V (p. 35)</p>		
<p>253. Does the benefit system support the use of historical data to conduct variance analysis? V (p. 35)</p>		

Benefit System Requirements

Functional Requirements <i>Reporting</i> Performance Reporting	Yes/no/ na	Explanation
<p>254. Does the benefit system provide features to compute and maintain performance trends such as the following?</p> <ul style="list-style-type: none"> a. Number and dollar value of benefit payments made. b. Average benefit payment. c. Benefit payments made by operating levels and geographic region. M (p. 35) 		
<p>255. Does the benefit system provide features to compute and maintain efficiency measures to help determine the effectiveness of use of agency resources⁶² such as the following measurements?</p> <ul style="list-style-type: none"> a. Number of applications processed. b. Number of awards. c. Number of denials. M (p. 35) 		
<p>256. Does the benefit system provide features to compute, for the entire claimant population, the length of time claimants have received benefits?⁶³ M (p. 35)</p>		

⁶²Measures should cover agency resources at both the local and national levels.

⁶³For example, can the system generate reports showing the number of individuals receiving benefits by duration (e.g., 1 to 5 years, 6 to 10 years)?

Benefit System Requirements

Functional Requirements <i>Reporting</i> Performance Reporting	Yes/no/ na	Explanation
<p>257. Does the benefit system provide features to automatically compute and maintain efficiency measures such as the following?</p> <ul style="list-style-type: none"> a. Administrative cost per application approved. b. Time required to process a claim application. V (p. 35) 		

Benefit System Requirements

Functional Requirements <i>Reporting</i> Compulsory Notifications	Yes/no/ na	Explanation
258. Does the benefit system provide for issuing standard notices for a variety of user-defined events? ⁶⁴ M (p. 35)		
259. Does the benefit system allow the user to add custom text for each standard correspondence type? M (p. 35)		
260. Does the benefit system allow the user to record that the U.S. Postal Service has returned correspondence as undeliverable? M (p. 35)		
261. Does the benefit system automatically capture various electronic correspondences, including due process requests submitted through various electronic mediums, and associating [them] to the specific claim and required action? M (p. 36)		
262. For manually submitted correspondence, does the benefit system provide for capturing such requests and associating [them] with the specific claim and required action? M (p. 36)		

⁶⁴For example, does the system provide capabilities to notify a claimant of decisions affecting payment amount or cessation of payments?

Benefit System Requirements

Functional Requirements <i>Reporting</i> Compulsory Notifications	Yes/no/ na	Explanation
263. Does the benefit system have the ability to capture or record the date on which a request for appeals-related information is received from a claimant or an authorized representative? M (p. 36)		

Benefit System Requirements

Functional Requirements <i>Interfaces</i> Internal Interfaces	Yes/no/ na	Explanation
264. Does the benefit system provide the capability to interface with the agency core accounting system to record the accounting impact of financial activity at the SGL level daily to support consolidated financial reporting? M (p. 36)		
265. Does the benefit system provide standard input record format(s) for interface of transactions from other systems? M (p. 36)		
266. Does the benefit system subject all transactions from interfacing systems to its system edits, validations, and error correction procedures? M (p. 36)		
267. Does the benefit system maintain and track erroneous transactions until corrected, posted, or deleted by an authorized user? M (p. 36)		
268. When a major benefit system function is performed by the core system, does the benefit system provide the capability to automatically update detailed claimant-related information that is maintained in the core system? ⁶⁵ M (p. 36)		

⁶⁵For example, could the benefit system automatically update detailed claimant information, such as individual payable and receivable records, if they were maintained in the core accounting system?

Benefit System Requirements

Functional Requirements <i>Interfaces</i> Internal Interfaces	Yes/no/ na	Explanation
269. Does the benefit system provide the capability to interface with the agency's cost accounting system? M (p. 36)		
270. Does the benefit system provide a two-way interface with the core system for purposes of funds control and funds availability verification? V (p. 36)		

Benefit System Requirements

Functional Requirements <i>Interfaces</i> External Interfaces	Yes/no/ na	Explanation
<p>271. Does the benefit system provide capabilities allowing interface with central agency financial systems⁶⁶ such as, for example, the capabilities to</p> <ul style="list-style-type: none"> a. receive and read the deposit reconciliation file from Treasury and produce a report of the matched data and differences; b. produce a file of all hold check transactions as they are created and periodically transmit the hold check file to Treasury; c. produce and transfer a file of changes to EFT payments previously forwarded to Treasury for release; d. produce and transfer a file of changes to be made to the home address file in Treasury; e. receive and process the data on the returned check file sent by Treasury's recertification system, including generating returned check transactions and updating account data; and f. receive and automatically 		

⁶⁶These systems include those at the Department of the Treasury's FMS and IRS, OMB, and OPM.

