

US Department of Agriculture
Foreign Agricultural Service



TO-BE Process Document
Food Aid Information System (FAIS)

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v1.3

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I. Executive Summary

The US Department of Agriculture's (USDA) Foreign Agricultural Service (FAS) helps provide US agricultural commodities to assist millions of people in needy countries through direct donations and concession programs. In fact, FAS manages several grant programs that award over \$250 million in new grants each year and provide ongoing strategic support to a portfolio of nearly 600 active agreements valued at over \$2.25 billion. These grant programs are managed by the Agency's global network of agricultural economists, marketing experts, negotiators, and other specialists – representing a collective breadth and depth of expertise that few other organizations can equal. Over time FAS has expanded its services in order to satisfy the increasing demands of Congress and to fulfill the growing need for food aid around the world. In doing so, Agency staff members have been asked to take an increasingly more important role in the management of program grants – branch chiefs and program analysts must be available to provide more strategic project leadership and to develop better methods for determining the true outcomes of their programs.

Unfortunately FAS' technical capabilities have not kept pace with the Agency's desire to provide better program governance and a more thorough assessment of tangible project outcomes. Staff members across the agency are largely dependent upon paper-driven workflow processes, while several non-integrated Excel and Access files provide only the most basic data management capabilities. This cumbersome operational approach has left the Agency's global network overworked and overburdened, and has limited the FAS' ability to fulfill its mission. Barely enough resources are in place to complete the largely administrative and repetitive tasks necessary to manage the day-to-day operations of the Agency, so little or no time remains to complete the value-adding project oversight tasks necessary to respond to Presidential and Congressional directives.

The Food Aid Information System (FAIS) is an FAS initiative to develop an integrated system that can manage the entirety of the Agency food aid process and coordinate interactions with all strategic food aid partners. In order to drive change across the organization, the initiative will include improvements to the processes and procedures governing the numerous grant making activities at the Agency. The technical framework for the food aid operation provided by FAIS will support a more efficient and strategic management of all food aid process - from budget planning to proposals, from agreements to closeouts.

A high-level overview of the functionality within each of FAIS' main operational areas follows:

- **Budgeting and Planning:** FAIS will provide important new capabilities in the Budgeting and Planning operational area, including full funds management and reconciliation. The new system will automate many of the calculations required for the creation of new budgets each fiscal year, and will include carried-over budgets from previous years where applicable. FAIS will detect whether sufficient funds exist to support proposals and existing obligations; and when sufficient funds do not exist, the system will enable the simplified creation of ad-hoc apportionments. During budget planning cycles, the system will determine priority countries based on user input and automatically assess commodity availability against proposals and obligations within the system.
- **Proposal Management:** The new system will greatly reduce the administrative burden currently associated with the Proposal Management operational area. FAIS will allow CS' to manage and execute their proposal submission process through an online interface. Error detection will enable real-time validation, allowing for easier, more accurate proposals from FAS' partners. Once submitted, FAIS will provide a variety of information for FAS Analysts, Branch Chiefs, and executive leadership to more accurately, consistently, and efficiently score, grade, and recommend proposals all proposals received.
- **Agreement Generation:** FAIS will provide new tools to assist with the agreement negotiation and generation processes, including templates for each of the proposal types, online budget entry, and workflow support to take users through the negotiation and internal clearance process. Bellmon analysis will be requested and created within the system, and once cleared and approved Agreements will be executed online via eSignature.

- **Procurement:** FAIS will provide numerous tools and templates to ease the Procurement operational area. The system will process call forwards created by Freight Forwarders through an online interface. FAIS will interface with USDA supply chain operations in Kansas City to send the call forward and receive the Commodity Procurement Policy and Analysis Division's (CPPAD) approval. Once the call forward has been approved, the freight tender will be created within the system, while the Kansas City Commodity Office (KCCO) will create the commodity tender. Once the offers are received and evaluated in Kansas City, the lowest landed solution will be sent to FAIS where the subject award, and eventually the firm award contract (for freight) will be determined.
- **Payments and Receivables:** The new system will validate all data within the Payments and Receivables operational area, increasing data surety. FAIS will automate the process of creating invoices as well as cash requests; and all payments will be validated and certified within the system. Refunds will be detected automatically within FAIS, and requests for refunds can be created within the system. Confirmation of payments and refunds will be conducted within the system. In addition, MARAD reimbursements will be calculated and approved within the system off of the Ocean Freight Differential.
- **Amendments:** FAIS will make the process of making modifications to existing agreements will become less burdensome for both CS and FAS users. An amendment questionnaire will be used so that users can request the type of modification. FAIS will in turn highlight all portions of the Agreement that require modification, and once those changes are created and agreed upon by both CS and FAS, will automatically generate the Agreement Amendment.
- **Claims:** Within the Claims operational area, initiating a claim, the partner's potential filing of an appeal, and the agency's process for responding to and eventually closing out a claim will all be handled by the system. FAIS will provide numerous templates and workflow capabilities to assist with the management of this process.
- **Compliance Evaluation:** FAIS will greatly ease the administrative burden associated with the Compliance Evaluation operational area. The submission of partner progress reports will now be handled entirely within the system – it will automatically prompt the partner when a report is due, error-check the report prior to submission, automatically route it to the proper Agency staff member, and then file the report in the repository. FAIS will also compile data collected and present Monitoring and Evaluation Analysts with a dashboard of reporting information on agreements to allow them to more accurately and quickly take appropriate action (as well as suggest some of those actions).
- **Closeout:** The Closeout operational area will be made significantly easier by the adoption of FAIS – it will automate the process of confirming that no outstanding action items exist on an agreement prior to its final closeout.
- Across all operating areas, the use of common data elements will ease the process of aggregating data and assembling the various reports that the Agency is responsible for.

II. Benefits Analysis

FAIS seeks to alleviate the Agency and its partners' dependence on largely administrative tasks by providing a revised operation model that includes a redesigned business process and new technical architecture. There are numerous benefits of FAIS' implementation including the enablement of FAS to better fulfill its mission, as well as numerous efficiencies across the Agency's international partnership.

Examples of these many benefits include:

- **Improved project management for FAS:** Modern food aid process operations are greatly burdensome for FAS staff. Largely administrative tasks comprise a significant percentage of the time that staff allocates to managing projects and programs, leaving little time for strategic project management. FAIS will provide Agency staff with new capabilities that will enable enhanced

management of ongoing projects - independent project management of funds, a reduction in approval cycle timelines, and automated error management

- **Improved project management for partners:** FAS' 255 partner organizations are also faced with the burden of having to navigate the Agency's burdensome operating model. It can be difficult for a partner organization to anticipate a response to requests for amendments, or to transfer knowledge from year-to-year with no repository of project information from prior initiatives. FAIS will provide new workflow and data storage capabilities to the partnership, enabling their project analysts to increase the amount of time they are able to spend on making strategic decisions regarding their programs.
- **Greater transparency into the food aid process:** In an environment where greater project and funding oversight is demanded by Congress, FAS' existing food aid process does not allow for ready access to ongoing operational status and data. With non-integrated, paper-driven processes providing the backbone for the Agency's food aid operation, the generation of status reports or the aggregation of cross-project data is typically a cumbersome and inaccurate process. FAIS will alleviate these difficulties – a single, integrated system will enable rapid aggregation of cross-project data and allow the food aid team to provide significantly greater visibility to ongoing projects and programs.
- **Reduced administrative burden:** Current operation of the food aid system is a burdensome and repetitive process. Agency staff members are forced to spend the majority of their time combing through swollen and misplaced files, re-keying basic project information into multiple non-integrated systems, and awaiting notification of document receipt and review cycle milestones. FAIS will eliminate most if not all of these burdensome tasks, alleviating FAS' professional staff of their administrative responsibilities and enabling the team to have greater availability to dedicate their energy to the strategic management of their programs.
- **Improved financial management capabilities:** Given the poor data structure at the core of FAS' operation, gathering accurate budget data at any point during the fiscal year is a significant challenge. Even when the data can be aggregated, the sheer number of systems and spreadsheets that are providing the information reduce the staff's confidence in its surety. FAIS provides an integrated financial management component to the Agency's food aid operation for the first time, enabling easy access to real-time program budget information. This new capability will provide numerous benefits across various levels of FAS – for instance, the Director's Office will find it easier to develop and reconcile budgets, as well as to generate project reports. At the program level, automated funds control will enable decentralized financial management where appropriate and strategic.
- **Consolidated technical infrastructure:** In the existing operating model, the FAS staff is largely dependent upon a wide-variety of minor non-integrated systems, Excel spreadsheets, and Access databases. FAIS will provide a fully-integrated technical infrastructure for all aspects of the food aid process, including an integrated database. With this consolidated architecture the Agency will not only be able to leverage new technical capabilities to assist with the management of its processes and programs, but will also reduce the amount of staff time currently dedicated to the development and navigation of multiple applications and systems.

III. Purpose of the Document

The intent of this To-Be document is to provide a framework for the strategic direction of the FAIS initiative. The models for each operational area have been included as guidance to the initiative's stakeholders, providing clear direction as to the intended functionality and business processes that will comprise the system. Throughout the implementation process, this To-Be document should be utilized as a key resource for enabling the future system to fully achieve the original FAIS vision.

IV. TO-BE Document Structure

This TO-BE Process Document pictorially represents the flow of information for food aid processing within FAIS. FAIS will be broken down into four (4) major components: (1) Budgeting & Planning, (2) Proposal Management, (3) Agreement Management, and (4) Common Elements. Within this document, each component has one or more diagram(s) which depicts process functions, sub-processes, activities and tasks. Assumptions and business rules that apply to each activity will also be included. In some cases, decision points are noted indicating that a process may take alternative paths depending on the outcome of the decision.

Below the diagrams found in each section of the document there is a brief table of information. Included here is a summary of the sub-operating area's new business process, a list of the stakeholders responsible for participating in sub-operating areas tasks, and a description of both the input and outputs from the sub-operating area.

The Budget Creation sub-process is initiated by the Food Assistance Division (FAD) receiving a request to submit the Food Aid Budget estimates to the Foreign Agricultural Service (FAS) and Farm Service Agency (FSA) budget offices. The Food Aid Budget estimates are determined within the following activities: Determine Limited Cash Accounts Budget Request, Determine Full Cash Accounts Budget Requests, Determine Title I Account Country Estimates, and Determine Commodity Tonnage Estimates. These activities filter into the Determine President's Budget Request activity to determine the Food Aid Budget estimates for all program types as relevant.

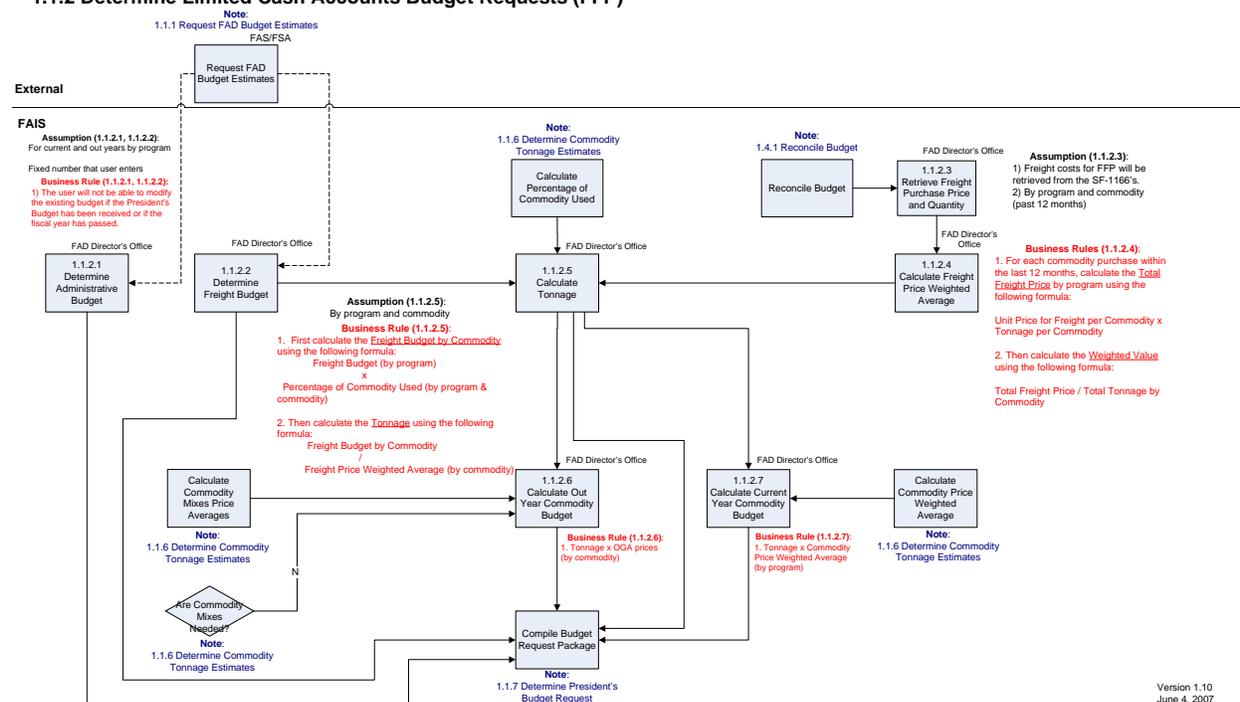
Once the Food Aid Budget estimates are completed, they are submitted to the FAS and FSA budget offices for approval. The two agency budget offices submit the approved estimates to the Office of Budget and Program Analysis (OBPA) for approval. The OBPA submits the approved Food Aid Budget estimates, as a part of the USDA budget request, to the Office of Management and Budget (OMB) to help determine the President's Budget.

1.1.1 Request FAD Budget Estimates

Summary:	The FAS and FSA Budget Offices receives the Budget Estimate request from the OBPA and requests FAD to provide Budget Estimates for all Food Aid programs except Section 416(b).
Responsible:	FAS/FSA Budget Offices
Input Activity:	NA
Output Activity:	Determine Limited Cash Accounts Budget Requests, Determine Full Cash Accounts Budget Requests

1.1.2 Determine Limited Cash Accounts Budget Requests

1.1.2 Determine Limited Cash Accounts Budget Requests (FFP)

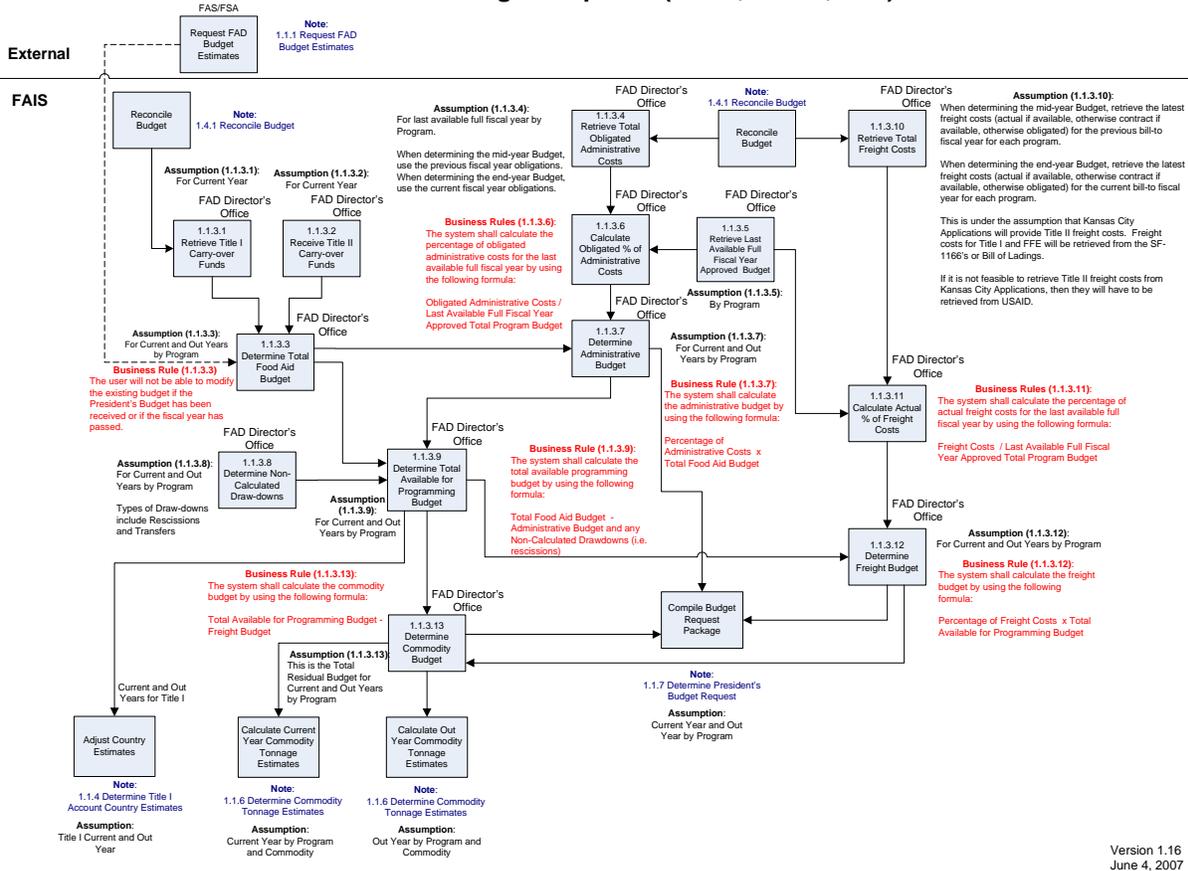


Summary:	<p>In this activity the Limited Cash Accounts Budget Request will be determined. The primary tasks associated in this process flow are outlined below.</p> <p>Determine Administrative and Freight Budget The FAD Director's Office will enter the fixed freight and administrative budget by program for the current and out years. This information will be sent in the President's Budget request.</p> <p>Estimate Tonnage To determine the limited cash accounts budget request the percentage of commodity used (calculated in the Determine Commodity Tonnage Estimates process) will be applied to the fixed freight budget that was entered by the FAD Director's Office to determine the freight budget by commodity. Next, the freight weighted average will be calculated by first multiplying the freight rate against the tonnage for each commodity purchased within the last 12 months. Then, this value will be divided by the total tonnage for the commodity. Finally, to determine the estimated tonnage by program and commodity the freight budget by commodity will be divided by the freight weighted average. The calculated tonnage will be used to determine the current and out years commodity budgets.</p> <p>Out Year Commodity Budget To determine the out year commodity budget, the tonnage will be multiplied with the Office of Global Analysis (OGA) forecasted commodity prices (determined from the Determine Commodity Tonnage Estimates process). This information will be sent in the President's Budget request.</p> <p>Current Year Commodity Budget In order to determine the current year commodity budget, the tonnage will be multiplied with the commodity weighted average (determined from the Determine Commodity Tonnage Estimate process). This information will be sent in the President's Budget request.</p>
Responsible:	FAD Director's Office
Input Activity:	Request FAD Budget Estimates, Reconcile Budget, Determine Commodity Tonnage Estimates

Output Activity:	Determine President's Budget Request
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1.1.3 Determine Full Cash Accounts Budget Requests

1.1.3 Determine Full Cash Accounts Budget Requests (Title I, Title II, FFE)



Version 1.16
June 4, 2007

Summary:

In this activity the Full Cash Accounts Budget Request will be determined. The primary tasks associated in this process flow are outlined below.

Total Food Aid Budget

Determining the budget request will begin when a request is received from the FAS/FSA budget offices. To determine the total food aid budget, the FAD Director's Office will review the historical budgets as well as any Title I and Title II carry-over funds and enter a budget for the current and out years by program.

Administrative Budget

The administrative budget will be calculated by examining the percentage of obligated administrative costs for the last available full fiscal year and applying that percentage to the total food aid budget for the current and out years for each program.

Total Available for Programming Budget

The total available for programming budget amount is calculated by subtracting any draw-downs, such as rescissions and transfers, from the total food aid budget for the current and out years.

Freight Budget

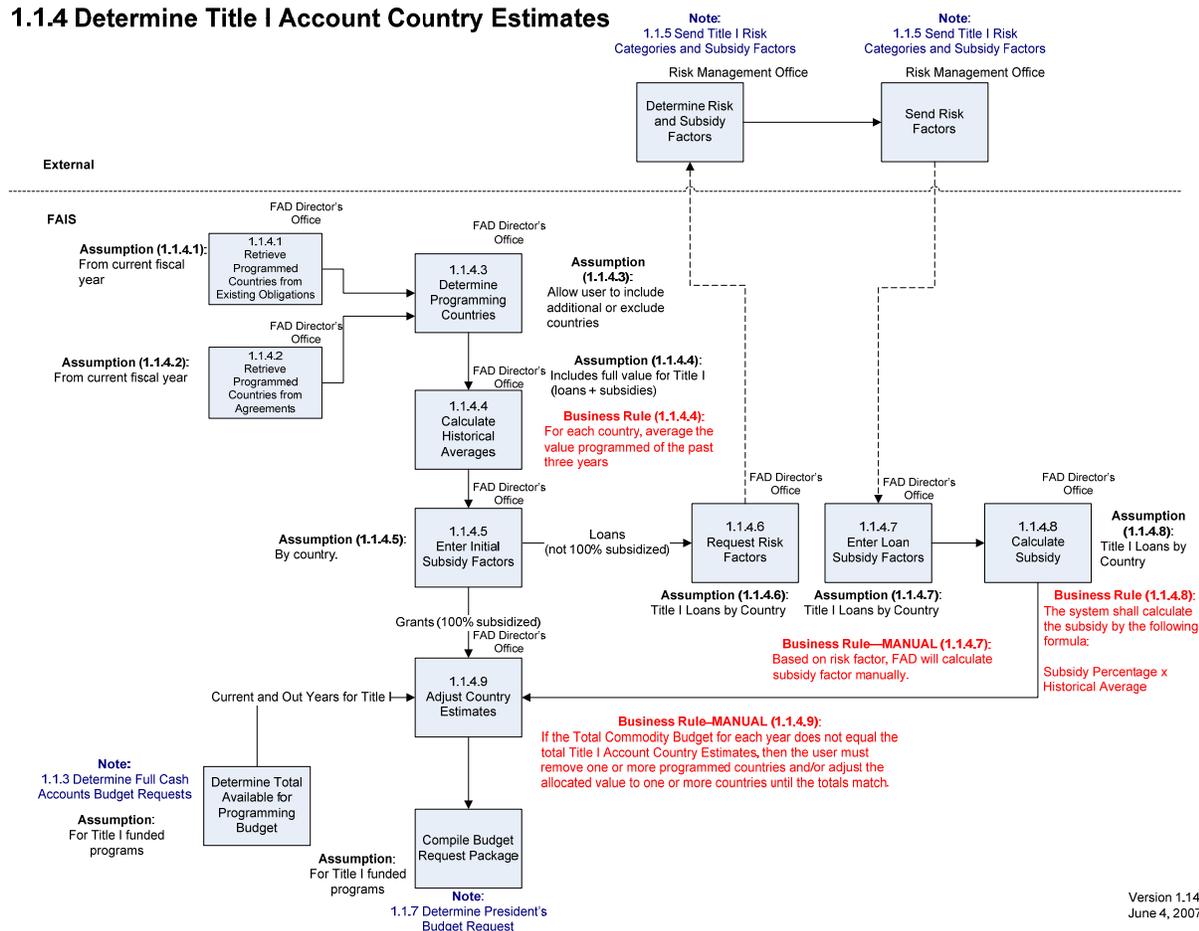
The freight budget will be calculated by examining the percentage of actual and obligated freight costs for the last available full fiscal year and applying that percentage to the total available for programming budget for the current and out years for each program.

Commodity Budget

	Finally, the commodity budget will be the residual value remaining after the freight budget is deducted from the total available for programming budget.
Responsible:	FAD Director's Office
Input Activity:	Request FAD Budget Estimates, Reconcile Budget
Output Activity:	Determine Commodity Tonnage Estimates, Determine Title I Account Country Estimates, Determine President's Budget Request

1.1.4 Determine Title I Account Country Estimates

1.1.4 Determine Title I Account Country Estimates



Summary:

In this activity, the FAD Director's Office will determine which countries to program for using funds from the Title I account. The primary tasks associated in this process flow are outlined below.

Programming Countries

The FAD Director's Office will review programming countries from existing obligations and agreements. In addition, they will have the ability to view countries that have been historically programmed. This information will be used to determine which countries will receive funds from Title I.

Enter Initial Subsidy Factors

Once the programming countries have been determined, the FAD Director's Office will enter the initial subsidy factors for all programming countries. If the subsidy factor equals 100% it is considered a grant. For the remaining countries a loan will be given and the FAD Director's Office will request the risk factors from the Risk Management Office (RMO).

Calculate Subsidy

Based on the risk factors received, the FAD Director's Office will manually calculate the loan subsidy factors and enter the values into the system. This information will be used to calculate the subsidy amount for each country receiving a loan. The subsidy factor for countries receiving grants, rather than loans, is 100 percent.

Adjust Country Estimates

After the amounts are allocated to each country, the FAD Director's Office will compare the

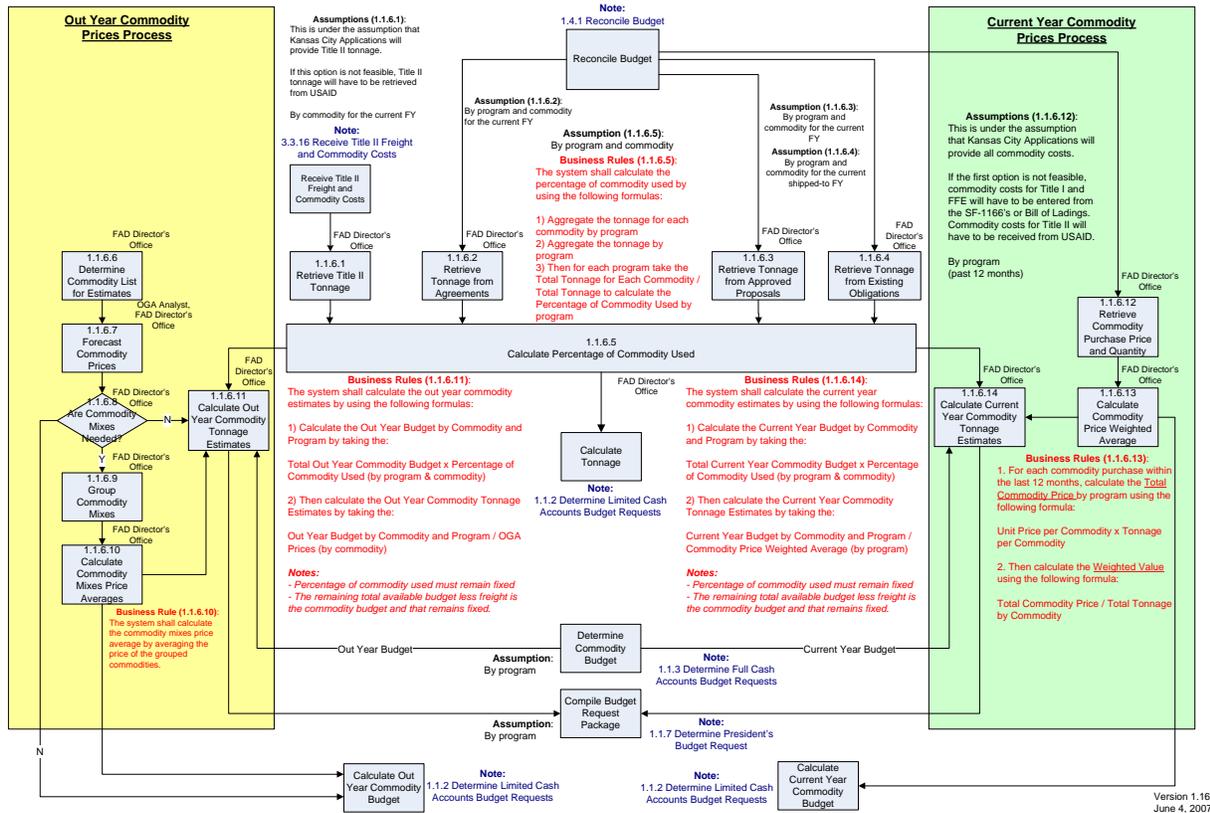
	total commodity budget for each year to the total Title I Account Country Estimates to determine if the amounts match. If the two amounts do not match, the FAD Director's Office will remove one or more programmed countries and/or adjust the allocated value to one or more countries until the amounts match.
Responsible:	FAD Director's Office
Input Activity:	Determine Full Cash Accounts Budget Requests, Send Title I Risk Categories and Subsidy Factors
Output Activity:	Determine President's Budget Request, Send Title I Risk Categories and Subsidy Factors

1.1.5 Send Title I Risk Categories and Subsidy Factors

Summary:	The Risk Management Office (RMO) will receive and process a request from the FAD Director's Office to send risk factors for countries receiving a Title I loan.
Responsible:	Risk Management Office (RMO)
Input Activity:	Determine Title I Account Country Estimates
Output Activity:	Determine Title I Account Country Estimates

1.1.6 Determine Commodity Tonnage Estimates

1.1.6 Determine Commodity Tonnage Estimates



Summary:	<p>In this activity, the FAD Director's Office will determine the out year and current year commodity tonnage for and price estimates for limited cash accounts that will be submitted in the President's budget request. The primary tasks associated in this process flow are outlined below.</p> <p>Percentage of Commodity Used In order to determine the commodity tonnage estimates for limited cash accounts, the percentage of commodity used will first be calculated by using the tonnage from agreements, existing obligations, approved proposals as well as Title II tonnage information received for the current fiscal year.</p> <p>Out Year Commodity Tonnage Estimates The Office of Global Analysis (OGA) will enter the forecasted prices for each commodity that is requested by the FAD Director's Office. If commodity mixes are needed, the FAD Director's Office will group a set of commodities together and create a mix (i.e. PBL). The out year commodity tonnage estimates for limited cash accounts will be determined by applying the percentage of commodity used to the total out year commodity budget then dividing that amount by the OGA forecasted commodity price for each program.</p> <p>Current Year Commodity Tonnage Estimates In order to determine the current year commodity tonnage estimates, the commodity weighted average will first be calculated by retrieving the commodity purchase price and quantity for each program for the past 12 months. The current year commodity tonnage estimates for limited cash accounts will then be determined by applying the percentage of commodity used to the total current year commodity budget then dividing that amount by the commodity price weighted average for each program.</p>
Responsible:	OGA Analyst, FAD Director's Office

Input Activity:	Determine Full Cash Accounts Budget Requests, Reconcile Budget, Receive Title II Freight and Commodity Costs
Output Activity:	Determine Limited Cash Accounts Budget Requests, Determine President's Budget Request

1.1.8 FAS/FSA Review Budget

Summary:	The FAS and FSA Budget offices will review the submitted President's Budget estimates.
Responsible:	FAS/FSA Budget Offices
Input Activity:	Determine President's Budget Request, Request Ad-Hoc Apportionments
Output Activity:	Office of Budget and Program Analysis Review Budget

1.1.9 Office of Budget and Program Analysis Review Budget

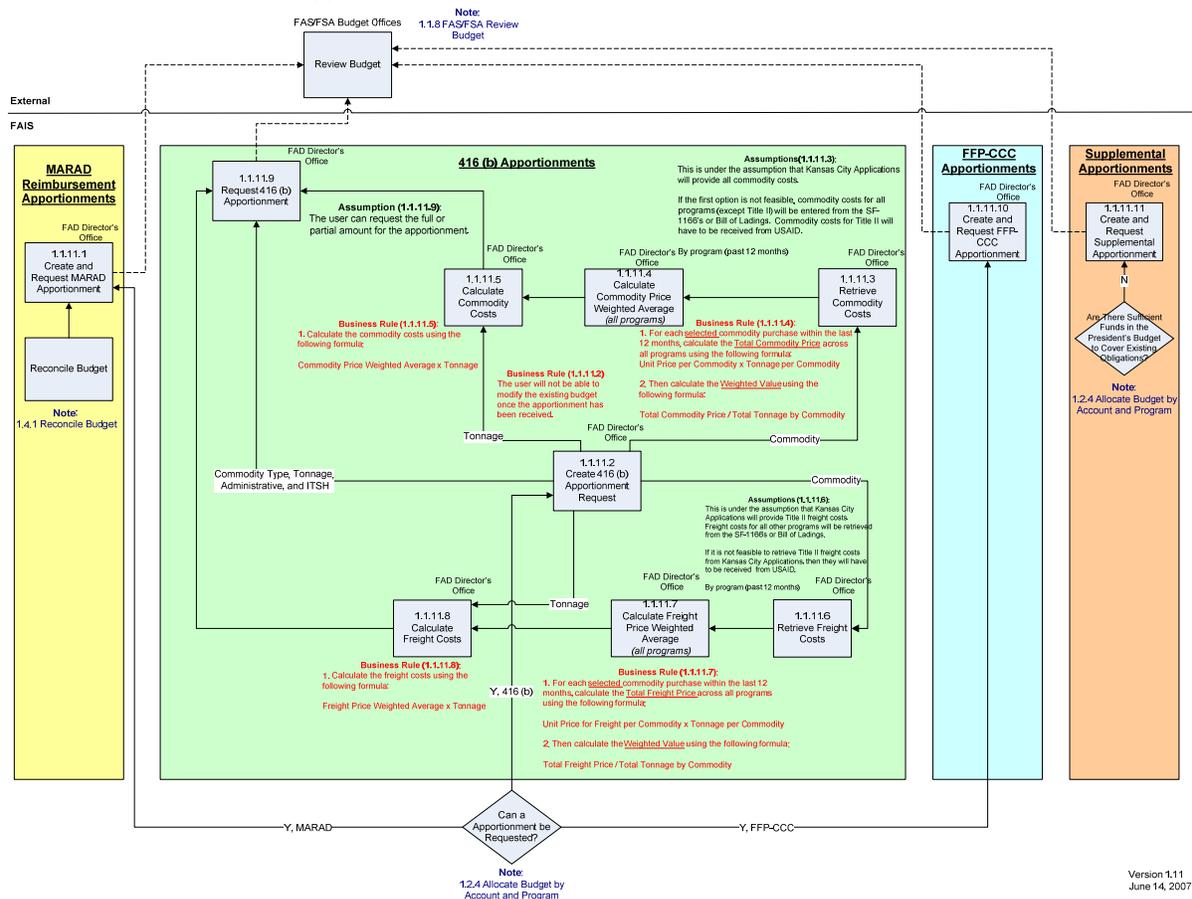
Summary:	The Office of Budget and Program Analysis will review the submitted President's Budget estimates after it has been approved by the FAS and FSA Budget offices.
Responsible:	Office of Budget and Program Analysis (OBPA)
Input Activity:	FAS/FSA Budget Offices
Output Activity:	Appropriate and Apportion Budget

1.1.10 Appropriate and Apportion Budget

Summary:	The Office of Management and Budget will appropriate and apportion the Food Aid Budget by program.
Responsible:	Office of Management and Budget (OMB)
Input Activity:	Office of Budget and Program Analysis Review Budget
Output Activity:	Send Ad-Hoc Apportionments, Send President's Budget

1.1.11 Request Ad-Hoc Apportionments

1.1.11 Request Ad-Hoc Apportionments



Summary:

In this activity, the FAD Director's Office will be able to create and request apportionments for MARAD reimbursements, 416 (b), FFP CCC, and Supplemental Apportionments. The primary tasks associated in this process flow are outlined below.

MARAD Reimbursement Apportionment
The FAD Director's Office will create and send MARAD reimbursement apportionment requests to the FAS/FSA Budget Offices for review via e-mail. The MARAD reimbursement apportionment request will include the program type, funding source, amount available, and amount requested.

416 (b) Apportionment
The FAD Director's Office will create and send 416(b) apportionment requests to the FAS/FSA Budget Offices for review via e-mail. The 416(b) apportionment request will include the commodity, commodity costs, freight costs, administrative costs, commodity tonnage and ITSH costs.

FFP-CCC Apportionment
The FAD Director's Office will create and send FFP-CCC apportionment requests to the FAS/FSA Budget Offices for review via e-mail to request additional commodity funds. The FFP-CCC apportionment request will include the selected commodity and amount requested.

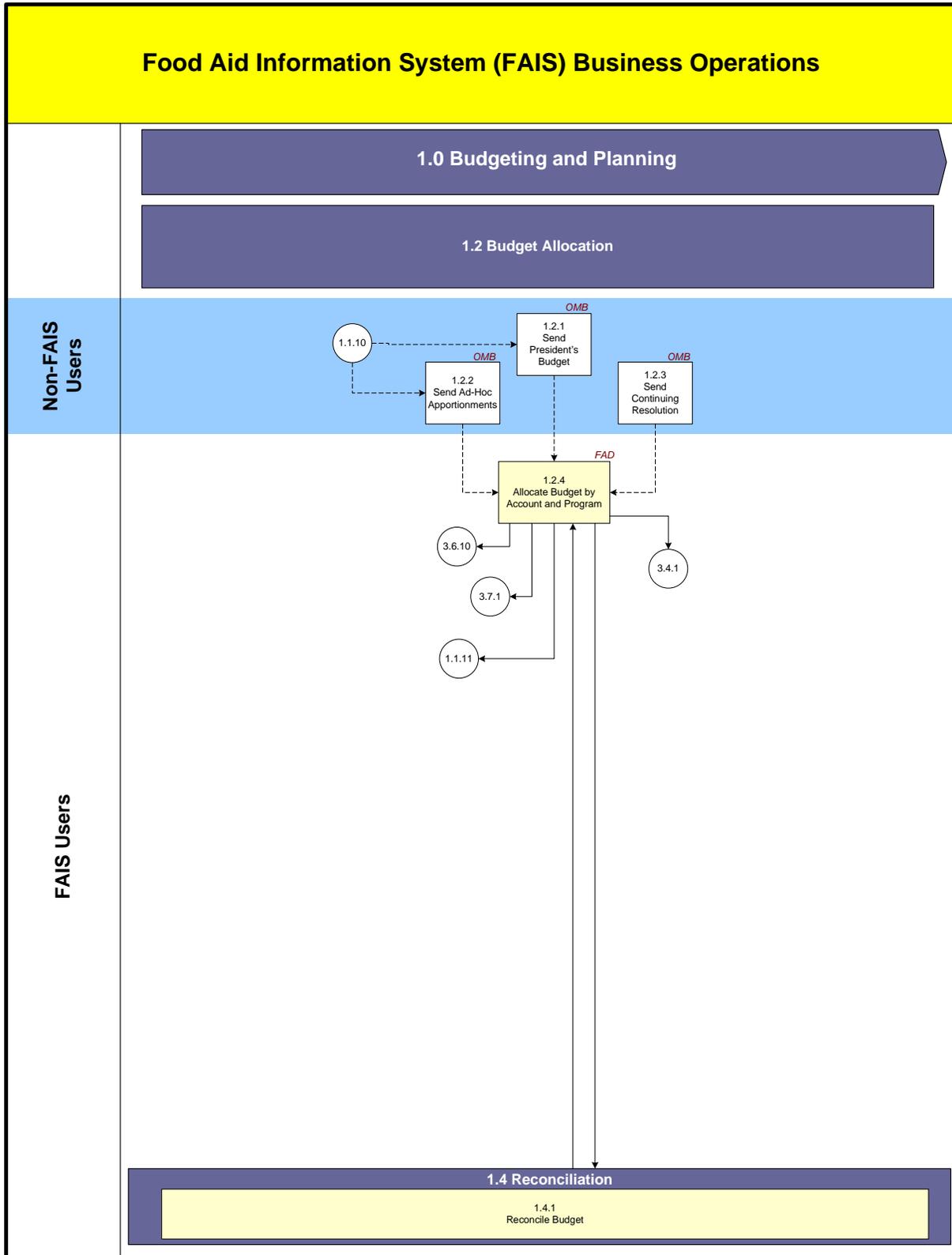
Supplemental Apportionments
The FAD Director's Office will create and send supplemental apportionment requests to the FAS/FSA Budget Offices for review when the Continuing Resolution exceeds the President's Budget and the President's Budget cannot cover all existing obligations. The supplemental

	apportionment will include the funding source, program type, and amount requested (the difference between the obligation and the allocated amount in the President's Budget) for the supplemental apportionment request.
Responsible:	FAD Director's Office
Input Activity:	Allocate Budget by Account and Program, Reconcile Budget
Output Activity:	FAS/FSA Review Budget

1.2 Budget Allocation

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June 4, 2007



U.S. Department of Agriculture
Foreign Agricultural Service

Teracore, Inc.
FAIS

The budget will be allocated by the FAD Director's Office once the President's Budget, Continuing Resolution, or Ad-Hoc Apportionments are received.

In allocating the budget, the FAD Director's Office determines if there are sufficient funds to cover existing obligations. If there are not, the FAD Director's Office will determine if an apportionment can be requested before canceling or amending an agreement.

Once the budget has been allocated by account and program, the information will be used to manage funds control in the Reconcile Budget sub-process.

1.2.1 Send President's Budget

Summary:	The Office of Management and Budget (OMB) will send the President's Budget to the FAD Director's Office.
Responsible:	Office of Management and Budget (OMB)
Input Activity:	Appropriate and Apportion Budget
Output Activity:	Allocate Budget by Account and Program

1.2.2 Send Ad-Hoc Apportionments

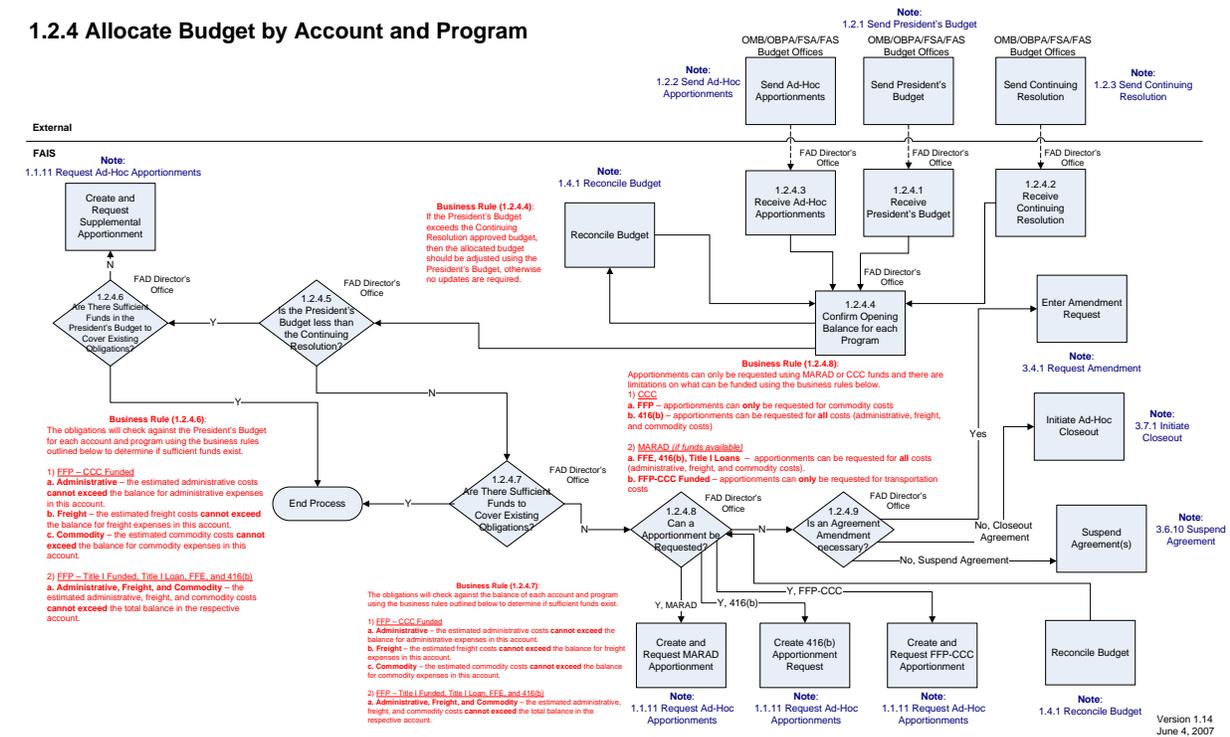
Summary:	The Office of Management and Budget (OMB) will send the Ad-Hoc Apportionments to the FAD Director's Office.
Responsible:	Office of Management and Budget (OMB)
Input Activity:	Appropriate and Apportion Budget
Output Activity:	Allocate Budget by Account and Program

1.2.3 Send Continuing Resolution

Summary:	The Office of Management and Budget (OMB) will send the Continuing Resolution to the FAD Director's Office.
Responsible:	Office of Management and Budget (OMB)
Input Activity:	N/A
Output Activity:	Allocate Budget by Account and Program

1.2.4 Allocate Budget by Account and Program

1.2.4 Allocate Budget by Account and Program

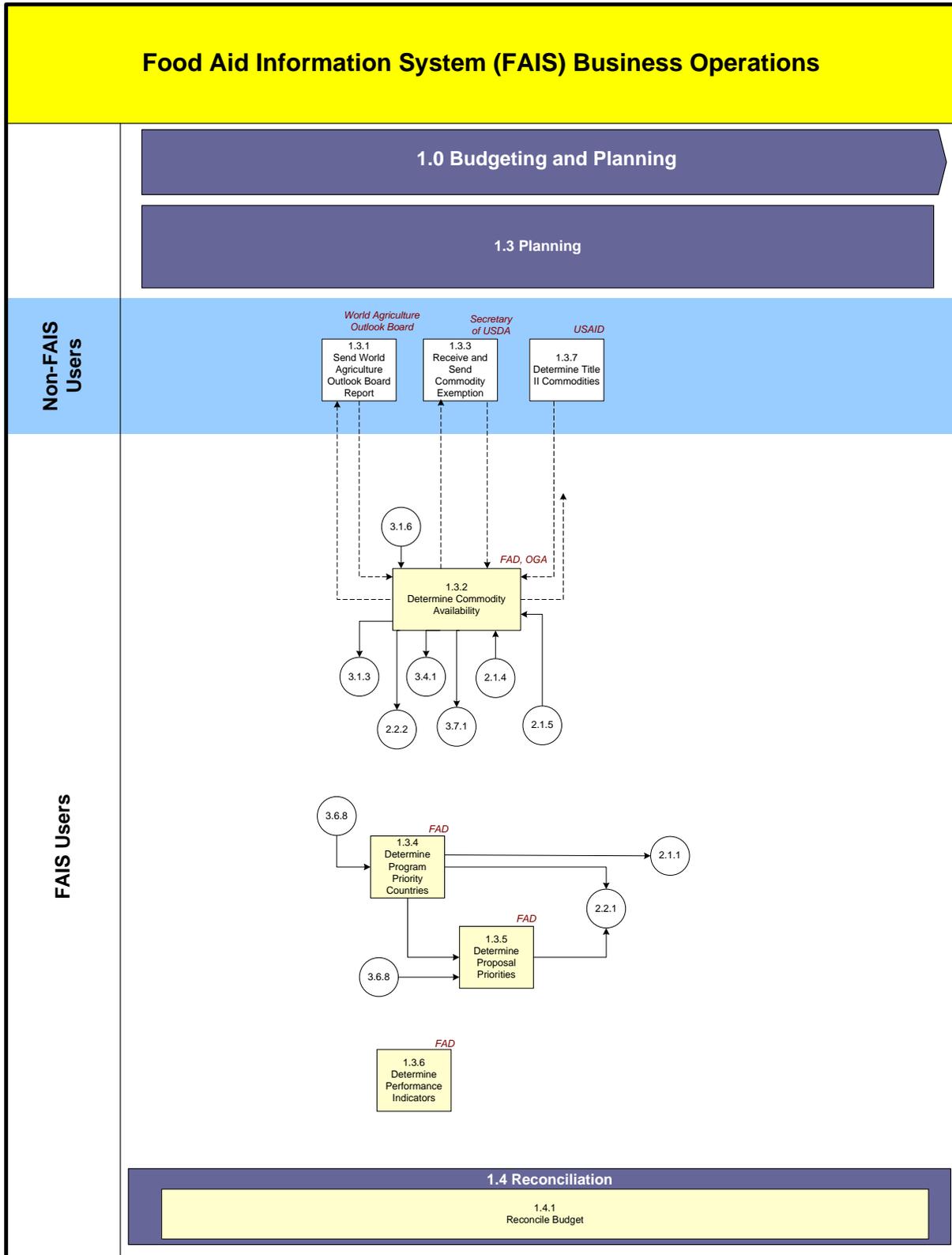


<p>Summary:</p>	<p>In this activity the FAD Director's Office will allocate the budget by program type and account. The primary tasks associated in this process flow are outlined below.</p> <p>Receive the President's Budget, Continuing Resolution, or Ad-Hoc Apportionments The FAD Director's Office will receive Ad-Hoc Apportionments, the President's Budget, and Continuing Resolution from the FSA/FAS Budget Offices.</p> <p>Confirm Opening Balance If both the President's Budget and Continuing Resolution have been received, the FAD Director's Office will confirm the balance of each program. If the President's Budget is greater than the Continuing Resolution, the budget will be updated to reflect the amount available for programming. The FAD Director's Office can also create and request a supplemental apportionment if the President's Budget is less than the Continuing Resolution or if there are insufficient funds in the President's Budget to cover existing obligations.</p> <p>Review Existing Obligations If there are insufficient funds to cover existing obligations and an apportionment cannot be requested, then the FAD Director's Office will have the ability to amend, suspend, or closeout an agreement.</p>
<p>Responsible:</p>	<p>FAD Director's Office</p>
<p>Input Activity:</p>	<p>Send Ad-Hoc Apportionments, Send President's Budget, Send Continuing Resolution, Reconcile Budget</p>
<p>Output Activity:</p>	<p>Reconcile Budget, Request Ad-Hoc Apportionments, Request Amendment, Initiate Closeout, Suspend Agreement</p>

1.3 Planning

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Once the budget is allocated by program, the Planning sub-process will determine the commodity availability, program priority countries, proposal priority countries, and performance indicators.

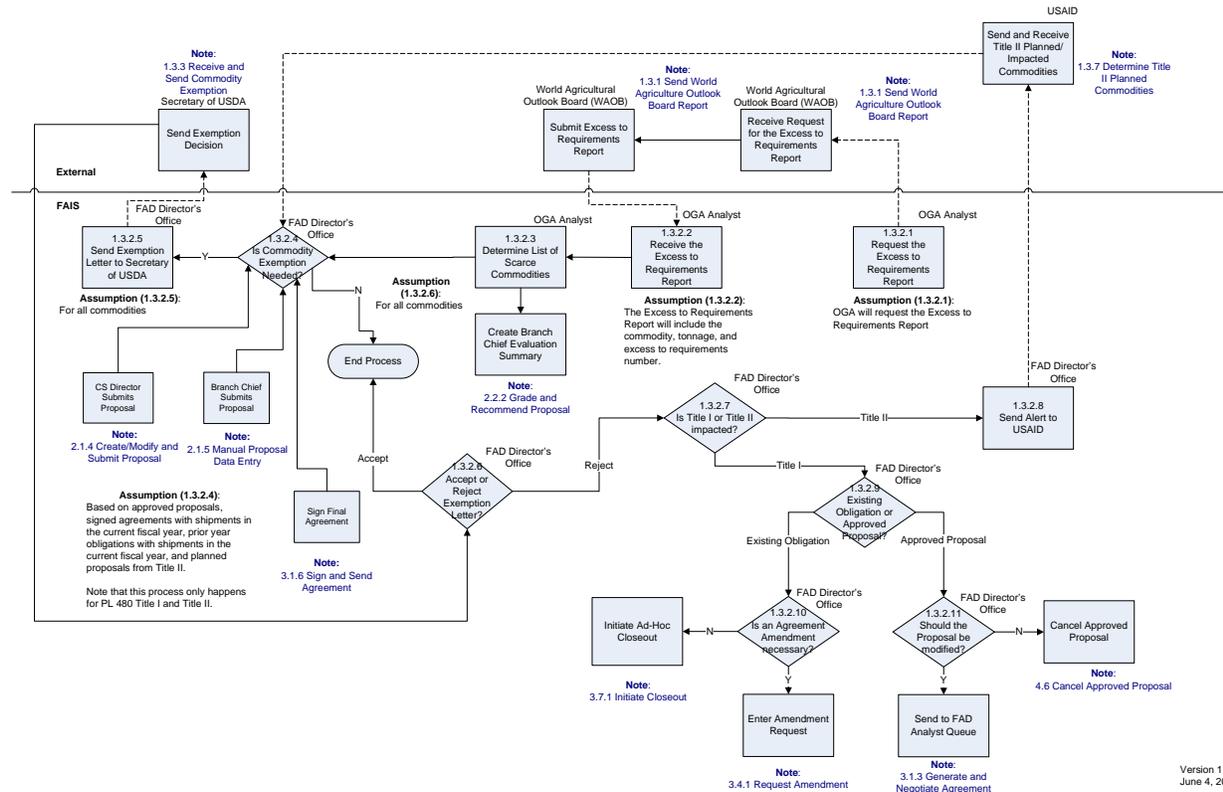
Commodity availability is determined upon the receipt of the Excess Requirements Report from the World Agricultural Outlook Board (WAOB). Based on the report, the list of scarce commodities will be determined and if necessary the commodity exception letter will be sent to the Secretary of USDA. If the exemption is not granted, then the agreement will need to be amended or cancelled. For proposals, the FAD Director's Office can choose to modify the proposal or cancel the approved proposal. Furthermore, if the exemption decision impacts Title II, then USAID will need to be informed. In addition, during the planning phase, the FAD Director's Office will determine the program priority countries for the FFE and FFP programs that will be checked against the clearing the proposal process. Similarly, the proposal priority countries list for FFE will be developed and checked against during the proposal process. Lastly, during the planning phase, the FAD Director's Office will set the performance indicators (benchmarks) that each program will be measured against for the current fiscal year.