Benefit System Requirements

Functional Requirements <i>Interfaces</i> External Interfaces	Yes/no/ na	Explanation
process an ACH update file (containing changes to EFT information) from Treasury or other sources on a recurring basis? M (p. 37)		
272. Does the benefit system receive information from SSA records to verify an applicant's name, SSN, and income information, when legally permitted? V (p. 37)		
273. Does the benefit system provide features to verify an applicant's income against civil service annuity, military retirement, and IRS earnings records, when legally permitted? V (p. 37)		

Benefit System Requirements

Functional Requirements <i>Quality Assurance and Maintenance</i>	Yes/no/na	Explanation
274. Does the benefit system provide capabilities to select benefit claims based on agency program evaluation criteria, such as dollar thresholds and duration of benefit payment, for subsequent review? M (p. 37)		
275. Does the benefit system provide the ability to monitor and update a claimant's master records to reflect changes in circumstances affecting a claimant's eligibility or the amount of the payment? M (p. 37)		

Benefit System Requirements

Functional Requirements <i>Quality Assurance and Maintenance</i>	Yes/no/na	Explanation
<p>276. Does the benefit system provide capabilities to capture claimant (or relative) reported matters such as the following changes?</p> <ul style="list-style-type: none"> a. Death. b. Change in amount of earned or unearned income. c. Change in residence. d. Marriage, divorce, or separation. e. Absence from the United States. f. Change in disability condition. g. Eligibility for other benefits. h. Change in net worth or resources of the claimant. i. Change in school attendance. j. Change in composition of household. k. Change in citizenship or alien status. M (pp. 37 & 38) 		

Benefit System Requirements

Functional Requirements <i>Quality Assurance and Maintenance</i>	Yes/no/na	Explanation
277. Does the benefit system provide for recording and maintaining a customer service representative's notes or comments that can be linked to the claimant's master record? M (p. 38)		
278. Does the benefit system provide features to record death information provided from voluntary sources? ⁶⁷ M (p. 38)		
279. Does the benefit system provide capabilities to record the method ⁶⁸ used to independently verify the death of a claimant before terminating benefits? M (p. 38)		
280. Does the benefit system provide the ability to maintain a schedule of continuing disability reviews at the individual claim level, if applicable? M (p. 38)		
281. Does the benefit system also provide the ability to maintain the status of a schedule of continuing disability reviews within the claimant's master record? M (p. 38)		

⁶⁷Voluntary sources include, for example, returned checks, funeral home notification, and next of kin.

⁶⁸Methods for verifying death of a claimant include, for example, phone contact, signature verification, or personal contact with next of kin.

Benefit System Requirements

Functional Requirements <i>Quality Assurance and Maintenance</i>	Yes/no/na	Explanation
282. Does the benefit system provide capabilities to track the status of appeal proceedings when a change is made affecting a current claimant's level of benefits? M (p. 38)		
283. Does the benefit system provide features to record termination of benefit payments, including the following notations: a. event or reason for termination, such as death or increase in income, and b. date of event (and thus effective date of benefit cessation)? M (p. 38)		
284. Does the benefit system provide features to determine if benefits are commensurate with a claimant's gender? V (p. 38)		
285. Does the benefit system have the ability to select benefit payment calculations based on statistical sampling techniques for the purpose of verifying calculations? V (p. 38)		

Benefit System Requirements

Functional Requirements <i>Quality Assurance and Maintenance</i>	Yes/no/na	Explanation
286. Does the benefit system provide the ability to generate a random sample of claimants to periodically survey their satisfaction with the agency's benefit claims process? ⁶⁹ V (p. 38)		
287. Does the benefit system allow users to suspend payment to claimants when fraud is suspected, or when a death has been reported but not yet verified by an authoritative source (e.g., SSA)? V (p. 38)		
288. Does the benefit system allow users to cancel a previously recorded suspected death of a claimant and place the claimant back in a payment status, if appropriate? V (p. 38)		

⁶⁹Surveys would cover the claimant's experience from initial contact with the agency to receipt of benefit payment.

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> General	Yes/no/ na	Explanation
289. Does the benefit system provide for system back up and recovery in accordance with relevant OMB circulars? M (p. 38)		
290. Does the benefit system adhere to the applicable final Electronic and Information Technology Accessibility Standards ⁷⁰ issued by the Architectural and Transportation Barriers Compliance Board? M (pp. 38 & 39)		
291. Does the benefit system allow users to input parameters required to run batch jobs in a production mode either daily, monthly, quarterly, or yearly? M (p. 39)		
292. Does the benefit system provide all users the capability to perform a “print screen” function? M (p. 39)		

⁷⁰These standards address technical and functional performance criteria necessary for such technology to comply with section 508 of the Rehabilitation Act Amendments of 1998.

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Security and Internal Controls	Yes/no/ na	Explanation
293. Does the benefit system provide flexible security facilities to control user access at varying degrees, including the following: a. overall system access, b. capability to perform specific functions, such as inquiries and updates, and c. access to certain functionalities? M (p. 39)		
294. Does the benefit system provide capability to define access to specific functions by named user, class of user, and position? M (p. 39)		
295. Does the benefit system provide for multiple levels of approvals based on user-defined criteria, including dollar limits and type of document processed? M (p. 39)		
296. Does the benefit system provide the capability to perform reconciliation routines for internal participant accounts, ledgers, and funds? M (p. 39)		
297. Does the benefit system have the capability to identify unsuccessful reconciliations via an error log or error report? M (p. 39)		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Security and Internal Controls	Yes/no/ na	Explanation
298. Does the benefit system establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records? M (p. 39)		
299. Do these safeguards protect the records against anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained? M (p. 39)		
300. Does the benefit system provide a mechanism to monitor changes in software coding and the responsible individual? ⁷¹ M (p. 39)		

⁷¹The responsible individual is the authorized user.

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Access to Information	Yes/no/ na	Explanation
301. Does the benefit system comply with the disclosure provisions of the Privacy Act of 1974, ⁷² as amended? M (p. 39)		
302. Does the benefit system allow for the information contained in the system to be queried and detailed data to be presented, as requested? M (p. 39)		
303. Does the benefit system's query capability allow for user-defined criteria when accessing data for open or closed accounting periods? M (p. 39)		
304. Does the benefit system provide users with access to on-line guidance or help for performing system functions? M (p. 39)		
305. If a claimant's or claim holder's record is not located via query, does the benefit system display a message indicating that the transaction cannot be completed and that further research is required? M (p. 39)		
306. Does the benefit system present information resulting from system queries in an understandable format for nontechnical users? M (p. 39)		

⁷²5 U.S.C., section 552A.