1.3.1 Send World Agriculture Outlook Board Report

Summary:	The Office of Global Analysis will receive the Excess of Requirements Report from the World Agriculture Outlook Board (W.A.O.B) and send it to the FAD Director's Office.
Responsible:	World Agriculture Outlook Board (W.A.O.B)
Input Activity:	Determine Commodity Availability
Output Activity:	Determine Commodity Availability

1.3.2 Determine Commodity Availability

1.3.2 Determine Commodity Availability (PL 480 – Title I and Title II)



Summary:	<p>In this activity, the FAD Director's Office will determine the commodity availability. The primary tasks associated in this process flow are outlined below.</p> <p>Request and Receive the Excess to Requirements Report The Office of Global Analysis (OGA) will request and receive the Excess Requirements Report from the World Agricultural Outlook Board (WAOB) and enter the commodity, tonnage, and excess requirements.</p> <p>Determine List of Scarce Commodities Based on the information entered by OGA, a list of scarce commodities will be displayed and OGA will select the commodities that require exemption. The scarce commodities that require an exemption are determined by the FAD's Director's Office in consultation with USAID and review of signed agreements and proposals (if available). FAD will inform OGA of the commodities requiring exemption.</p> <p>Send Exemption Letter to Secretary of USDA Once OGA selects the commodities requiring exemption, the FAD Director's Office will send an exemption letter will to the Secretary of USDA.</p> <p>Title I or Title II Impacted? The FAD Director's Office will enter the decision received from the Secretary indicating if the exemption was accepted or rejected. If the Secretary rejects an exemption that impacts Title II, an e-mail notification will be sent to USAID. If the rejection impacts a Title I existing obligation, the FAD Director's Office will determine if the agreement should be amended or closed out. If the rejection impacts a Title I approved proposal, the FAD Director's Office will determine if the approved proposal should be cancelled or modified.</p>
Responsible:	OGA Analyst, FAD Director's Office

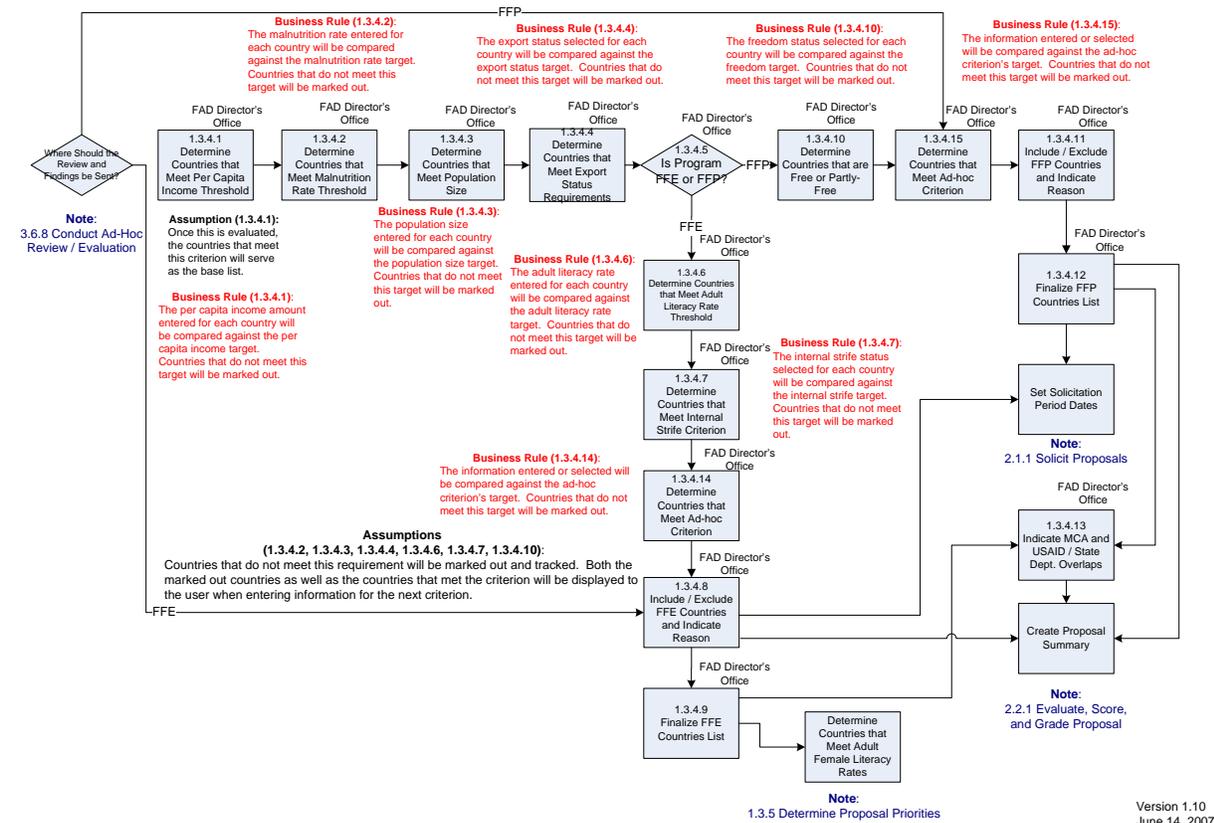
Input Activity:	Send World Agriculture Outlook Board Report, Receive and Send Commodity Exemption, Determine Title II Planned Commodities, Sign and Send Agreement, Create/Modify and Submit Proposal, Manual Proposal Data Entry
Output Activity:	Send World Agriculture Outlook Board Report, Receive and Send Commodity Exemption, Determine Title II Planned Commodities, Initiate Closeout, Request Amendment, Generate and Negotiate Agreement, Cancel Approved Proposal, Grade and Recommend Proposal

1.3.3 Receive and Send Commodity Exemption

Summary:	The Office of the Secretary of the USDA will receive the Application for Exemption letter from the FAD Director's Office. The Office of the Secretary of the USDA will accept or reject the Application for Exemption letter submitted by the FAD Director's Office.
Responsible:	Secretary of the USDA
Input Activity:	Determine Commodity Availability
Output Activity:	Determine Commodity Availability

1.3.4 Determine Program Priority Countries

1.3.4 Determine Program Priority Countries – FFE and FFP

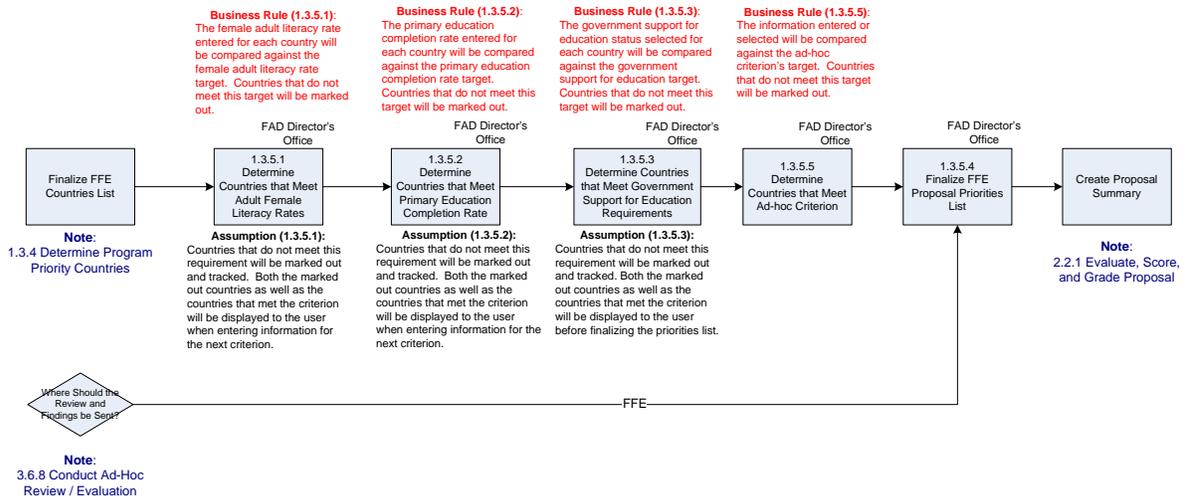


Summary:	<p>In this activity, the FAD Director's Office will determine program priority countries for FFE and FFP programs. The list of priority countries will then be utilized when evaluating proposals. The primary tasks associated in this process flow are outlined below:</p> <p>Finalize Program Priority Countries</p> <p>Throughout the process the FAD Director's Office will enter criteria data per country which will be compared against target rates to determine which countries qualify as priority. There are four common criteria which are used for both the FFE and FFP programs. These include the following: (1) per capita income amount (2) the malnutrition rate (3) population size and (4) the export status.</p> <p>Additionally, the FAD Director's Office will be able to select whether or not the program is a FFE or FFP program because there are certain criteria unique to each program. For example, FFE criteria includes: (1) adult literacy rate, and (2) the internal strife criterion. In contrast, FFP criteria includes whether or not a country is free or partly-free. Furthermore, if any ad-hoc criteria were included then it will be used in the validation to determine program priority countries. Finally, the FAD Director's Office can manually add or remove countries from the list and provide a reason.</p> <p>Indicate Overlaps</p> <p>The FAD Director's Office will have the ability to indicate if the Millennium Challenge Account (MCA) and USAID / State Department overlaps. Once the lists have been finalized, they will be used to validate against in the proposal process.</p>
Responsible:	FAD Director's Office
Input Activity:	Conduct Ad-Hoc Review/Evaluation

Output Activity:	Solicit Proposals, Determine Proposal Priorities, Evaluate, Score, and Grade Proposal
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1.3.5 Determine Proposal Priority Countries

1.3.5 Determine Proposal Priorities – FFE

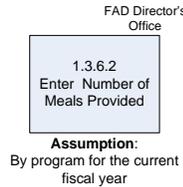
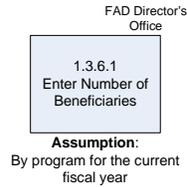


Version 1.10
June 14, 2007

Summary:	In this activity, the FAD Director's Office will determine the proposal priority countries for the FFE program. The list of priority countries will then be utilized when evaluating proposals. The primary task associated in this process flow is outlined below: Finalize Proposal Priority Countries After the FAD Director's Office finalizes the FFE countries list, it then further follows certain criteria in order to more formally evaluate FFE country proposals. The system will allow the FAD Director's Office to enter the following criteria data: (1) adult female literacy rate, (2) the primary education completion rate, and (3) the government support for education criterion. Furthermore, if any ad-hoc criteria were included then it will be used in the validation to determine program priority countries. This data will then be used to validate against in the proposal process.
Responsible:	FAD Director's Office
Input Activity:	Determine Program Priority Countries, Conduct Ad-Hoc Review/Evaluation
Output Activity:	Evaluate, Score, and Grade Proposal

1.3.6 Determine Performance Indicators

1.3.6 Determine Performance Indicators



Version 1.6
June 4, 2007

Summary:	<p>In this activity, the FAD Director's Office will determine the performance indicators for each program for the current fiscal year. The primary task associated in this process flow is outlined below:</p> <p>Enter Performance Indicators</p> <p>The FAD Director's Office will enter the 'number of beneficiaries' and 'number of meals provided' goals for each program type for the current fiscal year. These goals (benchmarks) will be used to measure the performance for each program through the reporting function.</p>
Responsible:	FAD Director's Office
Input Activity:	N/A
Output Activity:	N/A

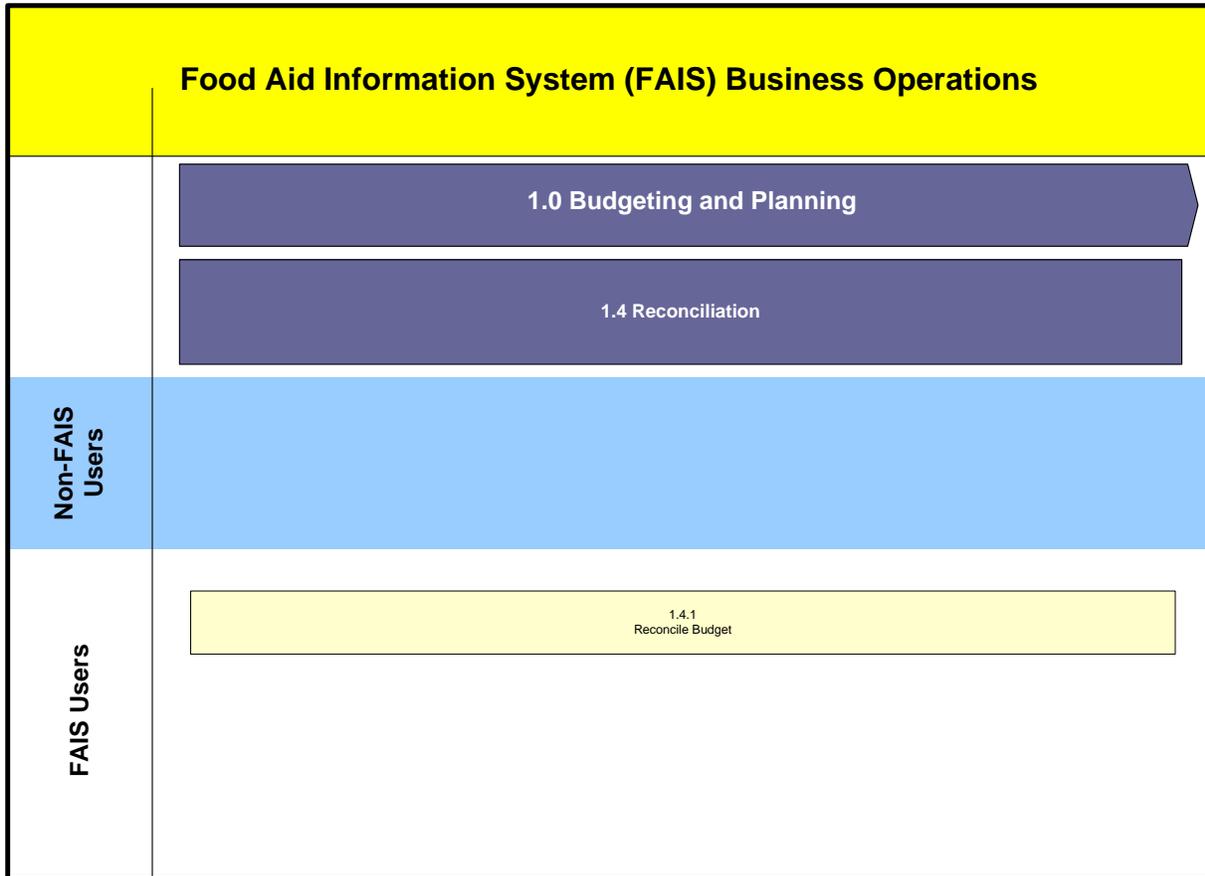
1.3.7 Determine Title II Planned Commodities

Summary:	USAID will inform the FAD Director's Office of their planned commodities so that a determination can be made as to which commodities will require an exemption to be sent to the Secretary of the USDA based on the list of scarce commodities. If the Secretary of the USDA does not grant an exemption, then USAID will be informed of the impacted commodities.
Responsible:	USAID
Input Activity:	Determine Commodity Availability
Output Activity:	Determine Commodity Availability

1.4 Reconciliation

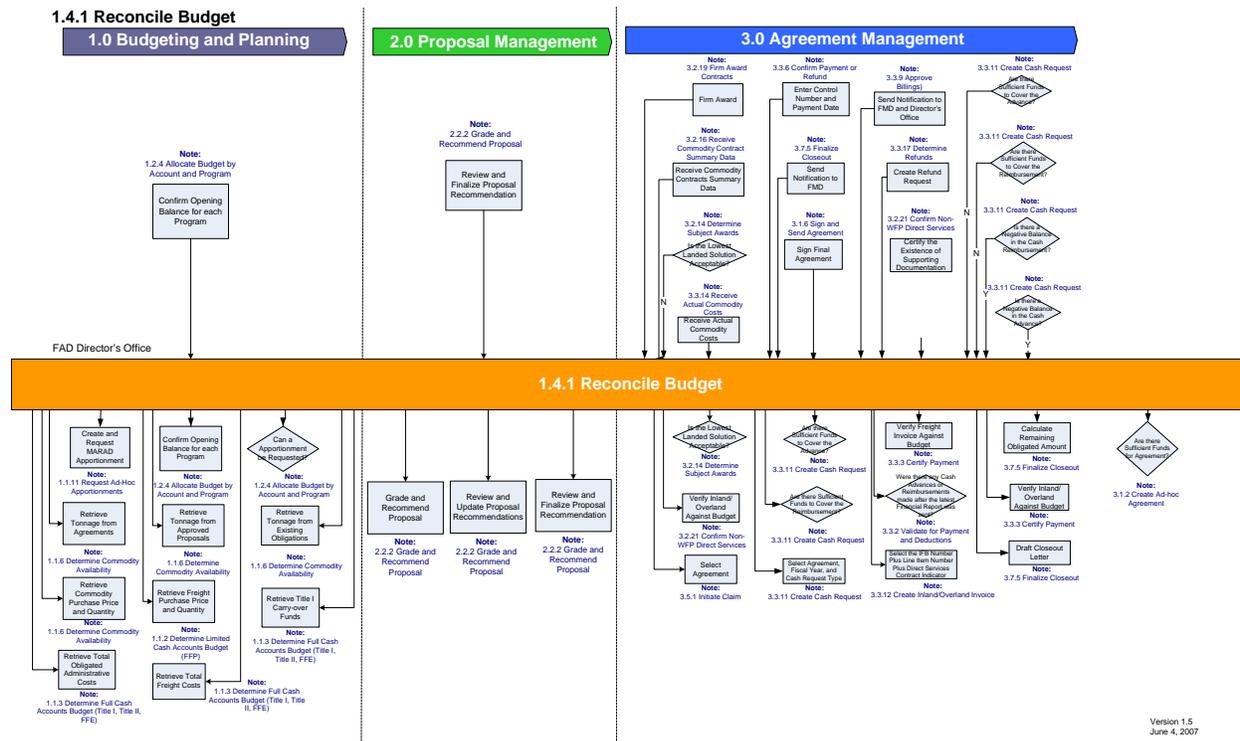
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The Reconcile Budget sub-process manages the funds control using inputs from the Budgeting and Planning, Proposal Management, and Agreement Management processes, and provides this view to the Director's Office for each program type by funding source and bill-to fiscal year.

1.4.1 Reconcile Budget



<p>Summary:</p>	<p>In this activity, the funds control will be managed. The primary tasks associated in this process flow are outlined below.</p> <p>Reconcile Budget</p> <p>All inputs from the budgeting and planning, proposal management, and agreement sub-processes will be used as inputs to manage the funds control by program type, funding source, and bill-to fiscal year.</p> <p>The FAD Director's Office will be given a view of each sub-account (cash, commodity, and transportation) for each program type. Within each sub-account, the FAD Director's Office will be able to view the detailed transaction for proposed, obligated, contracted (with the exception of the cash sub-account), pending actual, and confirmed actual amounts. This view will help the FAD Director's Office make important management decisions.</p>
<p>Responsible:</p>	<p>FAD Director's Office</p>
<p>Input Activity:</p>	<p>Allocate Budget by Account and Program, Grade and Recommend Proposal, Firm Award Contracts, Receive Commodity Contract Summary Data, Determine Subject Awards, Receive Actual Commodity Costs, Confirm Payment or Refund, Finalize Closeout, Sign and Send Agreement, Receive Title II Freight and Commodity Costs, Approve Billings, Determine Refunds, Confirm Non-WFP Direct Services, Create Cash Request</p>
<p>Output Activity:</p>	<p>Request Ad-Hoc Apportionments, Allocate Budget by Account and Program, Grade and Recommend Proposal, Determine Subject Awards, Confirm Non-WFP Direct Services, Initiate Claim, Create Cash Request, Certify Payment, Validate for Payment and Deductions, Create Inland/Overland Invoice, Finalize Closeout, Create Ad-Hoc Agreement, Determine Commodity Availability, Determine Limited Cash Accounts Budget (FFP), Determine Full Cash Accounts Budget (Title I, Title II, FFE)</p>

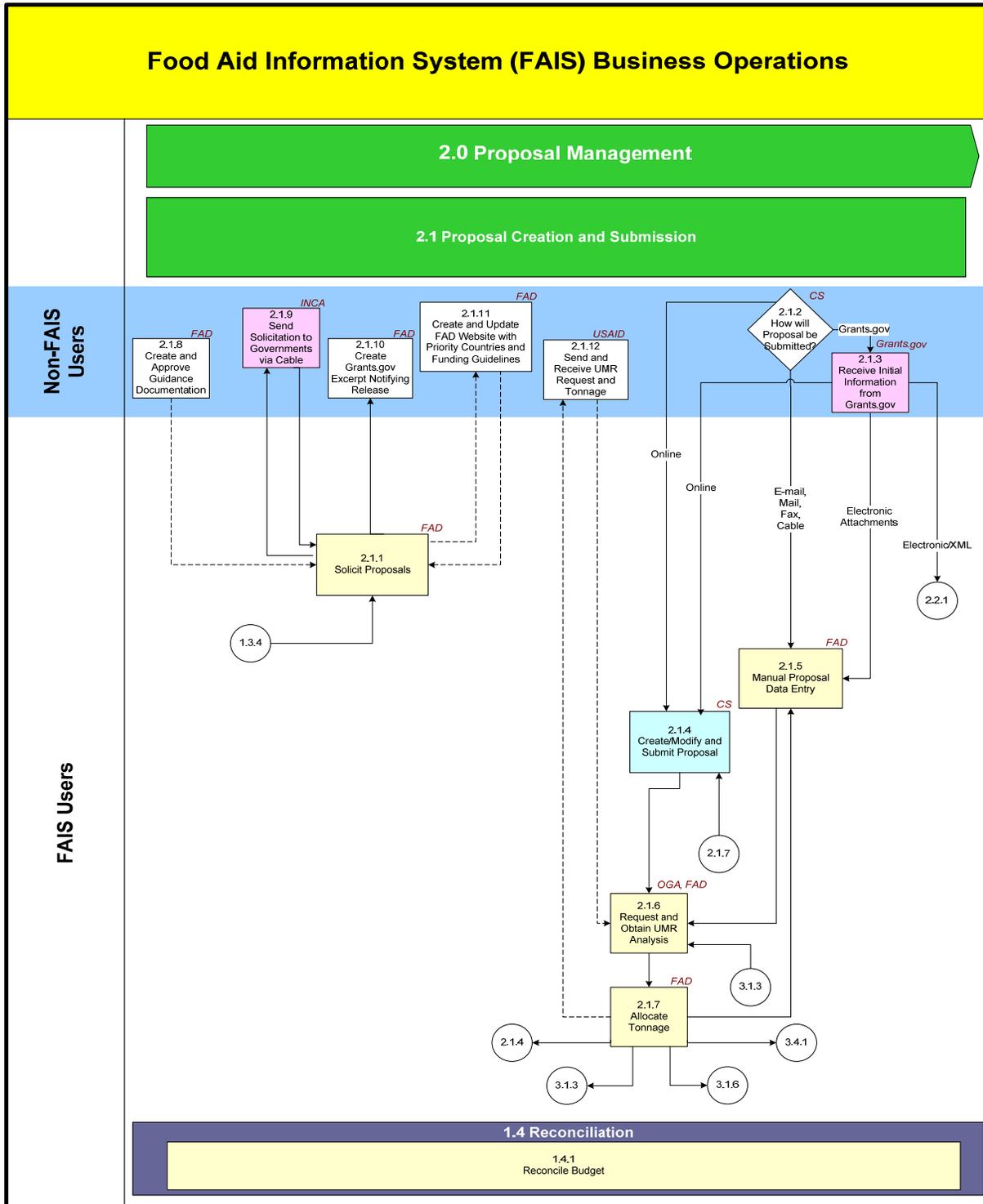
2.0 Proposal Management

The Proposal Management process consists of the following sub-processes: Proposal Creation and Submission, and Evaluation, Recommendation, and Approval.

2.1 Proposal Creation and Submission

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The Proposal Creation and Submission sub-process includes the following activities: Solicit Proposals; Create/Modify and Submit Proposal; and Manual Proposal Data Entry.

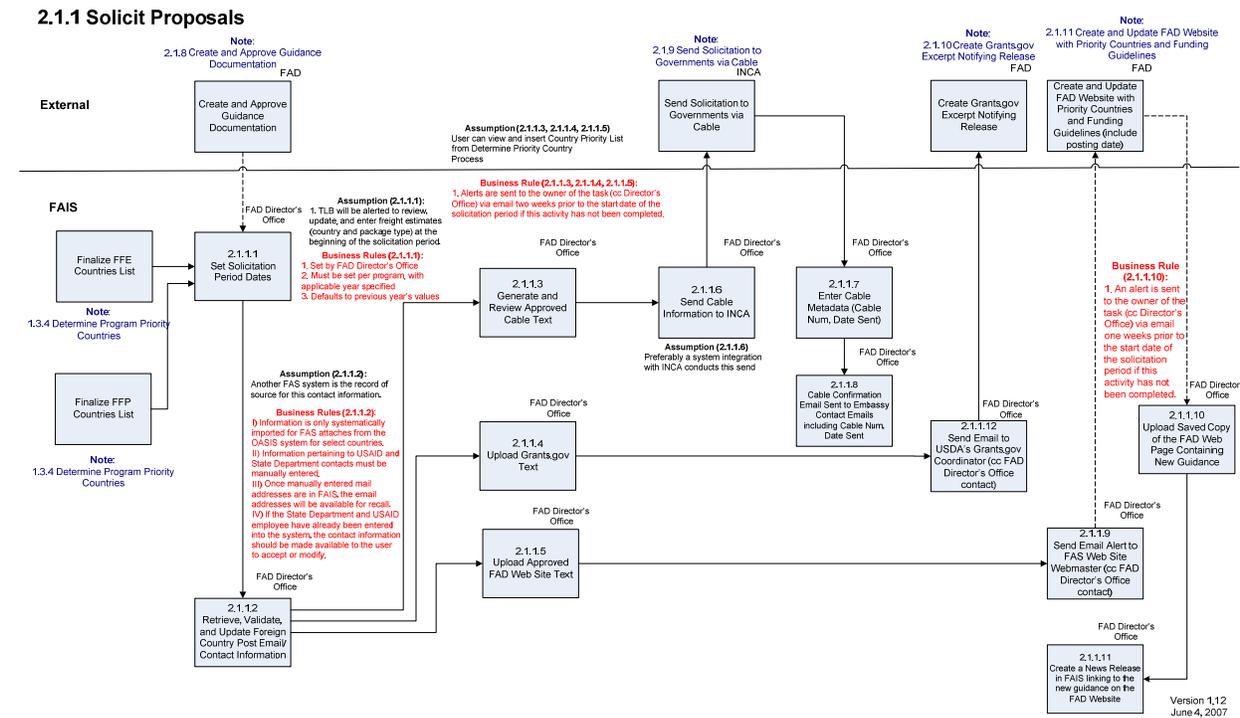
The Food Assistance Division (FAD) solicits for proposals by communicating solicitation period dates, program guidance and program priorities, by Food Aid program, to the public. This initiates the submission of proposals by CS's.

The system will allow proposals to be entered directly by the CS and submitted to FAD. During this process, the CS will become a registered user of the system and be able to add additional CS employees to work on the proposal, create new proposals, and/or modify an existing proposal. Proposal Creators and CS Directors will have the ability to review, approve, request modifications, and submit final proposals to FAD.

The system will also allow FAD Analysts to enter proposals on behalf of the CS for proposals submitted fax, email, mail, and/or cable (some of the information may be captured by Grants.gov as well, but it would be supplemented with additional information received through FAIS). During this process, FAD will be able to scan and upload proposals into the system and then assign FAD Analysts to manually enter the proposals into the system. FAD Analysts will be able to create new proposals and/or modify an already submitted or saved proposal. Once the proposal entry is completed and submitted for Branch Chief review, a system validation check occurs to determine whether the proposal is complete and valid. If the proposal is complete and valid, the Branch Chiefs will have the ability to review, request modifications, and finally approve proposals.

After proposals are submitted to FAD for evaluation, a Usual Marketing Requirement (UMR) request is compiled for all proposals that include commodity(s) being monetized and/or bartered. Additionally, the proposal will be emailed to the proposal country POST, if available.

2.1.1 Solicit Proposals



Summary:	FAD solicits proposals by communicating solicitation period dates and guidance, by Food Aid program type, to the public. This information is currently dispersed through the Kansas City Conference, cables sent to overseas posts, and postings on the Grants.gov and the FAS websites. In addition to these communication vehicles, proposal solicitations will also be communicated via alerts to any users within the system. The solicit proposal cycle is completed once all methods of announcing the FAS Food Aid programs have been publicized.
Responsible:	FAD Director's Office
Input Activity:	Create and Approve Guidance Documentation, Send Solicitation to Governments via Cable, Create and Update FAD Website with Priority Countries and Funding Guidelines, Determine Program Priority Countries
Output Activity:	Send Solicitation to Governments via Cable, Create Grants.gov Excerpt Notifying Release, How will Proposal be Submitted?, Create and Update FAD Website with Priority Countries and Funding Guidelines

2.1.2 How will Proposal be Submitted?

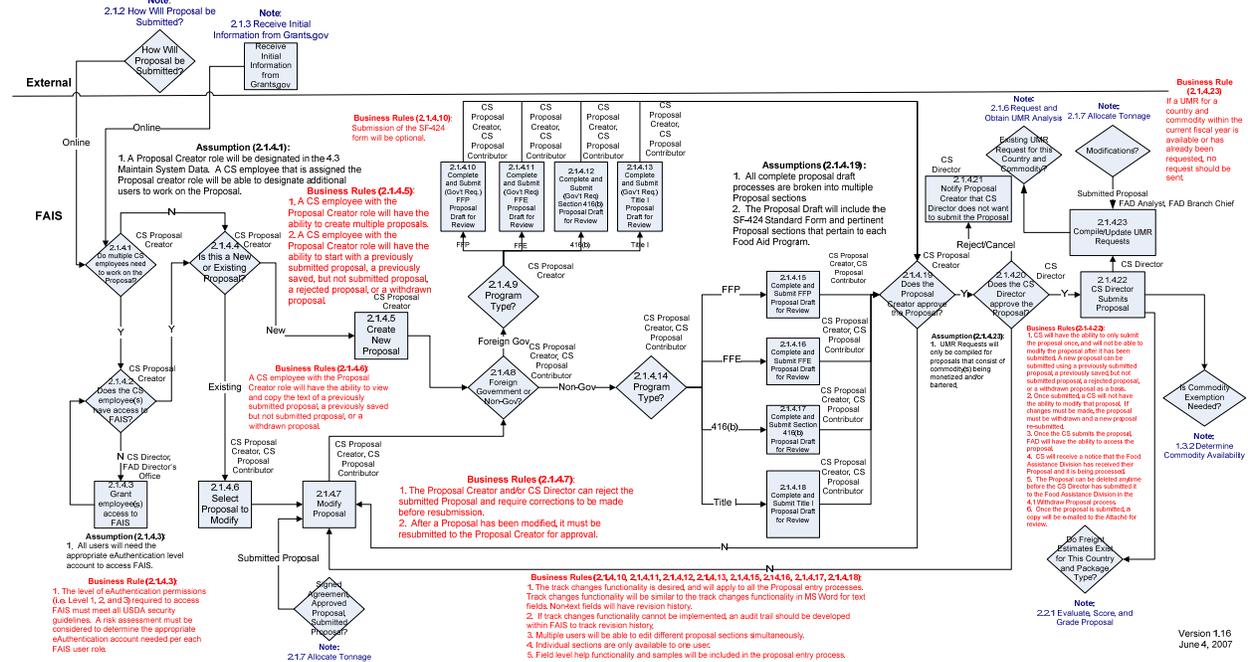
Summary:	This is an activity that occurs outside of the system. This decision is made by the CS when they determine the method by which the proposal will be submitted. This can occur via Grants.gov, email, fax, mail, cable, and online.
Responsible:	Cooperating Sponsors
Input Activity:	Solicit Proposals
Output Activity:	Receive Initial Information from Grants.gov, Create/Modify and Submit Proposals, Manual Proposal Data Entry

2.1.3 Receive Initial Information from Grants.gov

Summary:	The Grants.gov application is currently depicted as an external system. Without system integration, Grants.gov will send electronic attachments to FAIS for manually entry of the proposal established in the Manual Proposal Data Entry activity. If system integration between FAIS and Grants.gov is feasible, Grants.gov will automatically feed proposal data into the system.
Responsible:	Grants.gov
Input Activity:	How will Proposal be Submitted?
Output Activity:	Create/Modify and Submit Proposals, Manual Proposal Data Entry, Evaluate, Grade, and Score Proposal

2.1.4 Create/Modify and Submit Proposal

2.1.4 Create/Modify and Submit Proposal (CS)



Summary:

In this activity, the CS will create a new proposal or modify a previously saved proposal within the system and submit it to FAD. The primary tasks associated in this process flow are outlined below.

Grant employee(s) access to FAIS

All users will need eAuthentication accounts to access FAIS. In addition, FAD will need to provide access to at least one CS Director for each CS. User access throughout FAIS for each CS is managed by one or more individuals with the CS Director role.

A Proposal Creator user role, assigned to a CS employee by the CS Director, will be able to designate and grant other CS employees access to the system to perform multi-level functions associated with proposal creation. If the proposal is new, then the user will be able to create a new proposal. If the proposal already exists in the system, then the user will be able to select a proposal to modify.

Create New Proposal

Proposal entry screens will be based on the type of CS and Food Aid Program. For instance, Foreign Government CS's will be required to enter only part of the Food for Progress (FFP) and the Title I proposals. They will be required to enter full Food for Education (FFE) and Section 416(b) proposals. All other CS's will have to enter full proposals for each one of these Food Aid program types.

Modify Proposal

The Modify Proposal task is similar to the Create New Proposal task, with the exception that the Modify Proposal task will allow the user to make updates to an existing proposal in the system. The existing proposals can be created using saved, recently created proposals or any submitted proposals from past years.

Review and Approve Proposal

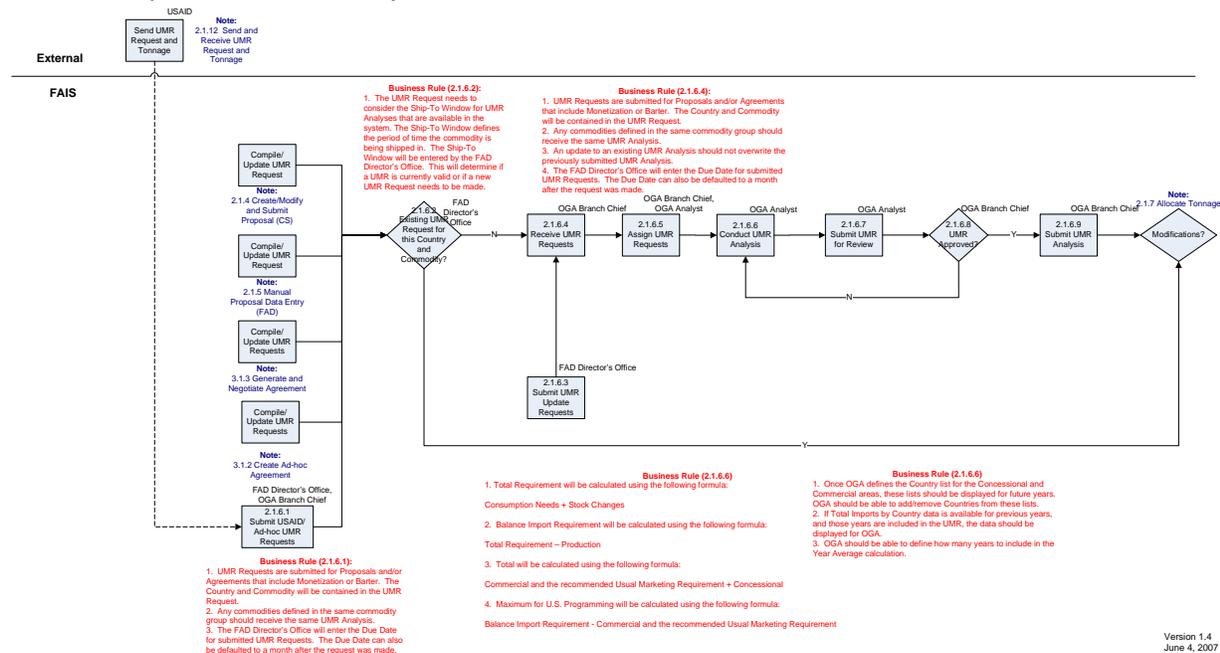
After the proposal is submitted for review, it will go through a two step approval process. First, the designated Proposal Creator will review the proposal. They will determine if modifications are needed or if the proposal can be reviewed by the CS Director for final approval. If

	<p>modifications are needed they can make the modifications or send to a Proposal Contributor to do the same. If the Proposal Creator has approved the proposal, the CS Director will review it and likewise determine if modifications are needed, if the proposal can be submitted to FAD for evaluation, or if it should be withdrawn.</p> <p>CS Director Submits Proposal After the CS Director has approved the proposal, they will submit the proposal through the system for FAD to evaluate. FAD will not be able to view the CS's proposal(s) until it is submitted by the CS Director, although the country and proposal program type by CS will be accessible by FAD through either a report or other functionality for work planning purposes.</p> <p>Compile UMR Requests After proposals are submitted to FAD for evaluation, a UMR request is compiled for all proposals that include commodity(s) being monetized and/or bartered.</p>
Responsible:	CS Proposal Creator, CS Proposal Contributor, CS Proposal Director
Input Activity:	How will Proposal be Submitted?, Receive Initial Information from Grants.gov, Allocate Tonnage
Output Activity:	Evaluate, Grade, and Score Proposal, Request and Obtain UMR Analysis

	<p>Validation Check After the FAD Analyst submits the proposal for review, a validation check occurs in the system to determine whether the proposal is complete and valid. If the proposal is not complete and valid, the CS will receive a proposal rejection letter. If the proposal is complete and valid, it will be routed to the Branch Chief for review.</p> <p>Review and Approve Proposal After the proposal is submitted for review, the Branch Chief will determine if the proposal should be modified or submitted for evaluation.</p> <p>Program Branch Submits Proposal After the Branch Chief has approved the proposal, they will submit the proposal into the system for evaluation.</p> <p>Compile UMR Requests After proposals are submitted for evaluation, a UMR request is compiled for all proposals that include commodity(s) being monetized and/or bartered.</p>
Responsible:	FAD Analyst, FAD Branch Chief
Input Activity:	How will Proposal be Submitted?, Receive Initial Information from Grants.gov, Allocate Tonnage
Output Activity:	Evaluate, Grade, and Score Proposal, Generate and Send Approval/Rejection Letters, Request and Obtain UMR Analysis

2.1.6 Request and Obtain UMR Analysis

2.1.6 Request and Obtain UMR Analysis



Summary:

In this activity, the FAD Director's Office will submit UMR requests to the OGA Branch Chief and then OGA will create and submit the UMR Analysis. The primary tasks associated with this process flow are outlined below:

Submit UMR Request / UMR Update Requests

During the Proposal and Agreement creation processes UMR requests can be generated and sent to the OGA Branch Chief for Proposals and Agreements that include monetization and/or barter. In addition, the FAD Director's Office can submit Ad-hoc UMR requests to the OGA Branch Chief by entering the Commodity, Country, FAD Analyst assigned, and Due Date of the UMR. Finally, USAID can submit ad-hoc UMR requests, which are then input into FAIS by the FAD Director's Office.

Before sending the UMR request to the OGA Branch Chief, the system will check the Ship-To window by country and commodity to determine whether an existing UMR is available for the request or if a new UMR needs to be created. Based on the results, the FAD Director's Office can request a new or updated UMR analysis.

Receive and Assign UMR Requests

Once the UMR requests are completed by the FAD Director's Office, the OGA Branch Chief will receive the requests in their queue. Next, the OGA Branch Chief will assign the requests to an OGA Analyst and the OGA Analyst will be alerted to review the request.

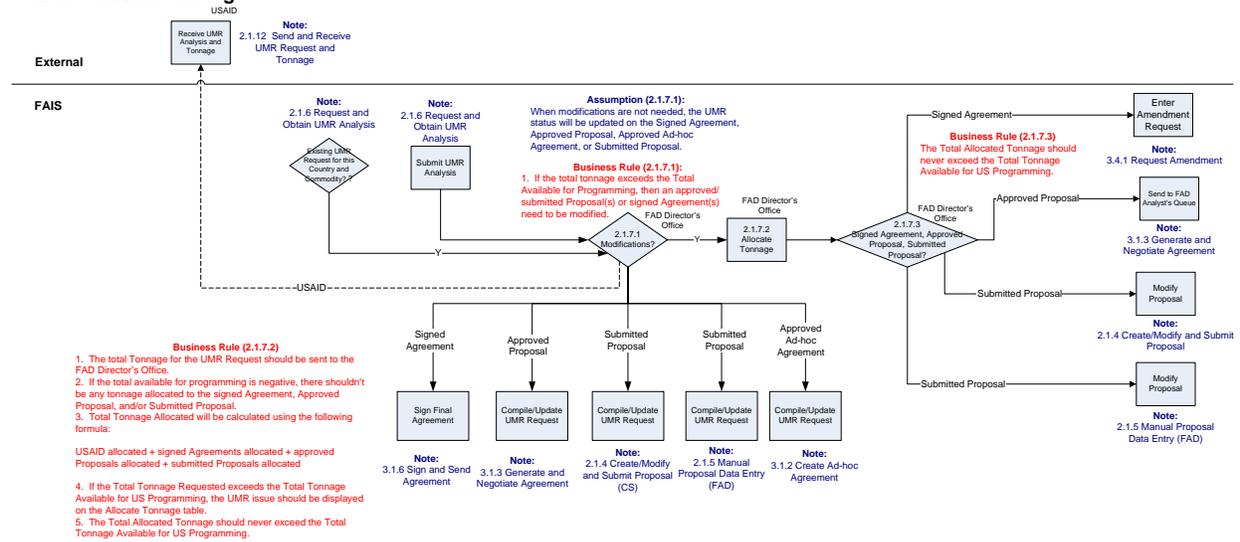
Conduct and Submit UMR Analysis

The OGA Analyst is responsible for conducting and submitting the UMR Analysis to the OGA Branch Chief. During the analysis, the OGA Analyst will be able to enter the Consumption Needs, Stock Changes, and Production of the Country and Commodity. Total Requirement, Balance Import Requirement, and Maximum for U.S. Programming will be calculated for the user and displayed on the UMR Analysis. The OGA Analyst will also report the Total Imports by selecting from a Concessional and Commercial list and entering in the Total Imports by Country for each year. OGA is responsible for defining the list of Concessional and Commercial lists and they can add/remove Countries from the list. Finally, the Total Imports Year Average will be calculated for the user and the OGA Analyst will define how many years

	<p>to include in the calculation.</p> <p>Review UMR Analysis The OGA Branch Chief will receive the UMR Analysis and will have the option of approving, rejecting, or modifying the UMR Analysis. If the OGA Branch Chief rejects the UMR Analysis, they will send comments back to the OGA Analyst who will be alerted to review the comments. If the UMR Analysis is approved by the OGA Branch Chief, the UMR Analysis will be sent to the FAD Director's Office and the analysis will be considered 'locked' and only editable by the OGA Branch Chief.</p>
Responsible:	FAD Director's Office, OGA Analyst, OFO Branch Chief
Input Activity:	Create Ad-hoc Agreement, Generate and Negotiate Agreement, Create/Modify and Submit Proposal, Manual Proposal Data Entry, Send and Receive UMR Request and Tonnage
Output Activity:	Allocate Tonnage

2.1.7 Allocate Tonnage

2.1.7 Allocate Tonnage



Version 2.4
June 4, 2007

Summary:	In this activity, the FAD Director's Office can modify commodity allocations based upon findings in a UMR analysis. Tonnage allocations must be made if the total tonnage allocated (in signed agreements, approved and submitted proposals) requested exceeds the total available for programming as specified in a UMR analysis. If tonnage allocations changes are not required, the UMR status on the Proposal and/or Agreement will be updated. If commodity allocation changes are required, the FAD Director's Office will view a UMR summary screen and modify current commodity tonnage allocations in signed Agreements, approved Proposals, USAID UMR requests, and/or submitted Proposals. As tonnage is modified, the UMR summary screen will assist the FAD DO by calculating the total remaining tonnage available for U.S Programming and displaying tonnage requests in order by UMR priority. Once an allocation change has been specified by the FAD DO, information related to allocation changes needed are sent to the appropriate area of the system to be processed as an Amendment, part of the Agreement Negotiation process, or Proposal approval process.
Responsible:	FAD Director's Office
Input Activity:	Request and Obtain UMR Analysis
Output Activity:	Sign and Send Agreement, Generate and Negotiate Agreement, Create/Modify and Submit Proposal, Manual Proposal Data Entry, Create Ad-hoc Agreement, Request Amendment, Receive UMR Analysis and Tonnage

2.1.8 Create and Approve Guidance Documentation

Summary:	FAD leadership creates guidance documentation which is used to announce Priority Countries and Funding Guidelines for the upcoming year's food aid programs.
Responsible:	FAD Director's Office
Input Activity:	Solicit Proposals
Output Activity:	Solicit Proposals

2.1.9 Send Solicitation to Governments via Cable

Summary:	INCA, a cabling system for FAS, will receive a systematic send of cable text containing Food Aid solicitation information from FAIS. INCA will process this text and send it to all Foreign Governments posts. Once the cable has been sent, confirmation of that send, and the cable's unique information (date, cable number, etc.) will be returned to FAIS for records keeping purposes.
Responsible:	INCA
Input Activity:	Solicit Proposals
Output Activity:	Solicit Proposals

2.1.10 Create Grants.gov Excerpt Notifying Release

Summary:	The FAD Director's Office works with the Grants.gov administrator to create a posting in Grants.gov notifying users of that system of the new solicitation and its details. The grants text created in Solicit proposals is used to post that information.
Responsible:	FAD Director's Office
Input Activity:	Solicit Proposals
Output Activity:	Solicit Proposals

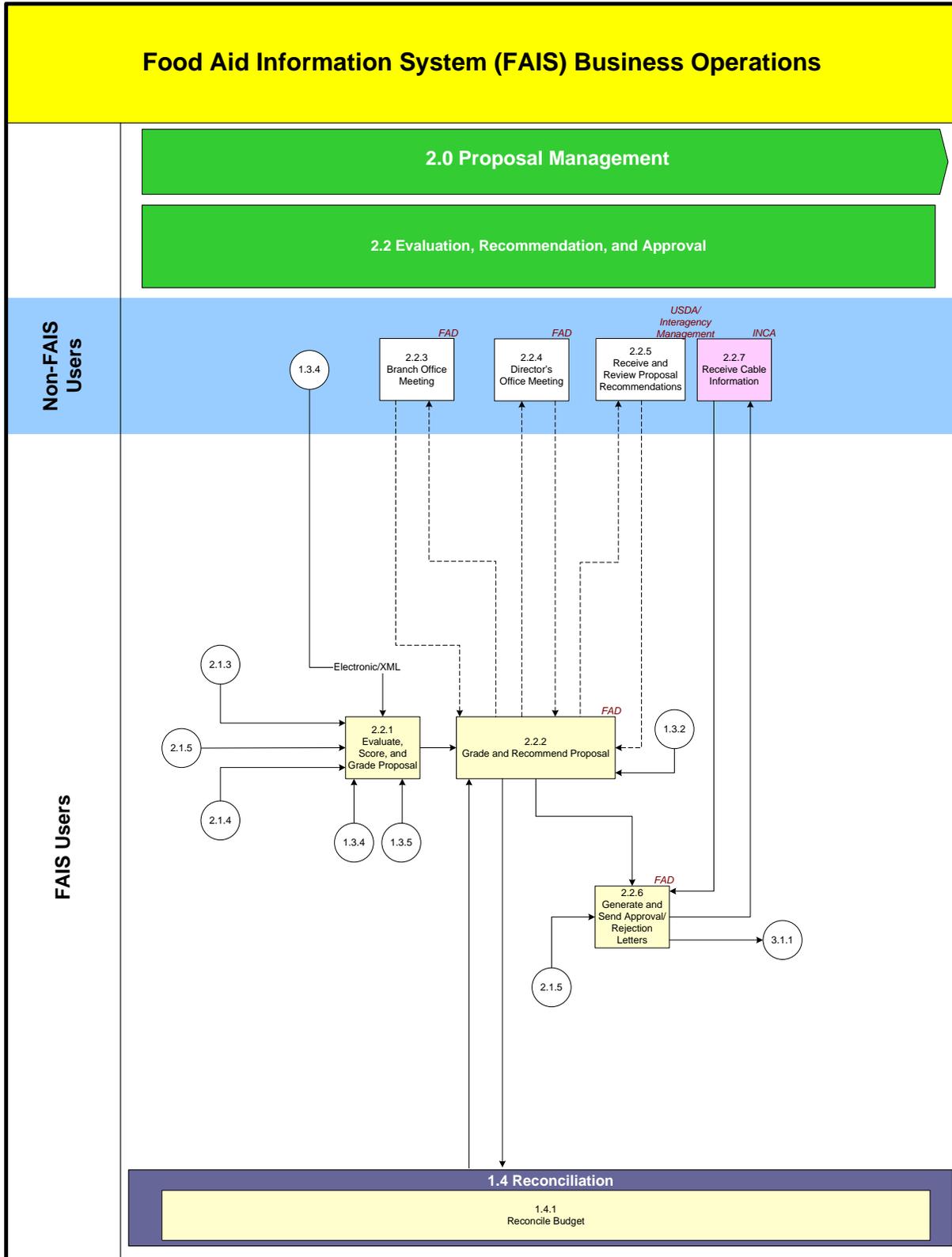
2.1.11 Create and Update FAD Website with Priority Countries and Funding Guidelines

Summary:	Information about the upcoming solicitation period's Priority Countries and Funding Guidelines is sent to FAD to post on the FAD Public Website.
Responsible:	FAD Director's Office
Input Activity:	Solicit Proposals
Output Activity:	Solicit Proposals

2.2 Evaluation, Recommendation, and Approval

Food Assistance Division Operations
Food Aid Information System

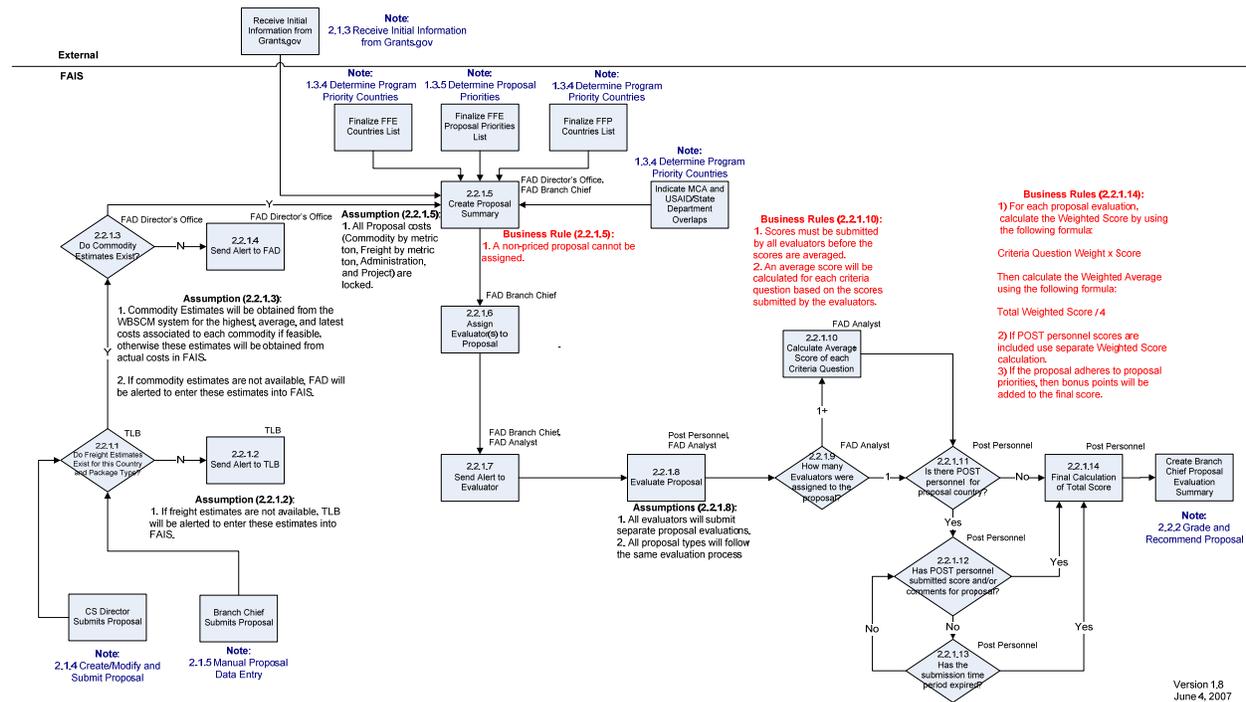
Version 1.24
June 4, 2007



Once proposals are submitted by the CS in FAIS, or manually entered by FAD, they will need to be evaluated, scored, graded, and assigned a recommendation before acceptance and rejection letters are prepared and sent. In this sub-process the following activities will support the evaluation, recommendation, and approval process: 1) Evaluate, Score, and Grade Proposal, 2) Grade and Recommend Proposal, 3) Generate and Send Approval/Rejection Letters.

2.2.1 Evaluate, Score, and Grade Proposal

2.2.1 Evaluate, Score, and Grade Proposal



Summary:

In this activity the Branch Chief will assign proposals to evaluators for evaluation. The evaluators (and available post personnel) will then evaluate the proposal, scoring the proposal against evaluation criteria.

Determine Freight and Commodity Estimates

Before the Branch Chief assigns a proposal, the system will determine whether freight estimates exist for each shipment within the proposal. If freight estimates are not available, the Transportation and Logistics Branch (TLB) will be alerted to enter the estimates into the system. In addition to freight estimates, commodity estimates must also exist before a proposal is assigned to an evaluator. If commodity estimates are not available, FAD Director's Office will be alerted to enter the estimates into the system.

Assign Proposal

The Branch Chief will view a summary screen of all proposals requiring evaluation. The Branch Chief will either assign a single evaluator or a group of evaluators to evaluate each proposal. Once the Branch Chief makes the assignment, the evaluator(s) will be alerted and the proposal will be sent to their respective queue for evaluation.

Conduct Evaluation

The evaluator and available post personnel will evaluate their assigned proposal content against criteria questions on a scale of 0-4. If a group of evaluators are assigned to the proposal and submit separate evaluations, the system will calculate the average score of each criteria question. Evaluations can be "saved" and retrieved/edited at a later date before the evaluations are "submitted" and considered final.

Calculate Final Proposal Score

The evaluator and available Post Personnel will only see how they scored (0-4) individual criteria questions. The system will calculate the final weighted score once the evaluation is "submitted" and the score will remain hidden from the analyst and post personnel. Bonus points will be added to the final weighted score if the proposal adheres to proposal priorities.