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Access to Information	Yes/no/ na	Explanation
307. Does the benefit system also present information resulting from system queries in an unformatted fashion for more technically proficient users? M (p. 39)		
308. Does the benefit system provide the capability to access historical data records that are removed from on-line viewing, including items such as the following? a. Individual benefit payments. b. Receivables. c. Collection data. M (p. 39)		
309. Does the benefit system allow users to design extract files for their specific requirements? M (p. 40)		
310. Does the benefit system allow users to perform table look-ups and expansion of codes when needed to clarify the information contained within the results of system queries or reports? M (p. 40)		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Access to Information	Yes/no/ na	Explanation
311. Does the benefit system provide features (i.e., matching programs) to facilitate verification using information extracted from the system for comparison against benefit programs administered by other agencies, when legally permitted? M (p. 40)		
312. Does the benefit system facilitate the analysis of information contained in the system by allowing analysts to obtain report information and the results of system queries in data files that can be transferred to other applications or analytical tools? M (p. 40)		
313. Does the benefit system provide for easy access to historical files for comparative, analytical, and trend information? M (p. 40)		
314. Does the benefit system provide for self-service, claimant-initiated Web browser requests that can perform the following functions? a. Enable the claimants to request the reissuance of misplaced payments using a Web browser.		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Access to Information	Yes/no/ na	Explanation
<ul style="list-style-type: none"> b. Enable the claimants to access decision tree functions to help guide them through self-service transactions through a Web browser. c. Have pop-up windows to help annuitants when making changes to files through a Web browser. d. Enable the claimant to complete forms using a Web browser. e. Have the ability to verify the claimant security information through a Web browser. f. Provide access to claimant retirement-related data through interactive voice response (IVR). g. Make IVR available for claimant inquiries 24 hours a day, 7 days a week with the exception of scheduled outages. h. Allow the claimants to initiate changes to their accounts through IVR. i. Have the ability to support multiple languages (e.g., English and Spanish). V (p. 40) 		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Data Entry	Yes/no/ na	Explanation
315. Does the benefit system utilize various automated input devices when hard copy applications and correspondence are received, such as, for example, the utilization, whenever feasible, of optical recognition devices, digital imaging tools, or other input streamlining technology when processing standard hard copy applications or other required correspondence? M (p. 40)		
316. Does the benefit system support both batch and real-time on-line data entry, and does it use the same edit and update rules, as appropriate, for each mode? M (p. 40)		
317. Does the benefit system support simultaneous data entry or access by multiple users in a variety of access modes? M (p. 40)		
318. Do the benefit system user entry and query screens support validation of entered codes? M (p. 40)		
319. Does the benefit system assist users in determining correct codes if an invalid code is entered? M (p. 40)		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Data Entry	Yes/no/ na	Explanation
320. Does the benefit system provide for inquiry by the user to verify valid codes during the data entry process? M (p. 40)		
321. Does the benefit system provide the capability to display inputs required to complete transactions by a user based on the selection of transaction type? M (p. 40)		
322. Whenever possible, does the benefit system utilize keystroke-reducing tools such as dropdown menus to reduce the chance of data entry error? M (p. 40)		
323. Does the benefit system display a message to the user notifying him or her of the acceptance or rejection of each transaction once all inputs are completed? M (p. 41)		
324. Does the benefit system identify erroneous inputs with corrective recommendations? V (p. 41)		
325. Does the benefit system provide the capability for financial users to create comments relating to all types of transactions using free-form text? V (p. 41)		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Archiving and Purging	Yes/no/ na	Explanation
326. Does the benefit system provide an automated means for permanently storing electronic data? M (p. 41)		
327. Does the benefit system archive transactions and related information needed for audit trails in a format accessible by audit software? M (p. 41)		
328. Does the benefit system provide the authorized system administrator with the flexibility to determine whether records are to be archived or purged? M (p. 41)		
329. Does the benefit system allow selective action on the documents that meet the criteria for being archived or purged? M (p. 41)		
330. Does the benefit system include the capability to establish and maintain user-defined archival criteria? M (p. 41)		
331. Does the benefit system retain its records in accordance with federal regulations established by the National Archives and Records Administration, GAO, and others? M (p. 41)		

Benefit System Requirements

Functional Requirements <i>Technical Functions</i> Archiving and Purging	Yes/no/ na	Explanation
332. Does the benefit system prevent the purging of transactions prior to the proper period in accordance with regulations governing the retention of documents and transactions? M (p. 41)		

Benefit System Requirements

<p>Information Stores <i>Application Information</i> Stores Universal Data Elements</p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>333. Does the benefit system capture the name and address of the claim holder?⁷³ M (p. 42)</p>		
<p>334. Does the benefit system capture the SSN of the claim holder? M (p. 42)</p>		
<p>335. Does the benefit system capture the birth date of the claim holder? M (p. 42)</p>		
<p>336. Does the benefit system capture the date of the initial claim? M (p. 42)</p>		
<p>337. Does the benefit system capture claimant information, if other than the claim holder, including the following information:</p> <ul style="list-style-type: none"> a. name, address, SSN, and birth date and b. claimant’s relationship to claim holder, when different from the claim holder?⁷⁴ M (p. 42) 		

⁷³The claim holder is the person on whose record the benefit is earned or due.

⁷⁴For example, a claimant may be a spouse, child, or dependent parent of a claim holder.

Benefit System Requirements

<p>Information Stores <i>Application Information</i> Stores Universal Data Elements</p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>338. Does the benefit system capture the name and relationship of a representative payee, including estate executors or legal guardians, when applicable? M (p. 42)</p>		
<p>339. Does the benefit system capture the specific benefit for which the claim is made? M (p. 42)</p>		
<p>340. Does the benefit system capture the claimant address? M (p. 42)</p>		
<p>341. Does the benefit system capture bank information for direct deposit including, if applicable, the American Bank Association routing number, claimant bank account number, and account type? M (p. 42)</p>		
<p>342. Does the benefit system capture the type of evidence or proof required and submitted, when applicable? M (p. 42)</p>		

Benefit System Requirements

<p>Information Stores <i>Application Information</i> Stores Universal Data Elements</p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>343. Does the benefit system capture the status of the claim (e.g., approved, pending, or denied)? M (p. 42)</p>		
<p>344. Do benefit systems relating to taxable programs capture information needed to determine the withholding amount such as the following:</p> <ul style="list-style-type: none"> a. withholding status,⁷⁵ b. tax number of withholding allowances, c. backup withholding, and d. additional voluntary amount of tax withholding? M (p. 42) 		

⁷⁵This does not necessarily equate to marital status (e.g., married, single, or exempt).

Benefit System Requirements

<p>Information Stores <i>Application Information Stores</i> Universal Data Elements</p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>345. If a benefit system is used in administering “means tested programs,” does it capture the following information?</p> <ul style="list-style-type: none"> a. Claimant wages, salaries, and other income that is considered in determining eligibility and/or benefit amounts. b. Types and amounts of assets owned by the claimant, which are considered in determining eligibility and/or benefit amounts. M (p. 43) 		
<p>346. Does the benefit system capture the gender of a claimant?⁷⁶ V (p. 43)</p>		

⁷⁶This facilitates verifying a claimant’s identity.

Benefit System Requirements

<p align="center">Information Stores <i>Application Information Stores</i> Federally Administered Retirement Benefit Systems</p>	<p align="center">Yes/no/ na</p>	<p align="center">Explanation</p>
<p>347. Does the benefit system capture the effective date of retirement? M (p. 43)</p>		
<p>348. Does the benefit system capture the claim holder or claimant dependency information?⁷⁷ M (p. 43)</p>		
<p>349. Does the benefit system capture the dates of creditable employment⁷⁸ of the claim holder? M (p. 43)</p>		
<p>350. Does the benefit system capture historical earnings data⁷⁹ of the claim holder required for determining eligibility or the amount of benefits? M (p. 43)</p>		
<p>351. Does the benefit system capture total participant and employer contributions to the retirement plan made on behalf of the participant? M (p. 43)</p>		
<p>352. Does the benefit system capture current balance of vested employee and employer contributions? V (p. 44)</p>		

⁷⁷For example, does the system capture whether the claim holder is the child or parent of the claimant and visa versa?

⁷⁸This also includes military service when used in determining eligibility and the amount of benefits.

⁷⁹For example, does the system capture previous annual wages and salary?

Benefit System Requirements

<p>Information Stores <i>Application Information Stores</i> Federally Administered Retirement Benefit Systems</p>	<p>Yes/no/na</p>	<p>Explanation</p>
<p>353. Does the benefit system capture other names, such as a maiden name, the claim holder has used? V (p. 44)</p>		
<p>354. Does the benefit system capture the phone number of the claimant? V (p. 44)</p>		
<p>355. Does the benefit system capture any other unique identifying number? V (p. 44)</p>		

Benefit System Requirements

<p>Information Stores <i>Application Information</i> Stores Federal Employment Related Retirement Benefit Systems</p>	<p>Yes/no/na</p>	<p>Explanation</p>
<p>356. Does the benefit system capture the date of final separation? M (p. 44)</p>		
<p>357. Does the benefit system capture lump sum⁸⁰ distributions versus annuity distributions? M (p. 44)</p>		
<p>358. Does the benefit system capture annuity selection?⁸¹ M (p. 44)</p>		
<p>359. Does the benefit system capture present marital status? M (p. 44)</p>		
<p>360. Does the benefit system capture spouse's name, date of birth, SSN, and date of marriage, when applicable? M (p. 44)</p>		
<p>361. Does the benefit system capture the name, date of birth, SSN, and dates of marriage and divorce of former spouses who have a court-ordered annuity? M (p. 44)</p>		
<p>362. Does the benefit system capture the percentage or dollar amount of court-ordered former spouse annuity? M (p. 44)</p>		

⁸⁰Lump sum refers to refund of contributions.