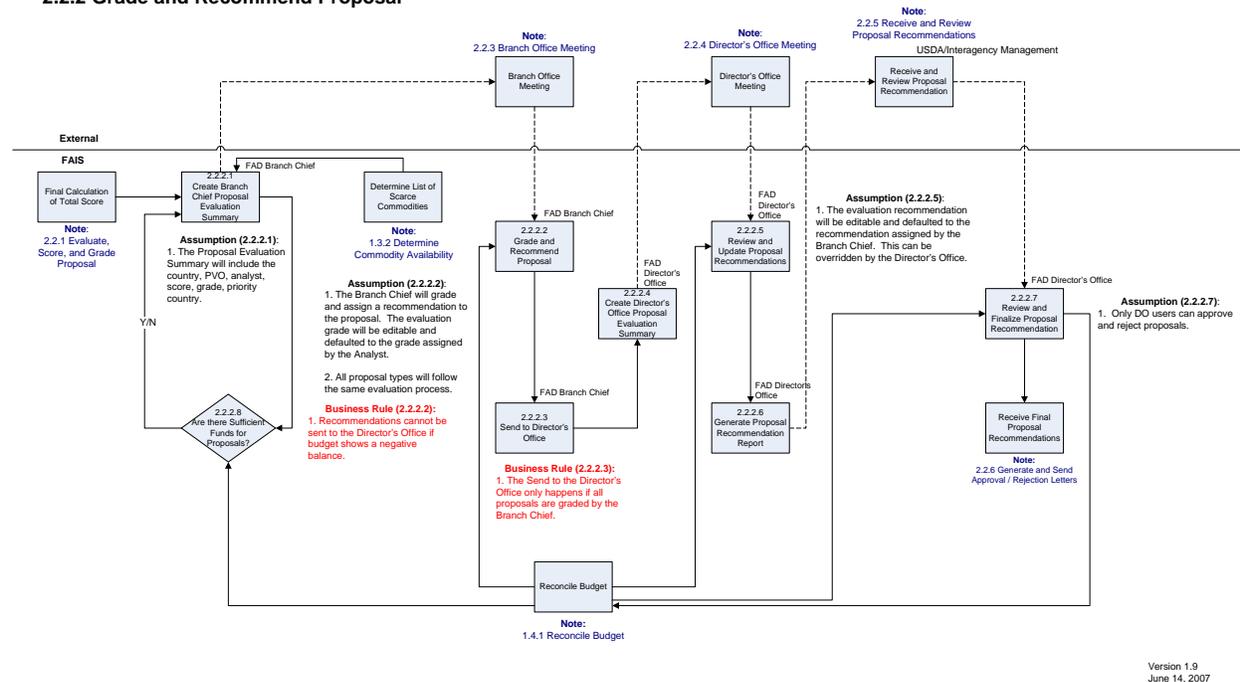
Responsible:

FAD Analyst, FAD Branch Chief, Post Personnel, FAD Director's Office, Transportation and

	Logistics Branch
Input Activity:	Create/Modify and Submit Proposal, Manual Proposal Data Entry, Determine Proposal Priorities, Determine Program Priority Countries, Receive Initial Information from Grants.gov, <i>Maintain System Data (Commodity and Freight Pricing Estimates)</i>
Output Activity:	Grade and Recommend Proposal

2.2.2 Grade and Recommend Proposal

2.2.2 Grade and Recommend Proposal



Version 1.9
June 14, 2007

Summary:	<p>In this activity, the Branch Chief will review and grade each proposal. Based on the Branch Chief's grade, the system will generate a proposal recommendation which will be sent to the Director's Office. The Director's Office will review the Branch Chief's recommendation and then submit a final recommendation for the proposal.</p> <p>Grade and Recommend Proposal – Branch Chief The Branch Chief will view a proposal evaluation summary screen and enter a grade for each proposal on a scale of A-D. If a proposal's program type is over budget, the Branch Chief will have the opportunity to adjust the recommended tonnage, bill-to year, and funding source until the program type is within budget. After all of the proposals are graded by the Branch Chief, the Director's Office will be alerted to begin reviewing the proposal recommendations.</p> <p>Update Proposal Recommendation – Director's Office Similar to the Branch Chief, the Director's Office will work off of a proposal evaluation summary screen and have the opportunity to update the recommended tonnage, bill-to year, and funding source to get proposals under budget. The DO will be able to make updates to recommendation assignments that the system has automatically placed on proposals using grades received by Branch Chiefs. The different recommendation states include 'Accept', 'Reject', or 'On-hold'. 'Accept' and 'Reject' recommendations will guide which proposals can continue on to become agreements, as well as ultimately generate and send approval and rejection alerts to the Cooperating Sponsors.</p>
Responsible:	FAD Branch Chief, FAD Director's Office
Input Activity:	Evaluate, Score, and Grade Proposal, Branch Office Meeting, Director's Office Meeting, Receive and Review Proposal Recommendations, Reconcile Budget, Determine Commodity Availability
Output Activity:	Branch Office Meeting, Director's Office Meeting, Receive and Review Proposal Recommendations, Generate and Send Approval/Recommendation Letters, Reconcile Budget

2.2.3 Branch Office Meeting

Summary:	Branch offices meet to collectively discuss all scored proposals, validate scores, and assist the Branch Chief in gathering the information needed to grade the proposals. Decisions made are placed into the system in Grade and Recommend Proposal by the Branch Chief.
Responsible:	FAD Branch Chief, FAD Analyst
Input Activity:	Grade and Recommend Proposal
Output Activity:	Grade and Recommend Proposal

2.2.4 Director's Office Meeting

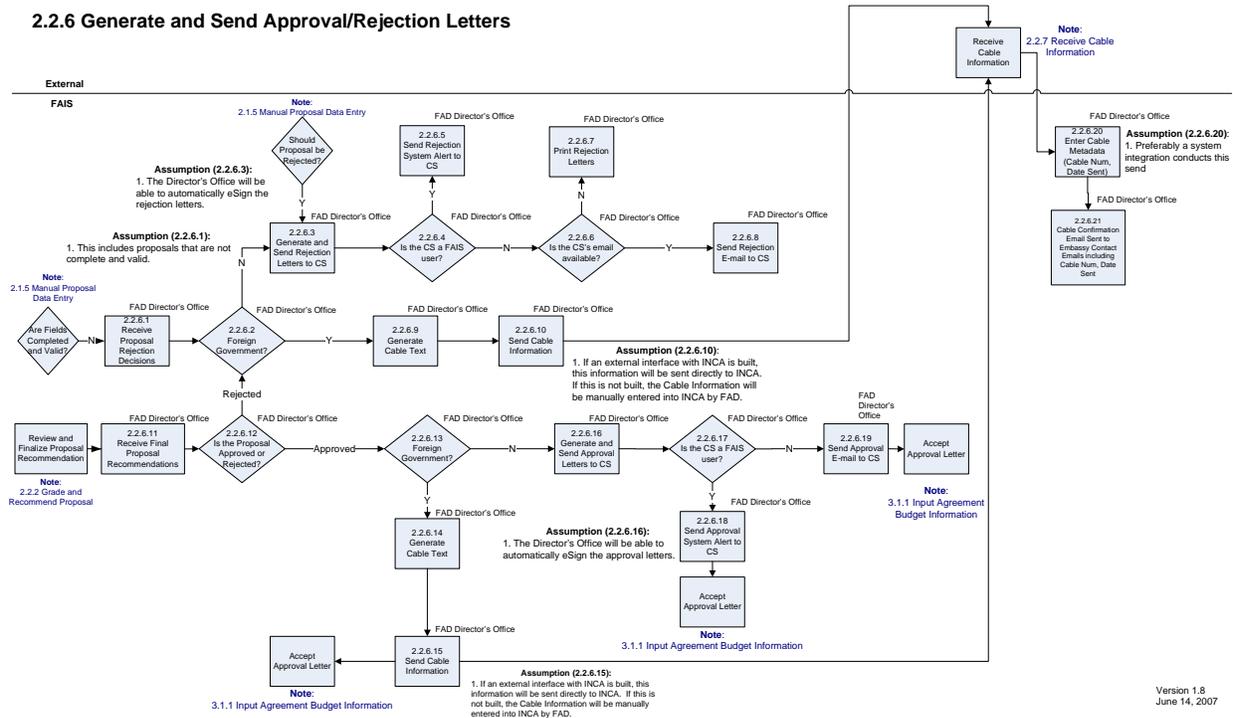
Summary:	Director's Office meets, in part with Branch Chiefs to collectively discuss all scored proposals, validate scores, and gathering the information needed to approve, deny, or place proposals on hold. Decisions made are placed into the system in Grade and Recommend Proposal by the FAD Director's Office.
Responsible:	FAD Director's Office, FAD Branch Chief
Input Activity:	Grade and Recommend Proposal
Output Activity:	Grade and Recommend Proposal

2.2.5 Receive and Review Proposal Recommendations

Summary:	USDA/Interagency Management will receive and review the Proposal Recommendation Report sent by the Director's Office. These decisions will be recorded in a similar manner to the Update Proposal Recommendation process.
Responsible:	USDA/Interagency Management, FAD Director's Office
Input Activity:	Grade and Recommend Proposal
Output Activity:	Grade and Recommend Proposal

2.2.6 Generate and Send Approval/Rejection Letters

2.2.6 Generate and Send Approval/Rejection Letters



Summary:	In this activity, proposal acceptance and rejection letters and emails are generated once the FAD Director's Office finalizes all proposal recommendations. Acceptance letters and emails are sent to Cooperating Sponsors for any accepted proposals and rejection letters and emails are sent to Cooperating Sponsors for any rejected or incomplete proposals. If the proposal was submitted by a Foreign Government, acceptance and rejection messages will be sent via cable text.
Responsible:	FAD Director's Office
Input Activity:	Manual Proposal Data Entry, Grade and Recommend Proposal, Receive Cable Information
Output Activity:	Input Agreement Budget Information, Receive Cable Information

2.2.7 Receive Cable Information

Summary:	INCA, a cabling system for FAS, will receive a systematic send of cable text from FAIS. It will process this text and send it to all Foreign Governments which are due to receive an Acceptance or Rejection letter. Once the cable has been sent, confirmation of that send, and the cable's unique information (date, cable number, etc.) will be returned to FAIS for records keeping purposes.
Responsible:	INCA
Input Activity:	Grade and Recommend Proposal
Output Activity:	Grade and Recommend Proposal

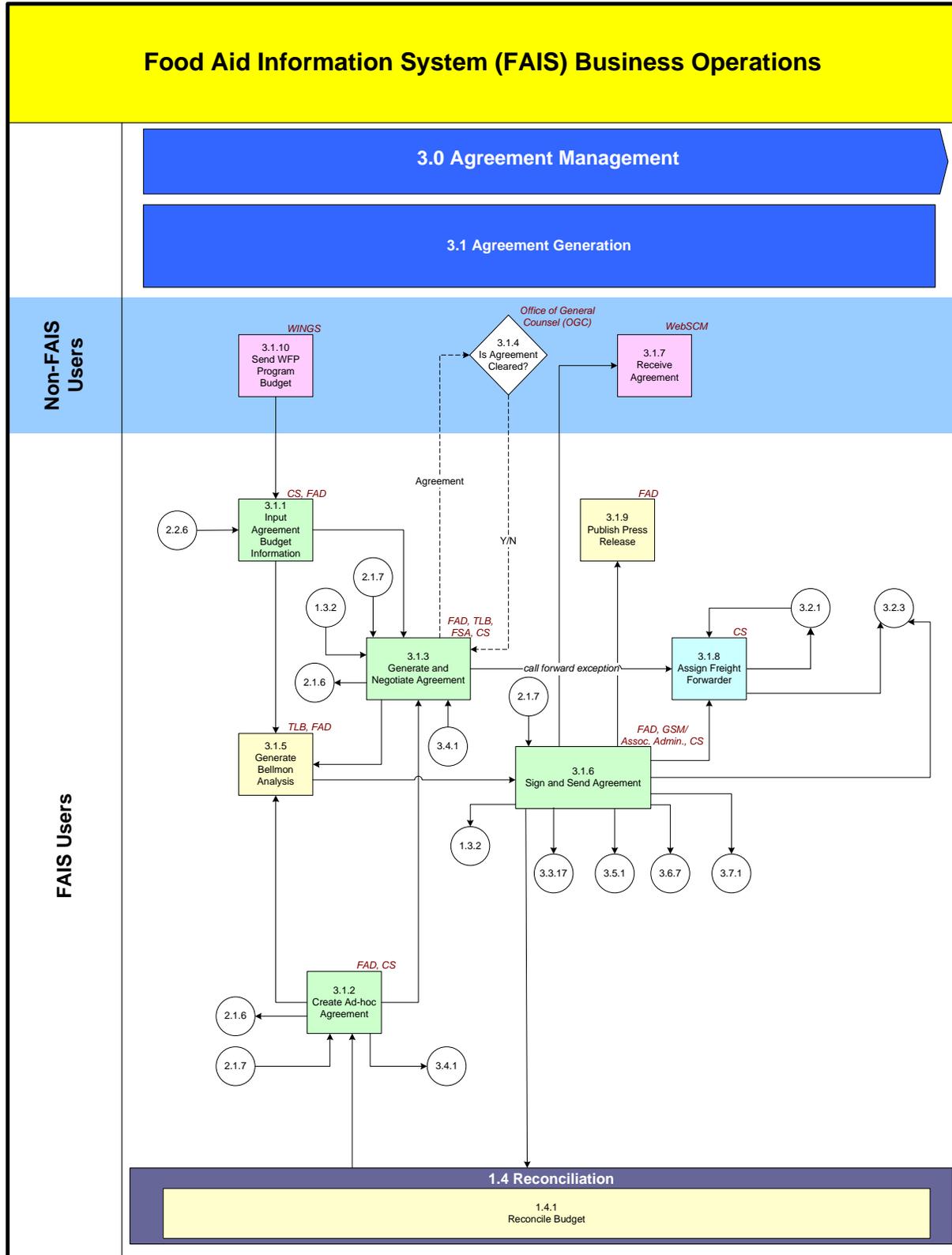
3.0 Agreement Management

The Agreement Management process consists of the following sub-processes: Agreement Generation, Procurement, Payments and Receivables, Amendments, Claims, Compliance and Evaluation, and Closeout.

3.1 Agreement Generation

Food Assistance Division Operations
Food Aid Information System

Version 1.25
June 14, 2007



The Agreement Generation sub-process is initiated by the Cooperating Sponsor accepting the approval letter submitted by FAD. Once the approval letter is accepted, Private Voluntary Organization (PVO)

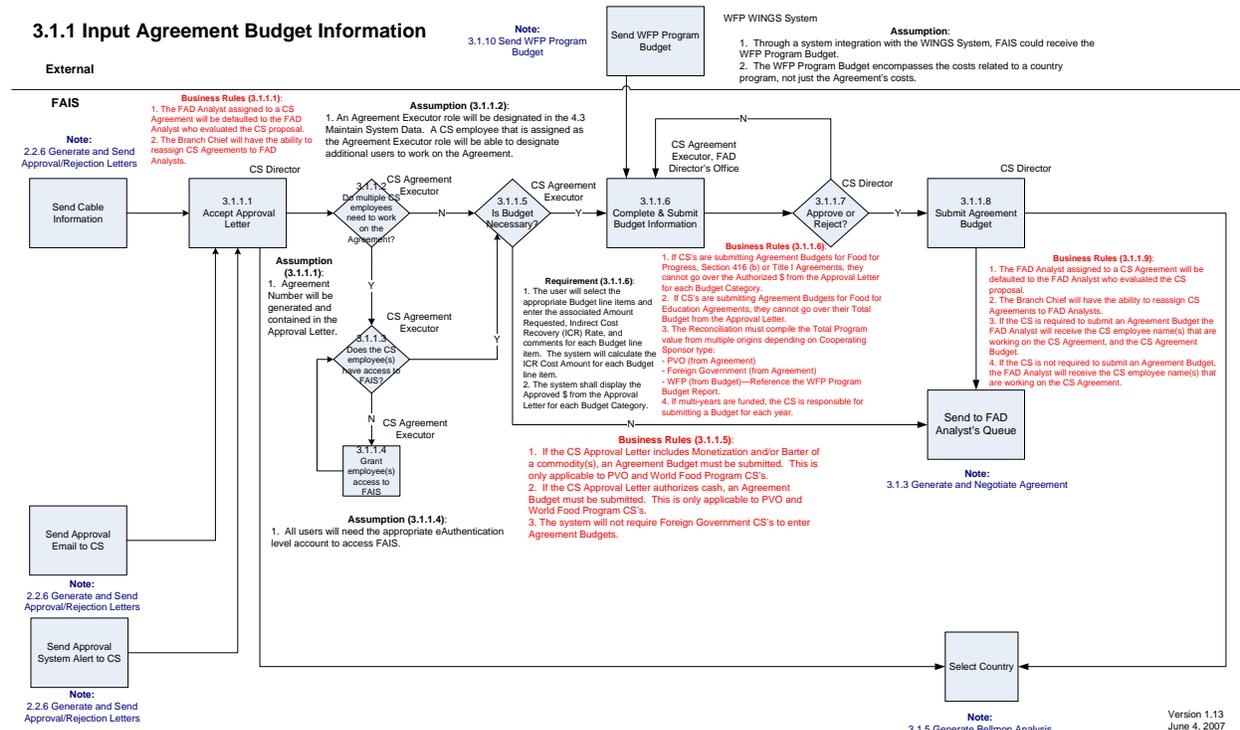
CS's and World Food Program (WFP) will be responsible for submitting an Agreement budget including line items if necessary. After the CS and WFP complete the Agreement budget, they will submit the budget to the CS Director for review before the budget is sent to the FAD Analyst. In addition, the FAD Director's Office can initiate an Ad-hoc Agreement within the system.

Once the budget is submitted, an Agreement will be generated for a PVO or Foreign Government CS. The Agreement will include information that is pulled directly from the submitted Proposal, Agreement budget, and template language that is maintained in the system. If the CS is WFP, a Commitment Letter will be generated and populated with information from submitted Proposal, budget, and template language.

After the Agreement or Commitment Letter is generated, the FAD Director's Office can initiate a call forward exception. The call forward exception will allow the CS to call forward commodity(s) identified in an Agreement or Commitment Letter before it is signed. Negotiations will also begin between the FAD Analyst assigned to the Agreement or Commitment Letter and Budget and the CS. The interactions between the FAD Analyst and the CS will include resolving any issues related to changes to the Agreement posed by the FAD Analyst, Branch Chief, FSA, TLB, FAD Director's Office, and OGC.

During the Agreement negotiation period, TLB will generate a Bellmon Analysis for each Country and can make updates to the editable sections as needed. The initial Bellmon will be generated from information in Proposals received combined with template language. TLB will submit the Bellmon Analysis to the Branch Chief for eSignature before it is sent to the FAD Director's Office for a final review and eSignature. Once the Bellmon Analysis is signed by the FAD Director's Office, the CS Director and GSM/Administrator will receive a read-only version of the Agreement and they will conduct a final review and sign-off.

3.1.1 Input Agreement Budget Information



Summary:

In this activity, the CS will accept the approval letter submitted by FAD. The CS Director will then assign a CS employee(s) (i.e. CS Agreement Executor) to work on the Agreement and grant them access to the system as needed. If an Agreement Budget is necessary, the system will alert the CS to submit their Agreement Budget to FAD. The primary tasks associated with this process flow are outlined below:

Accept Approval Letter

After the CS receives the approval letter from FAD, they will determine if they would like to initiate an Agreement between FAD and the CS organization. If the CS wants to continue with an Agreement, they will accept the approval letter through the system.

Grant employee(s) access to FAIS

If additional CS employees are needed, they must receive their eAuthentication ID and passwords. After this task is completed the CS Director can assign one or more CS Executor(s) to an agreement, or act as the Executor themselves. Anyone acting as a CS Executor can assign other CS Employees access to contribute to or just view an agreement.

Complete & Submit Budget Information

The system will determine if an Agreement Budget is necessary based on the type of CS. Private Voluntary Organization (PVO) CS's and World Food Program (WFP) CS's are responsible for submitting Agreement Budgets. Foreign Government CS's do not need to submit Agreement Budgets. If an Agreement Budget is necessary for the CS, the system will alert the CS to submit their Agreement Budget to FAD through the system. After the CS completes the Agreement Budget, they will submit the Budget to the CS Director for review.

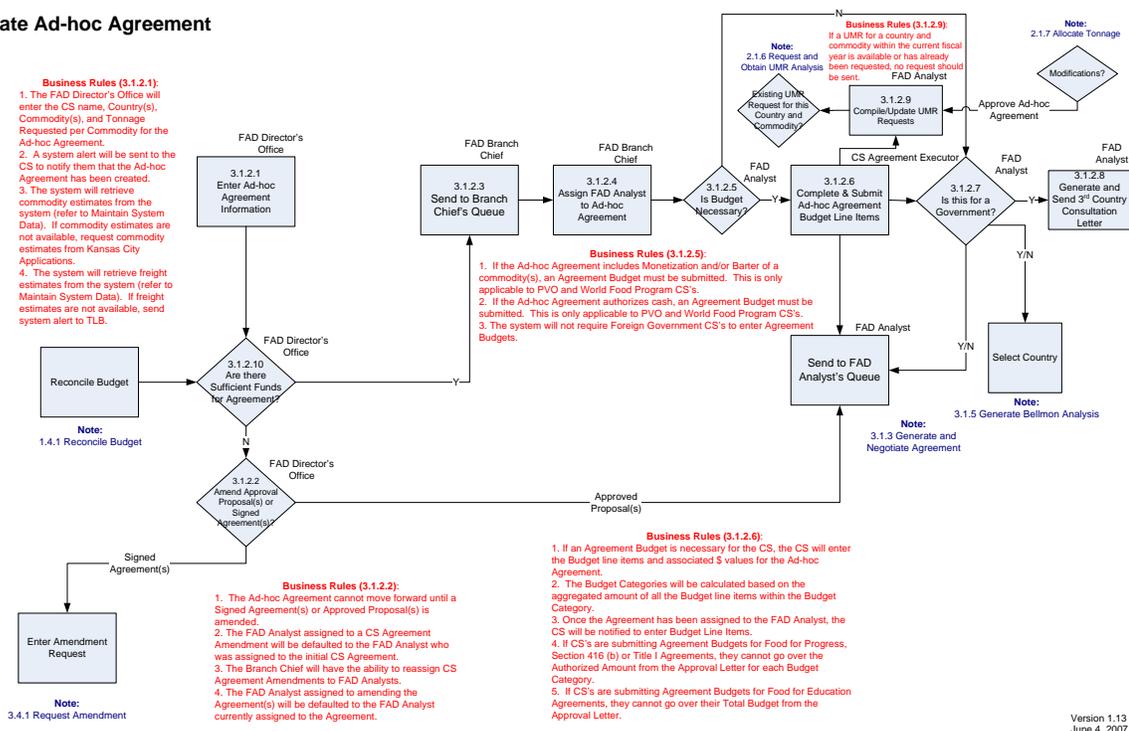
Submit Agreement Budget

If the CS Director approves the Agreement Budget, they will submit the Agreement Budget to FAD. The CS Director will also have the ability to modify the Agreement Budget or reject the Budget with comments. This will initiate an alert to the CS employee who submitted the Agreement Budget to make the appropriate changes. After the CS Director submits the Agreement Budget to FAD, the FAD Analyst assigned to the Agreement will receive the

	Budget in their queue within the system.
Responsible:	CS Director, CS Agreement Executor
Input Activity:	Generate and Send Approval/Rejection Letters
Output Activity:	Generate and Negotiate Agreement, Generate Bellmon Analysis

3.1.2 Create Ad-hoc Agreement

3.1.2 Create Ad-hoc Agreement



Summary:

In this activity, the FAD Director's Office will initiate an Ad-hoc Agreement within the system. The system will determine if funds are available for the Agreement. Once funds are available, the Ad-hoc Agreement will be assigned to an FAD Analyst and the CS will be responsible for submitting Ad-hoc Agreement Budget Line Items, if necessary. FAD will be responsible for generating and sending a 3rd Country Consultation Letter if the Ad-hoc Agreement is created for a Foreign Government CS. The primary tasks associated with this process flow are outlined below:

Enter Ad-hoc Agreement Information

The FAD Director's Office will initiate an Ad-hoc Agreement by submitting Agreement information within the system. This will trigger an alert to the CS who is identified as the executor of the Ad-hoc Agreement. The system will calculate the cost of the Ad-hoc Agreement based on the country(s), commodity(s), and tonnage per commodity entered by the FAD Director's Office.

Are there sufficient funds for Agreement?

The system will determine if sufficient funds are available for the Ad-hoc Agreement based on the calculated cost of the Ad-hoc Agreement. If sufficient funds are available, the appropriate Branch Chief will receive the Ad-hoc Agreement in their queue within the system. If sufficient funds are not available, the system will alert the FAD Director's Office. The FAD Director's Office will then be responsible for determining if a signed Agreement(s) and/or an approval Proposal(s) must be amended to make funds available for the Ad-hoc Agreement.

Assign FAD Analyst to Ad-hoc Agreement

After the appropriate Branch Chief receives the Ad-hoc Agreement in their queue, they will assign an FAD Analyst to the Agreement.

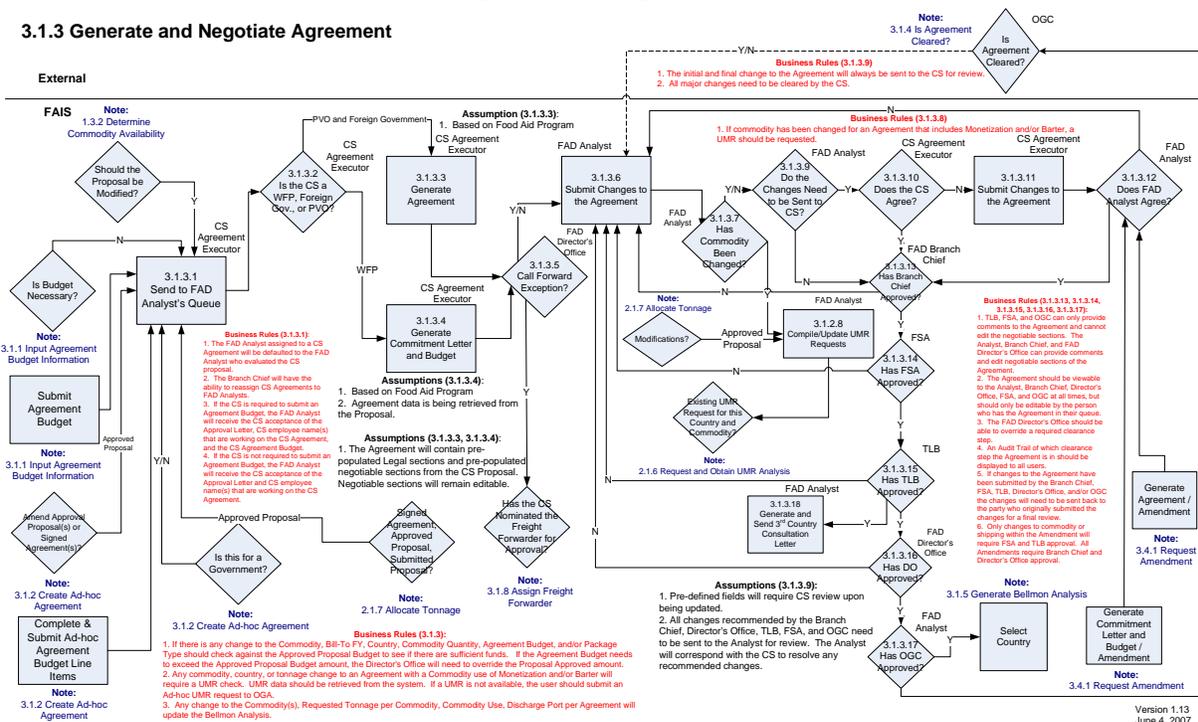
Complete & Submit Ad-hoc Agreement Budget Line Items

The system will determine if Agreement Budget Line Items are necessary based on the type of CS. Private Voluntary Organization (PVO) CS's and World Food Program (WFP) CS's are responsible for submitting Agreement Budget Line Items. Foreign Government CS's do not

	<p>need to submit Agreement Budget Line Items. If Agreement Budget Line Items are necessary for the CS, the system will alert the CS to submit their Ad-hoc Agreement Budget Line Items to FAD through the system. After the CS Director submits the Ad-hoc Agreement Budget Line Items to FAD, the FAD Analyst assigned to the Ad-hoc Agreement will receive the Budget Line Items in their queue within the system.</p> <p>Generate and Send 3rd Country Consultation Letter If the Ad-hoc Agreement is created for a Foreign Government CS, FAD will be responsible for generating and sending a 3rd Country Consultation Letter to the State Department. The letter will include a list of the Countries that need to receive the notice based on the commodities.</p>
Responsible:	FAD Director's Office, FAD Branch Chief, CS Agreement Executor, FAD Analyst
Input Activity:	Reconcile Budget, Allocate Tonnage
Output Activity:	Request and Obtain UMR Analysis, Generate and Negotiate Agreement, Generate Bellmon Analysis, Request Amendment

3.1.3 Generate and Negotiate Agreement

3.1.3 Generate and Negotiate Agreement



Summary:

In this activity, an Agreement or Commitment Letter and Budget will be generated based on the type of CS. The FAD Analyst assigned to the Agreement or Commitment Letter and Budget will begin negotiations with the CS. The negotiations between the FAD Analyst and the CS will include resolving changes and/or questions posed by the FAD Analyst, Branch Chief, FSA, TLB, FAD Director's Office, and OGC, through the Agreement Clearance process, with the CS. The primary tasks associated with this process flow are outlined below:

Generate Agreement

The system will generate an Agreement for a PVO or Foreign Government CS. The Agreement will include information based on the PVO or Foreign Government CS's submitted Proposal, approval letter decision, Agreement Budget, and template language maintained within the system. A agreement consists of the following sections (there are variations to the following when dealing with WFP and/or Foreign Government agreements):

- Introduction: The portion of the agreement containing legal provisions describing parties in the agreement, the country in question, reporting requirements, regulations, provision of commodities and payments of costs, and termination guidelines.
- Attachment A - Plan of Operations: The portion of the agreement containing a detailed outline of commodities awarded, plans for utilizing that commodity, and objectives to be achieved through that utilization.
- Attachment B - Commodity Specification: Details on commodity to be provided as well as the method/details surrounding that provision. There may be multiple attachment B's, 1 per each commodity in an agreement.
- Attachment C - Agreement Budget: Document outlining. There may be multiple attachment C's, 1 per each fiscal year in an agreement.
- Attachment D - Terrorist Financing Certification for Food Grant Agreements

Generate Commitment Letter

The system will generate a Commitment Letter and Budget for a WFP CS. The Commitment Letter and Budget will include information based information from the Proposal, the latest WFP Budget information, and template language maintained within the system.

	<p>Call Forward Exception? Once an approval letter is accepted, the FAD Director's Office will have the ability to provide a call forward exception, if needed. If a call forward exception is initiated, the CS will have the ability to call forward commodity(s) identified in their Agreement or Commitment Letter before it is signed.</p> <p>Submit Changes to the Agreement The FAD Analyst will have the ability to submit changes and/or questions to the CS on the Agreement or Commitment Letter and Budget based on changes and/or questions posed by the FAD Analyst, Branch Chief, FSA, TLB, FAD Director's Office, and OGC, through the Agreement Clearance process. The system will determine, based on the type of change to the Agreement or Commitment Letter and Budget, if the CS needs to approve the changes before they are finalized.</p> <p>Does the CS Agree? If the CS must approve the changes before they are finalized, the CS will have the ability to approve the changes, reject the changes, and/or submit changes or questions back to the FAD Analyst. This process will continue until all changes posed by the parties involved in the Agreement clearance process have been approved and finalized.</p> <p>Does FAD Analyst Agree? The FAD Analyst will receive any rejected changes and/or changes or questions posed by the CS for their approval. The FAD Analyst can approve the changes, reject the changes, and/or submit changes or questions back to the CS. This process will continue until all changes posed by the parties involved in the Agreement clearance process have been approved and finalized.</p> <p>The FAD Analyst will also receive Agreement Amendments, Commitment Letter Amendments and Budget Amendments to begin negotiations with the CS. This process will mirror the steps listed above.</p>
Responsible:	FAD Analyst, FAD Branch Chief, FSA, Transportation Logistics Branch, FAD Director's Office, CS Agreement Executor
Input Activity:	Input Agreement Budget Information, Is Agreement Cleared?, Create Ad-hoc Agreement, Determine Commodity Availability, Allocate Tonnage, Request Amendment
Output Activity:	Generate Bellmon Analysis, Is Agreement Cleared, Assign Freight Forwarder, Request and Obtain UMR Analysis

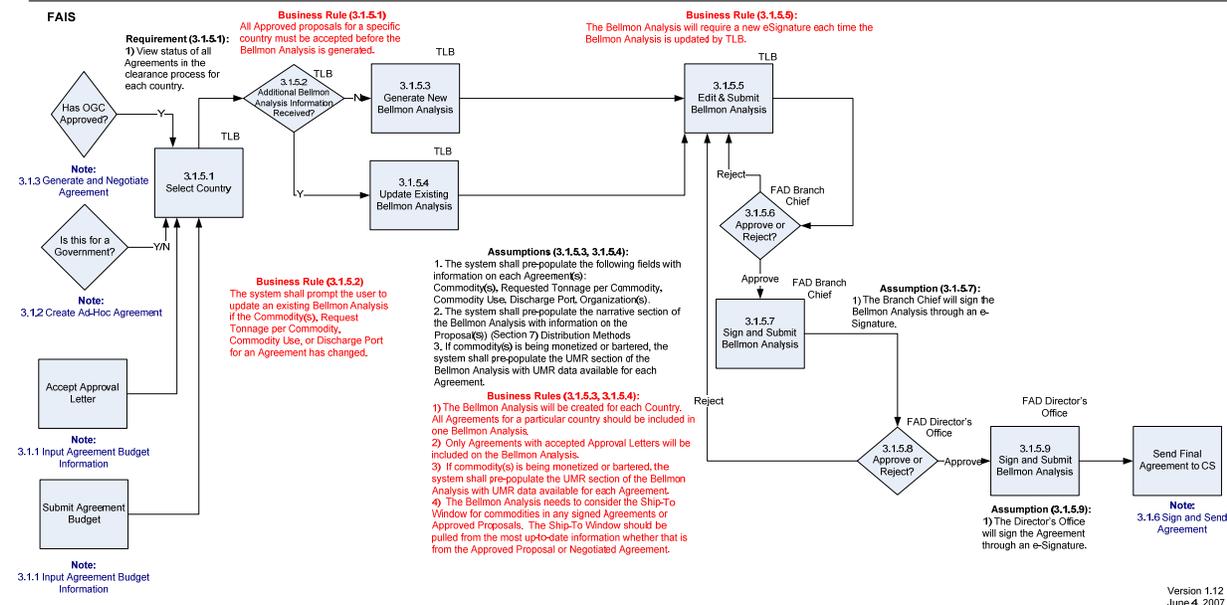
3.1.4 Is Agreement Cleared?

Summary:	In this activity, the OGC will be involved in the Agreement or Commitment Letter and Budget Agreement clearance process. The FAD Director's Office determines if OGC clearance is necessary. If OGC clearance is necessary, OGC will only provide comments to the Agreement. The FAD Analyst will make the changes to the negotiable sections. The FAD Director's Office will always have the authority to bypass and override the clearance process with OGC.
Responsible:	Office of General Council (OGC)
Input Activity:	Generate and Negotiate Agreement
Output Activity:	Generate and Negotiate Agreement

3.1.5 Generate Bellmon Analysis

3.1.5 Generate Bellmon Analysis

External



Summary:

In this activity, TLB will have the ability to generate a new Bellmon Analysis and/or update an existing Bellmon Analysis for each Country. TLB will submit the Bellmon Analysis to the appropriate Branch Chief for signature. Once the Branch Chief approves and signs the Bellmon Analysis, they will submit the Bellmon Analysis to the FAD Director's Office for signature. The primary tasks associated with this process flow are outlined below:

Generate New Bellmon Analysis

If a Bellmon Analysis does not exist for a specific country, a new Bellmon Analysis must be generated. The Bellmon Analysis will be generated once the Approval Letter is accepted. Information included in each Bellmon Analysis are derived from the commodity obligations contained in:

- Approved proposals if an agreement for that proposal has not already been signed.
- Agreements signed during the current year.
- Previously-signed agreements that contain multi-year commitments, and thus have commodities due for shipment in the years considered in the Bellmon Analysis.

The Bellmon Analysis can be updated during the Agreement negotiation process when there are changes to the Commodity(s), Requested Tonnage per Commodity, Commodity Use, or Discharge Port. The Bellmon Analysis will include information based on the CS's submitted Proposal, Ship-to Fiscal Year of signed Agreements or Commitment Letters, and template language maintained within the system. If commodity is being monetized and/or bartered within the signed Agreement or accepted approval letter, the Usual Marketing Requirement (UMR) section of the Bellmon Analysis will be populated with UMR information and template language.

Update Existing Bellmon Analysis

If an existing Bellmon Analysis is not valid or updates have been made to a signed Agreement(s) and/or accepted approval letter, the Bellmon Analysis must be updated.

Edit & Submit Bellmon Analysis

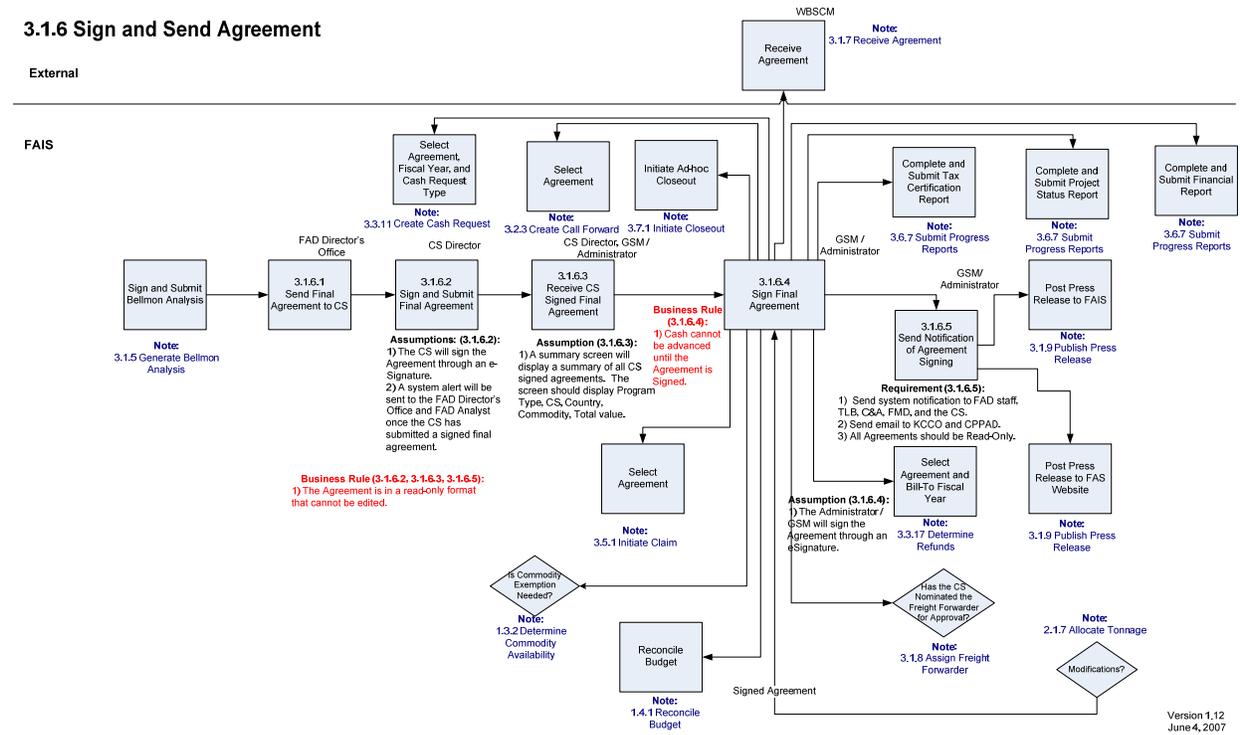
TLB will edit and submit the Bellmon Analysis for Branch Chief review.

Sign and Submit Bellmon Analysis

	<p>The Branch Chief can approve, modify, or reject the Bellmon Analysis with comments. If the Branch Chief rejects the Bellmon Analysis, TLB will be alerted to make the appropriate changes. Once the Branch Chief approves the Bellmon Analysis, they will have the ability to sign using eSignature capabilities within the system. After the Branch Chief signs the Bellmon Analysis, it will be submitted to the FAD Director's Office for review.</p> <p>Sign and Submit Bellmon Analysis The FAD Director's Office can approve, modify, or reject the Bellmon Analysis with comments. If the FAD Director's Office rejects the Bellmon Analysis, TLB will be alerted to make the appropriate changes. Once the FAD Director's Office approves the Bellmon Analysis, they will have the ability to sign using eSignature capabilities within the system.</p>
Responsible:	Transportation & Logistics Branch, FAD Branch Chief, FAD Director's Office
Input Activity:	Input Agreement Budget Information, Create Ad-hoc Agreement, Generate and Negotiate Agreement
Output Activity:	Sign and Send Agreement

3.1.6 Sign and Send Agreement

3.1.6 Sign and Send Agreement



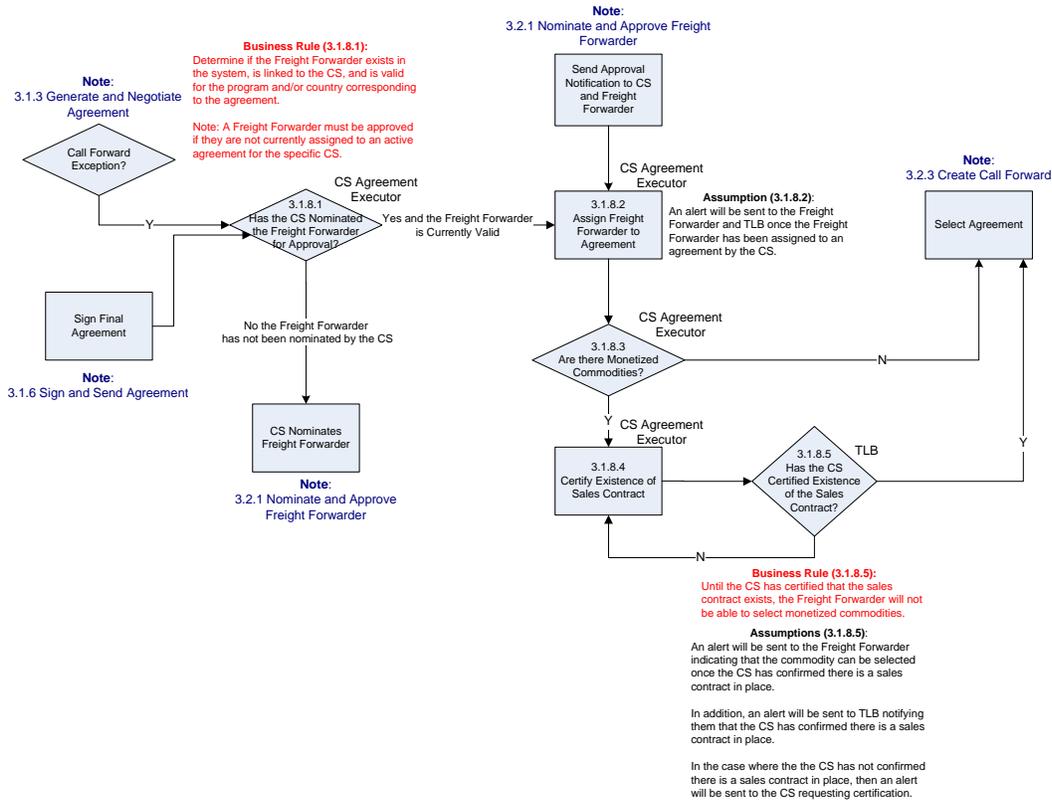
<p>Summary:</p>	<p>In this activity, the Agreement will go through a final review process before it is considered "final".</p> <p>Once the Agreement has completed clearance and the Bellmon Analysis is signed, the CS Director will receive a read-only version of the Agreement and the system will alert the CS Director to review and sign the Agreement. After the CS Director signs the Agreement through an eSignature, the Administrator/GSM will be alerted to review the Agreement. To assist the Administrator/GSM in reviewing the Agreement, the Administrator/GSM will be able to view a summary screen containing high level information about each CS Director signed Agreement. After reviewing the summary screen and Agreement, the Administrator/GSM will sign the Agreement through an eSignature.</p> <p>Finally, a notification containing a hyperlink to the signed Agreement will be sent to FAD, TLB, C&Q, FMD, CS, KCCO and CPPAD. In addition, the system will send Agreement information to WBSCM via a system integration.</p>
<p>Responsible:</p>	<p>CS Director, GSM/Associate Administrator</p>
<p>Input Activity:</p>	<p>Generate Bellmon Analysis, Allocate Tonnage</p>
<p>Output Activity:</p>	<p>Receive Agreement, Publish Press Release, Assign Freight Forwarder, Create Call Forward, Reconcile Budget, Create Cash Request, Determine Refunds, Initiate Claim, Submit Progress Reports, Initiate Closeout</p>

3.1.7 Receive Agreement

Summary:	WBSCM will receive Agreement information through a system integration.
Responsible:	WBSCM
Input Activity:	Sign and Send Agreement
Output Activity:	N/A

3.1.8 Assign Freight Forwarder

3.1.8 Assign Freight Forwarder

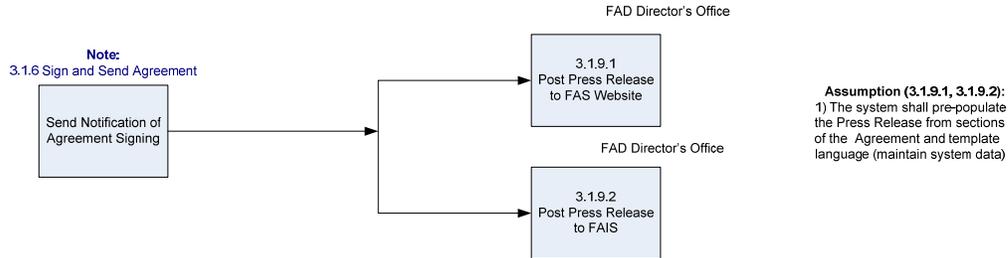


<p>Summary:</p>	<p>In this activity, the Cooperating Sponsor (CS) will assign a Freight Forwarder to an agreement. The primary tasks associated with this process flow are outlined below:</p> <p>Assign Freight Forwarder to Signed Agreement First the CS will need to determine if the Freight Forwarder has been approved by TLB for a specific program and/or country associated to the agreement. If the Freight Forwarder has not been approved, then the CS will need to nominate the Freight Forwarder for approval. If the Freight Forwarder has been approved by TLB, then the CS will assign the Freight Forwarder to a signed agreement or an agreement that has been overridden (approved by FAD Director's Office to allow the call forward prior to agreement signing) and considered "signed".</p> <p>Determine if there are Monetized Commodities Once a Freight Forwarder has been assigned to an agreement, a check will be made to determine if there are any monetized commodities associated with an agreement. If there are no monetized commodities, then the Freight Forwarder will be able to call forward commodities. If there are monetized commodities in the agreement, the CS will need to certify that there is a sales contract in place.</p> <p>Certify Existence of Sales Contract Until the CS certifies the existence of the sales contract in the system, the Freight Forwarder will be not able to call forward the monetized commodities. Once there is confirmation of the existence of the sales contract, the Freight Forwarder will be able to call forward the monetized commodities.</p>
<p>Responsible:</p>	<p>CS Agreement Executor, Transportation and Logistics Branch</p>

Input Activity:	Sign and Send Agreement, Nominate and Approve Freight Forwarder
Output Activity:	Nominate and Approve Freight Forwarder, Create Call Forward

3.1.9 Publish Press Release

3.1.9 Publish Press Release



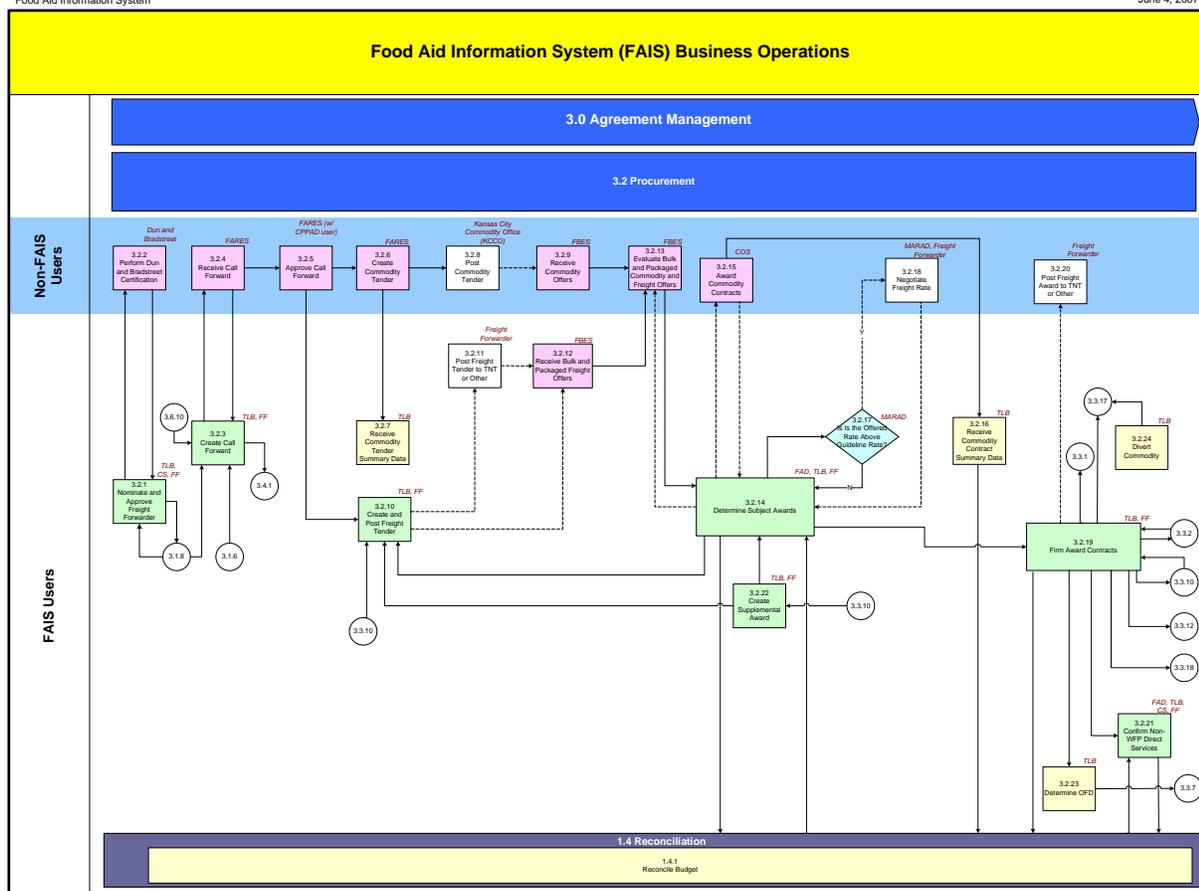
Version 1.12
June 4, 2007

Summary:	In this activity the user can post a system generated press release about the signed Agreement to the FAS Web site and/or to FAIS. The press release will contain template language and information contained in the Agreement.
Responsible:	FAD Director's Office
Input Activity:	Sign and Send Agreement
Output Activity:	N/A

3.2 Procurement

Food Assistance Division Operations
Food Aid Information System

Version 1.24
June 4, 2007



The procurement sub-process is initiated by the Cooperating Sponsor (CS) Agreement Executor nominating the Freight Forwarder and TLB approving the Freight Forwarder. In some cases, a Dun and Bradstreet certification is required. Once the Freight Forwarder is approved, the CS Agreement Executor will assign the Freight Forwarder tender to an agreement.

Once the Freight Forwarder is assigned to an agreement, the Freight Forwarder will be able to call forward the commodities. The call forward must receive the approval of the Transportation and Logistics Branch (TLB) before it is sent to Food Aid Request Entry System (FARES). Once in FARES, the Commodity Procurement Policy and Analysis Division (CPPAD) will need to approve the call forward.

After the call forward is approved, the commodity tender will be created in FARES and posted by the Kansas City Commodity Office (KCCO) to their website. In addition, TLB will create and post the freight tender. The freight tender will also be downloaded by the Freight Forwarder to post on the Transportation News Ticker (TNT) and other forums.

Both the commodity and freight tenders will initiate the receipt of the commodity and bulk and packaged freight offers in the Freight Bid Entry System (FBES). FBES will evaluate the lowest landed solution and send this information to TLB. TLB along with FAD will review and approve the lowest landed solution. Once the lowest landed solution is approved, the Commodity Operating System (COS) will award the commodity contracts. TLB will then send the subject award notification to the Freight Forwarder. Once the commodity contracts are awarded, the summary data will be sent to TLB. However, if the lowest landed solution is not approved, then TLB will reject all offers.

Once the ship owner through the Freight Forwarder confirms the subject award, a check will be made to determine if the guideline rate is required. If the guideline rate is required, then MARAD will be notified to determine if the offered rate is above the guideline rate. If MARAD informs TLB that the offered rate is

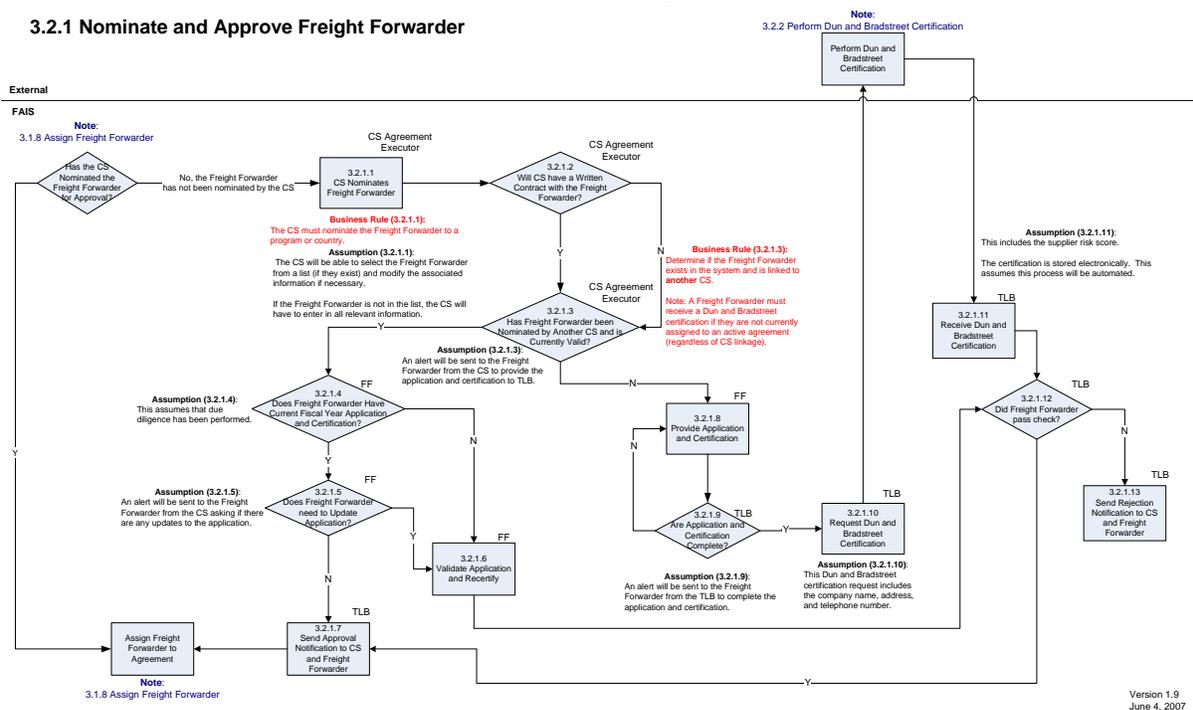
above the guideline rate, then the negotiation process will begin with the Freight Forwarder and MARAD. If TLB approves the negotiated rate, then the Freight Forwarder will determine if the award is acceptable. If the negotiated rate is not approved, then TLB will ask the Freight Forwarder to draft and reissue the freight tender or evaluate the next lowest landed solution.