⁸¹For example, does the system whether the annuity selection is for self-only, self and reduced survivor, or self and maximum survivor?

Benefit System Requirements

<p>Information Stores <i>Application Information Stores</i> Federal Employment Related Retirement Benefit Systems</p>	<p>Yes/no/na</p>	<p>Explanation</p>
<p>363. Does the benefit system capture the highest pay scale, (grade) level, or amount of highest salary and related dates? M (p. 44)</p>		
<p>364. Does the benefit system capture the voluntary separation monetary incentive? M (p. 44)</p>		

Benefit System Requirements

<p align="center">Information Stores <i>Application Information</i> Stores Disability Related Benefits</p>	<p align="center">Yes/no/ na</p>	<p align="center">Explanation</p>
<p>365. Does the benefit system capture the type of disability or disability code? M (p. 44)</p>		
<p>366. Does the benefit system capture the date of disability onset or injury? M (p. 44)</p>		
<p>367. Does the benefit system capture the degree of impairment or diagnosis? M (p. 44)</p>		
<p>368. Does the benefit system capture the name of examining physician? M (p. 44)</p>		
<p>369. Does the benefit system capture where the claimant's injury occurred? M (p. 44)</p>		
<p>370. Does the benefit system capture whether the disability was caused by employment or was related to military service? V (p. 45)</p>		
<p>371. Does the benefit system capture the claimant's or dependent(s)' student status (e.g., full-time, yes or no)? V (p. 45)</p>		

Benefit System Requirements

<p align="center">Information Stores <i>Application Information</i> Stores Death Benefits</p>	<p align="center">Yes/no/ na</p>	<p align="center">Explanation</p>
<p>372. Does the benefit system capture claimant's relation to claim holder? M (p. 45)</p>		
<p>373. Does the benefit system capture the dates of creditable employment of the claim holder, including military service, when used in determining eligibility and the amount of benefits? M (p. 45)</p>		
<p>374. Does the benefit system capture claimant dependency information when it affects the benefit amount? M (p. 45)</p>		
<p>375. Does the benefit system capture the date married, when applicable? M (p. 45)</p>		
<p>376. Does the benefit system capture the date divorced, when applicable? M (p. 45)</p>		
<p>377. Does the benefit system capture the date of claim holder death? M (p. 45)</p>		
<p>378. Does the benefit system capture the claimant's and/or claim holder's dependent(s) student status?⁸² V (p. 45)</p>		

⁸²For example, is the student full-time?

Benefit System Requirements

<p align="center">Information Stores <i>Application Information</i> Stores Survivor Benefits</p>	<p align="center">Yes/no/ na</p>	<p align="center">Explanation</p>
<p>379. Does the benefit system capture the claimant's relation to the claim holder? M (p. 45)</p>		
<p>380. Does the benefit system capture the dates of creditable employment of the claim holder,⁸³ including military service when used in determining eligibility and the amount of benefits? M (p. 45)</p>		
<p>381. Does the benefit system capture claim holder or claimant dependency information?⁸⁴ M (p. 45)</p>		
<p>382. Does the benefit system capture the date [the claim holder was] married, when applicable?⁸⁵ M (p. 45)</p>		
<p>383. Does the benefit system capture the date [the claim holder was] divorced, when applicable?⁸⁶ M (p. 45)</p>		
<p>384. Does the benefit system capture the date of claim holder death? M (p. 45)</p>		
<p>385. Does the benefit system capture the student status?⁸⁷ M (p. 45)</p>		

⁸³For example, does the system capture military service when used in determining eligibility and the amount of benefits?

⁸⁴For example, does the system capture whether the claim holder has dependent children or parents?

⁸⁵That is, the claimant is a former spouse.

⁸⁶As above.

⁸⁷For example, is the claimant a full-time student?

Benefit System Requirements

<p>Information Stores <i>Application Information</i> Stores Other Benefits</p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>386. Does the benefit system capture universal data elements⁸⁸ only? M (p. 46)</p>		
<p>387. Does the benefit system capture the student status⁸⁹ of the claimant or dependent(s)? V (p. 46)</p>		

⁸⁸These are covered in questions 333 through 346.

⁸⁹For example, is the student full-time?