If the Freight Forwarder confirms that the award is acceptable then TLB will finalize the award, otherwise TLB will be informed of the rejection. After the award is finalized, TLB will post the award on the FAS website and the Freight Forwarder will download the award and post it to the TNT and other forums. In addition, if there will Inland/Overland costs through Direct Services for Non-WFP, then TLB will need to approve the maximum Inland/Overland Rate submitted by the Freight Forwarder or Cooperating Sponsor. However, for WFP, the Inland/Overland Rate for Direct Services will be indicated in the agreement.

In addition, TLB will also have the ability to create a Supplemental Award for commodities that were never loaded on the assigned vessel that set sail and need to be loaded on a vessel from another program (i.e. USAID, Department of State). Once the Supplemental Subject Award is created by TLB, the rest of the process will follow the normal process of determining if a guideline rate is required through Firm Award Contracts.

3.2.1 Nominate and Approve Freight Forwarder

3.2.1 Nominate and Approve Freight Forwarder



Summary:

In this activity, the CS Agreement Executor will nominate the Freight Forwarder and TLB will approve the Freight Forwarder. The primary tasks associated with this process flow are outlined below:

Nominate Freight Forwarder

The CS Agreement Executor will nominate the Freight Forwarder to a specific program or country for approval by TLB. Upon nominating the Freight Forwarder, the CS Agreement Executor will indicate if there is a written contract in place with the Freight Forwarder. Then a check will be made to determine if the Freight Forwarder already exists for another CS Agreement Executor and is assigned to an agreement.

Freight Forwarder is Currently Valid for Another CS Agreement Executor

If the Freight Forwarder exists and is valid for another CS Agreement Executor, then a check will be made to determine if the Freight Forwarder has a current fiscal year application and certification. If the Freight Forwarder does have a current fiscal year application and certification, then the Freight Forwarder will determine if any updates are required to the application. If no updates are required to the application then an approval notification will be sent to the CS Agreement Executor and Freight Forwarder by TLB.

If the Freight Forwarder does not have a current year application and certification or if the Freight Forwarder has a current fiscal year application and certification and updates are required to the application, then the Freight Forwarder will validate the application and recertify. Upon recertification, TLB will review the application and approve or reject the Freight Forwarder.

Freight Forwarder is not Currently Valid

If the Freight Forwarder is not currently valid, then the Freight Forwarder will need to complete an application and provide certification. TLB will then check that the Freight Forwarder's application and certification are complete. If the application and certification are not complete, TLB will notify the Freight Forwarder to complete the application and certification. Upon confirming the application and certification are complete, TLB will request a Dun and Bradstreet certification.

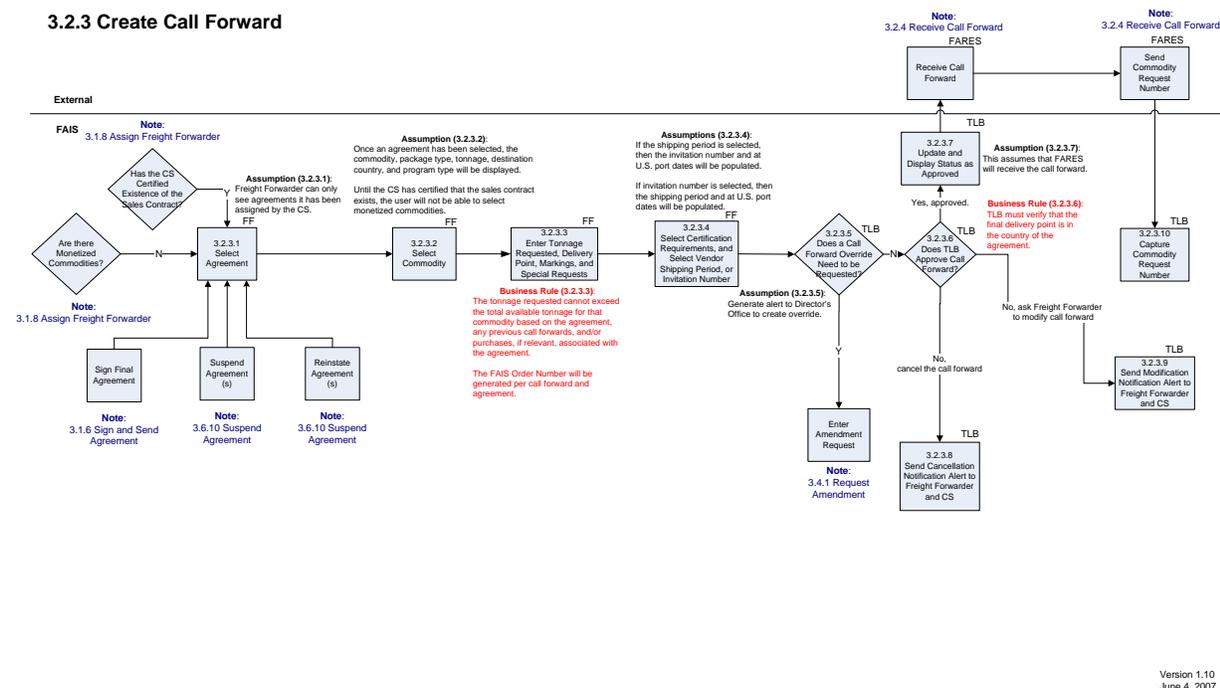
	Approve or Reject Freight Forwarder Once TLB receives any new or updated application and certifications as well as the Dun and Bradstreet certification (<i>if necessary</i>), they will determine if the Freight Forwarder should be approved or rejected. Based on their decision, an approval or rejection notification will be sent to the CS Agreement Executor and Freight Forwarder.
Responsible:	CS Agreement Executor, Transportation and Logistics Branch, Freight Forwarder
Input Activity:	Assign Freight Forwarder (<i>approval</i>), Perform Dun and Bradstreet Certification
Output Activity:	Assign Freight Forwarder (<i>request for nomination</i>), Perform Dun and Bradstreet Certification

3.2.2 Perform Dun and Bradstreet Certification

Summary:	A Dun and Bradstreet certification will be performed on the Freight Forwarder once a TLB request is received. The analysis and certification will be sent to TLB to be used in the approval process.
Responsible:	Dun and Bradstreet
Input Activity:	Nominate and Approve Freight Forwarder (<i>request for Dun and Bradstreet certification</i>)
Output Activity:	Nominate and Approve Freight Forwarder (<i>analysis and Dun and Bradstreet certification</i>)

3.2.3 Create Call Forward

3.2.3 Create Call Forward



Summary:

In this activity the Freight Forwarder will create a call forward for TLB approval. The primary tasks associated with this process flow are outlined below:

Select Agreement and Commodity

Once a Freight Forwarder has been assigned to an agreement, they will be able to initiate the call forward process by selecting an agreement. The Freight Forwarder can only select from agreements it has been assigned by the CS Agreement Executor. From the agreement, the Freight Forwarder will select commodities to call forward. Note that the Freight Forwarder will not be able to select monetized commodities until the CS Agreement Executor has certified that the sales contract exists.

Enter Call Forward Data

After the commodity is selected, the Freight Forwarder will then enter in the call forward data. This includes the amount of tonnage requested, delivery point, markings, and special requests. The amount of tonnage requested by the Freight Forwarder will not be able to exceed the total available tonnage for that commodity based on the agreement, any previous call forwards, and/or purchases, if relevant, associated with the agreement. The Freight Forwarder will then select certification requirements, and vendor shipping period or invitation number for the call forward.

Determine if Call Forward Override is Necessary

Once the call forward is entered, TLB will determine if an override is needed. For example, TLB can request an override for the selected commodity if it is in short supply with another commodity. If an override is needed, then a request will be sent to the FAD Director's Office for approval. If an override is not needed, then TLB will need to determine if the call forward should be the approved.

Determine TLB Approval of the Call Forward

TLB will determine if the final delivery point is in the country of the agreement and determine if the call forward should be approved. If TLB approves the call forward, then the call forward will be sent to FARES. FARES will then send the Commodity Request Number associated with the call forward back to TLB.

	If TLB does not approve the call forward, then TLB will send either a modification notification or a cancellation notification to the Freight Forwarder and CS.
Responsible:	Freight Forwarder, Transportation and Logistics Branch
Input Activity:	Assign Freight Forwarder, Sign and Send Agreement, Suspend Agreement, Receive Call Forward (<i>commodity request number</i>)
Output Activity:	Request Amendment, Receive Call Forward (<i>call forward</i>)

3.2.4 Receive Call Forward

Summary:	FARES will receive the call forward. Once the call forward is received, FARES will create and send the Commodity Request Number to TLB.
Responsible:	FARES
Input Activity:	Create Call Forward (<i>call forward</i>)
Output Activity:	Create Call Forward (<i>commodity request number</i>), Approve Call Forward

3.2.5 Approve Call Forward

Summary:	Once the call forward is in FARES the Commodity Procurement Policy and Analysis Division (CPPAD) will need to approve the call forward of commodities. After the call forward is approved, the commodity tender will need to be created and the Freight Forwarder will need to create the freight tender.
Responsible:	FARES (with CPPAD user)
Input Activity:	Receive Call Forward
Output Activity:	Create Commodity Tender, Create and Post Freight Tender

3.2.6 Create Commodity Tender

Summary:	Once the call forward is approved by CPPAD, FARES will create the commodity tender that will be sent it to the Kansas City Commodities Office (KCCO) to be posted. In addition, the Invitation Number along with the referenced Commodity Request Number tied to it will be sent to TLB.
Responsible:	FARES
Input Activity:	Approve Call Forward
Output Activity:	Post Commodity Tender, Receive Commodity Tender Summary Data

3.2.7 Receive Commodity Tender Summary Data

3.2.7 Receive Commodity Tender Summary Data



Assumption (3.2.7.1):
The FARES Commodity Request Number will be linked to the FAIS Order Number. As a result the FAIS Order Number will be linked to one or more Invitation Numbers.

Version 1.9
June 4, 2007

Summary:	In this activity TLB will receive the commodity tender summary data. The primary task associated with this process flow is outlined below: Receive Commodity Tender Numbers Upon creating the commodity tender, TLB will receive the Commodity Request Number (needed in this step to tie to the Invitation Number) and Invitation Number associated with the approved call forward.
Responsible:	Transportation and Logistics Branch
Input Activity:	Create Commodity Tender
Output Activity:	N/A

3.2.8 Post Commodity Tender

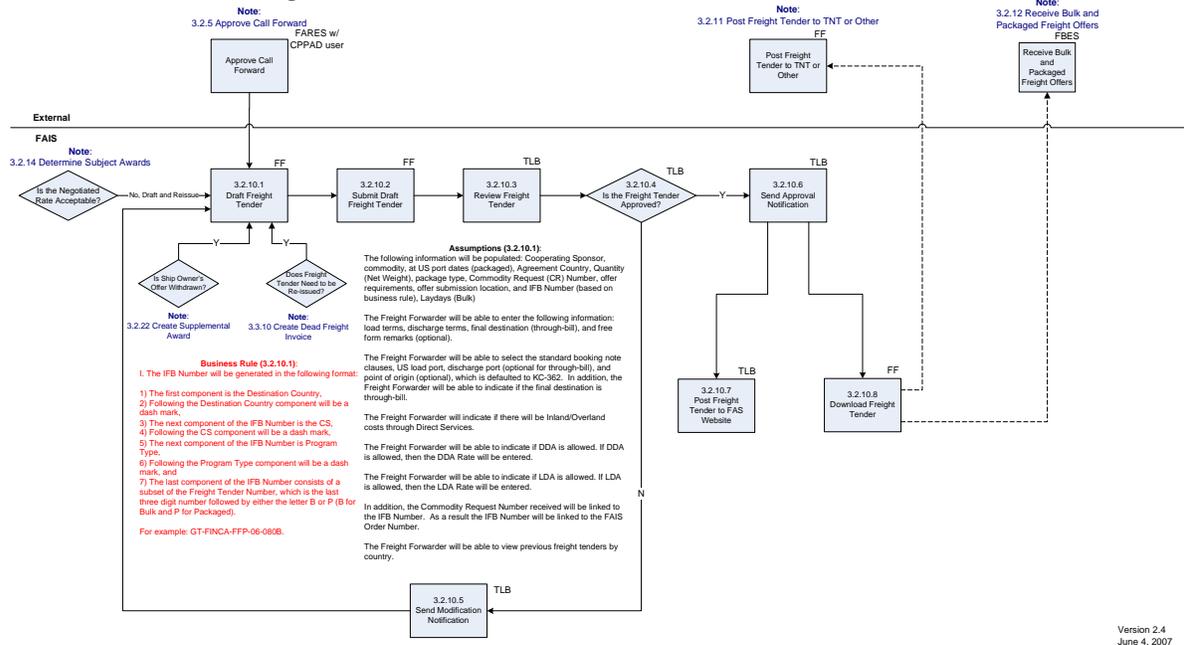
Summary:	The KCCO will post the commodity tender it receives from FARES to a website.
Responsible:	KCCO
Input Activity:	Create Commodity Tender
Output Activity:	Receive Commodity Offers

3.2.9 Receive Commodity Offers

Summary:	After KCCO posts the commodity tender, FBES will start to receive the commodity offers that will be used to determine the lowest landed solution.
Responsible:	FBES
Input Activity:	Post Commodity Tender
Output Activity:	Evaluate Bulk and Packaged Commodity and Freight Offers

3.2.10 Create and Post Freight Tender

3.2.10 Create and Post Freight Tender



Version 2.4
June 4, 2007

Summary:

In this activity the Freight Forwarder will create the freight tender that will be posted to the FAS website by TLB. In addition, the Freight Forwarder will download the freight tender to post to the Transportation News Ticker (TNT) and other websites. The primary tasks associated with this process flow are outlined below:

Draft and Submit Freight Tender

After the call forward is approved in FARES, the Freight Forwarder will draft the freight tender that will have an Invitation for Bid (IFB) Number associated to it. When drafting the freight tender, the Freight Forwarder will be able to view and select from previous freight tenders by country.

Another situation where a freight tender could be reissued is when a ship owner withdraws their offer on the Supplemental Award necessitating a new freight tender to be drafted. Additionally, if commodities were never loaded on a vessel and the vessel set sail, then a freight tender may be reissued to move those commodities to the destination.

The freight tender will include the Cooperating Sponsor Name, Commodity, at U.S. port dates for packaged commodities, Agreement Country, Quantity (Net Weight), Package Type, Commodity Request (CR) Number, and Laydays for bulk commodities from the approved call forward. The offer requirements and offer submission location will be maintained by TLB and will be included on the freight tender. The Freight Forwarder will then be able to enter Load Terms, Discharge Terms, Final Destination if there is a through-bill location, and Free Form Remarks. The Freight Forwarder will select the Standard Booking Note Clauses, U.S. Load Port, Discharge Port, and Point of Origin. In addition, the Freight Forwarder will indicate if there will be Inland/Overland costs through Direct Services.

For packaged commodities, if the Freight Forwarder indicates that there could be a Delivery Delay Assessment (DDA) charge for cargo delivered to the final destination past the agreed upon date, then the DDA rate will be entered. Also for packaged commodities, if the Freight Forwarder indicates that there could be a Loading Delay Assessment (LDA) charge for cargo loaded past the agreed upon date, then the LDA rate will be entered.

Once the freight tender is drafted, the Freight Forwarder will submit it for review to TLB.

	<p>Determine if the Freight Tender is Approved</p> <p>TLB will review the draft freight tender and determine if it should be approved. If the freight tender is approved, then, TLB will send an approval notification to the Freight Forwarder to download the freight tender and to post it on the TNT website or other forums. In addition, TLB will post the freight tender to the FAS Website. The approved freight tender information will also be used when the freight order is being created.</p> <p>If the freight tender is not approved by TLB, then TLB will send a modification notification to the Freight Forwarder to modify the freight tender.</p>
Responsible:	Freight Forwarder, Transportation Logistics Branch
Input Activity:	Determine Subject Awards, Approve Call Forward, Create Supplemental Award, Create Dead Freight Invoice
Output Activity:	Post Freight Tender to TNT or Other, Receive Bulk and Packaged Freight Orders

3.2.11 Post Freight Tender to TNT or Other

Summary:	The Freight Forwarder will post the freight tender to the TNT website and other forums.
Responsible:	Freight Forwarder
Input Activity:	Create and Post Freight Tender
Output Activity:	Receive Bulk and Packaged Freight Offers

3.2.12 Receive Bulk and Packaged Freight Offers

Summary:	After TLB and the Freight Forwarder post the freight tender, FBES will start to receive the bulk and packaged freight offers that will be used to determine the lowest landed solution.
Responsible:	FBES
Input Activity:	Create and Post Freight Tender, Post Freight Tender to TNT or Other
Output Activity:	Evaluate Bulk and Packaged Commodity and Freight Offers

3.2.13 Evaluate Bulk and Packaged Commodity and Freight Offers

Summary:	FBES will evaluate the Bulk and Packaged commodity and freight offers to determine the lowest landed solution. The lowest landed solution will be sent to TLB and FAD for approval.
Responsible:	FBES
Input Activity:	Receive Commodity Offers, Receive Bulk and Packaged Freight Offers, Determine Subject Awards (<i>additional request for lowest landed solution</i>)
Output Activity:	Determine Subject Awards (<i>lowest landed solution</i>)

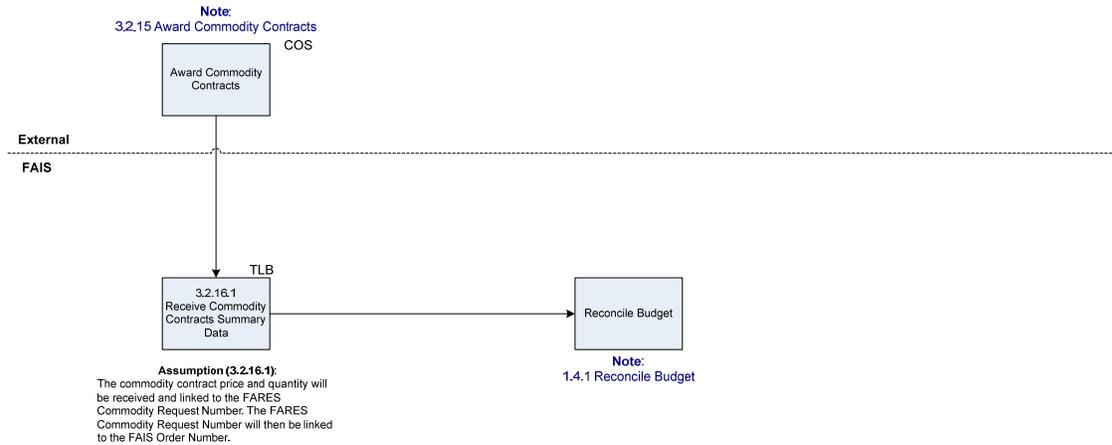
	<p>to the Freight Forwarder to determine if the ship owner wishes to withdraw the offer. The Subject Award will include the following: Load Port, U.S. Port Dates for packaged commodities, Laydays for bulk commodities, Discharge Port, IFB Number plus Line Item, Freight Rate, Carrier Name, Quantity Awarded (Net Weight), Commodity, Commodity Request Number, Package Type, Cooperating Sponsor, Vessel Name, Agreement Country, Load Terms, Discharge Terms, Free Form Remarks, Standard Booking Note Clauses, Foreign/U.S. Flag, Point of Origin, DDA Indicator, DDA Rate, LDA Indicator, LDA Rate, Through-Bill Indicator, Final Destination if there is a through-bill location, DSC Inland/Overland Indicator, Vessel Service, and Fumigation Rate per Ton or Total Fumigation Cost. In addition, TLB will select the Vessel Service.</p> <p>Once the subject award is received, the Freight Forwarder will indicate if the ship owner withdraws their offer. If the ship owner withdraws their offer, then a notification will be sent by the Freight Forwarder to TLB to request the next lowest landed solution from FBES. If the ship owner does not withdraw their offer, then TLB will need to determine if the guideline rate is required.</p> <p>Determine if the Guideline Rate is Required If TLB determines that the guideline rate is required, then the Maritime Administration (MARAD) will be requested to determine if the offered rate is above the guideline rate. For packaged commodities, TLB will determine if the guideline rate is required, however, for bulk commodities the guideline rate will always be required for U.S. Flag Vessels. <i>Note that this check will also occur for Supplemental Awards that are created.</i></p> <p>If TLB determines that the guideline rate is not required, then a notification will be sent to the Freight Forwarder to determine if the award is acceptable. It is important to note that the guideline rate will not be required for Foreign Flag vessels.</p> <p>Determine if the Negotiated Rate is Acceptable Once the negotiation is complete with the Freight Forwarder, TLB will determine if the negotiated rate is acceptable. If the negotiated rate is acceptable, then the Freight Forwarder will need to determine if the award is acceptable.</p> <p>If the negotiated rate is not acceptable, then TLB will determine if the freight tender will need to be redrafted and reissued by the Freight Forwarder or if the next lowest landed solution should be requested.</p>
Responsible:	TLB, FAD Director's Office, Freight Forwarder
Input Activity:	Evaluate Bulk and Packaged Commodity Freight Offers (<i>Lowest Landed Solution</i>), Award Commodity Contracts (<i>Confirmation of Commodity Contract Being Awarded</i>), Is the Offered Rate Above the Guideline Rate? (<i>Decision and Guideline Rate, if Applicable</i>), Negotiate Freight Rate, Reconcile Budget (<i>Budget Information</i>), Create Supplemental Award
Output Activity:	Evaluate Bulk and Packaged Commodity Freight Offers (<i>Request for Next Lowest Landed Solution</i>), Award Commodity Contracts (<i>Approval of Lowest Landed Solution</i>), Is the Offered Rate Above the Guideline Rate? (<i>Request for Guideline Rate Decision</i>), Reconcile Budget (<i>Validation Against Budget</i>), Create and Post Freight Tender, Firm Award Contracts

3.2.15 Award Commodity Contracts

Summary:	Once the lowest landed solution is approved, KCCO COS will award the commodity contracts.
Responsible:	COS
Input Activity:	Determine Subject Awards (<i>approval of lowest landed solution</i>)
Output Activity:	Receive Commodity Contract Summary Data, Determine Subject Awards (<i>confirmation of commodity contract being awarded</i>)

3.2.16 Receive Commodity Contract Summary Data

3.2.16 Receive Commodity Contract Summary Data

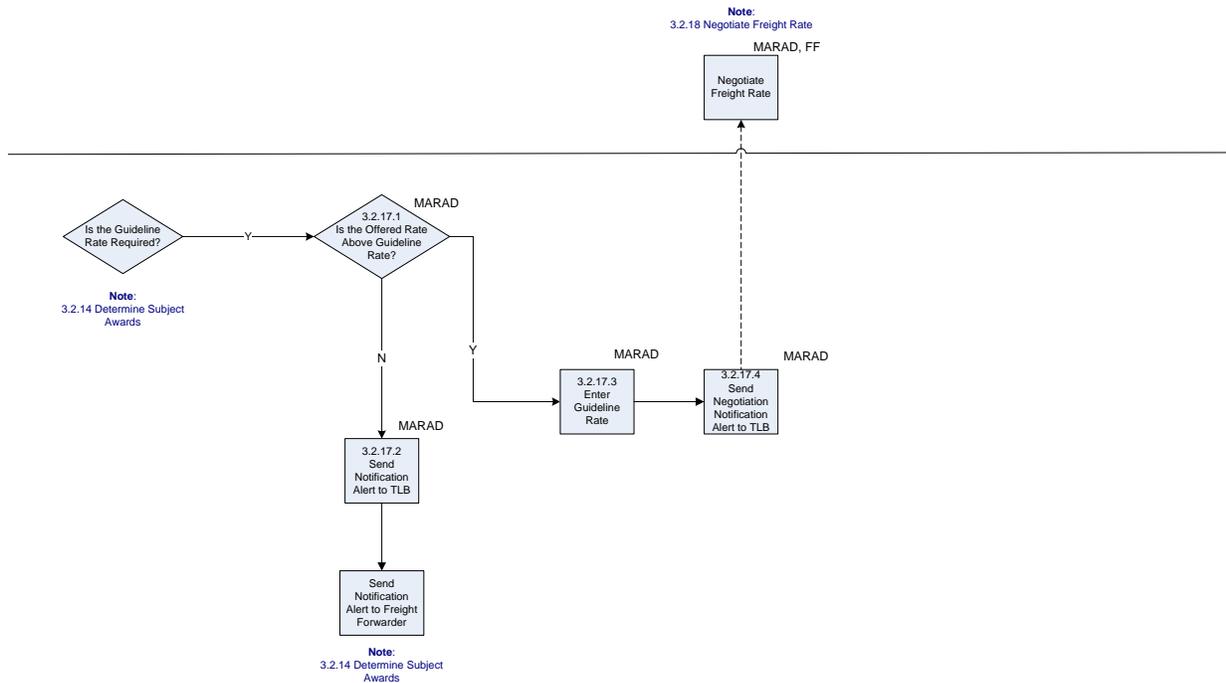


Version 1.9
June 4, 2007

Summary:	In this activity TLB will receive the Commodity Contract Summary Data from Commodity Operating System (COS). The primary task associated with this process flow is outlined below: Receive Commodity Contract Summary Data The commodity contract price and quantity will be received from COS and linked to the Commodity Request Number. In addition, the agreement and program budget will be updated with the contract price and quantity. Lastly, this information will also be used when the freight order is being created.
Responsible:	Transportation Logistics Branch
Input Activity:	Award Commodity Contracts
Output Activity:	Reconcile Budget

3.2.17 Is the Offered Rate Above Guideline Rate?

3.2.17 Is the Offered Rate Above Guideline Rate?



Version 1.1
June 4, 2007

Summary:	<p>In this activity once a request is received from TLB, MARAD will determine if the offered rate is above the guideline rate. The primary task associated with this process flow is outlined below:</p> <p>Determine if the Offered Rate is Above the Guideline Rate If MARAD determines that the offered rate is above the guideline rate, then the guideline rate will be entered and TLB will be informed that negotiations will need to take place with MARAD and the Freight Forwarder.</p> <p>If MARAD determines that the offered rate is not above the guideline rate, then a notification will be sent to the TLB informing them of this determination.</p>
Responsible:	MARAD
Input Activity:	Determine Subject Awards (<i>request for guideline rate decision</i>), Negotiate Freight Rate
Output Activity:	Determine Subject Awards (<i>decision and guideline rate if applicable</i>)

3.2.18 Negotiate Freight Rate

Summary:	If the offered rate is above the guideline rate, MARAD and the Freight Forwarder will negotiate the freight rate with TLB. The negotiated freight rate will be sent to TLB for approval.
Responsible:	MARAD, Freight Forwarder
Input Activity:	Is the Offered Rate Above Guideline Rate?
Output Activity:	Determine Subject Awards

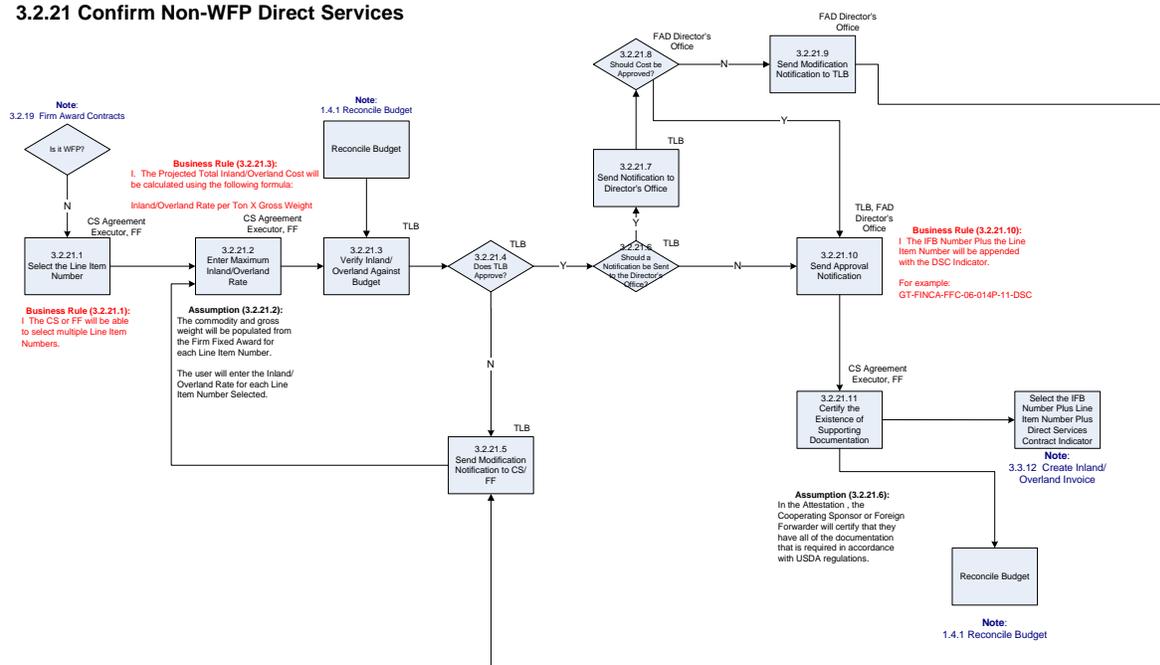
	<p>Determine if there are Inland/Overland Costs In addition after TLB issues the Firm Award, then a check will be done to determine if there will be Inland/Overland costs through Direct Services. If there will be Inland/Overland costs through Direct Services, then a check will be done to determine if the CS is WFP.</p> <p>If the CS is WFP, then the Inland/Overland Rate will have been included in the agreement. However, if the CS is not WFP, then the CS or Freight Forwarder will need to submit the maximum Inland/Overland Rate to TLB for approval prior to entering into a Direct Services Contract.</p> <p>Modify Firm Award In addition to the process above, TLB will have the ability to modify the Firm Award. The award can be modified (1) on an ad-hoc basis, (2) based on discrepancies identified when the Freight Invoice was validated, or (3) to include the commodities on an award that resulted from a dead freight issue. For example, if commodities were never loaded on a vessel and the vessel set sail, then an award may be modified to include those commodities so that they can be transported to the destination. Once the award is modified, the Freight Forwarder will determine if the award is acceptable.</p>
Responsible:	Freight Forwarder, Transportation Logistics Branch
Input Activity:	Determine Subject Awards, Validate for Payment and Deductions, Create Dead Freight Invoice
Output Activity:	Reconcile Budget, Post Freight Award to TNT or Other, Create Freight Invoice, Create Inland/Overland Invoice, Confirm Non-WFP Direct Services, Validate for Payment and Deductions, Create Dead Freight Invoice, Create Special Invoice, Determine Refunds

3.2.20 Post Freight Award to TNT or Other

Summary:	The Freight Forwarder will post the freight award to the TNT website and other forums.
Responsible:	Freight Forwarder
Input Activity:	Firm Award Contracts
Output Activity:	N/A

3.2.21 Confirm Non-WFP Direct Services

3.2.21 Confirm Non-WFP Direct Services



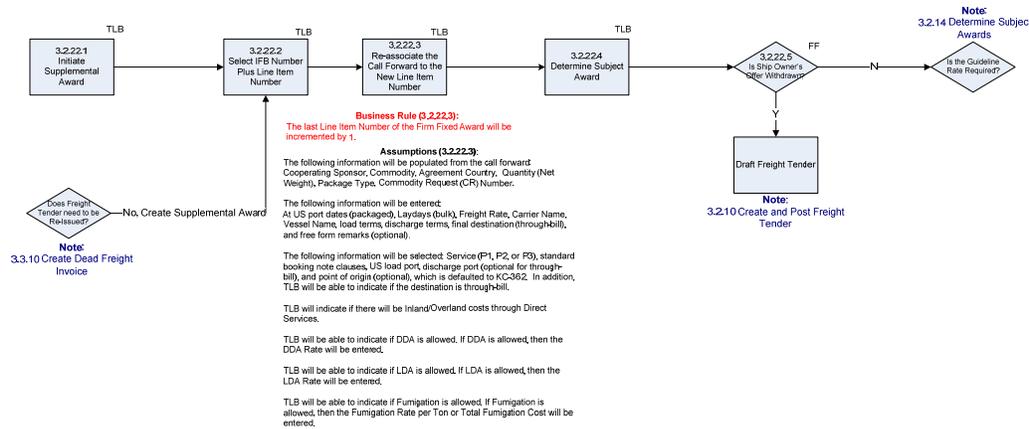
Version 1.7
June 4, 2007

Summary:	<p>In this activity, the Cooperating Sponsor (CS) Agreement Executor or Freight Forwarder will submit the Inland/Overland Rate for Non-WFP Direct Services for approval to TLB. The primary tasks associated with this process flow are outlined below:</p> <p>Enter Maximum Inland/Overland Rate For Firm Awards with Inland/Overland costs through Direct Services that are Non-WFP, the CS Agreement Executor or Freight Forwarder will enter a maximum Inland/Overland Rate for each Line Item Number associated with the IFB Number. The Inland/Overland Rate will then be used to calculate the Projected Total Inland/Overland Cost.</p> <p>Determine if TLB Approves Inland/Overland Cost The Projected Total Inland/Overland Cost will be checked against the budget to determine if it is over the Inland/Overland Cost for the specific commodity in the agreement. The result will then be included along with the maximum Inland/Overland Rate to TLB for approval. If TLB approves the rate, then a check will be done to determine if a notification should be sent to the FAD Director's Office. If the rate is not approved, then the CS Agreement Executor or Freight Forwarder will be informed to modify the maximum Inland/Overland Rate and resubmit it for approval.</p> <p>Determine if FAD Director's Office Needs to Approve If TLB approves the Inland/Overland Rate and it was determined that the Projected Total Inland/Overland Cost is over the Inland/Overland Cost for the specific commodity in the agreement, then the FAD Director's Office will need to determine if the additional cost should be approved. If the FAD Director's Office approves the additional cost, then the CS or Freight Forwarder will be notified of the approval. If the FAD Director's Office does not approve the additional cost, then TLB will be notified to ask the CS Agreement Executor or Freight Forwarder to modify the maximum Inland/Overland Rate and resubmit it for approval.</p> <p>However, if the Projected Inland/Overland Cost is within the Inland/Overland Cost for the specific commodity in the agreement, then the CS Agreement Executor or Freight Forwarder will be notified of the approval.</p>
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	Certify the Existence of Supporting Documentation Once the approval is received, the CS Agreement Executor or Freight Forwarder will need to certify that they have all documentation that is required in accordance with USDA Regulations. The CS Agreement Executor or Freight Forwarder will then have the ability to create an Inland/Overland Invoice.
Responsible:	CS Agreement Executor, Freight Forwarder, Transportation Logistics Branch, FAD Director's Office
Input Activity:	Firm Award Contracts, Reconcile Budget (<i>budget verification</i>)
Output Activity:	Create Inland/Overland Invoice, Reconcile Budget (<i>approved Inland/Overland Rate</i>)

3.2.22 Create Supplemental Award

3.2.22 Create Supplemental Award



Version 1.5
June 4, 2007

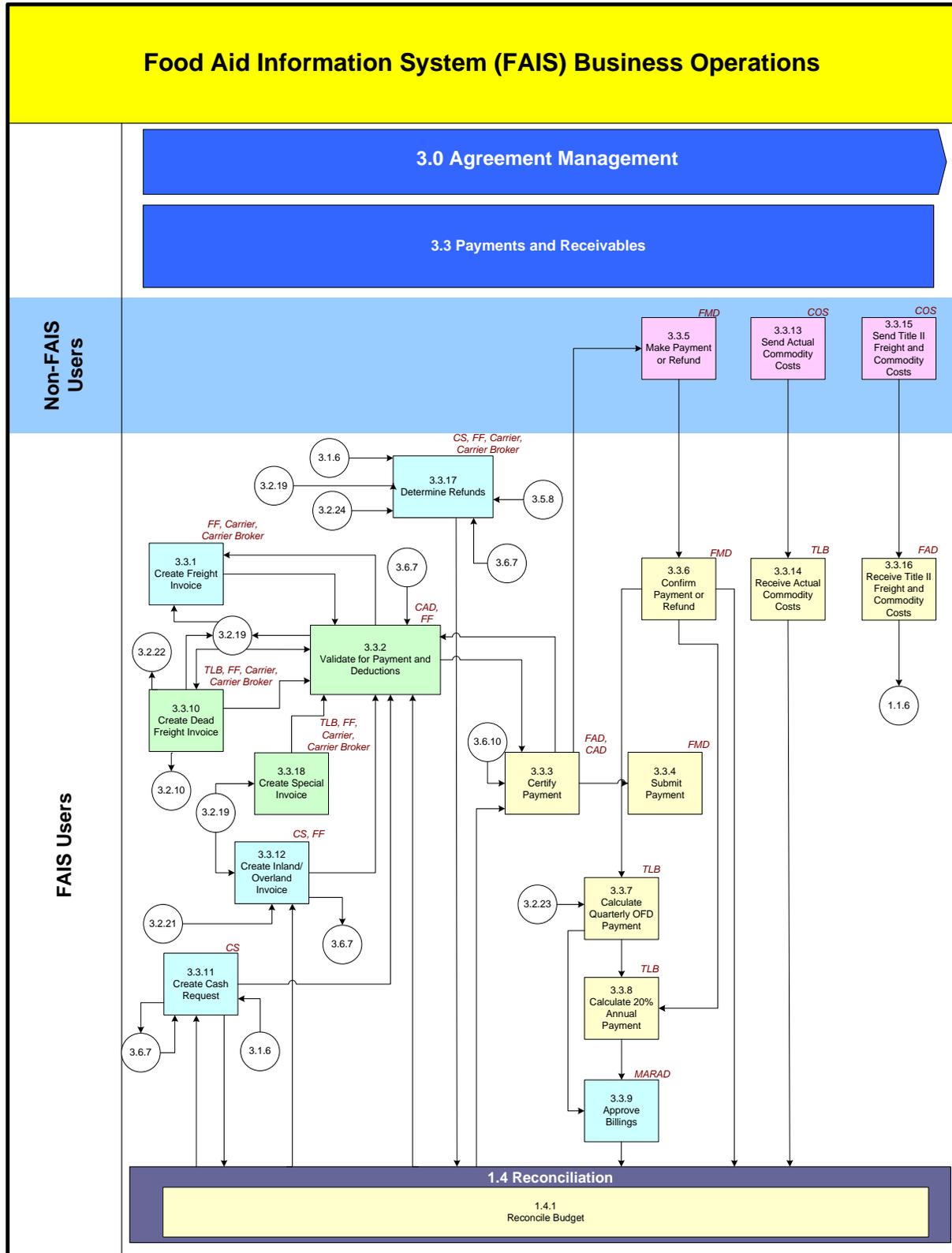
Summary:	<p>In this activity, the Transportation and Logistics Branch (TLB) will create a Supplemental Award. The primary tasks associated with this process flow are outlined below:</p> <p>Re-associate the Call Forward When creating a Supplemental Award, TLB will need to select the IFB Number Plus the Line Item Number of the initial Firm Fixed Award. A Supplemental Award will be created if TLB determined that the commodities that were never loaded on the assigned vessel that set sail should be loaded on a vessel from another program (i.e. USAID, Department of State).</p> <p>The last Line Item Number from the Firm Fixed Award will be incremented to create the new Supplemental Subject Award. The call forward will then be associated to the Supplemental Subject Award.</p> <p>Determine Subject Award Once the call forward is associated, TLB will enter the U.S. Port Dates for packaged commodities, Freight Rate, Vessel Name, Load Terms, Discharge Terms, Free Form Remarks, Laydays for bulk commodities, and Final Destination if there is a through-bill location into the Subject Award.</p> <p>TLB will select the Carrier Name, Vessel Service, U.S. Load Port(s), Standard Booking Note Clauses, Point of Origin, Discharge Port(s) as well as indicate if there will be Inland/Overland costs through Direct Services. In addition, if there could be Fumigation charges, then TLB will enter the Fumigation Rate per ton or Total Fumigation Cost.</p> <p>For packaged commodities, if TLB indicates that there could be a Delivery Delay Assessment (DDA) charge for cargo delivered to the final destination past the agreed upon date, then the DDA rate will be entered. Also for packaged commodities, if TLB indicates that there could be a Loading Delay Assessment (LDA) charge for cargo loaded past the agreed upon date, then the LDA rate will be entered.</p> <p>Once TLB determines the Supplemental Subject Award, then the subject award notification</p>
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	<p>will be sent to the Freight Forwarder to determine if the ship owner wishes to withdraw the offer.</p> <p>Determined if the Ship Owner's Offer Is Withdrawn If the ship owner withdraws their offer, then a notification will be sent to TLB. TLB will then have to reissue a freight tender. If the ship owner does not withdraw their offer, then TLB will need to determine if the guideline rate is required.</p>
Responsible:	Transportation Logistics Branch, Freight Forwarder
Input Activity:	Create Dead Freight Invoice
Output Activity:	Create and Post Freight Tender, Determine Subject Awards

3.3 Payments and Receivables

Food Assistance Division Operations
Food Aid Information System

Version 1.24
June 4, 2007



In this section, both the Payments and Receivables sub-processes will be covered. Payments are made for signed agreements against established obligating documents.

PAYMENTS

The Payments sub-process will be initiated by the request for payment by the Carrier, Carrier Broker, Freight Forwarder, or a Cooperating Sponsor (CS) Agreement Executor. The request will then be submitted to the Contracts and Agreements Division for review and payment. Once the Contracts and Agreements Division has certified the payment, the Financial Management Division (FMD) will process the payment and confirm that payment has been made.

Type of Payment Requests

There are five types of payment requests: (1) Freight Invoice, (2) Cash Request, (3) Inland/Overland Invoice, (4) Dead Freight Invoice, and (5) Special Invoice.

In the first payment request type the Carrier, Carrier Broker, or FF will create a Freight Invoice for a specific Invitation For Bid (IFB) Number tied to a Firm Award. Payment of a Freight Invoice will be requested for the ocean transportation of commodities from load port to discharge port or from load port to the through-bill location. If the Freight Forwarder creates the Freight Invoice, then the Freight Invoice will be submitted to the Contracts and Agreements Division for payment. However, if the Carrier or Carrier Broker creates the Freight Invoice, then the Freight Forwarder must review and approve the Freight Invoice prior to submission to the Contracts and Agreements Division for payment.

In the second payment request type the CS Agreement Executor will create a Cash Request based on the cash funds allocated in the agreement. The two types of Cash Requests are Cash Advances and Cash Reimbursements. Cash Advances will be requested if the CS Agreement Executor wishes to have funds to use in advance of incurring the expense. On the other hand, Cash Reimbursements will be requested when the CS Agreement Executor has obligated or spent funds out of their own pocket and need to be reimbursed. Both the Cash Advance and/or Cash Reimbursement requests will be submitted directly to the Contracts and Agreements Division for payment.

In the third payment request type the CS Agreement Executor or FF will create an Inland/Overland Invoice for a specific IFB Number tied to a Firm Award if there are Direct Services performed. Payment of an Inland/Overland Invoice will be requested for the transportation of commodities from discharge port to the inland/overland storage destination. The amount of tonnage lost at sea will be determined off of the first invoice while the inland/overland losses will be determined off of the final invoice. Regardless if it is the first or final invoice, the Inland/Overland Invoice will be submitted to the Contract and Agreements Division for payment.

In the fourth payment request type the Carrier, Carrier Broker, or FF will create the Dead Freight Invoice based on the IFB Number tied to a Firm Award. Payment of a Dead Freight Invoice will be requested for the amount of space reserved for cargo that was not loaded on the vessel. For example, this will occur if the cargo did not arrive on port in time to be loaded on the vessel and the vessel had to set sail without the cargo. The Dead Freight Invoice will then be submitted to the Transportation and Logistics Branch (TLB) for approval. Once TLB approves the Dead Freight Invoice, then the Dead Freight Invoice will be submitted to the Contracts and Agreements Division for payment.

In the fifth payment request type the Carrier, Carrier Broker, or FF will create the Special Invoice based on the IFB Number tied to a Firm Award. Payment of a Special Invoice will be requested for the amount and service type indicated on the invoice. The Special Invoice will then be submitted to the Transportation and Logistics Branch (TLB) for approval. Once TLB approves the Special Invoice, then the Special Invoice will be submitted to the Contracts and Agreements Division for payment.

Payment Review and Certification

Within the Contracts and Agreements Division, the Payment Reviewer will receive all Invoice and Cash Request types. Discrepancies will only be identified for the Freight Invoice and Cash Reimbursement requests. The Payment Reviewer will then review each discrepancy and determine if payment should be made. However, for Cash Advances, Inland/Overland Invoices, and Dead Freight Invoices, there will be no checks for discrepancies as the validation occurs when the request is made. Therefore, the Payment Reviewer only determines if payment should be made.

Once the Payment Reviewer makes the decision for payment, an SF-1166 will be created for each individual cost type (administrative, ocean, etc). However, if there are deductions (resulting from discrepancies), then an AD-216 will be created. Both the SF-1166 and AD-216 (if necessary) will be forwarded to the Payment Certifier to certify the payment.

The Payment Certifier will review the SF-1166 and AD-216, and the FAD Director's Office may be notified of any deductions that the Payment Certifier will flag as well as any costs that are over the agreement and determine if payment should be made. Once the FAD Director's Office makes a decision (if necessary) and the SF-1166 and/or AD-216 has been certified by the Payment Certifier, then the SF-1166 and/or AD-216 will be sent to the FMD for review and payment.

Payment Submission and Confirmation

FMD will review and submit the SF-1166 for payment. In addition, they will review the AD-216 and submit it to the appropriate party indicating the deductions. Once the payment is processed, FMD will confirm the payment and the budget will be reconciled.

Other Costs

In addition to the costs discussed above, the commodity costs captured in Kansas City as well as the Title II freight and commodity costs (from USAID) will be received and reconciled against the budget.

RECEIVABLES

The Receivables sub-process will be initiated by either (1) a request for reimbursement from MARAD (2) or a refund from the Carrier, Carrier Broker, FF, or CS Agreement Executor.

MARAD Reimbursement Request

There are two types of MARAD reimbursement requests: (1) Quarterly Ocean Freight Differential (OFD) Payments and (2) 20% Annual Payment.

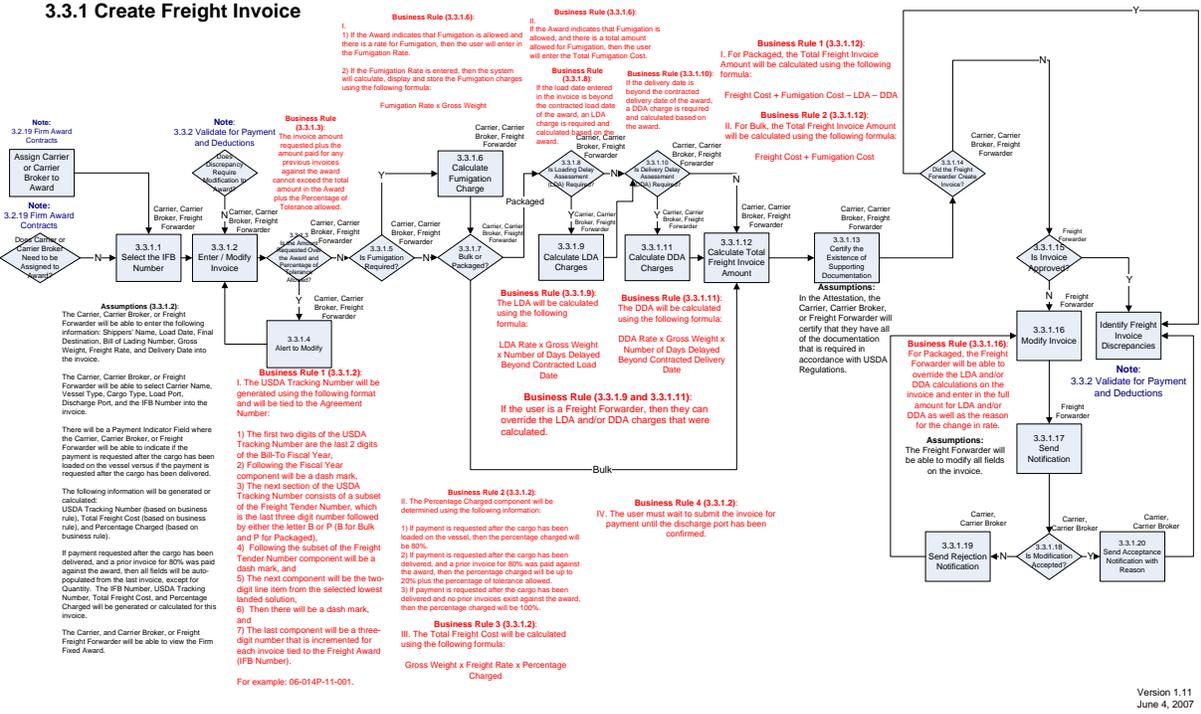
In the first MARAD reimbursement request, the OFD will be calculated for all freight payments for U.S. flag vessels made in the quarter. OFD is the difference between the chosen U.S. freight rate and the lowest Foreign Flag freight rate. In the second MARAD reimbursement request, a 20% annual will be calculated for all freight payments made in the year. Once the requests are made, MARAD will approve the request and reimburse USDA for the OFD.

Refund Request

The other type of receivable is through a refund from the Carrier, Carrier Broker, FF, or CS Agreement Executor. A refund can be initiated through claims, diversion, financial reports, status reports, or on an ad-hoc basis. Once the payment method for the refund is selected, the refund request will be created and a copy will be submitted to FMD. The appropriate party will include the generated request with their payment so that FMD can allocate the funds to the appropriate account. Once the funds have been allocated, FMD will confirm that the refund has been received.

3.3.1 Create Freight Invoice

3.3.1 Create Freight Invoice



Summary:

In this activity, the Carrier, Carrier Broker, and/or Freight Forwarder will create a Freight Invoice. The primary tasks associated with this process flow are outlined below:

Enter and/or Modify Invoice

The Freight Forwarder will have the ability to create a Freight Invoice or assign the invoice creation associated to an award to a Carrier or Carrier Broker. Upon assignment to the Carrier or Carrier Broker, they will select the Invitation for Bid (IFB) Number to create a Freight Invoice.

The Carrier, Carrier Broker, or Freight Forwarder will be able to enter or modify the following information into the Freight Invoice: Shippers' Name, Load Date, Final Destination, Bill of Lading Number, Gross Weight, Freight Rate, and Delivery Date. They will also be able to select the Carrier Name, Vessel Type, Cargo Type, Load Port, and the Discharge Port.

The Freight Invoice will also contain a Payment Indicator field where the Carrier, Carrier Broker, or Freight Forwarder will be able to indicate if the payment is requested after the cargo has been loaded on the vessel or if the payment is requested after the cargo has been delivered. In addition, the Freight Invoice will include the following system generated items: the USDA Tracking Number, Total Freight Cost, and Percentage Charged. The USDA Tracking Number will include a three-digit number that is incremented for each invoice tied to the IFB Number. This USDA Tracking Number will be generated and will serve as the unique identifier for each Freight Invoice for tracking purposes.

Determine if Amount Requested Is Over Award Amount and Tolerance Allowed

If the amount requested is over the award and the percentage of tolerance allowed, then the Carrier, Carrier Broker, or Freight Forwarder will need to modify the invoice, otherwise the invoice will not be saved or submitted. If the amount requested is not over the award and percentage of tolerance allowed, then the Carrier, Carrier Broker, or Freight Forwarder will determine if fumigation is required.

Determine if Fumigation if Required

If fumigation is required, the Carrier, Carrier Broker, or Freight Forwarder will enter a fumigation rate or the full fumigation charge amount. If a fumigation rate is entered, then the fumigation charges will be calculated. After the fumigation rate or the full fumigation charge amount is entered, then a check will determine if the invoice is for packaged or bulk goods.

Determine if Invoice is for Packaged or Bulk

If the invoice is for bulk goods, then the Total Freight Invoice Amount will be calculated. If the invoice is for packaged goods, then it will need to be determined if there will be a Loading Delay Assessment (LDA) charge.

Determine Loading Delay Assessment (LDA) Charges

For packaged goods, it will be determined if there will be a Loading Delay Assessment (LDA) charge per the Award information if the actual load date is beyond the contracted load date. If this is the case, the LDA charges will be calculated based on the Award. If the Freight Forwarder created the Freight Invoice, then the Freight Forwarder will have the ability to override the calculated LDA charges and enter an amount. Once the LDA charges have been calculated, it will then be determined if there will be a Delivery Delay Assessment (DDA) charge.

Determine Delivery Delay Assessment (DDA) Charges

For packaged goods, it will be determined if there will be a Delivery Delay Assessment (DDA) charge per the Award information if the actual delivery date is beyond the contracted delivery date. If this is the case, the DDA charges will be calculated based on the Award. If the Freight Forwarder created the Freight Invoice, then the Freight Forwarder will have the ability to override the calculated DDA charges and enter an amount. Once the DDA charges have been calculated, the Total Freight Invoice Amount will then need to be calculated.

Calculate Total Freight Invoice Amount and Certify Documentation

The Total Freight Invoice Amount will be calculated for both packaged and bulk goods. Once the Total Freight Invoice Amount is calculated, the Carrier, Carrier Broker, or Freight Forwarder will certify that they have all of the documentation that is required in accordance with USDA Regulations. In addition, the Carrier, Carrier Broker, or Freight Forwarder will indicate if the invoice being submitted is the final freight invoice. If the final freight invoice is being submitted and the total invoiced tonnage differs than the tonnage on the award, then the Carrier, Carrier Broker, or Freight Forwarder will need to provide comments.

Furthermore, the Carrier, Carrier Broker, or Freight Forwarder will then confirm their bank account information on file and update it if necessary.

Determine if Freight Forwarder Created the Invoice

After the certification, the system will determine if the Freight Forwarder created the Freight Invoice. If the Freight Forwarder created the invoice, then the invoice will be submitted to the Contracts and Agreements Division for payment. If the Carrier or Carrier Broker created the invoice, then the invoice will be submitted to the Freight Forwarder for approval. In the submission, the Carrier or Carrier Broker can provide any comments including disputes to LDA and/or DDA charges incurred for packaged goods.

Freight Forwarder Determines if Invoice is Approved

If the Carrier or Carrier Broker created the invoice, then the Freight Forwarder will determine if the invoice will be approved. If the invoice is approved, then the invoice will be submitted to the Contracts and Agreements Division for payment. If the invoice is not approved, then the Freight Forwarder will modify the invoice and send a notification to the Carrier or Carrier Broker. The Carrier or Carrier Broker will then determine if the modification made is acceptable.

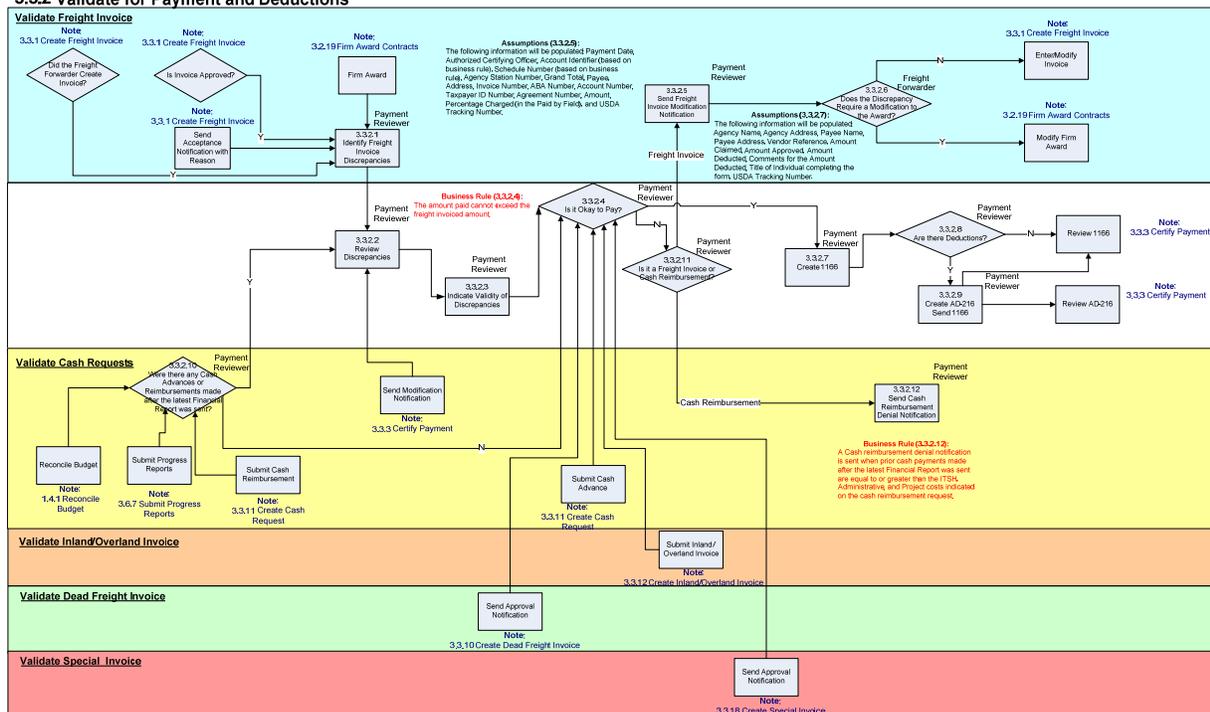
Determine if Modification to Invoice is Acceptable

If the modifications are acceptable, then the invoice will be submitted to the Contracts and Agreements Office and the acceptance notification will be sent to the Freight Forwarder. If

	the modifications are not acceptable, then the Carrier or Carrier Broker will send a rejection notification to the Freight Forwarder with a reason.
Responsible:	Carrier, Carrier Broker, Freight Forwarder
Input Activity:	Firm Award Contracts, Validate for Payment and Deductions (<i>Modifications</i>)
Output Activity:	Validate for Payment and Deductions (<i>Submitted Freight Invoice</i>)

3.3.2 Validate for Payments and Deductions

3.3.2 Validate for Payment and Deductions



Version 1.12
June 4, 2007

Summary:

In this activity, the Payment Reviewer will validate the Freight Invoices, Cash Requests (Cash Advances or Cash Reimbursements), Inland/Overland Invoices, Special Invoices, and Dead Freight Invoices for payments and deductions. The primary tasks associated with this process flow are outlined below:

Review, Validate, and Determine Payment for Freight Invoices

Once the Payment Reviewer receives the submitted Freight Invoice it will be validated against the award to identify discrepancies. The discrepancies that exist between the award and the Freight Invoice will be indicated for the Payment Reviewer to determine if each discrepancy is allowable and provide the reason. Once the discrepancies have been identified and reviewed, the Payment Reviewer will determine if it is okay to make payment on the Freight Invoice.

If the number or types of discrepancies require a modification by the Freight Forwarder, then a notification will be sent to the Freight Forwarder from the Payment Reviewer. For example, a modification could be sent if there are numerous minor discrepancies found. Additionally, if the name of the Carrier has changed and that is the only discrepancy found, then a modification would be required as well,

The Freight Forwarder will then determine if the discrepancy requires a change to the award or to the invoice. If the discrepancy requires a change to the Freight Invoice, then the Freight Forwarder will modify the invoice and resubmit it. However, if the discrepancy requires a modification to the award, then the Freight Forwarder will notify TLB that a modification is required to the Firm Award.

Review, Validate, and Determine Payment for Cash Reimbursements

Once the Payment Reviewer receives the Cash Reimbursement request, it will be determined if there were any cash payments (through Cash Advances or Cash Reimbursements) made after the latest Financial Report was sent to the Payment Reviewer.

	<p>If there were cash payments made after the latest Financial Report was sent, then it will be determined if there are any discrepancies between the amount requested for reimbursement and the amount paid. Similar to Freight Invoice discrepancies, the Payment Reviewer will review each discrepancy and determine if it is allowable and provide a reason. Once the discrepancies have been identified and reviewed or if there were no cash payments made after the latest Financial Report was sent, then it will be determined if it is okay to make payment on the Cash Reimbursement.</p> <p>If the total amount of the cash payments made after the latest Financial Report was sent is equal to or greater than the Cash Reimbursement request, then the Cash Reimbursement request will be denied.</p> <p>Review and Determine Payment for Cash Advances, Inland/Overland Invoices, Special Invoices, and Dead Freight Invoices Unlike Freight Invoices and Cash Reimbursement requests, once the Payment Reviewer receives the Cash Advance requests, Inland/Overland Invoices, Special Invoices, and/or Dead Freight Invoices, the Payment Reviewer will receive the request and determine if it is okay to make payment. There is no validation for Cash Advances, Inland/Overland Invoices, Special Invoices, and Dead Freight Invoices as it was done when the request was made.</p> <p>Create SF-1166 and AD-216 Once the Payment Reviewer determines that the Freight Invoice, Cash Advance, Cash Reimbursement, Inland/Overland Invoice, Special Invoice, and/or Dead Freight Invoice should be paid, then an SF-1166 will be created for each account type based on the individual cost type (administrative, ocean, etc.). If there were deductions made by the Payment Reviewer, then an AD-216 will be created. Both the SF-1166 and the AD-216 (if necessary) will then be sent to the Payment Certifier for review and certification.</p>
Responsible:	Payment Reviewer, Freight Forwarder
Input Activity:	Create Freight Invoice (<i>Submitted Invoice</i>), Firm Award Contracts (<i>Firm Award</i>), Reconcile Budget, Submit Progress Reports, Create Cash Request, Certify Payment (<i>Modification Notification</i>), Create Inland/Overland Invoice, Create Dead Freight Invoice, Create Special Invoice
Output Activity:	Create Freight Invoice (<i>Invoice Modification Notification</i>), Firm Award Contracts (<i>Award Modification Notification</i>), Certify Payment (<i>Submitted SF-1166 and AD-216</i>)

Director's Office. The FAD Director's Office will then determine if payment should be made on the additional costs.

If the inland/overland costs are within the costs of the agreement, then the Payment Certifier will determine if payment should be made on the SF-SF-1166.

Determine if FAD Director's Office Approves Payment

For AD-216s, the FAD Director's Office will determine if the deduction should be overridden and paid. For SF-SF-1166s related to Freight Invoices or Inland/Overland Invoices, the FAD Director's Office will determine if payment should be made on the additional costs.

If the FAD Director's Office determines that payment should be made, then the Payment Certifier will be notified. The Payment Certifier will then determine if the resolution is acceptable. If the resolution is not acceptable, then the Payment Certifier will inform the FAD Director's Office. If the resolution is acceptable, then the Payment Reviewer will need to modify the SF-SF-1166 and/or AD-216 and resubmit it.

If the FAD Director's Office determines that payment should not be made or if a response was not received within the specified number of days, then the Payment Certifier will review the SF-SF-1166 and AD-216 one last time and determine if it is okay to submit payment.

Determine if Payment Certifier Approves Payment

The Payment Certifier will determine if it is okay to submit the SF-SF-1166 for payment and the AD-216 (if necessary) for deductions. If the Payment Certifier determines that the SF-SF-1166 and AD-216 should be submitted to FMD, then the SF-SF-1166 and AD-216 will be certified and it will be determined if the payment request is for a cash request.

If the Payment Certifier determines it is not okay to submit the SF-SF-1166 for payment and the AD-216 (if necessary) for deductions, then the Payment Reviewer will need to modify the SF-SF-1166 and/or AD-216 and resubmit it.

Determine if Payment is for Cash Request

Once the SF-1166s and AD-216s are submitted for payment, a check will be done to determine if payment is for a cash request. If payment is for a cash request, then it will be determined if the agreement has been suspended. If payment is not for a cash request, then a check will be done to determine if interest should be calculated.

If payment is for a cash request and the agreement has not been suspended, then it will be determined if payment is for a Cash Reimbursement

If payment is for a cash request and the agreement has been suspended, then the Payment Certifier and FAD Director's Office will be notified. A check will then be done to determine if the current date is within 5 days of the payment due date. If the current date is not within 5 days of the payment due date, then payment will be held until it is 5 days of the payment due date. If the current date is within 5 days of the payment due date then a notification will be sent to the FAD Director's Office and Payment Certifier indicating that a determination needs to be made on the payment.

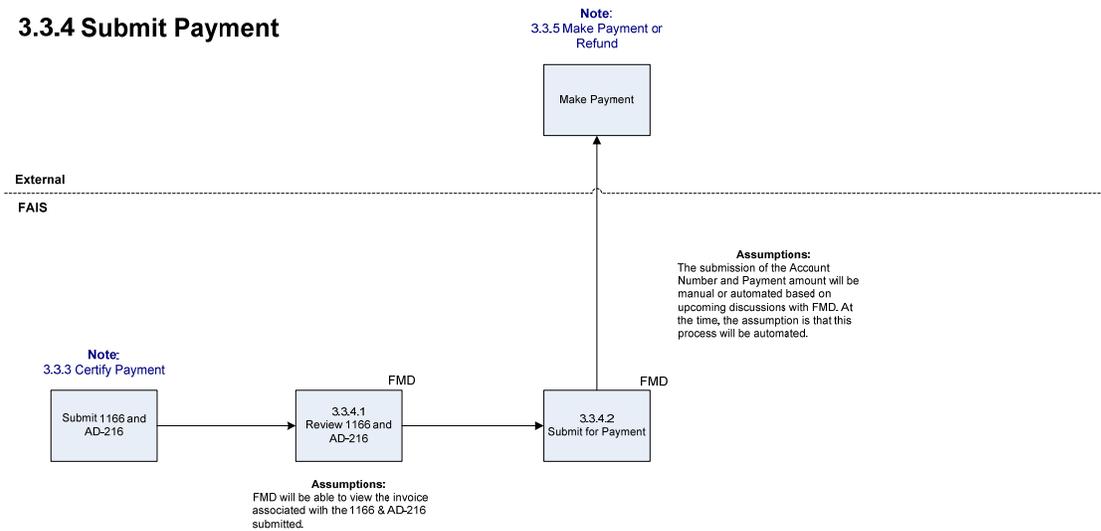
The FAD Director's Office will then determine if payment should be made. If payment should be made, then it will be determined if payment is for a Cash Reimbursement. If the FAD Director's Office determines that the payment should not be made, then the Payment Certifier will be notified and the SF-SF-1166 will be converted to an AD-216 and submitted to FMD for review.

If payment should be made and it is for a Cash Reimbursement, then a check will be done to determine if interest should be calculated.

	<p>Calculate Interest</p> <p>If payment will be made on SF-SF-1166s not related to Cash Reimbursements, then a check will be done to determine if the current date is past the payment due date. If the current date is past the payment due date, then the interest will be calculated and the SF-SF-1166 will be modified to include the Total Interest Due. The modified SF-SF-1166 along with the AD-216 (if necessary) will be submitted to FMD for review and to process payment.</p> <p>However, if the current date is not past the payment due date, then the SF-SF-1166 and AD-216 (if necessary) will be submitted to FMD for review and to process payment.</p>
Responsible:	Payment Certifier, FAD Director's Office
Input Activity:	Validate for Payment and Deductions (<i>AD-216 and SF-SF-1166</i>), Reconcile Budget, Suspend Agreement
Output Activity:	Validate for Payment and Deductions (<i>Modification Notification</i>), Submit Payment

3.3.4 Submit Payment

3.3.4 Submit Payment



Version 1.7
June 4, 2007

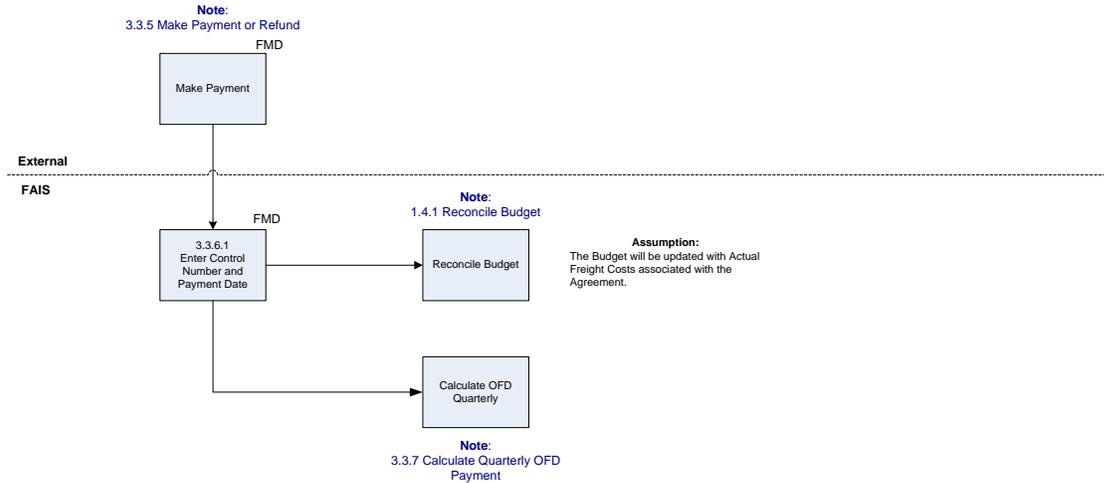
Summary:	In this activity, the Financial Management Division (FMD) will review the SF-1166 and AD-216 and submit the payment information. The primary task associated with this process flow is outlined below: Review and Submit SF-1166 and AD-216 FMD will review the SF-1166 and AD-216 (if necessary). Additionally, FMD will have the ability to view the associated Freight Invoice, Cash Advance request, Cash Reimbursement request, Inland/Overland Invoice, or Dead Freight Invoice. After the review, FMD will submit the account information and payment amount to process the payment. Finally, FMD will send the AD-216 (if applicable) to the impacted party (CS Agreement Executor, Freight Forwarder, Carrier, or Carrier Broker).
Responsible:	Financial Management Division
Input Activity:	Certify Payment
Output Activity:	Make Payment or Refund

3.3.5 Make Payment or Refund

Summary:	Once FMD reviews the SF-1166 and AD-216, then FMD will process the payment. In addition, FMD will process any refunds received.
Responsible:	Financial Management Division
Input Activity:	Submit Payment
Output Activity:	Confirm Payment or Refund

3.3.6 Confirm Payment or Refund

3.3.6 Confirm Payment or Refund

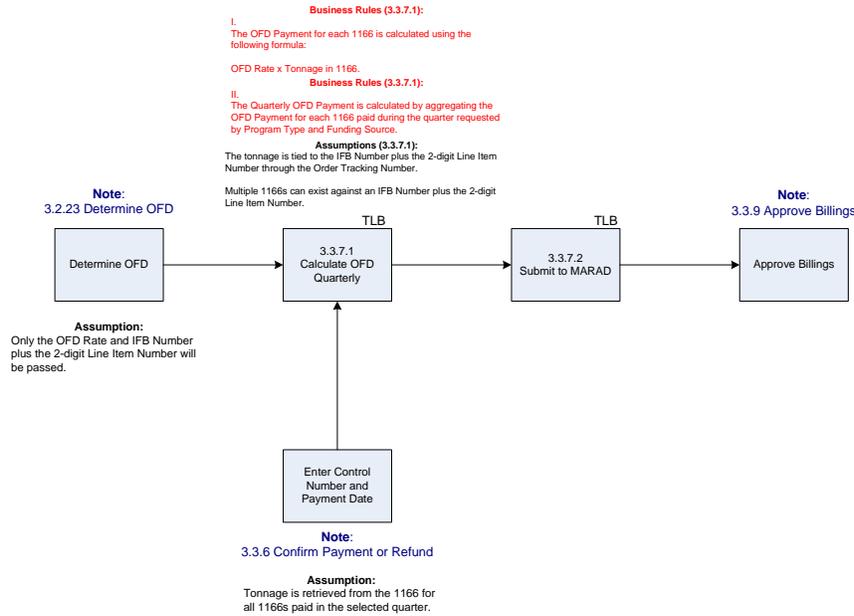


Version 1.6
June 4, 2007

Summary:	<p>In this activity, FMD will confirm the payment or refund. The primary tasks associated with this process flow are outlined below:</p> <p>Confirm Payment FMD will enter the Control Number and Payment Date related to the SF-1166. Once this information is entered into the system, the budget will be reconciled with the appropriate costs.</p> <p>Confirm Refund FMD will confirm the refund amount and date received related to the refund request created. Once this information is entered into the system, the budget will be reconciled with the appropriate costs.</p>
Responsible:	Financial Management Division
Input Activity:	Make Payment or Refund
Output Activity:	Reconcile Budget, Calculate Quarterly OFD Payment

3.3.7 Calculate Quarterly OFD Payment

3.3.7 Calculate Quarterly OFD Payment

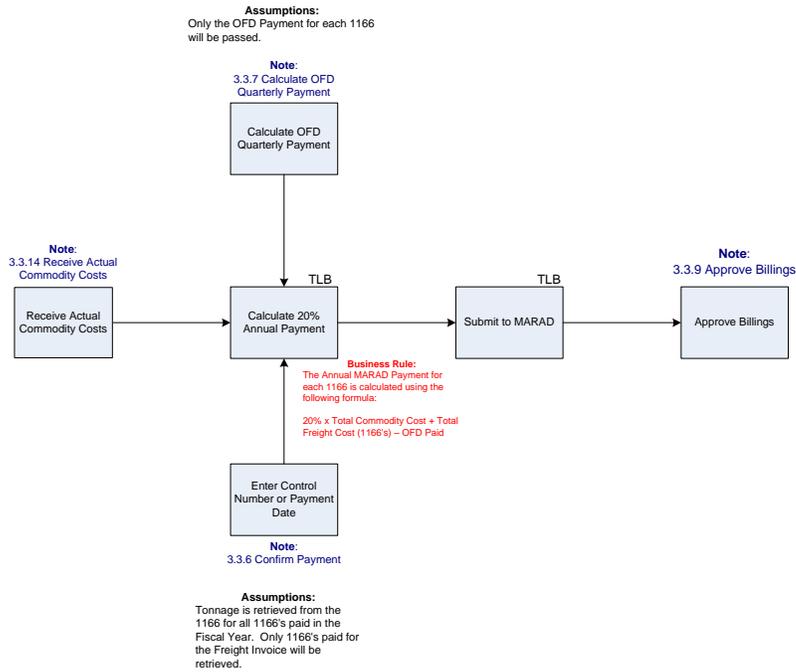


Version 1.9
June 4, 2007

Summary:	<p>In this activity, the Quarterly OFD Payment will be calculated and submitted to MARAD for reimbursement. The primary tasks associated with this process flow are outlined below:</p> <p>Calculate OFD Quarterly TLB will select the quarter to bill MARAD for the OFD Payment. Once the quarter is selected, the tonnage from the SF-1166 for all SF-1166's paid in the selected quarter related to freight for U.S. Flag vessels will be retrieved. The tonnage will be multiplied against the OFD Rate (established at the time of Firm Fixed Award) to calculate the Quarterly OFD Payment. The Quarterly OFD Payment amount will be calculated by Program Type and Funding Source.</p> <p>Submit to MARAD Once the Quarterly OFD Payment is calculated, TLB will create a letter and submit the payment amount to MARAD for approval and subsequent payment.</p>
Responsible:	Transportation and Logistics Branch
Input Activity:	Determine OFD, Confirm Payment or Refund
Output Activity:	Approve Billings

3.3.8 Calculate 20% Annual Payment

3.3.8 Calculate 20% Annual Payment (Pending Clarification)

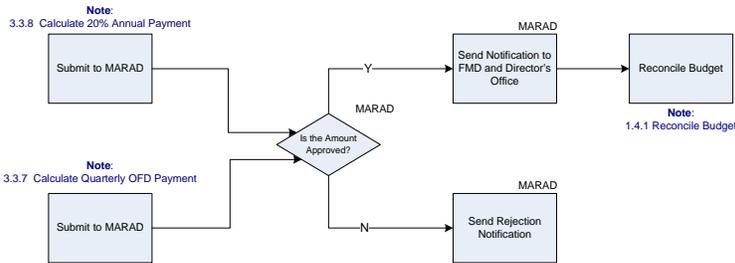


Version 1.3
June 4, 2007

Summary:	In this activity, the 20% Annual Payment will be calculated and submitted to MARAD for reimbursement.
Responsible:	Transportation and Logistics Branch
Input Activity:	Receive Actual Commodity Costs, Calculate OFD Quarterly Payment, Confirm Payment or Refund
Output Activity:	Approve Billings

3.3.9 Approve Billings

3.3.9 Approve Billings

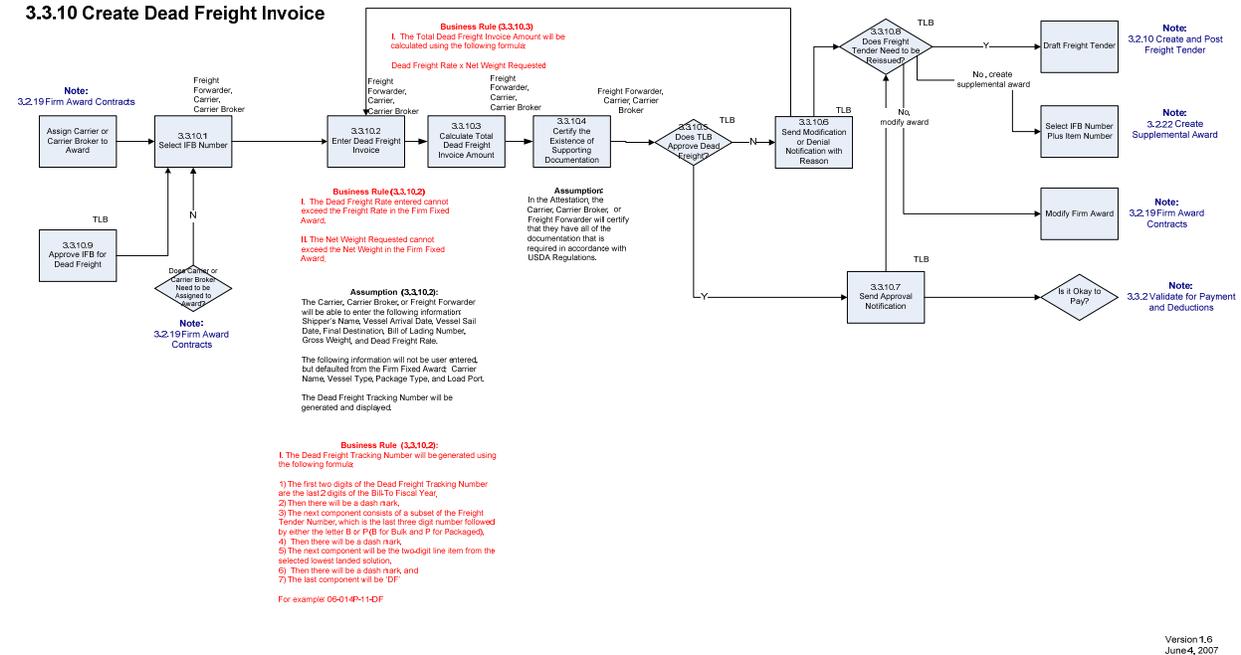


Version 1.7
June 4, 2007

Summary:	In this activity, the MARAD will review and approve the reimbursement requests (Quarterly OFD Payment and 20% Annual Payment).
Responsible:	MARAD
Input Activity:	Calculate 20% Annual Payment, Calculate Quarterly OFD Payment
Output Activity:	Reconcile Budget

3.3.10 Create Dead Freight Invoice

3.3.10 Create Dead Freight Invoice



Summary:

In this activity, the Freight Forwarder (FF), Carrier, or Carrier Broker will create a Dead Freight Invoice. The primary tasks associated with this process flow are outlined below:

Enter Dead Freight Invoice

Before the Dead Freight Invoice can be created by the Carrier, Carrier Broker, or Freight Forwarder, TLB must select the Invitation for Bid (IFB) Number in order to allow the creation of the Dead Freight Invoice. Upon assignment of the Carrier or Carrier Broker by the Freight Forwarder to an award, they will select the IFB Number to create a Dead Freight Invoice. The Freight Forwarder will inherently have the ability to create a Dead Freight Invoice since the Cooperating Sponsor has assigned them to an agreement. A Dead Freight Invoice will be created when cargo was not loaded on the vessel and the vessel set sail. This usually occurs when the cargo did not arrive at port in time.

The Carrier, Carrier Broker, or FF will be able to enter the following information: Shipper's Name, Load Date, Final Destination, Bill of Lading Number, Gross Weight, and Dead Freight Rate into the Dead Freight Invoice. The following information will be defaulted from the Firm Fixed Award: Carrier Name, Vessel Type, Cargo Type, Load Port, and Discharge Port. The Dead Freight Tracking Number will be auto-generated and will serve as the unique identifier for the Dead Freight Invoice for tracking purposes.

If the Dead Freight Rate entered exceeds the Freight Rate in the Firm Fixed Award and/or the Net Weight requested exceeds the Net Weight in the Firm Fixed Award, then the Carrier, Carrier Broker, or Freight Forwarder will need to modify the invoice, otherwise the invoice will not be saved or submitted.

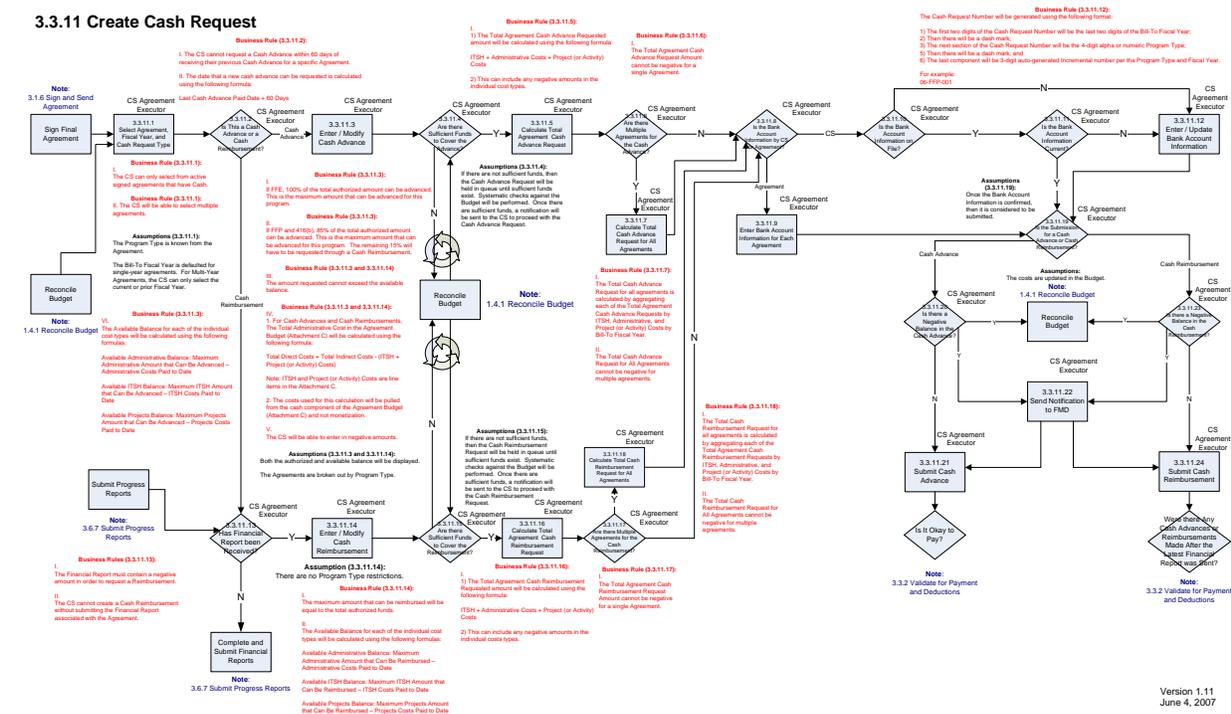
After the Dead Freight Invoice is entered, the Total Dead Freight Invoice Amount will be calculated and then the Carrier, Carrier Broker, or FF will certify they have all of the documentation in accordance with USDA Regulations.

The Carrier, Carrier Broker, or Freight Forwarder will then confirm their bank account information on file and update it if necessary. Once this is confirmed, the Dead Freight Invoice will be submitted to TLB for approval.

	<p>Determine if Dead Freight Invoice is Approved If TLB approves the Dead Freight Invoice, then the Carrier, Carrier Broker, or FF will be notified that the Dead Freight Invoice has been approved and will be submitted to the Contracts and Agreements Division for payment. If TLB modifies or rejects the Dead Freight Invoice, then TLB will notify the Carrier, Carrier Broker, or FF that the Dead Freight Invoice has been modified or denied.</p> <p>Determine if Freight Tender Needs to be Reissued Once TLB approves or denies the Dead Freight Invoice, TLB will determine if the Freight Tender needs to be reissued or if a Firm Fixed Award will need to be modified or if a Supplemental Award will be created. TLB will take one of these options to make sure that the cargo will be picked up by another vessel and reaches its destination.</p>
Responsible:	Freight Forwarder, Carrier, Carrier Broker, Transportation and Logistics Branch
Input Activity:	Firm Award Contracts
Output Activity:	Create and Post Freight Tender, Create Supplemental Award, Firm Award Contracts, Validate for Payment and Deductions

3.3.11 Create Cash Request

3.3.11 Create Cash Request



Summary:

In this activity, the Cooperating Sponsor (CS) Agreement Executor will create a cash request. The primary tasks associated with this process flow are outlined below:

Determine if the Cash Request Is a Cash Advance or Cash Reimbursement

First, the CS Agreement Executor will select the agreement for which a cash request will be made against and then select the type of cash request. The two types of cash requests are Cash Advances and Cash Reimbursements. Additionally, for multi-year agreements, the CS Agreement Executor will select the Bill-To Fiscal Year. For single-year agreements, the Bill-To Fiscal Year will be defaulted.

Requesting a Cash Advance

If the CS Agreement Executor is requesting a Cash Advance for a specific agreement within 60 days of receiving their last Cash Advance payment, then the CS Agreement Executor will be informed that a Cash Advance request cannot be made until 60 days have passed since the last Cash Advance payment. In addition, the CS Agreement Executor will be provided with the date when a new Cash Advance request can be created. Once this criterion is met, the CS Agreement Executor will be able to enter or modify the Cash Advance request.

Enter or Modify Cash Advance Request

In requesting a Cash Advance, if the agreement selected by the CS Agreement Executor is for Food for Education (FFE), then 100% of the total authorized amount per the agreement can be advanced for this program. If the agreement is for Food for Progress (FFP) or the 416(b) Program, then 85% of the total authorized amount can be advanced in cash for these programs. The remaining 15% will need to be requested through a Cash Reimbursement request.

For Cash Advance requests, the CS Agreement Executor will then enter an amount for each individual cost type that is authorized in the agreement. The individual cost types consist of Administrative (Direct & Indirect Costs), Projects, and/or ITSH costs. If the amount entered for each cost type exceeds the available balance for the specific cost type, then the CS Agreement Executor will need to modify the request, otherwise the request will not be saved.

or submitted. Once the Cash Advance request is entered, a determination will be made to see if there are sufficient funds to cover the Cash Advance.

Determine if there are Sufficient Funds to Cover the Cash Advance

If there are sufficient funds to cover the Cash Advance request, then the Total Agreement Cash Advance Request will be calculated. If there are not sufficient funds to cover the Cash Advance, then the CS Agreement Executor will be notified and the request will be held in queue until sufficient funds exist.

Calculate the Total Agreement Cash Advance Request

For Cash Advances, the Total Agreement Cash Advance Request Amount will be calculated. Then, a determination will be made as to whether there are multiple agreements for the Cash Advance request.

Determine if there are Multiple Agreements for the Cash Advance

If there are multiple Agreements, then the Total Cash Advance Request for all Agreements will be calculated. The Total Cash Advance Request for all Agreements cannot be negative. If it is negative, then the CS Agreement Executor will be notified that the Cash Advance request is not valid and that a refund should be generated.

However, if there is only a single agreement for the Cash Advance request, then the Total Agreement Cash Advance Request Amount cannot be negative. If it is negative, then the CS Agreement Executor will be notified that the Cash Advance request is not valid and that a refund should be requested.

Once the verification is complete, the CS Agreement Executor will determine if the bank account information is by CS or agreement.

Requesting a Cash Reimbursement

For Cash Reimbursements, a check will be done to determine if the Financial Report has been received for the current calendar year quarter and contains a negative amount. If the Financial Report has been received and contains a negative amount, then the CS Agreement Executor will be able to enter or modify a Cash Reimbursement request. However, if the Financial Report has been received and does not contain a negative amount, then the CS Agreement Executor will not be able to create a Cash Reimbursement request.

On the other hand, if the Financial Report has not been received, then the CS Agreement Executor will not be able to create a Cash Reimbursement request without submitting the Financial Report first.

Enter or Modify Cash Reimbursement Request

For Cash Reimbursement requests, the CS Agreement Executor will then enter an amount for each individual cost type that is authorized in the agreement. The individual cost types consist of Administrative, Projects, and/or ITSH costs. If the amount entered for each cost type exceeds the available balance for the specific cost type, then the CS Agreement Executor will need to modify the request, otherwise the request will not be saved or submitted. Once the Cash Reimbursement request is entered, a determination will be made to see if there are sufficient funds to cover the Cash Reimbursement.

Determine if there are Sufficient Funds to Cover the Cash Reimbursement

If there are sufficient funds to cover the Cash Reimbursement request, then the Total Agreement Cash Reimbursement Request will be calculated. If there are not sufficient funds to cover the Cash Reimbursement, then the CS Agreement Executor will be notified and the request will be held in queue until sufficient funds exist.

Calculate the Total Agreement Cash Reimbursement Request

For Cash Reimbursements, the Total Agreement Cash Reimbursement Request Amount will be calculated. Then, a determination will be made as to whether there are multiple

	<p>agreements for the Cash Reimbursement request.</p> <p>Determine if there are Multiple Agreements for the Cash Reimbursement If there are multiple Agreements, then the Total Cash Reimbursement Request for all Agreements will be calculated. The Total Cash Reimbursement Request for all Agreements cannot be negative. If it is negative, then the CS Agreement Executor will be notified that the Cash Reimbursement request is not valid and that a refund should be generated.</p> <p>However, if there is only a single agreement for the Cash Reimbursement request, then the Total Agreement Cash Reimbursement Request Amount cannot be negative. If it is negative, then the CS will be notified that the Cash Reimbursement request is not valid and that a refund should be generated.</p> <p>Once the verification is complete, the CS Agreement Executor will determine if the bank account information is by CS or agreement.</p> <p>Determine if the Bank Account Information is by CS or Agreement Once the totals have been calculated for the Cash Advance and Cash Reimbursement requests, the CS Agreement Executor will determine if the bank account information is by CS Agreement Executor or by agreement. If the bank account information is by CS Agreement Executor, it will be determined if the bank account is on file. However, If the bank account information is by agreement, then the CS Agreement Executor will enter the bank account information for each agreement.</p> <p>If the bank account information is by CS and is on file, then the CS Agreement Executor will confirm if the bank account information is current. If the bank account information is current, then it will be determined if the request is for a Cash Advance or Cash Reimbursement. However, if the bank account information is not on file or if it is not current, then the CS Agreement Executor will enter or update the bank account information.</p> <p>Once the bank account information is confirmed, the Cash Request Number will be generated and will serve as the unique identifier for the cash requests for tracking purposes.</p> <p>Negative Balances for a Cash Advance or Cash Reimbursement After the bank account information has been completed, a check will be done to determine if the request is for a Cash Advance or Cash Reimbursement. Once the type of request is identified, a check will determine if there is a negative balance for any of the individual cost types. If there is a negative balance for an individual cost type, then the budget will be reconciled and a notification will be sent to FMD to record the reallocation of funds between the individual cost types to reflect the actual distribution. If there is not a negative balance or once the notification has been sent to FMD, then the Cash Advance or Cash Reimbursement will be submitted to the Contracts and Agreements Division for payment.</p>
Responsible:	CS Agreement Executor
Input Activity:	Sign and Send Agreement, Reconcile Budget (<i>Available Balance and Funds Available to Cover Advance and/or Reimbursement</i>), Submit Progress Reports (<i>Financial Report Received</i>)
Output Activity:	Reconcile Budget (<i>Negative Balances</i>), Submit Progress Reports (<i>Request for Financial Report</i>), Validate for Payment and Deductions

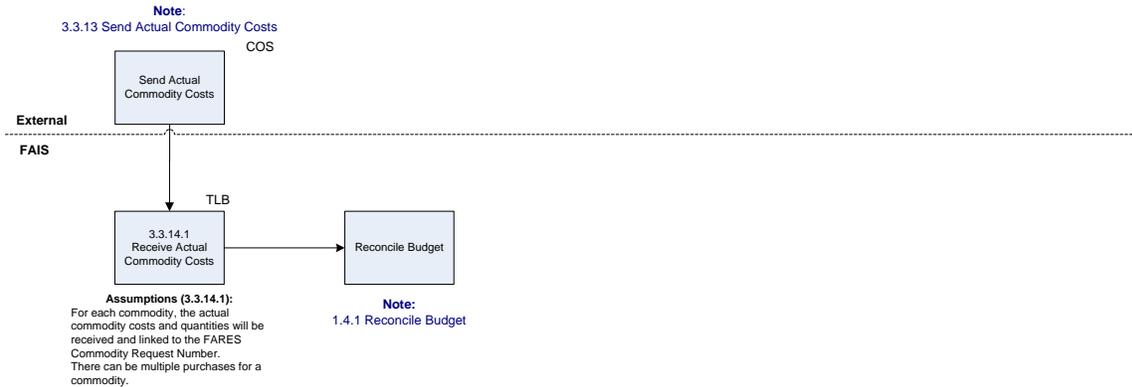
	<p>Once these criteria are met, a check will be done to determine if there is a loss at sea and if the CS Agreement Executor or Freight Forwarder indicated if this is the final invoice.</p> <p>Determine if there is a Loss at Sea The loss at sea will be determined by taking the difference between the total gross weight arrived at port and the total gross weight from the Firm Fixed Award. If there is a loss at sea, then the CS Agreement Executor or FF will need to file a claim for the loss or provide a reason for not filing a claim before a check is done to determine if this is the final invoice.</p> <p>Enter Subsequent Invoice(s) If the CS Agreement Executor or FF is creating a subsequent invoice against an IFB Number, then the Total Gross Weight from the Firm Fixed Award, Total Gross Weight Arrived at Port, and the Total Gross Weight Available will be displayed to the CS or FF. The CS Agreement Executor or FF will then enter the following information: Inland/Overland Rate, Gross Weight Requested, Delivery Date, and Comments. Additionally, the CS Agreement Executor or FF will indicate if this is the final invoice.</p> <p>Similar to the first invoice, the rate entered and the Gross Weight requested cannot exceed what has been approved. If it does, then the CS Agreement Executor or FF will need to modify the invoice, otherwise the invoice will not be saved or submitted.</p> <p>Once these criteria are met, a check will be done to determine if the CS Agreement Executor or Freight Forwarder indicated if this is the final invoice.</p> <p>Determine if This is the Final Invoice If this is the final invoice, then it will be determined if there is an Inland/Overland loss. If this is not the final invoice, then the CS Agreement Executor or FF will certify the existence of supporting documentation.</p> <p>Determine if there is an Inland/Overland Loss The Inland/Overland loss will be determined by taking the difference between the Gross Weight Requested and the Total Gross Weight Arrived at Port plus the Gross Weight Paid to Date. If there is an Inland/Overland loss, then the CS Agreement Executor or FF will need to file a claim for the loss or provide a reason for not filing a claim before they can certify they have all of the documentation required.</p> <p>Certify and Submit the Existence of Supporting Documentation The CS Agreement Executor or FF will then certify that they have all of the documentation that is required in accordance with USDA Regulations. Furthermore, the CS Agreement Executor or FF will certify that they have only billed for allowable costs in accordance with the USDA Regulations and the agreement.</p> <p>In addition, the CS Agreement Executor or Freight Forwarder will confirm their bank account information on file and update it if necessary. Once the bank account information is confirmed, the CS Agreement Executor or FF will then submit the Inland/Overland Invoice to the Contracts and Agreements Division for payment. Upon submission, the Inland/Overland Tracking Number will be auto-generated and will serve as the unique identifier for the Inland/Overland Invoices for tracking purposes.</p>
Responsible:	CS Agreement Executor, Freight Forwarder
Input Activity:	Confirm Non-WFP Direct Services, Firm Award Contracts, Reconcile Budget
Output Activity:	Validate for Payment and Deductions, Submit Progress Reports

3.3.13 Send Actual Commodity Costs

Summary:	Once the Commodities Operating System (COS) determines actual commodity costs, it will send the actual commodity costs to update the costs of the agreement and to reconcile against the program budget.
Responsible:	COS
Input Activity:	N/A
Output Activity:	Receive Actual Commodity Costs

3.3.14 Receive Actual Commodity Costs

3.3.14 Receive Actual Commodity Costs



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June 4, 2007

Summary:	In this activity, the TLB will receive the actual commodity costs from the Commodity Operating System (COS). The primary task associated with this process flow is outlined below: Receive Actual Commodity Costs For each commodity, the commodity costs and quantities will be received from COS and linked to the FARES Commodity Request Number. The costs of the agreement will be updated with the actual commodity costs and quantities to allow for reconciliation of the program budget.
Responsible:	Transportation and Logistics Branch
Input Activity:	Send Actual Commodity Costs
Output Activity:	Reconcile Budget

3.3.15 Send Title II Freight and Commodity Costs

Summary:	Once the Commodities Operating System (COS) determines the Title II freight and commodity costs, it will send the Title II freight and commodity costs to be used in creating the budget and developing commodity and freight costs for program planning.
Responsible:	COS
Input Activity:	N/A
Output Activity:	Receive Title II Freight and Commodity Costs

3.3.16 Receive Title II Freight and Commodity Costs

3.3.16 Receive Title II Freight and Commodity Costs

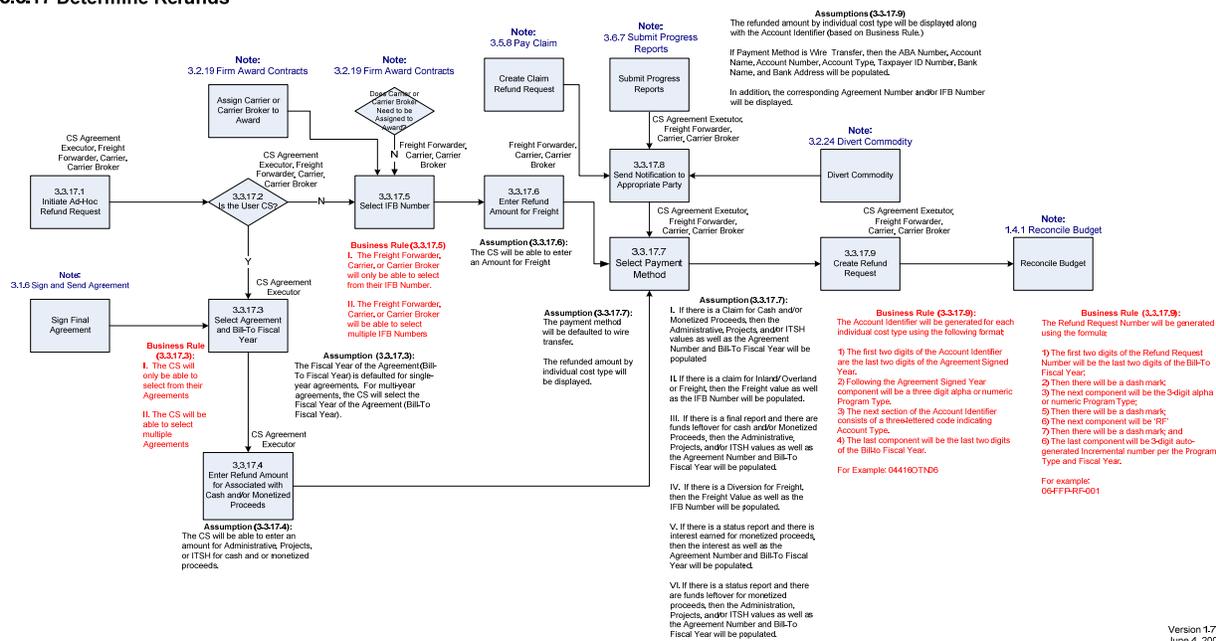


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Summary:	In this activity, the FAD Director's Office will receive the Title II freight and commodity costs from the Commodity Operating System (COS). The primary task associated with this process flow is outlined below: Receive Title II Freight and Commodity Costs The actual Title II freight costs, commodity costs, and quantities will be received from COS and will be used to determine commodity tonnage estimates as well as to develop commodity and freight costs for program planning.
Responsible:	FAD Director's Office
Input Activity:	Send Title II Freight and Commodity Costs
Output Activity:	Determine Commodity Tonnage Estimates

3.3.17 Determine Refunds

3.3.17 Determine Refunds



Summary:

In this activity, the Cooperating Sponsor (CS) Agreement Executor, Freight Forwarder (FF), Carrier, or Carrier Broker will provide refunds. The primary tasks associated with this process flow are outlined below:

Enter Ad-Hoc Refund Request

If the CS Agreement Executor initiates an Ad-Hoc Refund request, then the CS Agreement Executor will select an agreement for which to provide a refund for. For multi-year Agreements, the CS Agreement Executor will select the Bill-To Fiscal Year of the agreement. However, for single-year Agreements, the Bill-To Fiscal Year will be defaulted to the Bill-to Fiscal Year of the agreement. The CS Agreement Executor will then enter the amount to be refunded for Administrative, Projects, or ITSH for Cash and/or Monetized Proceeds.

If the FF, Carrier, or Carrier Broker initiates an Ad-Hoc Refund request, then the FF, Carrier, or Carrier Broker will select an IFB Number tied to a Firm Fixed Award for which to provide a refund for. The FF, Carrier, or Carrier Broker will then enter the amount to be refunded for Freight.

Once the amount to be refunded is entered, the payment method will need to be selected.

Refund Requests through Claims, Diversion, Final Reports, Status Reports

A request to refund money owed to USDA can also result from claims, freight diversions, final reports, or status reports. If this occurs, then the appropriate party (CS Agreement Executor, FF, Carrier, or Carrier Broker) will be notified to provide the refund.

Refund Requests Resulting from Claims

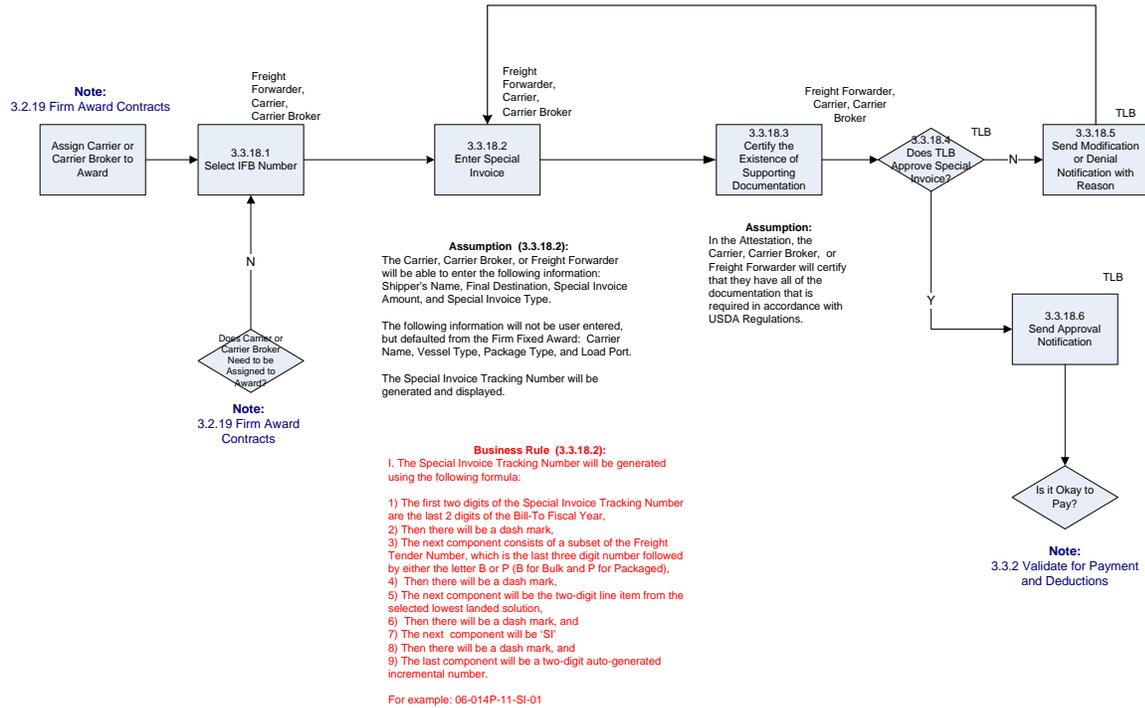
If there is a request to provide a refund resulting from a Claim for Cash and/or for Monetized Proceeds, then the Agreement Number, Bill-To Fiscal Year, and the amount to be refunded for Administrative, Projects, and/or ITSH will be shown to the CS Agreement Executor.

If there is a request to refund money owed resulting from a Claim for Inland/ Overland or Freight, then the IFB Number and the amount to be refunded for Freight will be shown to the FF, Carrier, or Carrier Broker.