Benefit System Requirements

<p>Information Stores <i>Claimant Master Record</i> <i>Information Store</i></p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>388. Does the benefit system maintain all applicable mandatory data elements⁹⁰ specified within the application information data stores? M (p. 46)</p>		
<p>389. Does the benefit system maintain general information such as the following:</p> <ul style="list-style-type: none"> a. case status, b. benefit type, and c. chronology of key dates? M (p. 46) 		
<p>390. Does the benefit system maintain, as appropriate, award data, such as the following:</p> <ul style="list-style-type: none"> a. total award, b. monthly gross payment, and c. net monthly payment? M (p. 46) 		

⁹⁰That is, does the system maintain universal data elements and appropriate categorical information?

Benefit System Requirements

<p>Information Stores <i>Claimant Master Record</i> <i>Information Store</i></p>	<p>Yes/no/ na</p>	<p>Explanation</p>
<p>391. Does the benefit system maintain payment history, such as the following:</p> <ul style="list-style-type: none"> a. prior disbursements; b. collections, including principal and interest; and c. accruals? M (p. 46) 		
<p>392. Does the benefit system maintain special collection activity, such as the following:</p> <ul style="list-style-type: none"> a. delinquent debt collection activity and b. status? M (p. 46) 		
<p>393. Does the benefit system maintain general data such as demographic data other than that specified in the application information stores?⁹¹ V (p. 46)</p>		

⁹¹That is, does the system maintain information that has been historically used by the agency in preparing actuarial estimates for purposes such as forecasting and complying with financial statement reporting requirements and SFFAS 5 and 17?

Benefit System Requirements

Information Stores <i>Financial Information Store</i>	Yes/no/ na	Explanation
394. Does the benefit system maintain the present interest rate per the Department of the Treasury? M (p. 46)		
395. Does the benefit system maintain the daily exchange rate for relevant ⁹² currencies? V (p. 47)		

⁹²That is, the currencies are specified by the agency.

Benefit System Requirements

(BLANK)

Benefit System Requirements

Related GAO Products

These related products address three main categories: internal control, financial management systems, and financial reporting (accounting standards). We have developed these guidelines and tools to assist agencies in improving or maintaining effective operations and financial management.

Internal Control

Internal Control Management and Evaluation Tool. GAO-01-1008G. Washington, D.C.: August 2001.

Streamlining the Payment Process While Maintaining Effective Internal Control. GAO/AIMD-00-21.3.2. Washington, D.C.: May 2000.

Determining Performance and Accountability Challenges and High Risks, GAO-01-159SP. Washington, D.C.: November 2000.

Standards for Internal Control in the Federal Government. GAO/AIMD-00-21.3.1. Washington, D.C.: November 1999.

Financial Management Systems

Property Management Systems Requirements Checklist. GAO-02-171G. Washington, D.C.: December 2001.

Human Resources and Payroll Systems Requirements Checklist. GAO/AIMD-00-21.2.3. Washington, D.C.: March 2000.

Grant Financial System Requirements Checklist. GAO-01-911G. Washington, D.C.: September 2001.

Core Financial System Requirements Checklist. GAO/AIMD-00-21.2.6. Washington, D.C.: February 2000.

Guaranteed Loan System Requirements Checklist. GAO-010-371G. Washington, D.C.: March 2001.

System Requirements for Managerial Cost Accounting Checklist. GAO/AIMD-99-21.2.9. Washington, D.C.: January 1999.

Seized Property and Forfeited Assets Requirements Checklist. GAO-01-99G. Washington, D.C.: October 2000.

Inventory System Checklist. GAO/AIMD-98-21.2.4. Washington, D.C.: May 1998.

Travel System Requirements Checklist. GAO/AIMD-00-21.2.8. Washington, D.C.: May 2000.

Framework for Federal Financial Management System Checklist. GAO/AIMD-98-21.2.1. Washington, D.C.: May 1998.

Direct Loan System Requirements Checklist. GAO/AIMD-00-21.2.6. Washington, D.C.: April 2000.

Benefit System Requirements

Financial Reporting (Accounting Standards)

Title 2 Standards Not Superseded by FASAB Issuances. GAO-02-248G. Washington, D.C.: November 2001.

Checklist for Reports Prepared Under the CFO Act (Section 1004 of the GAO/PCIE Financial Audit Manual). Washington, D.C.: July 2001.

(193025)