	<p>Refund Requests Resulting from Diversion of Freight If there is a request to provide a refund resulting from Diversion of Freight, then the IFB Number and the amount to be refunded for Freight will be shown to the FF, Carrier, or Carrier Broker.</p> <p>Refund Requests Resulting from Final Reports If there is a request to provide a refund resulting from funds leftover for cash and/or Monetized Proceeds reported in the Final Report, then the Agreement Number, Bill-To Fiscal Year, and the amount to be refunded for Administrative, Projects, and/or ITSH will be shown to the CS.</p> <p>Refund Requests Resulting from Status Reports If there is a request to provide a refund resulting from interest earned on Monetized Proceeds and reported in the Status Report, then the Agreement Number, Bill-To Fiscal Year, and interest will be shown to the CS Agreement Executor.</p> <p>If there is a request to provide a refund resulting from funds leftover for Monetized Proceeds and reported in the Status Report, then the Agreement Number, Bill-To Fiscal Year, and the amount to be refunded for Administrative, Projects, and/or ITSH will be shown to the CS Agreement Executor.</p> <p>Once the amount to be refunded is understood, the payment method will need to be selected.</p> <p>Select Payment Method and Create Refund The CS Agreement Executor, FF, Carrier, or Carrier Broker will then select the payment method. The payment method will be defaulted to wire-transfer. If the payment method is wire-transfer, then the USDA bank account information will be included on the refund request.</p> <p>Once the payment method is selected, the refund will be finalized. The refund will be broken down by individual cost type. In addition, the corresponding Agreement Number and/or IFB Number will be included. In addition, the Refund Request Number will be generated and will serve as the unique identifier for the refund for tracking purposes.</p> <p>The refund can then be printed by the CS Agreement Executor, FF, Carrier, or Carrier Broker to be included in their refund payment to FMD. Also, once the refund has been finalized, FMD will receive a copy of the refund. The budget will also be updated with the refunded amount.</p>
Responsible:	CS Agreement Executor, Freight Forwarder, Carrier, or Carrier Broker
Input Activity:	Sign and Send Agreement, Firm Award Contracts, Pay Claim, Submit Progress Reports, Divert Commodity
Output Activity:	Reconcile Budget

3.3.18 Create Special Invoice

3.3.18 Create Special Invoice



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June 4, 2007

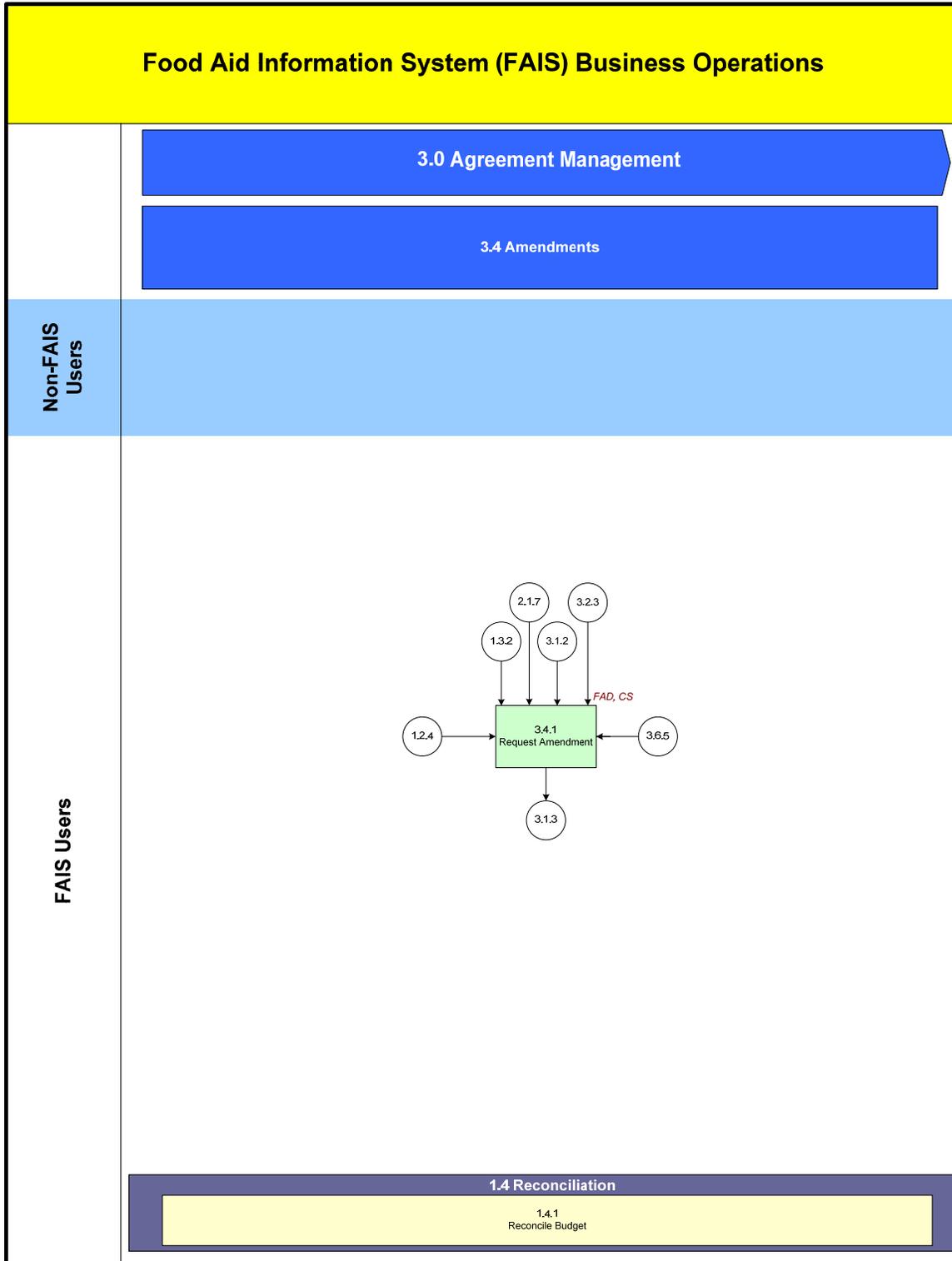
Summary:	<p>In this activity, the Freight Forwarder (FF), Carrier, or Carrier Broker will create a Special Invoice. The primary tasks associated with this process flow are outlined below:</p> <p>Enter Special Invoice The Freight Forwarder will inherently have the ability to create a Special Invoice since the Cooperating Sponsor has assigned them to the agreement. Alternatively, upon assignment of the Carrier or Carrier Broker by the Freight Forwarder to an award, they will select the IFB Number to create a Special Invoice.</p> <p>The Carrier, Carrier Broker, or FF will be able to enter the following information: Shipper's Name, Load Date, Final Destination, Special Invoice Amount, and Special Invoice Type. The following information will not be entered, but be defaulted from the Firm Fixed Award: Carrier Name, Vessel Type, Cargo Type, and Load Port. The Special Invoice Tracking Number will be generated and will serve as the unique identifier for the Special Invoice for tracking purposes.</p> <p>After the Special Invoice is entered, the Carrier, Carrier Broker, or FF will certify they have all of the documentation in accordance with USDA Regulations.</p> <p>The Carrier, Carrier Broker, or Freight Forwarder will then confirm their bank account information on file and update it if necessary. Once this is confirmed, the Special Invoice will be submitted to TLB for approval.</p> <p>Determine if Special Invoice is Approved If TLB approves the Special Invoice, then the Carrier, Carrier Broker, or FF will be notified</p>
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	that the Special Invoice has been approved and will be submitted to the Contracts and Agreements Division for payment. If TLB determines that the Special Invoice will need to be modified or rejected, then TLB will notify the Carrier, Carrier Broker, or FF of their decision with the reason.
Responsible:	Freight Forwarder, Carrier, Carrier Broker, Transportation and Logistics Branch
Input Activity:	Firm Award Contracts
Output Activity:	Validate for Payment and Deductions

3.4 Amendments

Food Assistance Division Operations
Food Aid Information System

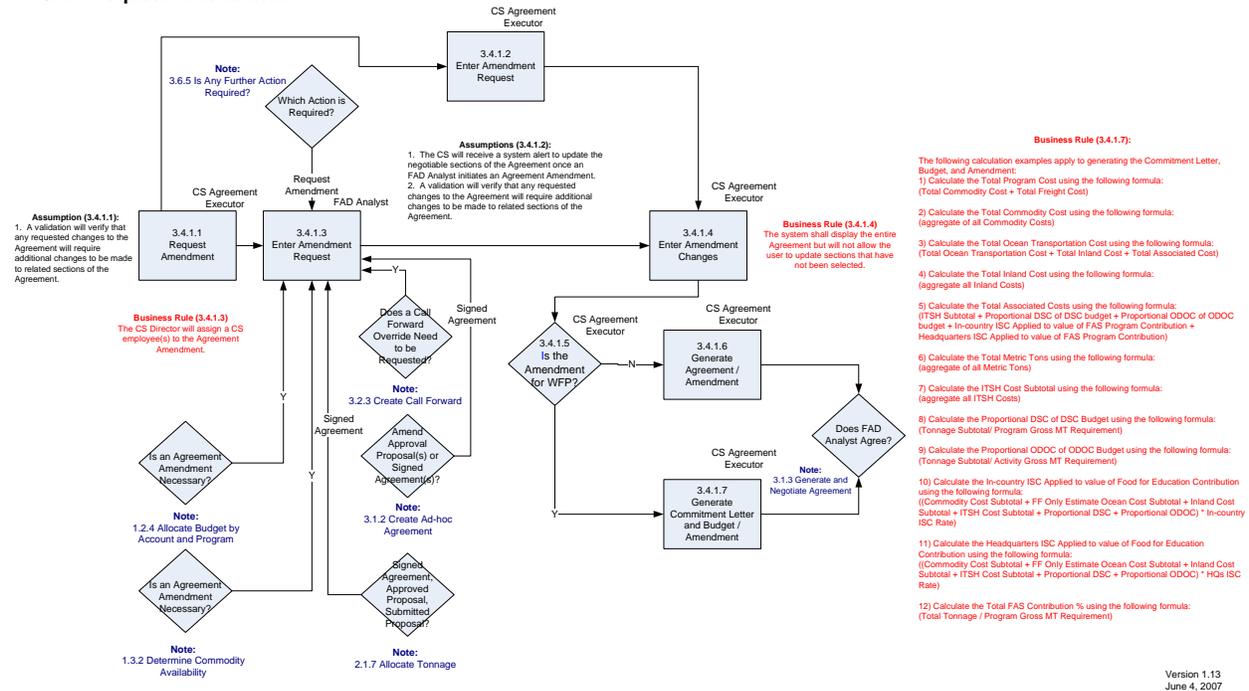
Version 1.24
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Once the Agreement becomes active, the CS and FAD Analyst can request amendments to the Agreement and the CS can make changes to the amendable sections of the Agreement. Agreement amendments will go through the same review process as a newly generated Agreement.

3.4.1 Request Amendment

3.4.1 Request Amendment

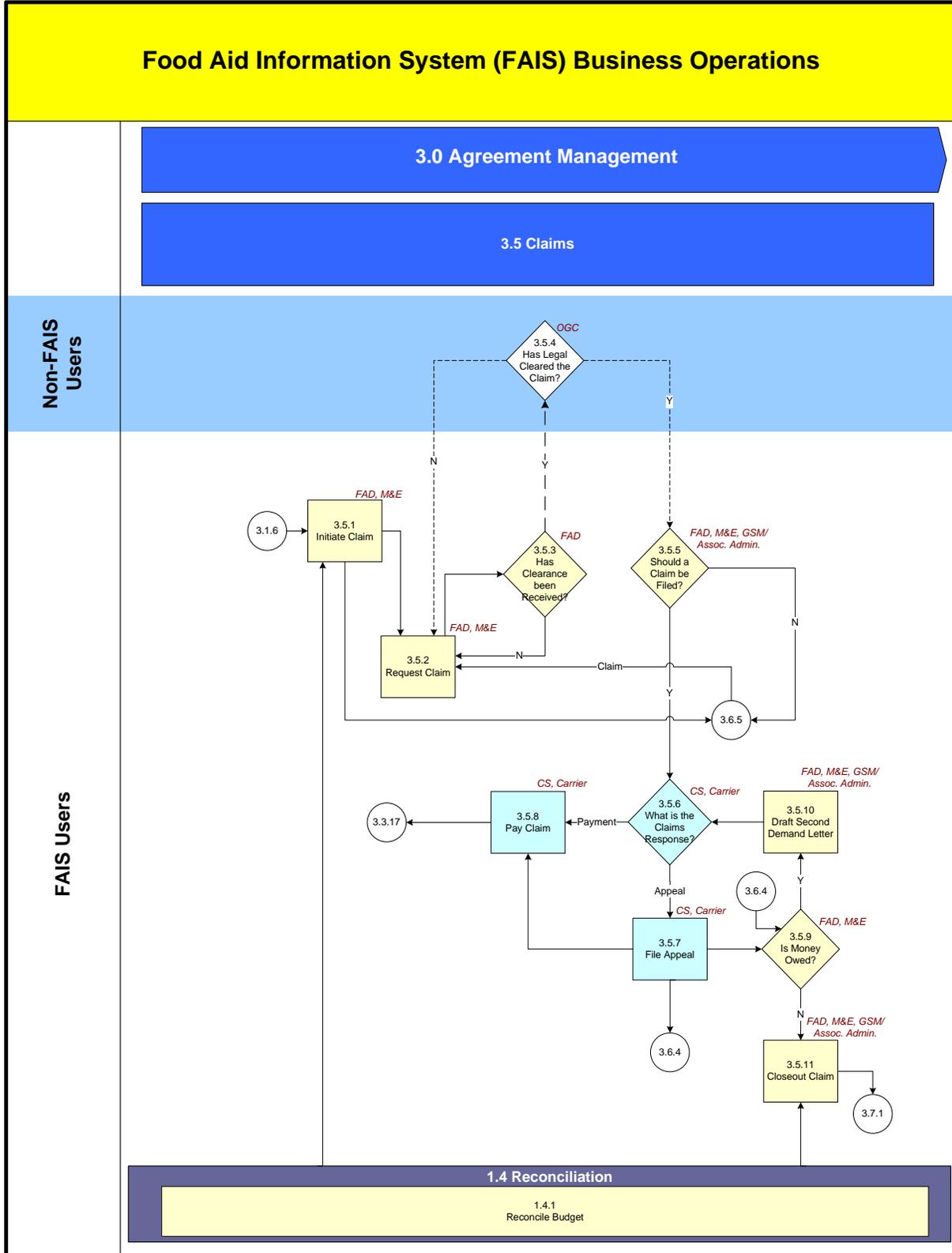


Summary:	In this activity, the CS or FAD Analyst will request amendments to an active Agreement and the CS will amend applicable sections of the Agreement. The primary tasks associated with this process flow are outlined below: Enter Amendment Request First the CS or FAD Analyst will select whether they are requesting budget realignment and/or a full Agreement amendment. If they select a full agreement Amendment, they will select which sections of the Agreement need to be amended. As selections are being made by the user, they will be prompted to select other potential affected areas of the Agreement. Once they have finished selecting which sections of the Agreement need to be modified, they will need to select which type of update they are making to the Agreement (i.e. Add, Modify, or Delete). If the user requests only a budget realignment, the Agreement sections as described above will be hidden. Enter Amendment Changes Once the amendment is requested, the CS Director will assign a CS employee(s) to make updates to the Agreement. If a full Agreement amendment was requested, the CS will only be allowed to update the negotiable sections of the Agreement that were identified in the request. In addition, the CS can also request amendments to additional sections of the Agreement. Finally, if budget realignment was requested, the CS will make changes to Attachment C of the Agreement. Generate Agreement Amendment The Agreement amendment will be generated based on the type of CS and Food Aid Program indicated in the Agreement. The amendment will be sent to the FAD Analyst assigned to the Agreement for review. If the CS submitting the changes to the Agreement is World Food Program, a commitment letter will also be generated and sent to the FAD Analyst for review.
Responsible:	CS Agreement Executor, FAD Analyst
Input Activity:	Is Any Further Action Required?, Create Ad-hoc Agreement, Allocate Budget by Account and Program, Determine Commodity Availability, Allocate Tonnage, Create Call Forward
Output Activity:	Generate and Negotiate Agreement

3.5 Claims

Food Assistance Division Operations
Food Aid Information System

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Request Claim

The Claims sub-process can be initiated by a Monitoring and Evaluation (M&E) Analyst, FAD Analyst, or within the compliance evaluation section. A claim is filed against a Cooperating Sponsor (CS) when FAD determines that the action or inaction by the CS has caused financial harm to the government. If the claim is initiated by an M&E/FAD Analyst, then the FAD Branch Chief and FAD Director's Office must first determine if the claim is valid and should be approved. If the FAD Branch Chief or FAD Director's Office determines the claim should not be approved, then the FAD Branch Chief or FAD Director's Office will need to determine if any further action is required on the identified issue.

If determination to proceed with a claim is approved, the amount to be claimed will be calculated and the M&E/FAD Analyst will begin drafting the claim letter. If the claim is initiated through the compliance evaluation section, then the M&E/FAD Analyst will proceed directly with drafting the claim letter, since the approval process happens elsewhere.

Once the claim letter is drafted, it will be submitted first to the FAD Branch Chief for clearance and then to the FAD Director's Office. Once the FAD Director's Office has cleared the claim letter, it will be submitted to the Office of General Counsel (OGC) for clearance. If the FAD Branch Chief, FAD Director's Office, or OGC does not clear the claim letter, then the M&E/FAD Analyst will need to modify the claim letter and resubmit it.

Once OGC clears the claim letter, the General Sales Manager (GSM) or Associate Administrator will determine if a claim should be filed. If a claim should be filed, then the M&E/FAD Analyst will make any modifications requested by the GSM or Associate Administrator and send the claim letter to the FAD Director's Office. The FAD Director's Office will then send the claim letter to the Cooperating Sponsor (CS) Agreement Executor or Carrier. If the GSM or Associate Administrator determines that a claim should not be filed, then it will need to be determined if any further action should be taken in the compliance evaluation section.

Respond to Claim

Once the claim letter is received, the CS Agreement Executor or Carrier may request an extension to respond to the claim. If the time frame to respond has elapsed, the CS Agreement Executor or Carrier must determine if the response to the claim is to make payment or file an appeal.

If the claim response is to appeal, then the CS Agreement Executor or Carrier will draft an appeal letter. The appeal letter will then be submitted to the CS Director or Carrier Director for approval or modification. Once the appeal letter is approved, the letter, as well as any supporting documentation, will be submitted to the M&E/FAD Analyst for review to determine if any money is still owed.

If the claim response is to pay, then the system will determine if any interest is owed based on the number of days past the claims response due date and the late fee amount. The total claim amount with the interest will be calculated and the claim refund will be generated. The CS Agreement Executor or Carrier will then proceed to the refund process to complete payment.

Review Appeal Letter

Once the CS Agreement Executor's appeal letter is submitted to the M&E/FAD Analyst, the M&E/FAD Analyst will review the letter and recommend if the claim is still valid or if the claim and subsequent payment should be waived. The recommendation will be submitted to the FAD Branch Chief for approval first and then the FAD Director's Office. If the FAD Branch Chief or FAD Director's Office does not agree with the recommendation, then the M&E/FAD Analyst will need to modify the recommendation and resubmit it.

Draft Second Demand Letter

If the FAD Director's Office agrees that payment should be made by the CS Agreement Executor or Carrier, then the M&E/FAD Analyst will draft the second demand (response) letter. Once the second demand letter is drafted, it will be submitted to the FAD Director's Office for approval first and then to the GSM or Associate Administrator. If the FAD Director's Office or GSM or Associate Administrator does not approve the second demand letter, then the M&E/FAD Analyst will need to modify the letter and resubmit it. Once the letter has been approved, it will be sent to the CS Agreement Executor or Carrier.

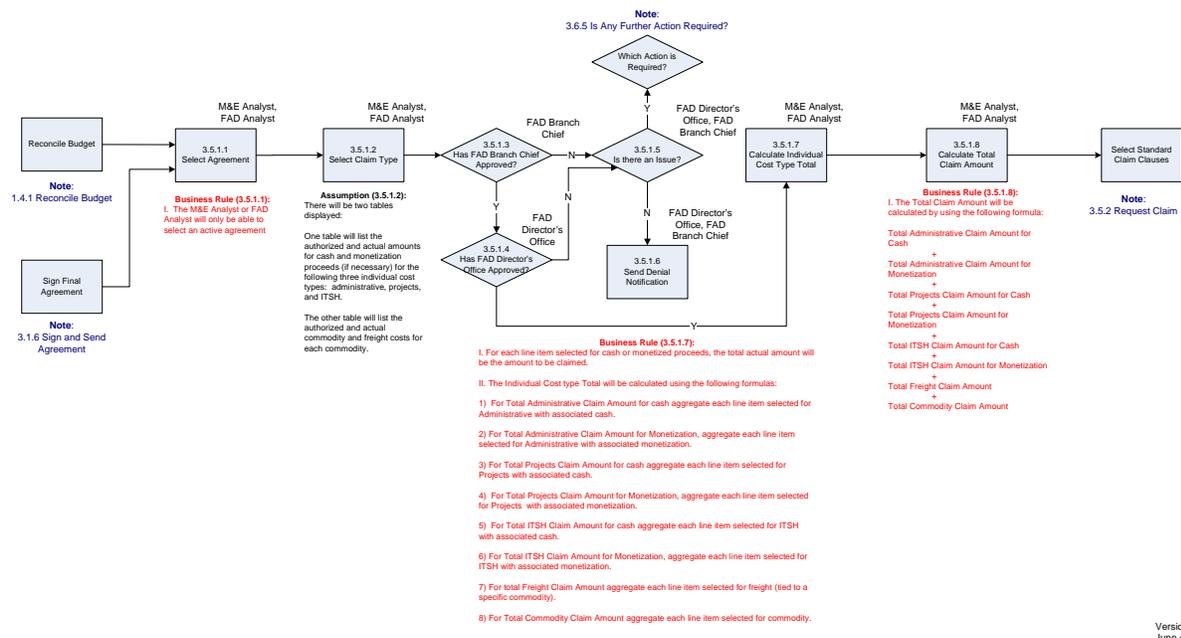
Draft Final Claim Determination Letter

If the FAD Director's Office agrees that payment should be waived or if payment has been made, then the M&E/FAD Analyst will draft the final claim determination letter to closeout the claim. In addition, the letter will indicate if the agreement will be closed out. Once the final claim determination letter is drafted, it will be submitted to the FAD Director's Office for approval first and then to the GSM or Associate Administrator. If the FAD Director's Office or GSM or Associate Administrator does not approve the final claim determination letter, then the M&E/FAD Analyst will need to modify the letter and resubmit it. Once the letter has been approved, it will be sent to the CS Agreement Executor or Carrier.

If the final claim determination letter indicated that the agreement will be closed out, then the agreement closeout process will be initiated.

3.5.1 Initiate Claim

3.5.1 Initiate Claim



Summary:

In this activity, the M&E or FAD Analyst will initiate a claim against an active agreement. The primary tasks associated with this process flow are outlined below:

Selecting Agreement and Claim Type

The M&E or FAD Analyst will select an active agreement for which to file a claim. Then, the Analyst will select the claim type from a list of the authorized and actual amounts for cash and monetization proceeds (if any) for administrative, projects, and ITSH values associated with the agreement. In addition, the M&E or FAD Analyst will also be able to select from a list of the authorized and actual commodity and freight costs for each commodity associated with the agreement. For each claimed item selected, the M&E or FAD Analyst will include a reason for the claim. The claimed item(s) will then be sent to the FAD Branch Chief for approval.

Determine if FAD Branch Chief and FAD Director's Office Approve Claim Type

The FAD Branch Chief will then determine if the claimed item(s) are valid and should be approved. If the FAD Branch Chief determines the claimed item(s) are not valid and should not be approved, then the FAD Branch Chief will determine if the identified issue should be documented in another manner. However, if the FAD Branch Chief approves the claimed item(s), then the item(s) will be sent to the FAD Director's Office for approval.

If the FAD Director's Office determines the claimed item(s) are not valid and should not be approved, then the FAD Director's Office will determine if the identified issue should be documented in another manner. However, if the FAD Director's Office approves the claimed item(s), then the M&E or FAD Analyst will be notified of the approval.

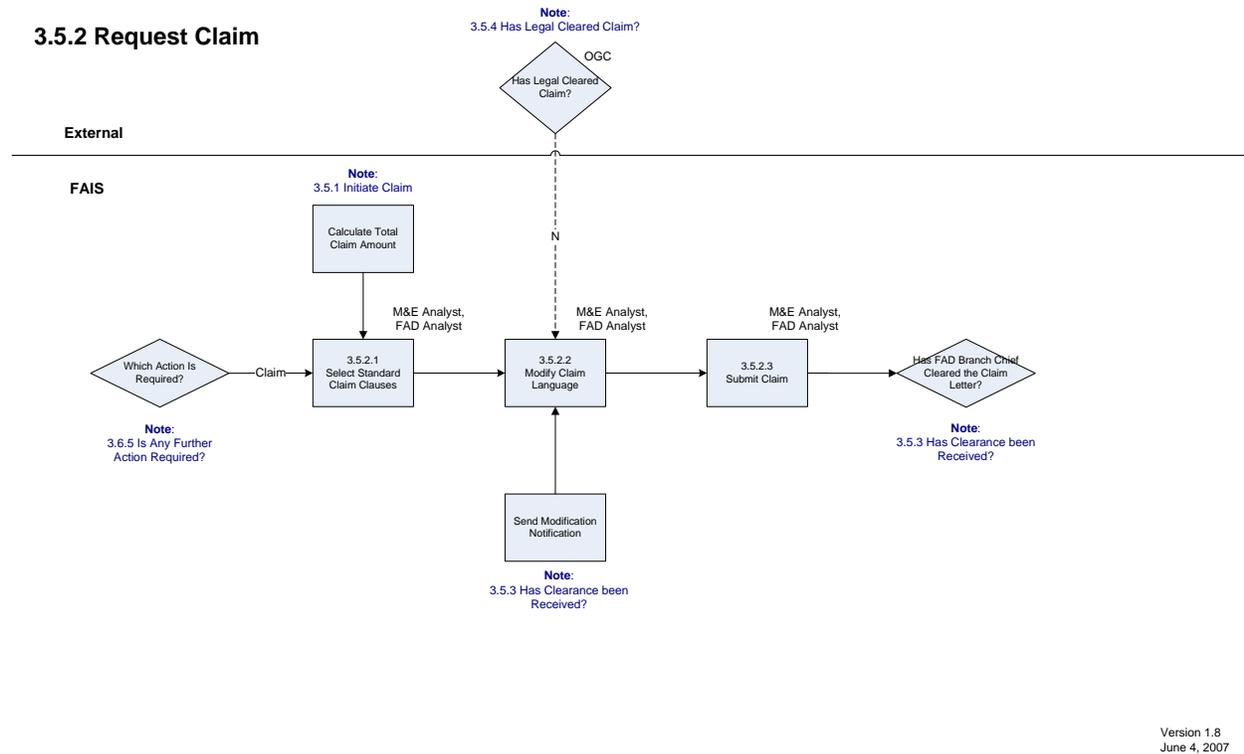
Determine if there is an Issue

If the claimed item(s) are not approved and the FAD Branch Chief or FAD Director's Office has determined that the identified issue should be documented in another manner, then the FAD Branch Chief or FAD Director's Office will determine if there is any further action required in the compliance evaluation. However, if the FAD Branch Chief or FAD Director's Office determined that an issue should not be filed, then the M&E or FAD Analyst will be informed that the claimed item(s) are not valid with the reason.

	Calculate Individual Cost Type Total and Total Claim Amount Once the M&E or FAD Analyst is notified of the approval, the total for each individual cost type (administrative, projects, ITSH, etc.) and the total claim amount will be calculated and included as part of the claim. The M&E or FAD Analyst will then proceed to select standard claim clauses.
Responsible:	M&E Analyst, FAD Analyst, FAD Director's Office, FAD Branch Chief
Input Activities:	Reconcile Budget, Sign and Send Agreement
Output Activities:	Is Any Further Action Required?, Request Claim

3.5.2 Request Claim

3.5.2 Request Claim

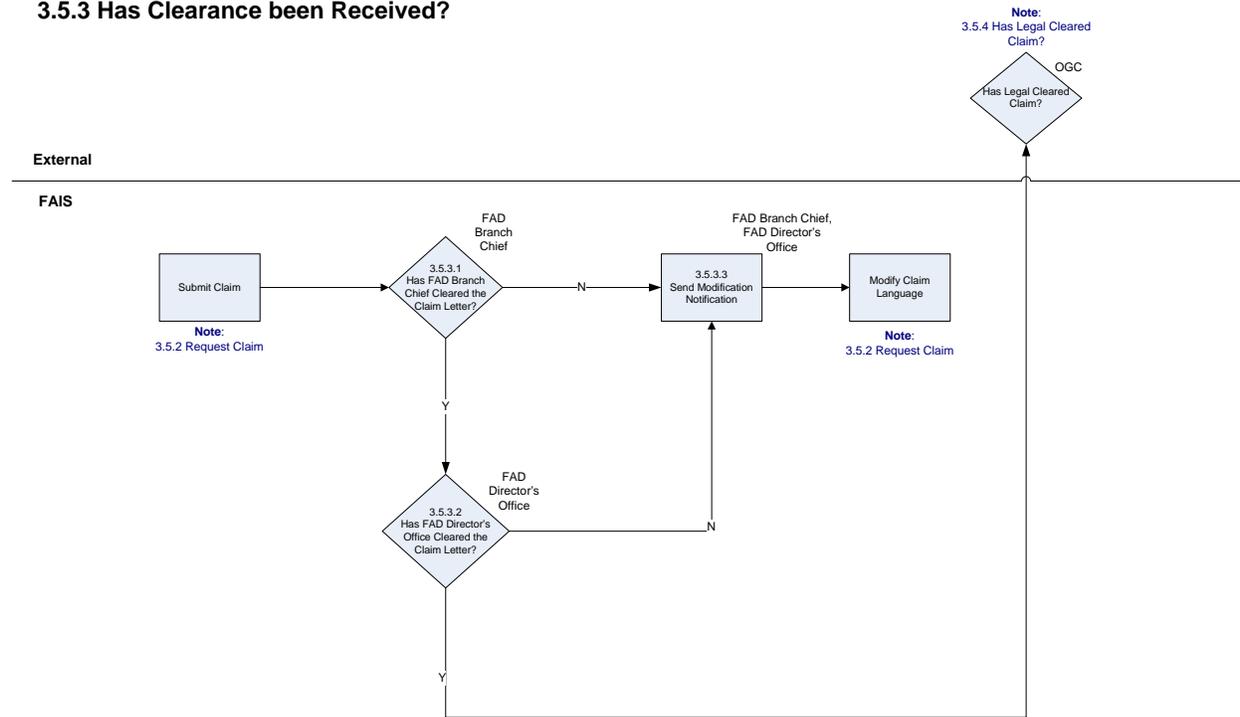


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Summary:	<p>In this activity, the M&E or FAD Analyst will process the request for a claim. The primary tasks associated with this process flow are outlined below:</p> <p>Draft and Submit Claim Letter Once a claim has been initiated through the compliance and evaluation section or by the M&E or FAD Analyst, the Analyst will select standard claim clauses for the claim letter. The claim letter will include the selected standard claim clauses, claimed item(s) and associated amounts, and agreement number as well as the CS Name, CS Contact Name, and CS Address information associated to the agreement. In addition, the M&E or FAD Analyst will enter the interest rate and include it in the claim letter.</p> <p>Once the claim letter is drafted, it will be submitted to the FAD Branch Chief for approval.</p> <p>Modify Claim Language and Submit Claim Letter If necessary, the M&E Analyst or FAD Analyst will be able to modify the claim language in the claim letter to reflect any changes requested by the FAD Branch Chief, FAD Director's Office, and/or Office of General Counsel (OGC). After modifications to the claim letter have been completed, the M&E Analyst and FAD Analyst will resubmit the claim letter for approval.</p>
Responsible:	M&E Analyst, FAD Analyst
Input Activities:	Is Any Further Action Required?, Initiate Claim, Has Legal Cleared Claim?, Has Clearance been Received? (<i>modification request to claim letter</i>)
Output Activities:	Has Clearance been Received? (<i>submitted claim letter</i>)

3.5.3 Has Clearance been Received?

3.5.3 Has Clearance been Received?



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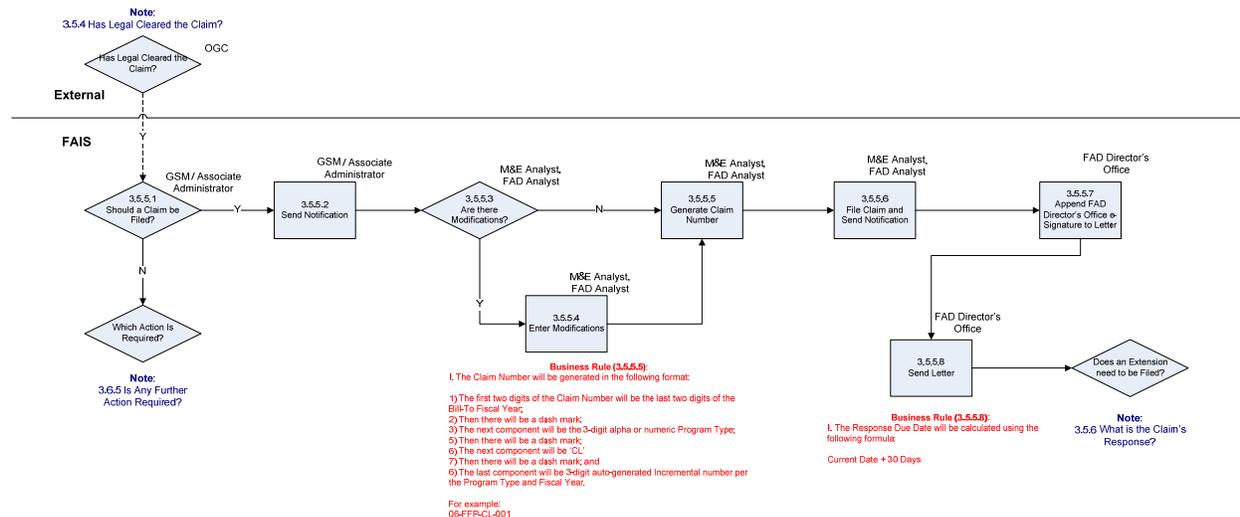
Summary:	<p>In this activity, the FAD Branch Chief and FAD Director's Office will determine if the claim letter should be cleared. The primary tasks associated with this process flow are outlined below:</p> <p>Determine if FAD Branch Chief Has Cleared the Claim Letter Once the claim letter has been submitted by the M&E or FAD Analyst, the FAD Branch Chief will determine if the claim letter should be cleared. If the FAD Branch Chief does not clear the claim letter, then the M&E or FAD Analyst will be notified to make the modifications requested by the FAD Branch Chief and resubmit the claim letter. If the FAD Branch Chief clears the claim letter, then the claim letter will be sent to the FAD Director's Office for clearance.</p> <p>Determine if FAD Director's Office Has Cleared the Claim Letter If the FAD Director's Office does not clear the claim letter, then the M&E or FAD Analyst will be notified to make the modifications requested by the FAD Director's Office and resubmit the claim letter. In addition, the FAD Branch Chief will be notified of this decision.</p> <p>However, if the FAD Director's Office clears the claim letter, then the claim letter will be sent to the OGC for clearance.</p>
Responsible:	FAD Branch Chief, FAD Director's Office
Input Activities:	Request Claim (<i>submitted claim letter</i>)
Output Activities:	Request Claim (<i>modified claim request to claim letter</i>), Has Legal Cleared Claim?

3.5.4 Has Legal Cleared the Claim?

Summary:	Once the FAD Director's Office has cleared the claim letter, the OGC will determine if the claim letter should be cleared. OGC's decision will be input manually by the FAD/M&E analyst.
Responsible:	Office of General Counsel
Input Activity:	Has Clearance been Received?
Output Activity:	Request Claim, Should a Claim be Filed?

3.5.5 Should a Claim be Filed?

3.5.5 Should a Claim Be Filed?

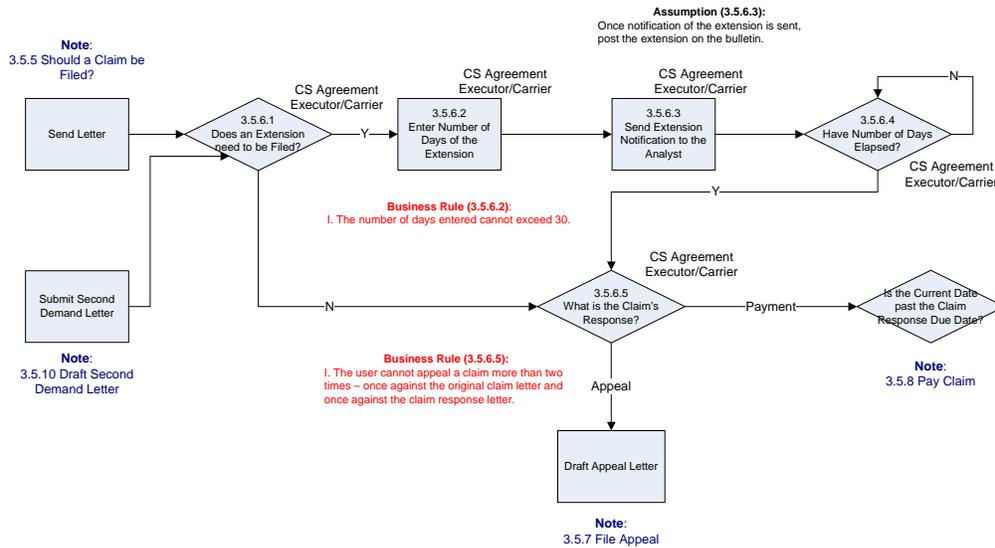


Version 1.8
June 4, 2007

Summary:	<p>In this activity, the GSM or Associate Administrator will determine if a claim should be filed against an agreement. The primary tasks associated with this process flow are outlined below:</p> <p>Determine if a Claim Should be Filed Once the OGC has cleared the claim letter, the claim letter will be sent to the GSM or Associate Administrator in order to make the final decision in determining if a claim should be filed.</p> <p>If a claim should not be filed, then it will need to be determined if any further action is required in the compliance evaluation section. However, if the GSM or Associate Administrator determines that a claim should be filed, then the M&E or FAD Analyst will be notified that the claim is valid and should be filed. In addition, the GSM or Associate Administrator will indicate if any modifications need to be made to the claim letter. Modifications are manually input by the M&E or FAD Analyst on behalf of the GSM or Associate Administrator.</p> <p>File Claim If modifications are necessary, then the M&E Analyst or FAD Analyst will update the claim letter accordingly. Once the updates have been made to the claim (if necessary), then the claim number will be generated for tracking purposes and included in the claim letter. The claim letter will then be submitted to the FAD Director's Office to append their e-signature.</p> <p>Once the FAD Director's Office includes their e-signature to the claim letter, the claim letter will be sent to the CS Agreement Executor or Carrier with the response due date.</p>
Responsible:	GSM, Associate Administrator, M&E Analyst, FAD Analyst, FAD Director's Office
Input Activities:	Has Legal Cleared the Claim?
Output Activities:	Is Any Further Action Required?, What is the Claims Response?

3.5.6 What is the Claims Response?

3.5.6 What is the Claim's Response?



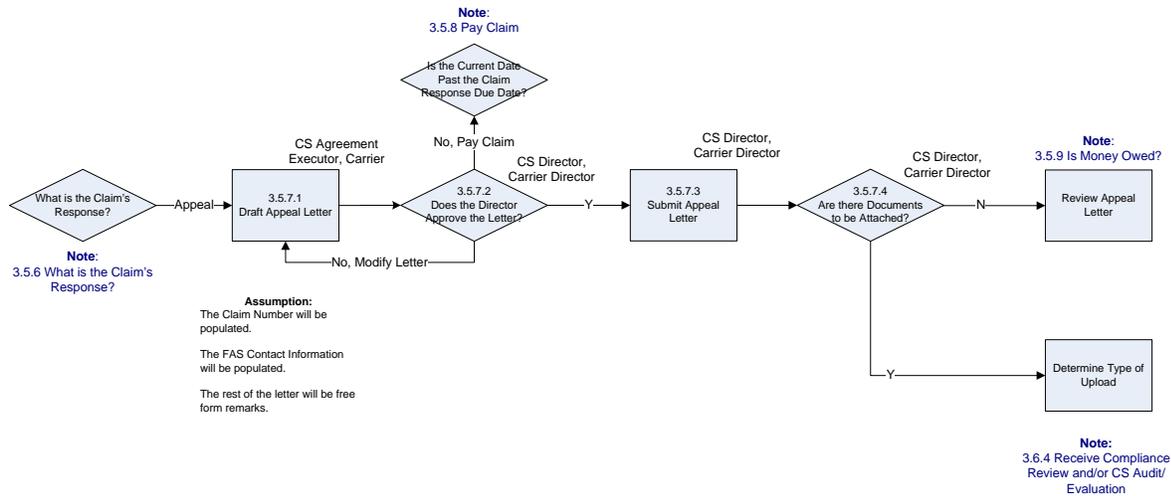
Version 1.8
June 4, 2007

Summary:	<p>In this activity, the CS Agreement Executor or Carrier will determine the response to the claim letter. The primary tasks associated with this process flow are outlined below:</p> <p>Determine if an Extension Needs to be Filed Once the CS Agreement Executor or Carrier receives the claim letter with the response due date, the CS Agreement Executor or Carrier will determine if an extension should be filed for the claim. If the CS Agreement Executor or Carrier determines that an extension needs to be filed, then the CS Agreement Executor or Carrier will enter the number of days (which cannot exceed 30 days) for the extension. The M&E or FAD Analyst will be notified of the extension and the new response due date will be displayed.</p> <p>However, if the CS Agreement Executor or Carrier determines that an extension does not need to be filed, then the CS Agreement Executor or Carrier will determine if the response will be to pay or appeal the claim.</p> <p>Determine Have the Number of Days Elapsed If there is an extension filed, the CS Agreement Executor or Carrier will be notified if the number of days for the extension has elapsed and no response has been received. Once the number of days allowed for an extension has elapsed, the CS Agreement Executor or Carrier will need to determine if the response will be to pay or appeal the claim.</p> <p>Determine what the Claim Response Will Be If the response is to make payment on the claim, then the CS Agreement Executor or Carrier will proceed to making a payment. If the response is to appeal the claim, then the CS</p>
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	Agreement Executor or Carrier will proceed with drafting an appeal letter.
Responsible:	CS Agreement Executor, Carrier
Input Activities:	Should a Claim be Filed?, Draft Second Demand Letter
Output Activities:	Pay Claim, File Appeal

3.5.7 File Appeal

3.5.7 File Appeal



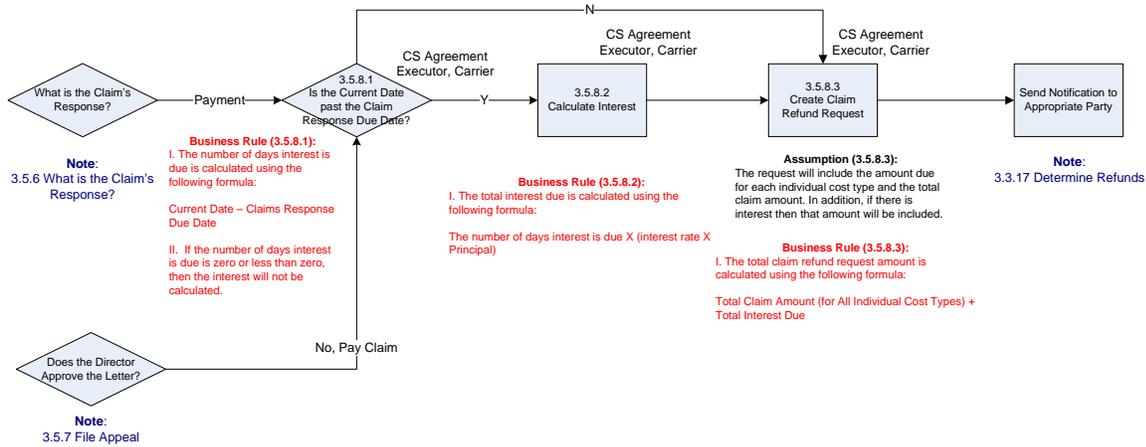
Version 1.9
June 4, 2007

Summary:	<p>In this activity, the CS Agreement Executor or Carrier will appeal the claim. The primary tasks associated with this process flow are outlined below:</p> <p>Draft the Appeal Letter Once the CS Agreement Executor or Carrier chooses to file an appeal against a claim, then the CS Agreement Executor or Carrier will begin drafting the appeal letter. The appeal letter will also include the claim number, FAS Contact Information, and free form remarks. Once the appeal letter has been drafted, it will be submitted to the CS Director or Carrier Director for approval.</p> <p>Determine if the CS Director or Carrier Director Will Approve the Appeal Letter If the CS Director or Carrier Director does not approve the appeal letter, then the CS Agreement Executor or Carrier will need to modify the appeal letter with the changes requested and resubmit it. However, if the CS Director or Carrier Director approves the appeal letter, then it will need to be determined if documents should be attached.</p> <p>Determine if there are Documents to be Attached Once the appeal letter is approved, the CS Director or Carrier Director will determine if documents should be attached. If documents need to be attached to the appeal letter, then the CS Director or Carrier Director will attach the documents in the compliance evaluation section. Once the documents are attached (if necessary), the appeal letter will be submitted to the M&E or FAD Analyst for review.</p>
Responsible:	Carrier, CS Agreement Executor, CS Director, Carrier Director
Input Activities:	What is the Claims Response?
Output	Pay Claim, Is Money Owed?, Review Compliance Review and/or CS Audit/Evaluation

Activities:	<i>(appeal-related documents)</i>
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3.5.8 Pay Claim

3.5.8 Pay Claim

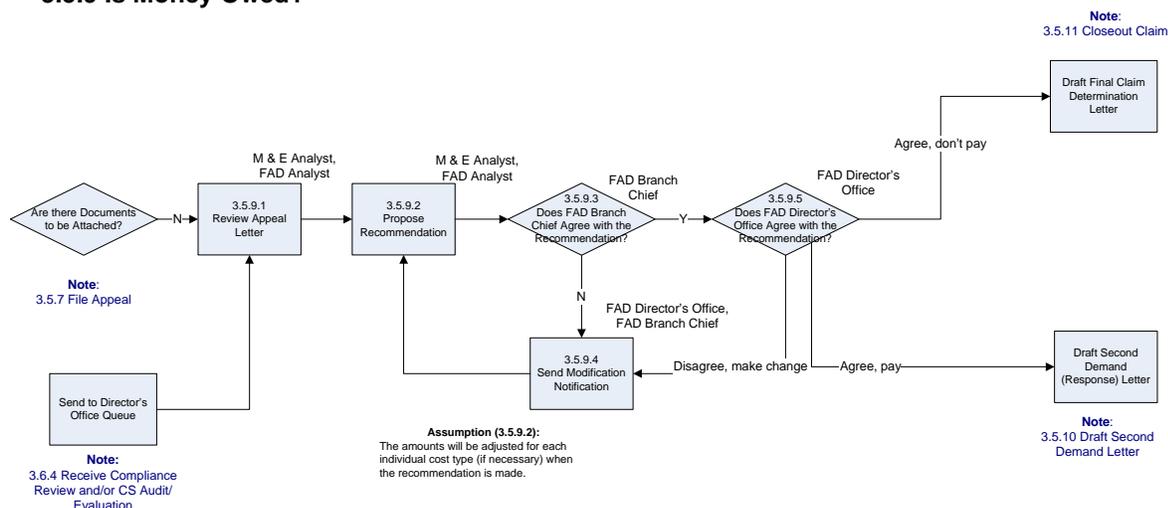


Version 1.8
June 4, 2007

Summary:	In this activity, the CS Agreement Executor or Carrier will pay the claim. The primary tasks associated with this process flow are outlined below: Calculate Interest Once the CS Agreement Executor or Carrier chooses to make payment on a claim, it will be determined if interest should be calculated. Interest will only be calculated if the current date is past the claim response due date. Create Claim Refund Request Once the interest is calculated (if necessary), the total claim amount will be calculated. The total claim refund request will then be created which will include the total interest due (if any) as well as the total claim amount for all individual cost types. This request will then feed the refund process where the CS Agreement Executor or Carrier will complete their request.
Responsible:	CS Agreement Executor, Carrier
Input Activities:	What is the Claims Response?, File Appeal
Output Activities:	Determine Refunds

3.5.9 Is Money Owed?

3.5.9 Is Money Owed?



Version 1.9
June 4, 2007

Summary:

In this activity, FAD Analyst and/or M&E Analyst will determine if any money is owed after reviewing the appeal letter. The primary tasks associated with this process flow are outlined below:

Review Appeal Letter and Propose Recommendation

Once the appeal letter has been submitted, the M&E or FAD Analyst will review the appeal letter along with any associated documents and propose a recommendation (i.e., either to recommend payment or to waive payment). The M&E or FAD Analyst will need to provide comments to justify the recommendation.

In addition if the recommendation is that some level of payment should be made, then the M&E or FAD Analyst will adjust the amounts for each individual cost type as necessary. Once the recommendation is made, it will be submitted to the FAD Branch Chief for review.

Determine if FAD Branch Chief Agrees with the Recommendation

If the FAD Branch Chief does not agree with the proposed recommendation, then the M&E or FAD Analyst will need to modify the recommendation after reviewing the FAD Branch Chief's reason and resubmit it. However, if the FAD Branch Chief agrees with the recommendation, then the recommendation will be sent to the FAD Director's Office for review.

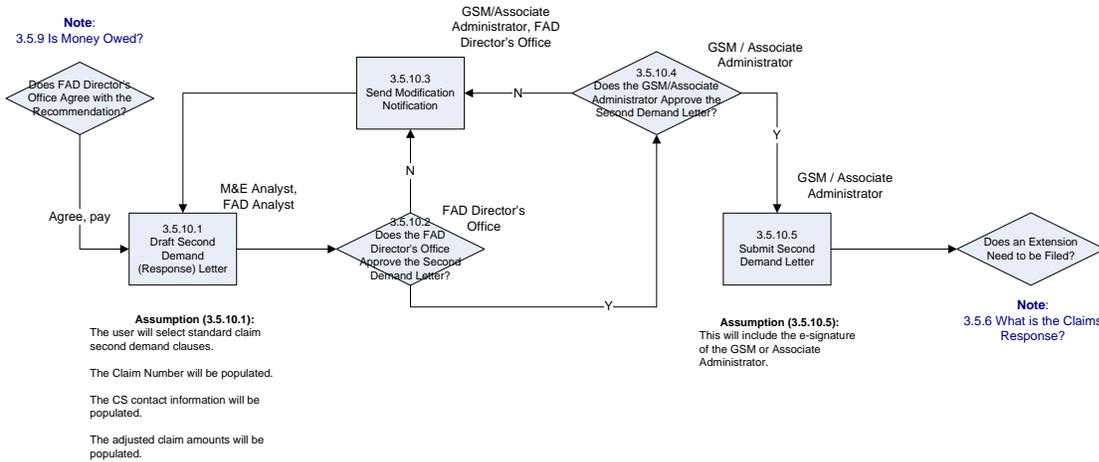
Determine if FAD Director's Office Agrees with the Recommendation

If the FAD Director's Office does not agree with the proposed recommendation, then the M&E or FAD Analyst will need to modify the recommendation after reviewing the FAD Director's Office reason and resubmit it. In addition, the FAD Branch Chief will be notified of this decision. If the FAD Director's Office agrees with the recommendation that payment

	should be made, then the second demand (or response) letter will be drafted. However, if the FAD Director's Office agrees with the recommendation that payment should be waived, then the final determination letter will be drafted.
Responsible:	M&E Analyst, FAD Analyst, FAD Branch Chief, FAD Director's Office
Input Activities:	File Appeal, Review Compliance Review and/or CS Audit/Evaluation
Output Activities:	Closeout Claim, Draft Second Demand Letter

3.5.10 Draft Second Demand Letter

3.5.10 Draft Second Demand Letter



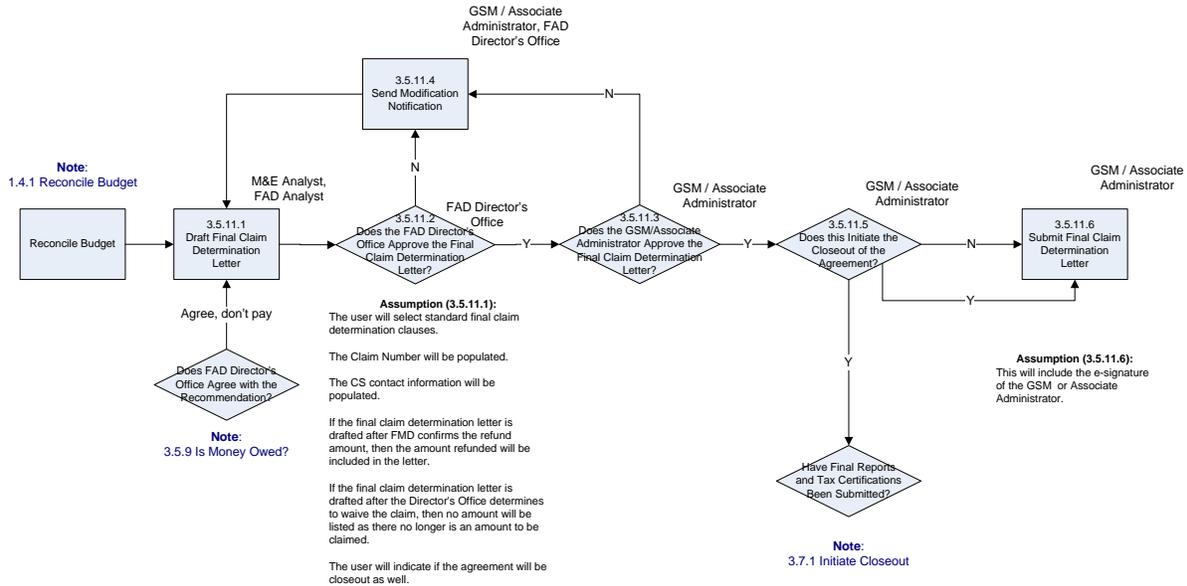
Version 1.9
June 4, 2007

Summary:	<p>In this activity, FAD and/or M&E will draft and submit the Second Demand (Response) Letter. The primary tasks associated with this process flow are outlined below:</p> <p>Draft Second Demand Letter Once the FAD Director's Office agrees with the M&E or FAD Analyst's proposed recommendation that payment should be made, the M&E or FAD Analyst will select the standard claim second demand clauses to be included in the second demand letter. The second demand letter will include the selected second demand clauses, agreement number, claim number, claim type and any associated, adjusted amounts. In addition, the CS or Carrier Name, CS or Carrier Contact Name, and CS or Carrier Address information associated to the agreement will be included.</p> <p>Once the second demand letter is drafted, it will be submitted to the FAD Director's Office for approval.</p> <p>Determine if the FAD Director's Office Will Approve the Second Demand Letter If the FAD Director's Office does not approve the second demand letter, then the M&E or FAD Analyst will be notified to make the modifications requested by the FAD Director's Office and resubmit the second demand letter. The M&E or FAD Analyst will then make any necessary modifications. However, if the FAD Director's Office approves the second demand letter, then it will be submitted to the GSM or Associate Administrator for approval.</p> <p>Determine if the GSM or Associate Administrator Will Approve the Second Demand Letter If the GSM or Associate Administrator does not approve the second demand letter, then the</p>
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	<p>M&E or FAD Analyst will be notified to make the modifications requested by the GSM or Associate Administrator and resubmit the second demand letter. In addition, the FAD Director's Office will be notified of the decision. The M&E or FAD Analyst will then make any necessary modifications to the second demand letter.</p> <p>However, if the GSM or Associate Administrator approves the second demand letter, then the GSM or Associate Administrator's e-signature will be appended to the letter. The second demand letter will then be sent to the CS Agreement Executor or Carrier.</p>
Responsible:	M&E Analyst, FAD Analyst, FAD Director's Office, GSM/Associate Administrator
Input Activities:	Is Money Owed?
Output Activities:	What is the Claims Response?

3.5.11 Closeout Claim

3.5.11 Closeout Claim



Version 1.11
June 4, 2007

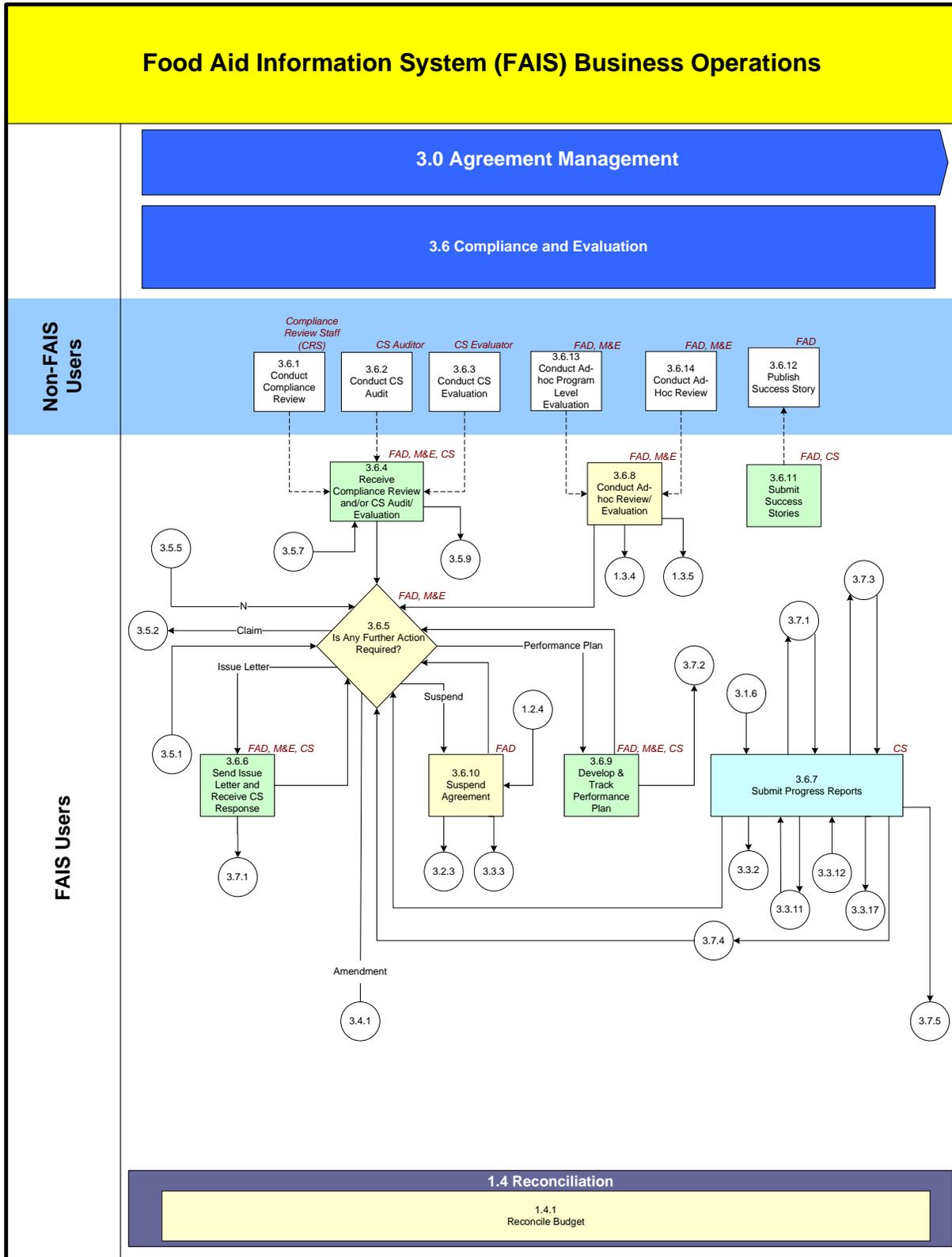
Summary:	<p>In this activity, FAD Analyst and/or M&E Analyst will draft and submit the Final Claim Determination Letter. The primary tasks associated with this process flow are outlined below:</p> <p>Draft Final Claim Determination Letter Once the FAD Director's Office agrees with the M&E or FAD Analyst's proposed recommendation that payment should be waived or if receipt of the claim payment has been confirmed by the Financial Management Division (FMD), the M&E or FAD Analyst will select the standard final claim determination clauses to be included in the final claim determination letter. In addition, the M&E or FAD Analyst will indicate if the agreement closeout process will be initiated.</p> <p>The final claim determination letter will include the selected final claim determination clauses, agreement number, agreement closeout indication, and the amount paid (if the CS or Carrier refunded an amount). In addition, the CS or Carrier Name, CS or Carrier Contact Name, and CS or Carrier Address information associated to the agreement will be included.</p> <p>Once the final claim determination letter is drafted, it will be submitted to the FAD Director's Office for approval.</p> <p>Determine if the FAD Director's Office Will Approve the Final Claim Determination Letter If the FAD Director's Office does not approve the final claim determination letter, then the M&E or FAD Analyst will be notified to make the modifications requested by the FAD Director's Office and resubmit the final claim determination letter. The M&E or FAD Analyst</p>
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	<p>will then make any necessary modifications. However, if the FAD Director's Office approves the final claim determination letter, then it will be submitted to the GSM or Associate Administrator for approval.</p> <p>Determine if the GSM or Associate Administrator Will Approve the Final Claim Determination Letter</p> <p>If the GSM or Associate Administrator does not approve the final claim determination letter, then the M&E or FAD Analyst will be notified to make the modifications requested by the GSM or Associate Administrator and resubmit the final claim determination letter. In addition, the FAD Director's Office will be notified of the decision. The M&E or FAD Analyst will then make any necessary modifications to the final claim determination letter.</p> <p>However, if the GSM or Associate Administrator approves the final claim determination letter, then the GSM or Associate Administrator's e-signature will be appended to the letter. The final claim determination letter will then be sent to the CS Agreement Executor or Carrier.</p> <p>In addition, if the agreement should be closed out (based on the indication in the letter), then the closeout process will be initiated.</p>
Responsible:	M&E Analyst, FAD Analyst, FAD Director's Office, GSM/Associate Administrator
Input Activities:	Reconcile Budget, Is Money Owed?
Output Activities:	Initiate Closeout

3.6 Compliance and Evaluation

Food Assistance Division Operations
Food Aid Information System

Version 1.24
June 4, 2007



The Compliance and Evaluation sub-process will serve as a means for measuring how well Cooperating Sponsors are performing in accordance to their signed Agreement(s). Through different types of reviews and evaluations, the FAD Director's Office will have real-time information that will allow them to make strategic decisions about what actions need to be taken against the CS to ultimately improve the CS's compliance with their signed Agreement(s). Various actions can be taken and include: requesting an amendment, requesting a claim, initiating a closeout, sending an issue letter to the CS, developing and tracking a Performance Plan, suspending an Agreement

Before the FAD Director's Office decides to take action on a CS, the FAD and/or M & E Analysts will conduct a review of the findings from any of the following items and make recommendations on what type of action should be taken on the CS:

CRS Review, CS Audit, CS Evaluation

These documents are created outside of the system by a third party who submits them to the FAD Director's Office, in the case of a CRS Review, and to the CS in the case of a CS Audit and CS Evaluation. Once received, these documents must be uploaded into the system.

Ad-hoc Evaluation

The FAD/M&E Contractor will conduct the evaluation outside of the system and send the evaluation to the FAD/M&E Analyst. The FAD/M&E Analyst will then login to the system and upload the evaluation.

Progress Reports and Validation Outcomes Report

The CS will complete and submit the Project Status Report, Tax Certification Report, if applicable, and/or Financial Report to FAD through the system. A Validation Outcomes Report will be generated to highlight the discrepancies between the CS Agreement and the submitted Project Status Report, Tax Certification Report, and/or Financial Report.

CS Response to an Issue Letter

After receiving the Issue Letter, the CS will review the Issue Letter and respond within a defined period of time. The CS can respond to the Issue Letter through the system, fax, email, and/or mail.

Ad-hoc Review

The FAD/M & E Analyst will conduct the Ad-hoc review outside of the system. Upon completing the review, the FAD/M & E Analyst will enter findings and recommendations into the system. Findings from Ad-hoc reviews will be submitted directly to the FAD Director's Office.

Through review cycles with the Branch Chief and FAD Director's Office, the appropriate action to be taken against the CS will be determined and any progress towards compliance will be tracked and measured. Finally, the CS or FAD/M & E Analysts can submit success stories which will go through a review process before being posted to the FAD public Web site.

3.6.1 Conduct Compliance Review

Summary:	The Compliance Review Staff (CRS) will conduct a review of selected Cooperating Sponsors (CS), which are submitted by the FAD Director's Office or selected randomly by CRS. During the review, the Compliance Review Staff will conduct a review of the CS's headquarters and/or will conduct a field review of their food aid program(s) to identify any issues. CRS will be responsible for submitting any findings along with an explanation of the review to the FAD Director's Office.
Responsible:	Compliance Review Staff
Input Activity:	N/A
Output Activity:	Review Compliance Review and/or CS Audit/Evaluation

3.6.2 Conduct CS Audit

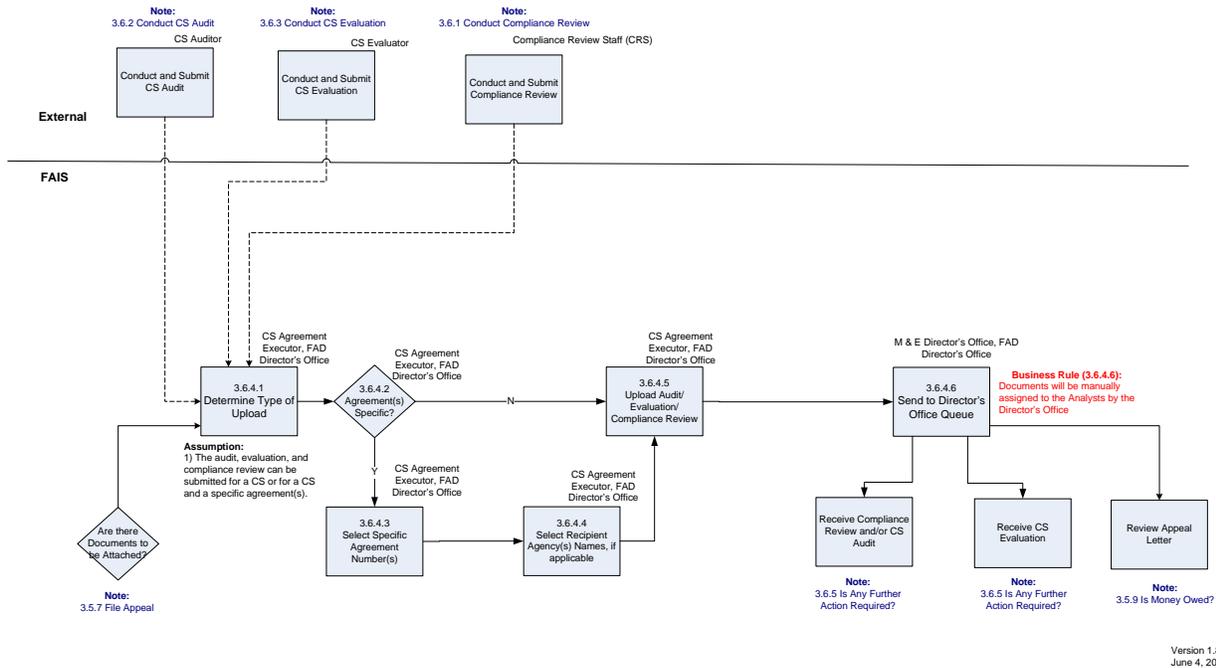
Summary:	The Cooperating Sponsors' Auditor will conduct an audit of the CS according to the OMB Circular A-133 which states that Audits must be conducted yearly for States, Local Governments, and Non-Profit Organizations. The CS's Auditor will be responsible for submitting the A-133 to the Audit Clearing House, CS, and FAD Director's Office to confirm that the Audit was conducted.
Responsible:	CS Auditor
Input Activity:	N/A
Output Activity:	Review Compliance Review and/or CS Audit/Evaluation

3.6.3 Conduct CS Evaluation (Per Agreement)

Summary:	The CS Evaluator will conduct an evaluation of a selected CS Agreement(s). During the review, the CS Evaluator will conduct a field review to identify any issues. The CS Evaluator will be responsible for submitting an explanation of the review to the CS.
Responsible:	CS Evaluator
Input Activity:	N/A
Output Activity:	Review Compliance Review and/or CS Audit/Evaluation

3.6.4 Receive Compliance Review and/or CS Audit/Evaluation

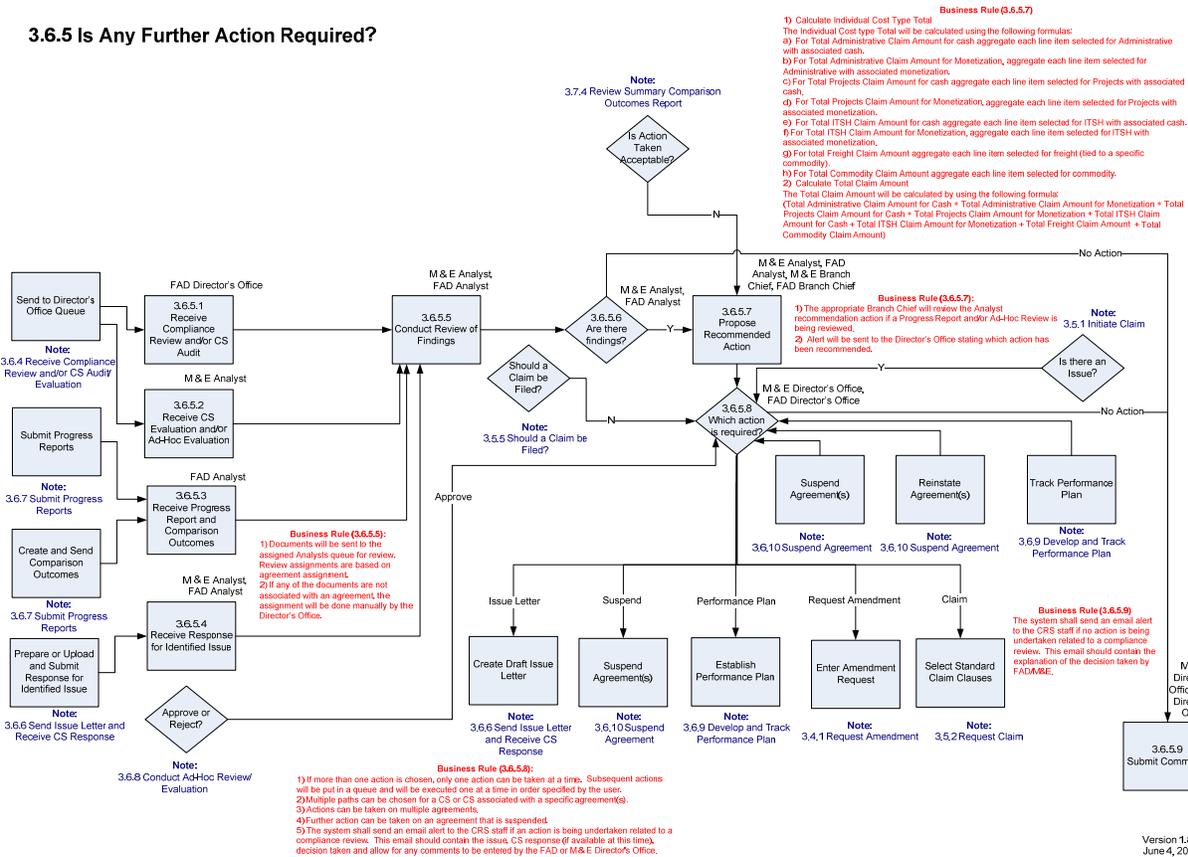
3.6.4 Receive Compliance Review and/or CS Audit/Evaluation



Summary:	<p>These documents are created outside of the system by a third party who submits them to the FAD Director's Office, in the case of a CRS Review, and to the CS in the case of a CS Audit and CS Evaluation. Once received, these documents must be uploaded into the system. Both the FAD Director's Office and the CS must determine whether the document being uploaded is associated to the entire CS organization or for a specific CS Agreement(s). If the document is associated to a specific CS Agreement(s), the FAD Director's Office and the CS must select the Agreement(s) number. In addition, Recipient Agency(s) Names, if applicable to the CS Agreement(s), must be selected.</p> <p>A FAD and M&E Analyst will be notified once a CRS Review, CS Audit, and/or CS Evaluation is uploaded into the system for their review.</p>
Responsible:	FAD Director's Office, CS
Input Activity:	Conduct Compliance Review, Conduct CS Audit, Conduct CS Evaluation, File Appeal
Output Activity:	Is Money Owed, Is Any Further Action Required?

3.6.5 Is Any Further Action Required?

3.6.5 Is Any Further Action Required?



Summary:

Responsible:

In this activity, FAD and/or M & E Analysts will conduct a review of the findings from any of the following items: CRS Review, CS Audit, CS Evaluation, Ad-hoc Evaluation, Progress Reports, Validation Outcomes Report, and/or CS response to an identified issue and determine if any action must be taken against the CS. Findings from Ad-hoc reviews will be submitted directly to the FAD Director's Office. Through review cycles with the Branch Chief and FAD Director's Office, the appropriate action to be taken against the CS will be determined. The primary tasks associated with this process flow are outlined below:

Conduct Review of Findings
The FAD and/or M & E Analysts will conduct a review of the findings from the items listed above and will indicate if there were findings that require follow up action. The following actions can be recommend to be taken against the CS: an Issue Letter can be sent to the CS, a CS Agreement(s) could be suspended, the CS could be put on a Performance Plan, an Amendment could be requested for a CS Agreement(s), a claim could be filed against the CS, and/or no action could be taken. These recommended actions will be submitted to the appropriate Branch Chief for the review.

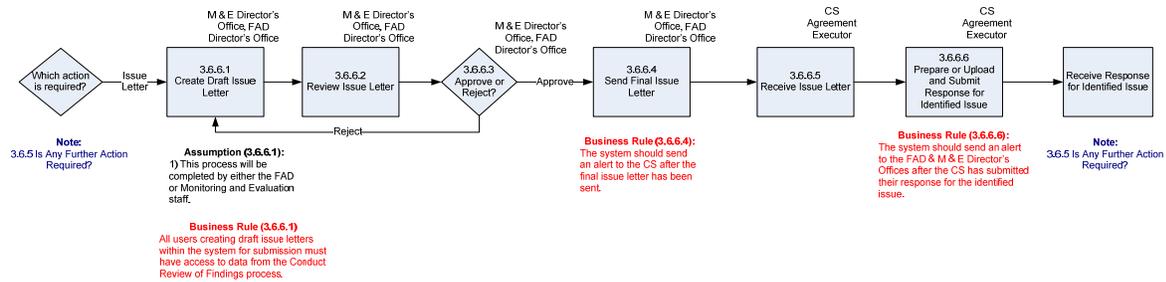
Propose Recommend Action
The Branch Chief will review the recommended actions determined by the FAD and/or M & E Analyst and will submit their recommended actions to the FAD Director's Office for review.

Which Action is Required?
The FAD Director's Office will review the recommended actions submitted by the Branch Chief and will initiate the appropriate action to be taken against the CS. If the action taken is associated to a CRS Review, the CRS staff will receive an email.

Input Activity:	Receive Compliance Review and/or CS Audit/Evaluation, Initiate Claim, Should a Claim be Filed?, Send Issue Letter and Receive CS Response, Review Summary Comparison Outcomes Report, Submit Progress Reports, Develop & Track Performance Plan, Suspend Agreement, Conduct Ad-hoc Review Evaluation
Output Activity:	Request Claim, Send Issue Letter and Receive CS Response, Request Amendment, Suspend Agreement, Develop and Track Performance Plan

3.6.6 Send Issue Letter and Receive CS Response

3.6.6 Send Issue Letter and Receive CS Response

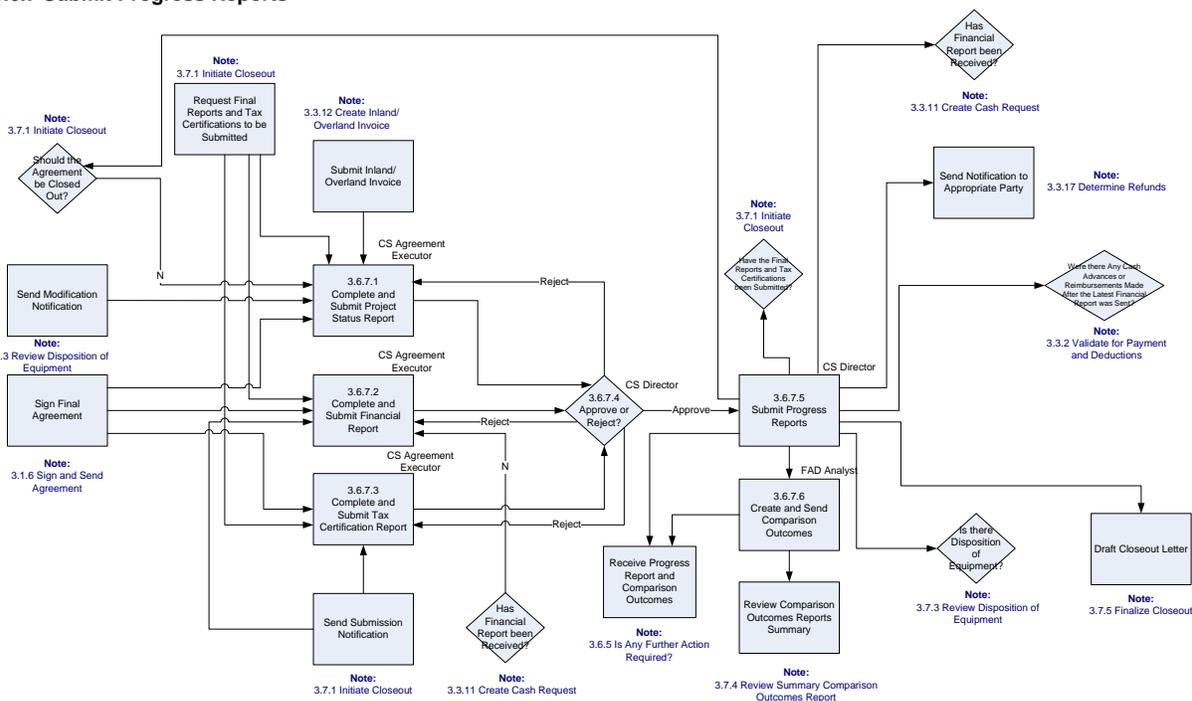


Version 1.8
June 4, 2007

Summary:	In this activity, FAD and/or M & E Analysts will create a draft Issue Letter to be sent to the CS explaining the identified issue. This process can originate during the review of the findings from any of the following items: CRS Review, CS Audit, CS Evaluation, Ad-hoc Evaluation, Progress Reports, Validation Outcomes Report, CS response to an identified issue, and/or Ad-hoc Review. This Issue Letter will be reviewed by the FAD Director's Office and/or M & E Director's Office and will be sent to the CS through the system. After receiving the Issue Letter, the CS will review the Issue Letter and must respond within a defined period of time. The CS can respond to the Issue Letter through the system, fax, email, and/or mail.
Responsible:	FAD Analyst, M&E Analyst, FAD Director's Office, M&E Director's Office, CS Agreement Executor
Input Activity:	Is Any Further Action Required?
Output Activity:	Is Any Further Action Required?, Initiate Closeout

3.6.7 Submit Progress Reports

3.6.7 Submit Progress Reports



Version 1.9
June 4, 2007

Summary:

In this activity, the CS will complete and submit the Project Status Report, Tax Certification Report, if applicable, and/or Financial Report to FAD through the system. A Comparison Outcomes Report will be generated to highlight the discrepancies between the CS Agreement and the submitted Project Status Report, Tax Certification Report, and/or Financial Report. The primary tasks associated with this process flow are outlined below:

Complete and Submit Project Status Report

The CS employee is responsible for compiling and submitting the Project Status Report at least annually. The CS will receive system alerts when the Project Status Report is due and when they are delinquent on submitting the Report. The CS employee will be able to report the status of their commodity received against information from their Agreement. This includes commodity that has been distributed, bartered, given for Food for Work, and/or sold. If commodity is sold, the Proceeds Generated, Interest Earned, Other Program Income, Currency Loss & Gains, and Current Expenditures must be reported by the CS employee. If commodity is distributed, bartered, and/or given for Food for Work, the CS must enter the quantity of commodity that is distributed, bartered, and/or given for Food for Work.

When a CS employee is preparing a Project Status Report for a FFE Agreement, they will be able to report the Number of School Days, Female Enrollment, Female Attended, Male Enrollment, and Male Attended numbers against information from their Agreement.

The CS employee will also be able to report Actual # of Beneficiaries, Actual Outputs, Actual Outcomes, Actual Short-Term Impacts, and Progress Towards Long-Term Impacts against information from their Agreement. This is applicable for all Program Types and Commodity Uses.

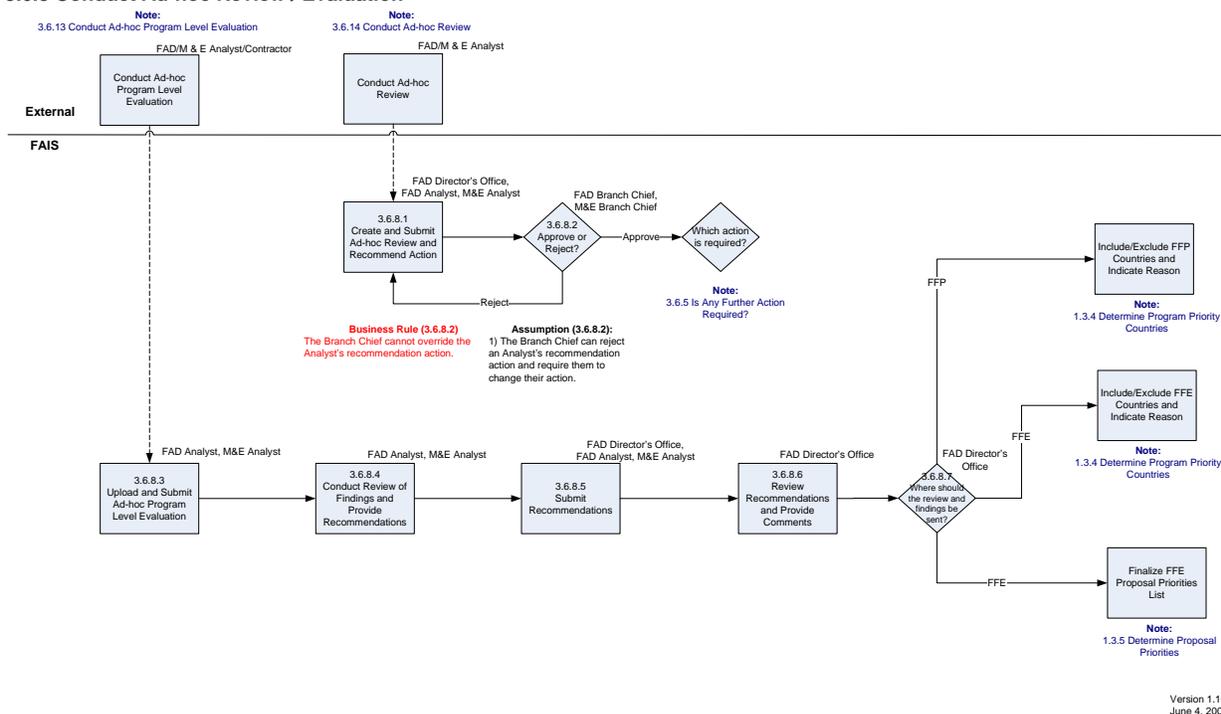
The CS employee will be able to submit the Project Status Report to the CS Director for review.

Complete and Submit Tax Certification Report

	<p>The CS employee is responsible for compiling the Tax Certification Report annually if the CS has applicable Agreement Budget tax cost line items. The CS will receive system alerts when the Tax Certification Report is due and when they are delinquent on submitting the Report. The CS employee will be able to report the total amount of any employment-related payments for which the CS organization has outstanding obligations against information from their Agreement. The CS will be prompted to enter comments to explain any unpaid employment-related payments.</p> <p>The CS employee will be able to submit the Tax Certification Report to the CS Director for review.</p> <p>Complete and Submit Financial Report The CS employee is responsible for compiling the Financial Report quarterly by calendar year if the CS has received cash. The CS will receive system alerts when the Financial Report is due and when they are delinquent on submitting the Report. The CS employee will be able to report any Current Expenditures and/or Prior Period Adjustments, for all Budget Categories defined in the CS Agreement, for the specified reporting period against information from their Agreement. The CS employee will be able to move the allocated budget for all line items expenses to other line items, not including ITSH or Activity line items. If the CS employee requests a sum total of line item expense movements in excess of an identified value, the CS employee will be prompted to request a Budget Realignment Amendment.</p> <p>When a CS employee is submitting a final Report for a FFE Agreement, they will be prompted to select if they have obligated cash advanced money within 180 days of receiving the funds. If the CS employee answers 'No,' the CS employee will be prompted to proceed with a Refund to FAD.</p> <p>The CS employee will be able to submit the Financial Report to the CS Director for review.</p> <p>Approve or Reject? The CS Director will review the submitted Project Status Report, Tax Certification Report, and/or Financial Report and determine if any changes need to be made. The CS Director will be able to approve, modify, or reject these Reports with comments. If the CS Director rejects the Report, the CS employee who submitted the Report will be notified to make the recommended changes.</p> <p>Submit Progress Reports After approving or modifying a submitted Report, the CS Director will submit the Report to FAD.</p> <p>Create and Send Comparison Outcomes The Comparison Outcomes Report will be created for each Project Status Report, Tax Certification Report, and/or Financial Report submitted by the CS. This report will highlight any discrepancies between items reported in Reports listed above and the CS Agreement. The Comparison Outcomes Report, in conjunction with the submitted CS Reports, will be reviewed by the FAD Analyst and/or M & E Analyst.</p>
Responsible:	CS Agreement Executor, CS Director,
Input Activity:	Initiate Closeout, Sign and Send Agreement, Create Cash Request, Create Inland/Overland Invoice, Review Disposition of Equipment
Output Activity:	Is Any Further Action Required?, Validate for Payment and Deductions, Create Cash Request, Determine Refunds, Review Summary Comparison Outcomes Report, Review Disposition of Equipment, Initiate Closeout, Finalize Closeout

3.6.8 Conduct Ad-Hoc Review/Evaluation

3.6.8 Conduct Ad-hoc Review / Evaluation

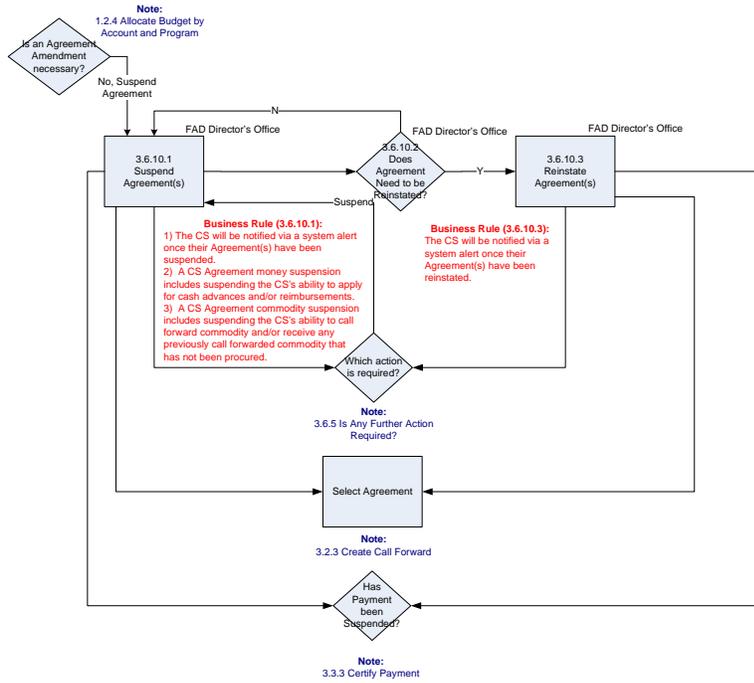


Version 1.10
June 4, 2007

Summary:	<p>In this activity, the FAD/M&E Analyst can create an Ad-hoc review or upload a program level Ad-hoc evaluation. The primary tasks associated with this process flow are outlined below:</p> <p>Ad-Hoc Review The process of creating an Ad-hoc review will begin when the FAD/M&E Analyst conducts an Ad-hoc review outside of the system. Upon completing the review, the FAD/M&E Analyst will login to the system and select each Ad-hoc criteria that was reviewed (For example: CS Infrastructure, Facility, and Distribution Methods). After selecting criteria, the FAD/M&E Analyst will enter comments and recommended actions for each criteria. The comments and recommended actions will be sent to the Branch Chief who will approve or reject the recommendations. If the Branch Chief approves the recommendations, the recommendations will be sent to the FAD Director's Office for approval. If the Branch Chief rejects the recommendations, the FAD/M&E Analyst will be alerted and given the opportunity to change their recommended actions.</p> <p>Ad-Hoc Evaluation The process of uploading a program level evaluation begins when the FAD/M&E Contractor conducts the evaluation outside of the system and sends the evaluation to the FAD/M&E Analyst. The FAD/M&E Analyst will then login to the system and upload the evaluation. Upon uploading the evaluation, the FAD/M&E Analyst will review the evaluation and enter comments about the scope of the evaluation and recommended actions. The comments and recommended actions will be sent to the Director's Office who will then determine how the evaluation recommendations impact the program priority countries and/or the proposal priorities lists.</p>
Responsible:	FAD Analyst, M&E Analyst, FAD Branch Chief, M&E Branch Chief, FAD Director's Office
Input Activity:	Conduct Ad-hoc Program Level Evaluation, Conduct Ad-hoc Review
Output Activity:	Determine Program Priority Countries, Determine Proposal Priorities, Is Any Further Action Required?

3.6.10 Suspend Agreement

3.6.10 Suspend Agreement

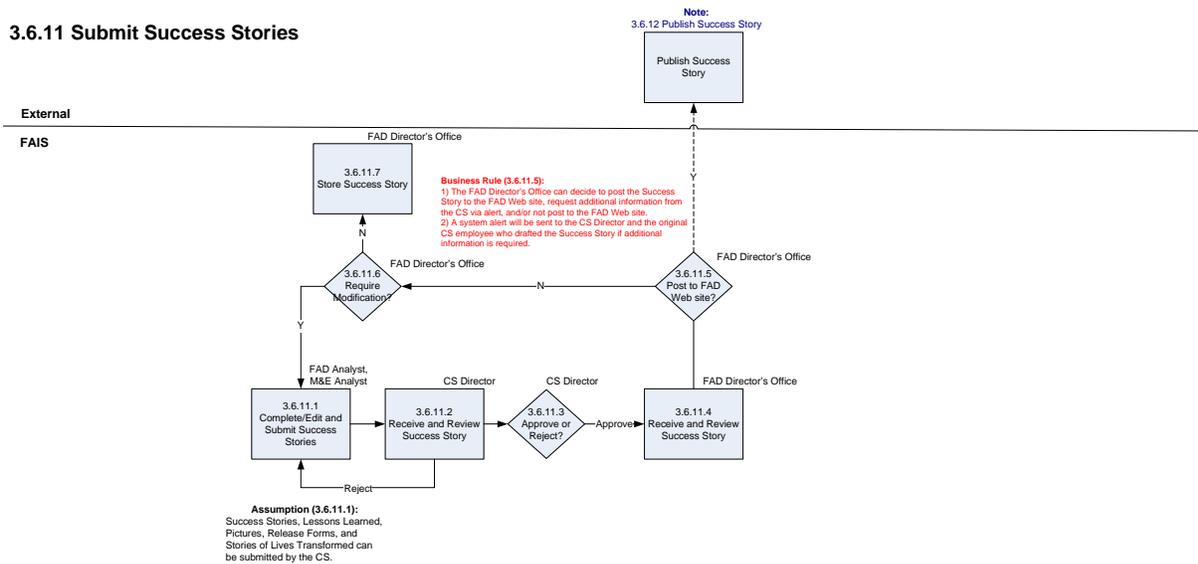


Version 1.9
June 4, 2007

Summary:	In this activity, the FAD Director's Office will suspend or reinstate an Agreement(s). The initial decision to suspend or reinstate an Agreement(s) will be initiated by the FAD Director's Office.
	<p>Agreement(s) Suspension</p> <p>If the FAD Director's Office decides to suspend an Agreement(s), they can suspend money, commodity, or both money and commodity. Suspensions involving money will include suspending the CS's ability to apply for cash advances and/or reimbursements. Commodity suspensions will include suspending the CS's ability to call forward commodity and/or receive any previously call forwarded commodity that has not been procured. The CS will be alerted once their Agreement has been suspended.</p> <p>Agreement(s) Reinstatement</p> <p>Agreements under suspension can also be reinstated by the FAD Director's Office. The FAD DO will enter comments into the system about the reinstatement and the system will alert the CS that their Agreement has been reinstated.</p>
Responsible:	FAD Director's Office
Input Activity:	Is Any Further Action Required?, Allocate Budget by Account and Program
Output Activity:	Is Any Further Action Required?, Certify Payment, Create Call Forward

3.6.11 Submit Success Stories

3.6.11 Submit Success Stories



Version 1.9
June 4, 2007

Summary:	In this activity, Success Stories, Lessons Learned, Stories of Lives Transformed, and/or pictures will be submitted in the system and posted to the FAD public Web site. The CS will submit their content, and expressed written consent to publish the content, to the CS Director for review. Once approved by the CS Director, the content will be sent to the FAD Director's Office for final approval. The FAD DO can decide to post the content to the FAD Web site, request additional information from the CS, and/or not post the content to the FAD Web site. An alert will be sent to the CS Director and the original author of the content if additional information is required.
Responsible:	CS Agreement Executor, CS Director, FAD Analyst, M&E Analyst, FAD Director's Office
Input Activity:	N/A
Output Activity:	Publish Success Story

3.6.12 Publish Success Story

Summary:	Approved Success Stories, Lessons Learned, Stories of Lives Transformed, and/or pictures will be published to the FAD Public Web site.
Responsible:	FAD Director's Office
Input Activity:	Submit Success Stories
Output Activity:	N/A

3.6.13 Conduct Ad-hoc Program Level Evaluation

Summary:	The FAD/M&E Contractor will conduct a Program-level evaluation outside of the system and send the evaluation to the FAD/M&E Analyst.
Responsible:	FAD, M&E
Input Activity:	N/A
Output Activity:	Conduct Ad-hoc Review/Evaluation

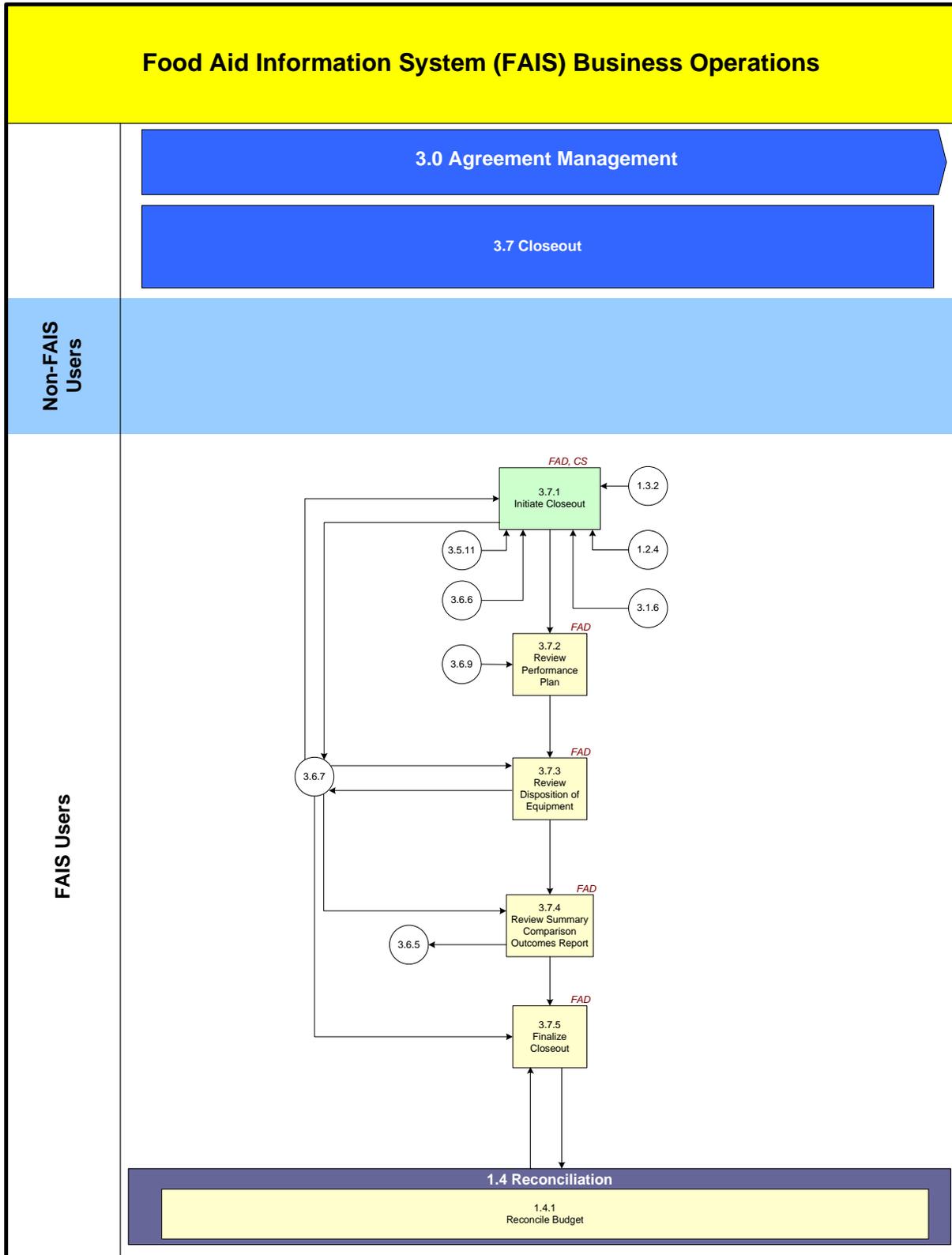
3.6.14 Conduct Ad-hoc Review

Summary:	The FAD/M&E Analyst will conduct an Ad-hoc review outside of the system.
Responsible:	FAD, M&E
Input Activity:	N/A
Output Activity:	Conduct Ad-hoc Review/Evaluation

3.7 Closeout

Food Assistance Division Operations
Food Aid Information System

Version 1.24
June 4, 2007



The Closeout sub-process can be initiated by either the FAD Director's Office (FAD Director's Office) requesting an agreement to be closed out, the Cooperating Sponsor (CS) Agreement Executor submitting the final project status report, or through a claim. The CS closeout request letter will then be generated and the request will be assigned to an FAD Analyst once all final financial and project status reports as well as tax certifications have been submitted by the Cooperating Sponsor (CS) Agreement Executor.

Once the FAD Analyst receives the request, there will be checks performed to determine if there are any open pending actions or open issues against the agreement. Any open pending actions and/or open issues will need to be resolved before the FAD Analyst reviews the Performance Plan (if necessary).

If there is a Performance Plan, then the FAD Analyst will review the Performance Plan and determine if the Performance Plan needs to be completed before the closeout request can be processed. If the Performance Plan needs to be completed, then the CS Agreement Executor will be notified to complete the Performance Plan prior to final closeout. Once the Performance Plan has been completed or if the FAD Analyst determines to process the closeout request with an incomplete Performance Plan, then the FAD Analyst will review the Disposition of Equipment (if necessary). If there is no Performance Plan, then the FAD Analyst will proceed as normal to the next step.

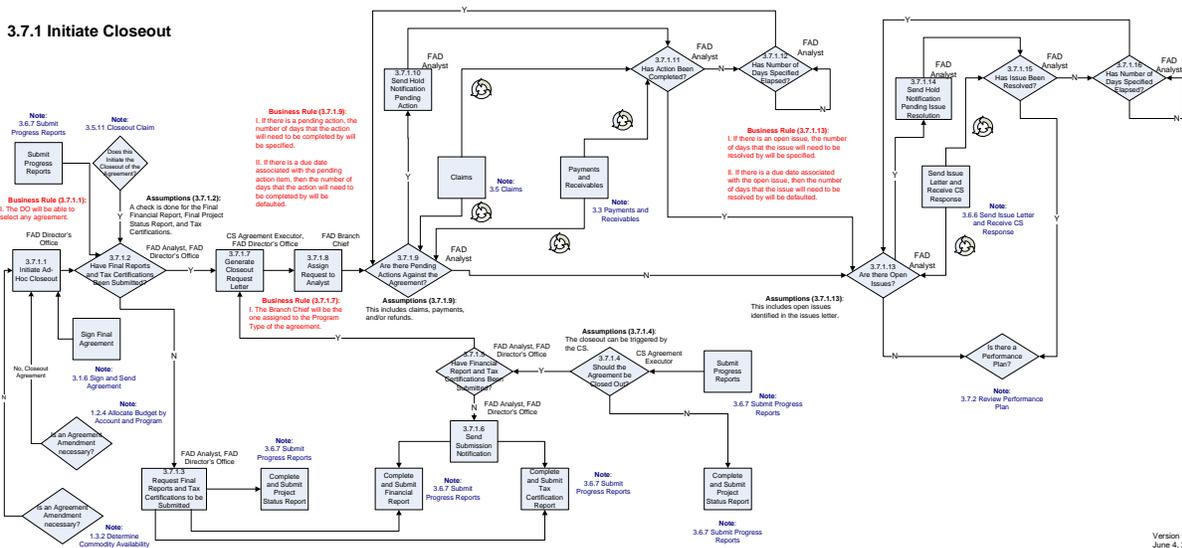
If there is a Disposition of Equipment, then the FAD Analyst will review the current condition and plan for the Disposition of Equipment. The FAD Analyst will review the plan and determine if it should be approved. If the plan is not approved, then the CS Agreement Executor will modify the plan and resubmit it. However, if the plan is approved, then the FAD Analyst will review the Comparison Outcomes Report Summary. If there is no Disposition of Equipment, then the FAD Analyst will proceed as normal to the next step.

Next, the FAD Analyst will review the Comparison Outcomes Report Summary, which includes the summary of all Comparison Outcomes Reports tied to the agreement. The FAD Analyst will review the action(s) taken on each of the discrepancies identified and determine if it is acceptable. If the action(s) taken is not acceptable, then the FAD Analyst will propose a recommended action in the compliance evaluation section. However, if the action(s) taken is acceptable, then the FAD Analyst will draft the closeout letter.

The closeout letter will include information from the project status report and budget as well as the contact and address information of the CS Agreement Executor. The Remaining Obligated Amount will also be calculated and included in the final closeout letter for each individual cost type (administrative, ocean, etc.). The closeout letter will then be submitted to the FAD Director's Office for approval. If the closeout letter is not approved, then the FAD Analyst will need to modify the letter and resubmit. If the closeout letter is approved, then any de-obligated funds will be reconciled against the budget and the Financial Management Division (FMD) will be notified. In addition, the final closeout letter will be sent to the CS Agreement Executor with the FAD Director's Office's e-signature.

3.7.1 Initiate Closeout

3.7.1 Initiate Closeout



Version 1.8
June 4, 2007

Summary:

In this activity, the close out of the agreement will be initiated by either the FAD Director's Office (FAD Director's Office), the CS Agreement Executor, or through a claim. The primary tasks associated with this process flow are outlined below:

Closeout Initiated by FAD Director's Office or from Claims Process
The FAD Director's Office can initiate an ad-hoc closeout by selecting an agreement. In order to process the request, a check will be done to determine if the final project status report, final financial report, and tax certifications have been submitted. This check will also be done if a closeout was initiated through a claim.

If the final project status report, final financial report, and/or tax certifications have not been submitted, then the FAD Director's Office will request the CS Agreement Executor to submit the appropriate documents and provide them with the reason for the closeout. Once the final project status report, final financial report, and tax certifications have been submitted, the closeout request letter will be generated.

Closeout Initiated by Cooperating Sponsor
A closeout can also be initiated by the CS Agreement Executor submitting a final project status report and confirming that the agreement should be closed out. Once this is done, a check will be done to determine if the final financial report and tax certifications have been submitted.

If they have not been submitted, then the CS Agreement Executor will be requested to submit the final financial report and tax certifications before the closeout request can be processed. Once the final financial report and tax certifications have been submitted, the closeout request letter will be generated.

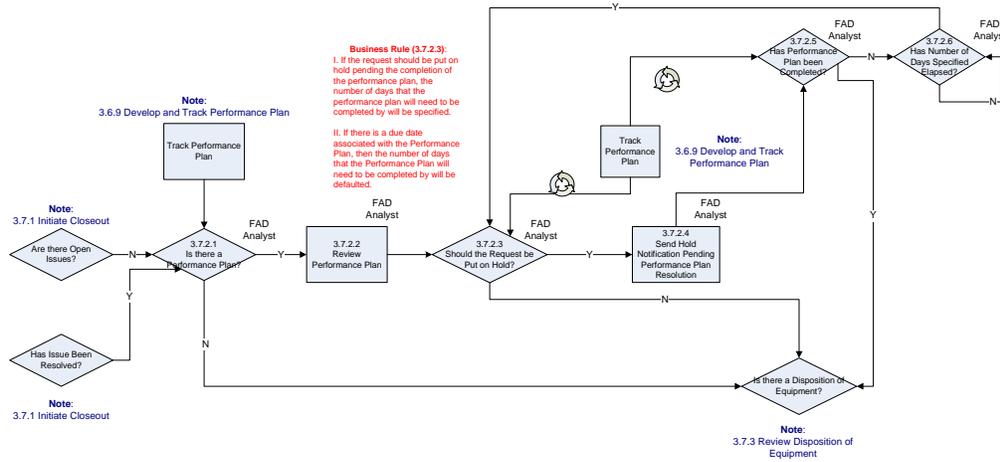
Generate Closeout Request Letter and Assign Request
After the final financial report, final project status report, and tax certifications have been submitted, the closeout request letter will be generated. If the CS Agreement Executor initiated the closeout, then they will be able to include any Free Forms Remarks. The closeout request letter will then be submitted to the appropriate FAD Branch Chief based on the program type of the agreement. The FAD Branch Chief will then assign the closeout request to an FAD Analyst to process.

Determine if there are any Pending Actions against the Agreement
Once the FAD Analyst receives the closeout request letter, a check will be done to determine

	<p>if there are any pending actions against the agreement. Pending actions include any outstanding claims, payments, and/or refunds. If there are any open pending actions, then the FAD Analyst will send a notification to the CS Agreement Executor indicating that the closeout request will be placed on hold until the action has been completed. In the notification, the number of days to complete the action will be specified.</p> <p>If the pending action has not been completed after the number of days specified has elapsed, then the FAD Analyst will be notified. Once the open pending actions have been completed or if there were no open pending actions identified, then a check will be done to determine if there are any open issues.</p> <p>Determine if there are Any Open Issues</p> <p>If there are any open issues against the agreement, then the FAD Analyst will send a notification to the CS Agreement Executor indicating that the closeout request will be placed on hold until the issue has been resolved. Open issues include any issues identified in the issues letter from the compliance evaluation section. In the notification, the number of days to resolve the issue will be specified.</p> <p>If the open issue has not been resolved after the number of days specified has elapsed, then the FAD Analyst will be notified. Once the open issues have been resolved or if there were no open issues identified, then a check will be done to determine if there is a Performance Plan.</p>
Responsible:	FAD Director's Office, FAD Branch Chief, FAD Analyst, and CS Agreement Executor
Input Activities:	Claims (<i>claims leading to closeout and open claims</i>), Submit Progress Reports (<i>submitted final project status report, final financial report, and/or tax certifications</i>), Payments and Receivables (<i>status on pending payments or refunds</i>), Send Issue Letter and Receive CS Response (<i>status on open issues</i>), Allocate Budget by Account and Program, Determine Commodity Availability, Sign and Send Agreement, Closeout Claim
Output Activities:	Submit Progress Reports (<i>request for final project status report, final financial report, and/or tax certifications</i>), Review Performance Plan (<i>Performance Plan</i>),

3.7.2 Review Performance Plan

3.7.2 Review Performance Plan

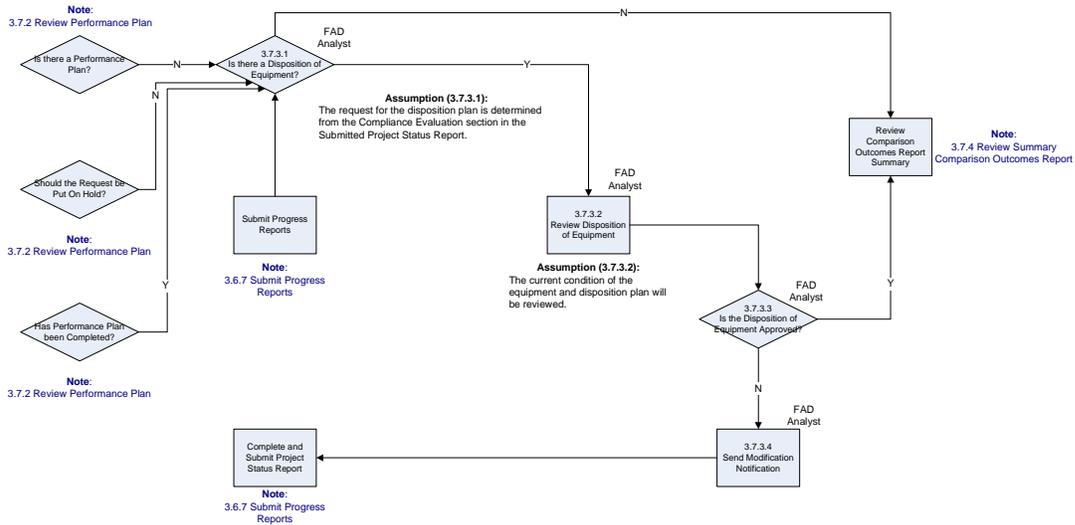


Version 1.8
June 4, 2007

Summary:	<p>In this activity, the FAD Analyst will review the Performance Plan. The primary task associated with this process flow is outlined below:</p> <p>Review Performance Plan and Determine if Request Should be Put On Hold</p> <p>If there is a Performance Plan in the compliance evaluation section, then the FAD Analyst will review the Performance Plan. If the Performance Plan needs to be completed before the closeout request can be processed, then the FAD Analyst will send a notification to the CS indicating that the closeout request will be placed on hold until the Performance Plan has been completed. The notification will specify the number of days to complete the Performance Plan, as indicated in the Performance Plan.</p> <p>If the Performance Plan has not been completed after the number of days specified has elapsed, then the FAD Analyst will be notified. Once the Performance Plan has been completed or if the closeout request can proceed without completing the Performance Plan or if there was no Performance Plan, then a check will be done to determine if there is a Disposition of Equipment.</p>
Responsible:	FAD Analyst
Input Activities:	Initiate Closeout, Develop and Track Performance Plan (<i>Performance Plan and status of Performance Plan</i>)
Output Activities:	Review Disposition of Equipment

3.7.3 Review Disposition of Equipment

3.7.3 Review Disposition of Equipment

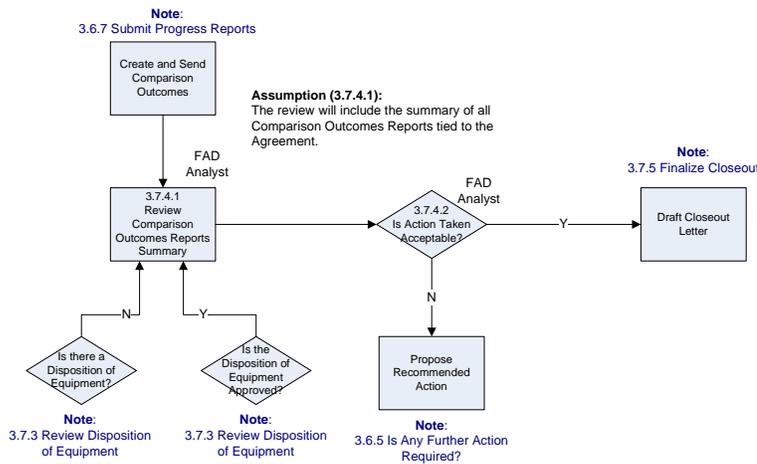


Version 1.6
June 4, 2007

Summary:	<p>In this activity, the FAD Analyst will review the Disposition of Equipment. The primary task associated with this process flow is outlined below:</p> <p>Review Disposition Plan of Equipment and Determine if is Approved</p> <p>If there is a Disposition of Equipment indicated in the submitted project status report from the compliance evaluation section, then the FAD Analyst will review the current condition reported by the CS and disposition plan for identified equipment. The FAD Analyst will then determine if the Disposition of Equipment should be approved.</p> <p>If the Disposition of Equipment is not approved, then the CS will need to modify the plan and resubmit the project status report. However, if the disposition of equipment is approved or if there was no Disposition of Equipment, then the FAD Analyst will review the Comparison Outcomes Report Summary.</p>
Responsible:	FAD Analyst
Input Activities:	Review Performance Plan, Submit Progress Reports (<i>information from the project status report</i>)
Output Activities:	Review Comparison Outcomes Report Summary , Submit Progress Reports (<i>Completed and submitted Project Status Report</i>)

3.7.4 Review Summary Comparison Outcomes Report

3.7.4 Review Summary Comparison Outcomes Report

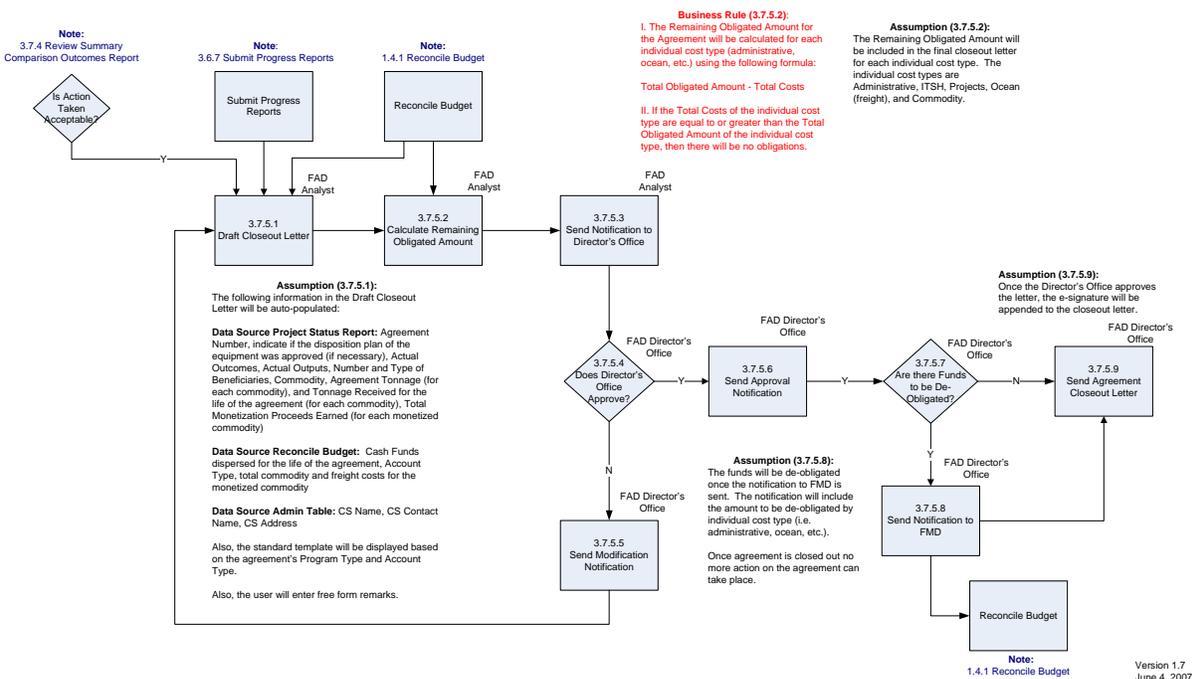


Version 1.7
June 4, 2007

Summary:	<p>In this activity, the FAD Analyst will review the Comparison Outcomes Report. The primary task associated with this process flow is outlined below:</p> <p>Review Comparison Outcomes Report Summary and Determine if Action Taken is Acceptable</p> <p>The FAD Analyst will review the Comparison Outcomes Report Summary, which includes a summary of all discrepancies identified and the corresponding action(s) taken. The summary will be of all of the Comparison Outcomes Reports in the compliance evaluation tied to the agreement. The FAD Analyst will review the action(s) taken on each discrepancy and determine if it is acceptable.</p> <p>If the FAD Analyst determines that the action(s) taken to resolve the discrepancy is not acceptable, then the FAD Analyst will propose a recommended course of action in the compliance evaluation section. However, if the FAD Analyst determines that the action(s) taken to resolve the discrepancy is acceptable, then the FAD Analyst will draft the closeout letter.</p>
Responsible:	FAD Analyst
Input Activities:	Submit Progress Reports, Review Disposition of Equipment
Output Activities:	Is Any Further Action Required?, Finalize Closeout

3.7.5 Finalize Closeout

3.7.5 Finalize Closeout



Summary:

In this activity, the FAD Analyst will draft the final closeout letter to the CS Agreement Executor and submit it for approval to the FAD Director's Office (FAD Director's Office). The primary tasks associated with this process flow are outlined below:

Draft Closeout Letter

The FAD Analyst will draft the closeout letter off of a standard template that will be based on the agreement's Program Type and Account Type.

The closeout letter will include the following information from the Project Status Report: Agreement Number, Indication if the disposition plan of the equipment was approved (if necessary), Actual Outcomes, Actual Outputs, Number and Type of Beneficiaries, Commodity, the Agreement Tonnage for Each Commodity, and Tonnage Received for the Life of the Agreement for Each Commodity, and the Total Monetization Proceeds Earned for Each Monetized Commodity (if necessary).

From the budget, the closeout letter will include the Cash Funds Disbursed for the Life of the Agreement, Account Type, and Total Commodity and Freight Costs for Each Monetized Commodity (if necessary). Additionally, the closeout letter will include the name, contact information, and address of the CS. The FAD Analyst will then enter any Free Form Remarks and submit the closeout letter.

Calculate Remaining Obligated Amount

The Remaining Obligated Amount for the agreement will then be calculated for each individual cost type (i.e., administrative, ITSH, projects, ocean (freight), and commodity) and included in the closeout letter. There may not be any remaining obligations if the total costs are equal to or greater than the total obligated amount for the individual cost type. Once the Remaining Obligated Amount has been calculated, a notification will be sent to the FAD Director's Office to review the closeout letter.

Determine if Closeout Letter is Approved

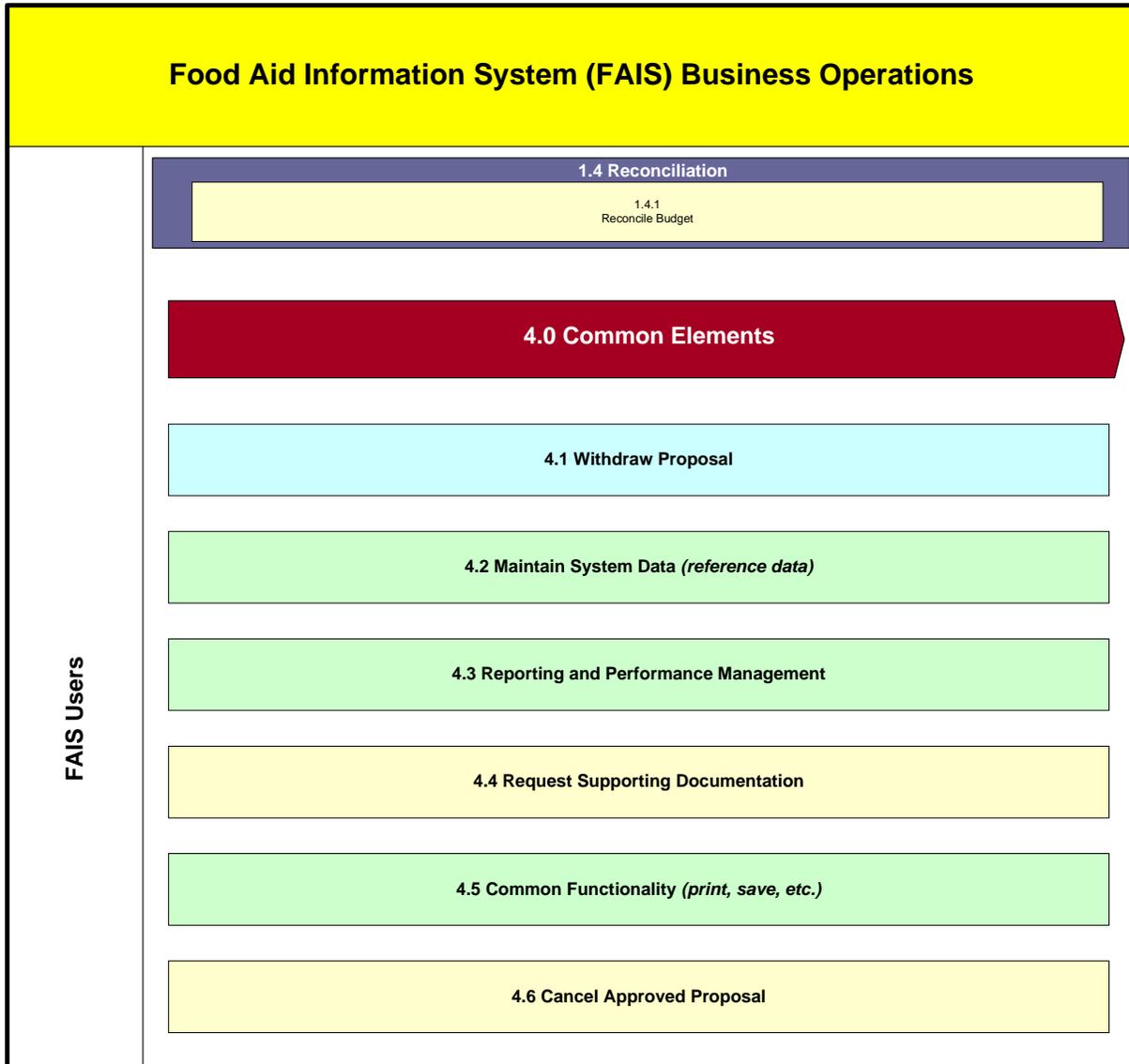
The FAD Director's Office will then determine if the closeout letter should be approved. If the

	FAD Director's Office does not approve the closeout letter, then the FAD Analyst will need to modify the letter and resubmit it to the FAD Director's Office for approval. However, if the FAD Director's Office approves the closeout letter, then the FAD Analyst will be notified of the approval. In addition, any de-obligated funds will be reconciled against the budget and the Financial Management Division (FMD) will be notified. Lastly, the final closeout letter will be sent to the CS with the FAD Director's Office's e-signature.
Responsible:	FAD Analyst, FAD Director's Office
Input Activities:	Review Summary Comparison Outcomes Report, Submit Progress Reports (<i>information from the project status report</i>), Reconcile Budget
Output Activities:	Reconcile Budget (<i>de-obligated funds</i>)

4.0 Common Elements

Food Assistance Division Operations
Food Aid Information System

Version 1.24
June 4, 2007



The Common Elements section consists of the following sections: Withdraw Proposal, Request and Obtain UMR Analysis, Allocate Tonnage, Maintain System Data, Reporting and Performance Management, Request Supporting Documentation, and Common Functionality.

4.1 Withdraw Proposal

Summary:	During the solicitation period the Cooperating Sponsor can withdraw a Proposal. A withdrawn Proposal can be resubmitted by the CS up until the end of the solicitation period. The FAD Analyst assigned to the Proposal will be alerted when a Proposal is withdrawn.
Responsible:	CS Proposal Creator
Input Activity:	N/A
Output Activity:	N/A

4.2 Maintain System Data

Summary:	FAIS users will manage system data by adding, updating, or deleting the system data tables.
Responsible:	FAD Branch Chief, FAD Director's Office, OGA Branch Chief, Financial Management Division, Payment Reviewer, Payment Certifier, CS Director, Freight Forwarder, Carrier, Carrier Broker
Input Activity:	N/A
Output Activity:	N/A

4.3 Reporting and Performance Management

Summary:	Users will create Ad-hoc custom reports and/or view standardized reports across all system functional areas (e.g. Procurement, Proposal Management). These reports will focus on CS-specific, FAS executive, FAIS operational, and Performance Management needs. Performance Management reports will be geared toward monitoring/improving speed and quality of actions taken across FAIS. These reports should allow FAS management to track operational performance metrics using customizable performance criteria (e.g. employee or groupings of employees evaluated, response time threshold, business function(s), etc.).
Responsible:	All FAIS users
Input Activity:	N/A
Output Activity:	N/A

4.4 Request Supporting Documentation

Summary:	All FAS users will be able to send a system message/alert requesting supporting documentation from other users at anytime.
Responsible:	All FAS users
Input Activity:	N/A
Output Activity:	N/A

4.5 Common Functionality

Summary:	All users will be supported with common system functionality. Common system functionality will include: saving, printing, sending internal messages, tracking email events, and delegating security roles. Another common type of functionality relates to the ability to search through and/or sort information on any page in the system. Users will be able to sort
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	chronologically/alphabetically by any column on a page. They will also be able to filter values listed on that page, by submitting a filter value (e.g. enter "Zambia" to view all agreements pertaining to Zambia).
Responsible:	All FAIS users
Input Activity:	N/A
Output Activity:	N/A

4.6 Cancel Approved Proposal

Summary:	The FAD Director's Office can cancel an approved proposal before an agreement has been created and signed. The CS will be alerted when an approved proposal has been cancelled.
Responsible:	FAD Director's Office
Input Activity:	N/A
Output Activity:	N/A

V. Gap Analysis

The following section describes the Gap Analysis between the As-Is and To-Be processes for the Budgeting and Planning process, Proposal Management process, Agreement Generation sub-process, Procurement sub-process, Payments and Receivables sub-process, Amendments sub-process, Claims sub-process, Compliance and Evaluation sub-process, and Closeout sub-process.

A. Budgeting and Planning

The Gap Analysis for the Budgeting and Planning process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

The Budgeting and Planning process will be greatly improved by the system. Currently, the budgeting and planning process done by FAD is a labor-intensive, often complicated, manual process. Final budgets are produced through the use of Excel Spreadsheets, Word Documents, and memos sent via e-mail. In addition, final approved program budgets are received in PDF format from the budget office via e-mail.

After the FAD Director's Office receives the budget estimate request from the FAS and FSA Budget Offices, the FAD Director's Office manually reviews last year's budget documents. The FAD Director Office gathers the updated food aid budget data by reviewing the following information: Commodity Price Estimates, U.S. and Foreign Carrier Price Estimates which includes Ocean Freight Differential Estimates, and Title I Risk Categories and Subsidy Factors. In addition the FAD Director's Office reviews all budget information for possible errors, omissions, and inconsistencies. The FAD Director's Office performs all necessary calculations and/or conversions for the various programs. All these processes are manual, time-consuming, and open to user errors.

Upon the completion of the budget estimates for the President's Budget, the FAD Director's Office submits the budget estimates (budget package) to the FAS and FSA Budget Offices.

After the budget has been cleared by the FAS and FSA Budget Offices, the OBPA, and U.S. Government, the FAD Director's Office allocates the budget. In the planning process, the FAD Director's Office currently determines the commodity availability, program priority countries, proposal priorities, and performance indicators, by reviewing various Excel spreadsheets, Word documents, and PowerPoint slides. In addition, the Reconciliation process is extremely cumbersome. Currently, it is conducted through multiple spreadsheets spanning two binders. The manual verification is extremely time consuming.

Enhancements

These processes will be streamlined using the system. Calculations required to determine the limited cash accounts, full cash accounts, Title I Country estimates, and commodity tonnage estimates will be performed by the system. This increases the accuracy of the data being submitted and will make this process more efficient. In addition, the system will compile the budget package that the FAD Director's Office will submit to the President.

In addition, the budget allocation process will be less cumbersome. The FAD Director's Office will receive the President's Budget, continuing resolution, or ad-hoc apportionments and confirm the opening balance of each program. The system will indicate to the FAD Director's Office if existing obligations will not be covered, thus facilitating an easier management process.

The planning process will be greatly improved in the new system. Much of the verification and validation done in determining program and priority countries will be performed by the system, thus ensuring the accuracy of the data. Furthermore, the reconciliation process will be fully automated. The FAD Director's Office will have the ability to manage and view funds for each program type.

Overall, the Budgeting and Planning process will greatly benefit the FAD Director's Office. Most importantly, the funds control aspect will give the FAD Director's Office greater visibility into all programs, and give them the information needed to make better, more informed decisions in managing and administering food aid.

High-Level Summary of Budgeting and Planning Gap Analysis	
Current Process	Enhancements
Manual, labor-intensive budget creation process	Streamlined budget creation process (less manual and more automated)
Creation of the budget is done using MS Excel Spreadsheets and MS Word Documents	Creation of the budget will be done in the system
Calculations and conversions used to determine budget estimates are performed manually	Calculations and conversions used to determine budget estimates will be performed by the system
Data used in calculations to determine budget is based on estimated figures	Data used in calculations to determine budget will be based on actual historical figures
Manual verification of President's Budget, Continuing Resolution, and ad-hoc apportionments received to determine if sufficient funds exist to cover existing obligations	System validation of President's Budget, Continuing Resolution and ad-hoc apportionments received to determine if sufficient funds exist to cover existing obligations
Determination of commodity availability is done through a manual process that is cumbersome	Determination of commodity availability will be done in the system and will be streamlined as the list of impacted commodities can be determined automatically and OGA will be users of the system
Determination of program and proposal priority countries is done through a manual process using MS PowerPoint with manual verification against the benchmarks/targets set	Determination of program and proposal priority countries will be done in the system with system validation against the benchmarks/targets set
Funds management and the reconciliation process is done manually using MS Excel Spreadsheets spanning two binders	Funds management and the reconciliation process will be done by the system automatically

B. Proposal Management

The Gap Analysis for the Proposal Management process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

Within the Proposal Creation and Submission sub-process, current processes for proposal solicitations, proposal entry by the CS, and proposal entry by FAD will be greatly improved. In the current process, proposals are created in MS Word and they are not consistent in terms of format. There is no validation of fields before the proposals are submitted via FADS online, e-mail, mail, or fax.

Upon receipt of the proposals by FAD, the proposals are manually entered into FADS. The Analyst manually compares the original proposal to the one entered in FADS to make sure there have been no entry errors. Additionally, a UMR request is created for each proposal that has a commodity(s) being monetized and/or bartered. The process of requesting and conducting a UMR in the current process is time-consuming and involves multiple channels of communication. Additionally, UMR requests are submitted separately and are sent sporadically. In the current process, multiple MS Excel spreadsheets are created and sent back and forth between the Database Team and the Commodity & Marketing Program staff regarding the UMR request and analysis. In the end, the Analysts receive a UMR data spreadsheet from the Database Team and make a note in the FADS Proposal Review screen Comments area if there is an UMR issue for a certain Proposal.

Once the manual comparison is completed, the FAD Analyst evaluates and scores each proposal in FADS. A meeting is then held between the FAD Analysts and FAD Branch Chiefs to discuss proposal recommendations, then the proposals are graded by the FAD Branch Chief. A meeting is then held with the FAD Director's Office to discuss the recommendations. Throughout this process, the Recommend/Do Not Recommend status of the proposals are maintained using MS Excel Spreadsheets.

The "Green, Yellow, Red" spreadsheet is then created, where the green and yellow proposal recommendations are sent to TLB to verify the freight estimates. If there are changes, then the Database Team updates FADS with the estimates. The FAD Director's Office can then reevaluate the spreadsheet and change the color coded recommendations. The updated spreadsheet is then presented to USDA Management and Interagency Management for review and final consultation. Their recommendations are then inputted into FADS.

The Database Team then generates the proposal approval and rejection letters using MS Word and submits them for review to the FAD Director's Office. After back and forth change process to the letters, the FAD Director's Office sends the letters.

Enhancements

In the new system, the announcement of solicitation period dates and guidance to CSs will be automated by the ability to generate and send cables to Foreign Governments, send text to be displayed on the Grants.gov and FAD web sites, and post news releases on CS screens through the system.

CS's will then assign multiple CS employees to work on a proposal, create new proposals, and/or modify a proposal for the current Fiscal Year within the system. Proposals will also be tailored for different Food Aid programs using standardized templates and the different types of CSs which will give CS employees guidance on what is required in their proposals. Before the proposal can be submitted, the system will validate that all fields required have been completed, thus preventing the submission of incomplete proposals that is currently done in the As-Is process.

In the new system the majority of the proposals will be submitted within the system, however, if there is a need, then FAD will still be able to manually enter in a proposal on behalf of the CS. The system will allow FAD to scan, upload, and store proposals submitted by CS's through Grants.gov, mail, e-mail, cable, and/or fax. FAD will also be able to create new proposals and/or modify a proposal for the current Fiscal Year. The system will do a validation check on the proposal and will prompt FAD when a proposal is missing required fields. This will allow FAD to send proposal rejection letters to the CS. Proposals that are considered complete and valid will be sent to the appropriate FAD Branch Chief to review.

Once proposals are submitted to FAD for evaluation, a UMR request is compiled for all proposals that include commodity(s) being monetized and/or bartered by country. The process of requesting and conducting a UMR will be streamlined by the system. In the new system, requests and analyses will be made within the system and so tracking and monitoring of the UMR request will be fully automated. In addition, if there are issues with the UMR, the FAD Director's Office can modify the UMR by re-allocating tonnage and initiating changes to signed Agreements, approved Proposals, and/or submitted Proposals.

Within the Evaluation, Recommendation, and Approval sub-process, current processes will also be greatly improved. During the Evaluate, Score, and Grade Proposal process, the system will verify that commodity and freight estimates are obtained for each proposal. Only proposals with this information will be available for evaluation to the FAD Analyst, thus involving TLB earlier in the process. The Analyst evaluation process will be less subjective and more objective, because Analysts will only be allowed to enter scores (0-4) for evaluation criteria questions which will then allow the system to generate an associated letter grade (A-D) for the proposal. Additionally, more than one Analyst will be allowed to score a proposal, which will allow the system to calculate a weighted average score for the proposal.

Another process improvement includes the ability of the FAD Director's Office to dynamically update evaluation criteria questions to raise scores for proposals which best meet U.S. food aid strategic goals. Once proposals are evaluated and scored by the FAD Analysts, FAD Branch Chiefs will be allowed to grade the proposals. The system will categorize all proposals in order by the FAD Branch Chief grade and the FAD Analyst score.

The system will then indicate which of the proposals are recommended, pending, or not recommended subject to funding and will color code these as green, yellow, or red. FAD Branch Chiefs will also be allowed to change commodities and tonnage amounts which will also impact which proposals are recommended, pending, or not recommend. The FAD Director's Office will be able to adjust the commodities, tonnage amounts, and proposal recommendations.

Similar to the As-Is process, these recommendations will be presented to USDA and Interagency Management for consultation and their recommendations will be inputted into the system. After the proposal recommendations have been finalized, the system will automatically generate and send approval and rejection letters to the CSs.

High-Level Summary of Proposal Management Gap Analysis	
Current Process	Enhancements
Creation of proposals is done using MS Word and inconsistent format	Creation of proposals will be done in the system using standardized templates
No validation of fields before proposal is submitted	System validation of fields before proposal is submitted in the system thus preventing the submission of incomplete proposals
Manual entry of all proposals into FADS by FAD	Manual entry of a limited number of proposals into FAIS by FAD, since CS will create proposals in the system
None	Proposals received through Grants.gov, mail, e-mail, cable, and/or fax will be scanned, uploaded, and stored in the system
UMR requests are sent sporadically and not compiled	UMR requests will be by country and compiled
UMR requests are submitted using MS Excel Spreadsheets and back and forth transfers of the spreadsheet is done through a manual process	UMR requests will be submitted in the system and back and forth communications will be done through the system and tracked

High-Level Summary of Proposal Management Gap Analysis	
Current Process	Enhancements
Verification of freight estimates is done after the " Green, Yellow, Red " spreadsheet is created	Verification of commodity and freight estimates will be done before the FAD Analyst evaluates and scores the proposal
Score and grade process is subjective and there is not necessarily a correlation between the two	Score and grade process is objective and there will be a direct correlation between the two
Proposals are scored by a single Analyst	Proposals are scored by multiple Analysts thus allowing the system to calculate a weighted average score
None	Evaluation criteria questions could be dynamically updated by FAD Director's Office
Manual creation, update, and determination if proposals are green, yellow, or red	System will determine if proposals are green, yellow, or red
Approval and Rejection letters are drafted using MS Word and manually sent to the CS after approval is received	Approval and Rejection letters will be auto-generated and systematically sent to the CS
Draft letters are manually sent for review thus creating back and forth transfers of MS Word Documents	None, since the letters will be automatically generated and sent

C. Agreement Generation

The Gap Analysis for the Agreement Generation process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

The Agreement Generation process will be greatly improved by the system. Currently, the CS is responsible for emailing their Agreement Budget to FAD in a format that is compatible to the current system. At times, the CS changes this format and their Agreement Budget cannot be uploaded into the system. This requires the CS to revert back to the original Agreement Budget format and resubmit their Agreement Budget to FAD.

After FAD receives the Agreement Budget from the CS, they begin the Agreement negotiation and clearance processes. The FAD Analyst converts the submitted Proposal and any changes incorporated in the Approval letter into the CS Agreement. The FAD Analyst then begins negotiations with the CS to resolve any changes and/or questions on the Agreement posed by the FAD Analyst, Branch Chief, FSA, TLB, FAD Director's Office, and OGC. This is a manual process that at oftentimes takes months to complete. Agreement Amendments also follow this process based on the type of change(s) made to the original Agreement. After the Agreement negotiation and clearance processes are complete, FAD sends the CS a copy of the final Agreement for signing. After the CS signs the final Agreement, the GSM/Associate Administrator signs the Agreement.

Other manual processes involved in the Agreement Generation process include the creation of the Bellmon Analysis and Press Release. Currently, the FAD Analyst compiles information from the CS's proposal to create the Bellmon Analysis for each Agreement. The FAD Analyst also creates a Press Release near the end of the Agreement clearance process for each Agreement. Any approvals needed for the Bellmon Analysis and Press Release are completed manually.

Enhancements

These processes will be streamlined using the system. The CS will have the ability to submit their Agreement Budget through the system. Additionally, the Agreement or Commitment Letter and Budget will be generated based on information entered in the system. Any changes and/or questions from the FAD Analyst, Branch Chief, FSA, TLB, and FAD Director's Office will be reviewed by the CS and tracked within the system. OGC will remain outside the system and will submit their changes and/or questions to the Agreement manually. The FAD Analyst will incorporate any changes and/or questions posed by the OGC to the CS. The CS and GSM/Associate Administrator will have the ability to eSign the Agreement using eSignature functionality within the system.

Another enhancement to the current process includes the creation of Ad-hoc Agreements. The FAD Director's Office will have the ability to create Ad-hoc Agreements within the system. The system will verify if sufficient funds are available for the Agreement and will allow the FAD Director's Office to amend Signed Agreement(s) and/or Approval Proposal(s) to make funds available within the system, as needed.

Currently a Bellmon Analysis is generated for each Agreement, but in the new system a single Bellmon Analysis will be generated for each country. The Bellmon Analysis will include information based on the CS's submitted Proposal, Agreement or Commitment Letter, and template language maintained within the system. If commodity is being monetized and/or bartered within the CS's submitted Proposal and/or Agreement or Commitment Letter, the UMR section of the Bellmon Analysis will be populated with the appropriate UMR information and template language. TLB will have the ability to edit and submit the Bellmon Analysis to the appropriate Branch Chief and FAD Director's Office for approval and signature.

Press Releases will also be generated through the system for each signed Agreement. Press Releases will then be posted to the FAS Web site and/or communicated to the CS's through a News Release within the system. The Press Release will contain template language and information previously entered in the Agreement.

High-Level Summary of Agreement Generation Gap Analysis	
Current Process	Enhancements
Submission of agreement budget via e-mail that sometimes is not compatible with the system and thus causes rework and resubmission	Submission of agreement budget will occur in the system thus eliminating rework and resubmission
Foundation of the agreement is created manually by converting the submitted proposal and approval letter	Foundation of the agreement will be created automatically based on the information entered in the system
Negotiation of the agreement is done through a manual process that can take months to complete	Negotiation of the agreement will be done in the system with any changes/questions tracked
Agreement is manually sent to the CS for written signature and then manually sent back for the GSM/Associate Administrator's written signature	Agreement will be systematically sent to the CS and GSM/Associate Administrator for eSignature
Creation of the Bellmon Analysis is done for each agreement through a manual process by compiling information from the submitted proposal	Creation of the Bellmon Analysis is done for each country through an automated process by compiling information from the submitted proposal, Agreement or Commitment Letter, and standardized language
Creation of the Press Release is done through a manual process	Creation of the Press Release will be done through an automated process based on the agreement and standardized language
Bellmon Analysis and Press Releases are sent manually for review thus creating back and forth transfers of MS Word Documents	Bellmon Analysis and Press Releases will be sent systematically for review thus eliminating the back and forth transfers for MS Word Documents
None	Creation of ad-hoc agreements in the system

D. Procurement

The Gap Analysis for the Agreement Procurement process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

Within the Agreement Procurement sub-process, current processes for nominating and approving the Freight Forwarder, creating the call forward for commodities, creating and posting the freight tender, and determining subject and firm award contracts will be greatly improved. The current processes use the following tools: MS Word documents, Excel spreadsheets, FARES, FBES, PowerTrack, and the FAS/FSA websites. Currently, the procurement of commodities and freight activity entails the CS nominating the Freight Forwarder to TLB by sending a written letter. TLB then approves the Freight Forwarder.

Once the approval is received, the Freight Forwarder enters the call forward into FARES. TLB reviews the data and compares it manually with the approved agreement, which is a MS Word/Acrobat Adobe document. If there are discrepancies, TLB informs (via email or telephone) the Freight Forwarder or CS to make any necessary updates. The call forward information in FARES is then routed to CPPAD, who performs its own review and re-routes the call forward back to TLB if there are changes. There are no systematic alerts, only the use of email and telephone communications.

After the call forward is approved, the commodity and freight tenders are created. Thereafter, KCCO receives commodity and freight offers. For packaged commodities, KCCO uses FBES to evaluate the offers to determine the lowest landed solution. In the case of bulk commodities, TLB and KCCO evaluate the offers manually. KCCO, with TLB oversight, does the freight analysis and also performs the U.S. flagged vessel quota analysis and calculates the lowest landed solution. KCCO, TLB, and CPPAD then discusses the lowest landed solution. After they come to an agreement, KCCO publishes the commodities award on the FSA website, and TLB publishes the freight award on the FAS website. A contract is awarded to the winning carrier, and a copy is sent to the Freight Forwarder for signing. Additionally, for FFE agreements, TLB creates an order in PowerTrack, which is used in the payment process.

Enhancements

These processes will be streamlined and greatly improved using the new system. Within the system, the agreement procurement sub-process will be initiated by the CS nominating the Freight Forwarder for approval by TLB. The system will check to determine if the Freight Forwarder has already been approved for an active agreement, thus eliminating the need to validate the Freight Forwarder each time.

After the Freight Forwarder has been approved and assigned to an agreement, they will be able to create the call forward in the system. The call forward will then be validated to ensure that the appropriate commodity and tonnage requested is in accordance with the agreement. This validation is done early in the process, thus eliminating the manual verification done by TLB currently. TLB will then receive the call forward to approve and route to FARES. In the new To-Be process, TLB will only review the call forward once and therefore bypass the back and forth process between CPPAD and TLB.

Once in FARES, CPPAD will be able to approve the call forward. After the call forward has been approved, the commodity tender will be created and posted by KCCO to its website. In addition, the Freight Forwarder will draft the freight tender in the system for TLB's approval. The freight tender creation process will be streamlined as the Freight Forwarder will be able to select standard clauses and much of the information will be populated from the call forward. Once approved, TLB will be able to post the freight tender to the FAS website and the Freight Forwarder will be able to download the freight tender to post to the Transportation News Ticker (TNT) and other forums.

Thereafter, both commodity and freight offers will be received by FBES. FBES will then evaluate the offers to determine the lowest landed solution and send this information to TLB electronically. Unlike in the As-Is process, FBES will be able to evaluate both bulk and packaged commodity offers. TLB along with the FAD Director's Office will review and approve the lowest landed solution in the system. They will be able to determine if the lowest landed solution is within the authorized amount in the agreement, thereby establishing an automated funds control mechanism. Once the lowest landed solution has been

approved, TLB will determine if the freight rate needs to be negotiated, otherwise, the freight subject award will be sent to the Freight Forwarder. At the same time, KCCO will post the commodity award.

After the ship owner (through the Freight Forwarder) accepts the subject award, TLB will firm the award and post it to the FAS website. The Freight Forwarder will be able to download the same award and post it to TNT and other forums. Furthermore, the Freight Forwarder will have the ability to assign a Carrier or Carrier Broker to the award to allow them to request payment.

Additionally, the system will allow the Freight Forwarder to submit an Inland/Overland rate for Non-WFP Direct Services for approval by TLB. This will allow the projected Inland/Overland costs to be validated against the authorized amount in the agreement and help prevent any overages that may exist in the current process. Furthermore, it will ensure that payments are validated against the authorized amounts approved by FAS.

Overall, the procurement process will be streamlined, include automated funds control, and take less time. TLB will spend less time validating information as the system will check the requests against the agreement and available funds before it is submitted for approval. Additionally, TLB will no longer have to create orders in PowerTrack (duplicate data entry) as all requests for payment will be made directly in the new system. Furthermore, the procurement process will help facilitate the reconciliation within the payment process for transportation costs. Unlike the As-Is process where external documents, such as the Booking Note and Charter Party, that FAS was not a party to but served as the basis for payment validation, the firm award contract and the approved Inland/Overland rate will serve as the primary basis for validation. The new To-Be process will allow FAS greater control over its own processes to ensure the procurement process is in accordance with the obligating documents and the agreement.

High-Level Summary of Procurement Gap Analysis	
Current Process	Enhancements
Nomination of Freight Forwarder is done through a written letter	Nomination of Freight Forwarder will be done through an automated process
Manual validation of Freight Forwarder for approval	System validation of Freight Forwarder for approval
Call Forward is entered into FARES	Call Forward will be entered into FAIS
Manual validation of Call Forward is done against MS Word/Adobe Acrobat version of agreement	System validation of Call Forward will be done against the agreement
Multiple review and validation of Call Forward by TLB	Single review and validation of Call Forward by TLB
Creation of Freight Tender is done off of free form	Creation of Freight Tender will be done off of standardized template
Offers are evaluated in two separate places - bulk (manual); packaged (FBES)	Offers will be evaluated in one single place by FBES
Manual validation of lowest landed solution is done against the authorized funds for the agreement	System validation of lowest landed solution will be done against the authorized funds for the agreement
Confirmation of Subject Award is done through a manual process	Confirmation of Subject Award will be done within the system
Verification of Guideline Rate is done through a manual process	Verification of Guideline Rate will be done within the system
3rd party vendor is used for transportation payments which requires duplicate data entry	Requests for payment will be made directly in the system
Submission of Inland/Overland rate for Non-WFP Direct Services is done upon requesting payment	Submission and approval of Inland/Overland rate for Non-WFP Direct Services will be done prior to requesting payment

High-Level Summary of Procurement Gap Analysis	
Current Process	Enhancements
None	Assignment of Carrier or Carrier Broker to Firm Award to request payment
Submission of Booking Note and Charter Party to be used for payment validation (that FAS was not party to)	Firm Award and approved Inland/Overland rate will be used for payment validation (as it is binding between FAS and external party)

E. Payments and Receivables

The Gap Analysis for the Agreement Payment and Receivables process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

The Payment and Receivables process will be enhanced by the new system. The current processes utilize MS Word documents, Excel Spreadsheets, as well as the PowerTrack system. Currently, one of the payment processes involves reimbursing U.S. Bank for freight payments made to the carrier through PowerTrack for FFE agreements. Once the commodities have been shipped to their destination, the carrier enters the invoices into PowerTrack. The Freight Forwarder checks PowerTrack and approves the invoice. The Contracts and Agreements Division then validates that all invoice information is correct and initiates payment in PowerTrack. U.S. Bank, through the PowerTrack system, pays the Carrier directly and creates an invoice for reimbursement from USDA.

However, for non-FFE agreements, there is no automated system so invoices are submitted through MS Word documents for approval. Other payment requests include processing invoices for cash requests as well as inland/overland invoices. For each of these requests, the Contracts and Agreements Division reviews all of the paperwork submitted and completes an SF-1166 form and attaches it to the invoice. If there is a discrepancy in the invoice, the Contracts and Agreements Division creates an AD-216 form and attaches it to the SF-1166 and invoice. Both of these forms are sent to FMD to make payment.

Additionally for cash requests, FAD receives and reviews the documents prior to CAD's review. Once FAD has reviewed the cash requests, including all requests from WFP except ocean transportation, FAD submits the documents to CAD for review, creation of the SF-1166 and/or AD-216, and payment.

Enhancements

These processes will be greatly improved using the new system. The Payments sub-process will be initiated by the request for payment by the Carrier, Carrier Broker, Freight Forwarder, or CS. There will be five types of payment requests, each having its own auto-generated tracking number: (1) Freight Invoice, (2) Cash Request, (3) Inland/Overland Invoice, (4) Dead Freight Invoice, and (5) Special Invoice which will all be created in the system instead of manually in MS Word documents.

Much of the validation of the payment requests will be done earlier in the process when the user is creating and submitting the invoice. For example, the system will prevent the user from submitting an invoice for an amount greater than the amount allowed in the firm award contract or agreement. This validation will help prevent the rejection of invoices or the back and forth between the two parties.

In the new To-Be process, all payment requests will be submitted in the system to the Contracts and Agreements Division, thus eliminating the use of PowerTrack and FAD as intermediaries. This will streamline the process as all requests will be made through a centralized location. Furthermore, the Contracts and Agreements Division will only have to review the invoice once rather than approving the invoice and then validating the reimbursement request from U.S. Bank against the approved invoice as it is currently done.

Additionally, in the new process, the system will identify and display the discrepancies to the Contracts and Agreements Division when the payment request is being reviewed. This will allow them to easily determine if any deductions need to be made. With the information in the system, both the SF-1166 and AD-216 forms will be auto-generated once the amount that should be paid is confirmed. Then, the Contracts and Agreements Division will certify the payment and submit it to FMD to process the payment. Once payment has been made, FMD will enter the confirmation within the system, thus allowing the payment to be tracked.

In addition to payments being made in the system, the Carrier, Carrier Broker, Freight Forwarder, or CS will be able to create a refund (receivable) request within the system. FMD will then confirm that a refund was made, thus allowing refunds to be tracked.

Overall, the payments and receivables process will be more streamlined and will take less time. The Contracts and Agreements Division will spend less time investigating and validating the payment request as the system will check the request against the business rules. Additionally, there will be far less generation of paperwork and physical documentation as the majority of the information will be in the system. Furthermore, the status of payment and refund requests will be easily tracked and available to all parties within the system thus ensuring that payments and refunds are made in a timely manner.

High-Level Summary of Payments and Receivables Gap Analysis	
Current Process	Enhancements
Submission of invoices for FFE agreements is done using a 3rd party vendor	Submission of Freight, Inland/Overland, Dead Freight, and Special Invoices will be done within the system
Freight Forwarder approves the invoice (for FFE agreements) in PowerTrack	Freight Forwarder approves all invoices in the system
Validation of the invoice (for FFE agreements) is done manually by the Contracts and Agreements Division before payment is initiated in PowerTrack	Validation of all payment requests will be done by the system and discrepancies will be displayed to the Contracts and Agreements Division for review
Contracts and Agreements Division reimburses U.S. Bank for freight payments made to the carrier through PowerTrack	This process is no longer needed since PowerTrack will not be used, thus eliminating this additional step by the Contracts and Agreements Division
Submission of invoices for non-FFE agreements is done manually using MS Word Documents	Submission of Freight, Inland/Overland, Dead Freight, and Special Invoices will be done within the system
Submission of Cash Requests for all program types is done manually using MS Word Documents	Submission of Cash Requests for all program types will be done within the system
Review and verification of cash requests is first done manually against the agreement by FAD	Validation of cash requests will be done against the agreement by the system
Manual verification of invoices is done against the agreement and Booking Note or Charter Party	System validation of invoices will be done against the agreement and Firm Award
SF-1166 and AD-216 is manually filled in and manually sent to FMD	SF-1166 and AD-216 is auto-generated and systematically sent to FMD
Confirmation of payments and refunds made is done manually and upon request (at times)	Confirmation of payments and refunds made will be done in the system
Determination and notification of refunds required is done through a manual process	Determination and notification of refunds required will be done by the system

F. Amendments

The Gap Analysis for the Agreement Amendment process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

Within the Amendments sub-process, the current processes for creating Agreement Amendments will be greatly improved as the majority of the work involved will be delegated from FAD back to the CS requesting the Amendment. Currently, CS sends an Agreement Budget Realignment letter and revised budget to the FAD Director's Office. Upon receiving these documents, the FAD Director's Office assigns the Budget Realignment request to the Branch Chiefs who in turn assign the request to the Analyst. As changes are being made to the Agreement Budget, another review process takes place within FAD before the amended Agreement Budget is sent back to the CS.

Enhancements

This process will be streamlined and improved in the new system. Within the system, Agreement Amendments can be initiated by either FAD and/or the CS. Agreement Amendments will mimic the Agreement negotiation and clearance processes, as needed. As mentioned above, the CS will manage the bulk of the Agreement Amendment process. In the new process, the CS or FAD Analyst can request a budget realignment and/or a full Agreement amendment. Once the Agreement Amendment is requested, the CS Director will assign a CS employee(s) to make the updates to the Agreement. The Amendment will then be sent to the FAD Analyst assigned to the Agreement and the review process will mimic the Agreement negotiation and clearance process.

High-Level Summary of Amendment Gap Analysis	
Current Process	Enhancements
Majority of the work required to create an amendment lies with FAD	Majority of the work required to create an amendment lies with the CS
Drafts of the amendment are sent manually for review thus creating back and forth transfers of MS Word Documents	Drafts of the amendment will be sent systematically for review thus eliminating the back and forth transfers of MS Word Documents
Creation of the budget alignment and/or full amendment is done through a manual process	Creation of the budget alignment and/or full amendment will be done in the system

G. Claims

The Gap Analysis for the Agreement Claims process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

Within the Agreement Claims sub-process, the current processes for filing, evaluating and approving claims and appeals will be greatly improved as many of the documents described in the current process are created using MS Word. Currently, the Analyst identifies a discrepancy between the CS Agreement Executor's report and the agreement and produces a document for Senior Management. This document describes the discrepancy and the recommended action that should be taken against the CS Agreement Executor. Senior Management then determines if a claim needs to be filed against the CS Agreement Executor after reviewing the Analyst's write-up. Once a claim is filed against a CS or other party, the CS Agreement Executor reviews the claim letter and determines whether to pay the claim, file a claim extension, or file an appeal to the claim.

If the CS Agreement Executor disagrees with the claim filed against them, then the CS Agreement Executor notifies FAD in writing that they are appealing the claim. The Analyst evaluates the claims appeal letter submitted by the CS Agreement Executor and prepares a response for the General Sales Manager or Farm Service Agency's (FSA) Comptroller. Then, the Analyst schedules a claims appeal meeting between the General Sales Manager or FSA Comptroller and the CS Agreement Executor, which is potentially time-consuming.

The CS Agreement Executor can meet with the General Sales Manager and/or the Farm Service Agency's (FSA) Comptroller to discuss the claim filed against them and, ultimately, receive a final decision. After receiving the final decision, the Analyst checks to determine if the final decision contained any money owed to USDA. If money is owed, then the CS Agreement Executor pays the amount. However, if no money is owed, then the FAD Director's Office ends the claims process with the final decision.

Enhancements

These processes will be streamlined and improved using the system. The Monitoring and Evaluation (M&E) or FAD Analyst will be able to initiate the claims process through information contained within the compliance and evaluation section, or other areas applicable, against the CS Agreement Executor or Carrier. In addition, the claim letter, appeal letter, second demand letter, and the final claim determination letter can all be drafted and reviewed within the system, eliminating the back and forth transfer of MS Word documents. Additionally, the creation of these letters will further be streamlined as the user will be able to select standard language to include in the letter.

The FAD Branch Chief and FAD Director's Office will be able to validate and provide clearance as well as approval for claim letters from within the system. If approved, the General Sales Manager or Associate Administrator will review and approve the claim, second demand, and final claim determination letters. All decisions made by management will be recorded within the system.

Another enhancement to the current process is that both the CS Agreement Executor and Carrier will be able to respond to the claim letter and take action (file extension, file appeal, or pay claim) within the system, thus streamlining the communication of information between them and FAD. In addition, in the new To-Be process, this increased flow of information will lead to a more streamlined meeting schedule with the General Sales Manager for appeals since all supporting information will be within the system.

While all of the information will be available within the system, I can guarantee that the CS or Carrier will want to meet with the GSM when they file an appeal. I would suggest that we mention the increased flow of information leading to a more streamlined meeting schedule.

If the CS Agreement Executor or Carrier chooses to pay the claim, then the system will calculate and display any interest owed automatically. The system will then allow the user to create and print the claim refund request to submit to their banking organization. Furthermore, unlike the As-Is process, the agreement closeout process could be initiated through a claim. This decision will allow FAD to take the

necessary action once an issue is identified. This along with the other enhancements mentioned above will help make the claims process more efficient.

High-Level Summary of Claims Gap Analysis	
Current Process	Enhancements
Proposed recommended action associated with the discrepancies identified is documented using MS Word	Proposed recommended action associated with the discrepancies identified will be documented in the system
Initial Claim, Second Demand, and Final Claim Determination letters are drafted using MS Word and manually sent to the CS after approval is received	Initial Claim, Second Demand, and Final Claim Determination letters will be drafted using standardized templates and systematically sent to the CS or Carrier after approval is received
Draft letters are manually sent for review thus creating back and forth transfers of MS Word Documents	Draft letters will be systematically sent for review thus eliminating the back and forth transfers of MS Word Documents
Appeal letter is drafted using MS Word and manually sent to FAD	Appeal letter is drafted in the system and systematically sent to FAD
Determination and calculation of interest owed if a claim is to be paid is done through a manual process	Determination and calculation of interest owed if a claim is to be paid will be done by the system
None	Agreement closeout process could be initiated through a claim

H. Compliance and Evaluation

The Gap Analysis for the Compliance and Evaluation process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

The Compliance and Evaluation process will be greatly improved by the system. Currently, the CS is responsible for emailing, mailing, and/or faxing their Progress Reports to FAD. FAD must keep track of the CS's that have submitted their Progress Reports and the CS's that are delinquent on their submissions. FAD is then responsible for contacting these CS's to submit their Reports. After receiving the Progress Reports, FAD is responsible for manually checking the Progress Reports against the entire CS file, which includes their Agreement, any previously submitted Progress Reports, outstanding Claims against the CS, CRS Reviews, CS Audits, and/or any Issue Letters sent to the CS. After FAD completes the review of the CS file and the submitted Progress Reports, they identify what actions need to be taken against the CS. There is currently no system to keep track of this process, making it a manual process and an easy area for human error.

Enhancements

These processes will be streamlined using the system. The CS will receive system alerts once the Reports are due and/or delinquent. The CS will be able to complete and submit the Progress Reports to FAD within the system. They will be able to report against pre-populated Agreement data. In addition, the system will generate a Comparison Outcomes Report which will highlight any discrepancies between the submitted Reports and the CS Agreement. This will greatly reduce the amount of time needed to review the CS Reports and improve the identification of CS Agreement issues.

Another feature of the system includes the tracking of all CRS Reviews, CS Audits, and/or CS Evaluations submitted for a particular CS and which items are delinquent. The system will also track any Ad-hoc Reviews conducted for a CS and any findings from the Review.

FAD and/or M & E personnel will also be able to upload Ad-hoc Program Level Evaluations and identify Priority Country lists and/or Proposal Priority Country lists that will be impacted due to the Evaluation.

CS organizations will also have the opportunity to submit Success Stories, Lessons Learned, Stories of Lives Transformed, and/or pictures to FAD through the system. Once FAD approves these items for posting, they will be posted to the FAD public Web site.

Throughout the Compliance & Evaluation process, FAD and/or M & E Analysts will be able to review the findings from any submitted CRS Reviews, CS Audits, CS Evaluations, Ad-hoc Evaluations, Progress Reports, Validation Outcomes Reports, CS responses to identified issues, and/or Ad-hoc Reviews and determine if any action must be taken against the CS. The system will allow the FAD and/or M & E Analysts to recommend and track any of the following actions to be taken against the CS: an Issue Letter could be sent to the CS, a CS Agreement(s) could be suspended, the CS could be put on a Performance Plan, an Amendment could be requested for a CS Agreement(s), a claim could be filed against the CS, and/or no action could be taken. Through review cycles with the Branch Chief and FAD Director's Office, the appropriate action to be taken against the CS will be determined and initiated.

High-Level Summary of Compliance and Evaluation Gap Analysis	
Current Process	Enhancements
Creation of Progress Reports is done manually	Creation of Progress Reports will be done in the system against pre-populated agreement data
Submission of Progress Reports is done via e-mail, mail, and/or fax	Submission of Progress Reports will be done in the system
Manual tracking and verification that Progress Reports have been submitted	System will track and verify that Progress Reports have been submitted

High-Level Summary of Compliance and Evaluation Gap Analysis	
Current Process	Enhancements
FAD is responsible for contacting the CS if the CS is delinquent in submitting Progress Reports	System is responsible for contacting the CS (via alerts) to inform them when Progress Reports are due and/or if the CS is delinquent in submitting Progress Reports
Manual review of the CS's file to identify discrepancies that may lead to actions being taken against the CS	Comparison Outcomes Report will be generated which will identify discrepancies that may lead to actions being taken against the CS, thus reducing the time for the manual review process
Review of the CS's file and any findings as well as any recommended actions to be taken against the CS are not tracked	CRS Reviews, CS Audits, CS Evaluations, and/or Ad-Hoc Reviews as well as any recommended actions to be taken against the CS will be tracked
Submission of Success Stories, Lessons Learned, Stories of Lives Transformed, and/or pictures is done manually	Submission of Success Stories, Lessons Learned, Stories of Lives Transformed, and/or pictures will be done in the system

I. Closeout

The Gap Analysis for the Agreement Closeout process compares the As-Is process to the To-Be process to highlight areas that are being modified.

Current Process

Within the Agreement Closeout sub-process, current activities for closing out an agreement will be greatly improved by the system. These manual activities currently include submitting an Agreement Closeout request letter, a Final Reimbursement request and Financial Report, or marking "Final" on the Logistics and Monetization Report and submitting these documents to FAD via mail or e-mail. These activities are supported by using MS Word documents and Excel Spreadsheets. The CS's file is reviewed by the Analyst to confirm that the Agreement can be closed out.

The Analyst completes the Fund Analysis spreadsheet to verify that the CS spent their authorized funds in accordance with the Agreement Budget and determines the status of any Cash Requests and/or refunds owed to FAD. The FAD Director's Office determines if they agree or disagree with the Funds Analysis and Request for Agreement Closeout, which includes Cash Request/Refund amounts, and makes any necessary updates. If applicable, the CS signs the revised Final Reimbursement Request and sends the document to FAD. The Analyst drafts a closure letter in Word and submits the document to the FAD Director's Office. The FAD Director's Office signs and sends the Closure Letter to the CS to Closeout the Agreement. The Final Cash Request is then processed for payment.

Enhancements

These processes will be streamlined and improved using the system. The Closeout sub-process will now be initiated by either the CS Agreement Executor submitting the final project status report, the FAD Director's Office requesting an agreement to be closed out, or through the claims process. If the CS Agreement Executor initiated the closeout, then a request letter will be drafted and submitted to the assigned FAD Analyst. Before any request for agreement closeout can be processed, all reporting requirements, including financial reports, project status reports, audits, as well as tax certifications must be submitted by the CS Agreement Executor in the system, instead of through MS Word documents or Excel spreadsheets.

In addition, in the new To-Be process, there will be no action taken against an agreement once it has been closed out. Therefore, there will be systematic checks before the closeout request is processed to ensure all pending actions (payments, claims, etc.) have been resolved. At the time of closeout, the FAD Analyst will be able to review the Performance Plan, Disposition of Equipment, and Comparison Outcomes Report Summary from within the system and determine if any further action should be taken. Furthermore, there will no longer be a need for the Funds Analysis spreadsheet in the closeout process as verifications will take place earlier in the process when the cash requests are made as well as when the financial reports are submitted.

Once all checks are completed, the FAD Analyst will draft the closeout letter, which will be populated with information from the project status report, budget, as well as the contact and address information of the CS. This will prevent manual data entry errors by the FAD Analyst. The amount to be de-obligated will also be calculated and included in the final closeout letter for each individual cost type. The de-obligation process will notify the Financial Management Division to ensure accurate accounting of all program accounts. The final closeout letter will then be sent to the CS after the FAD Director's Office has granted their approval and appended their e-signature.

Overall, the closeout process will be more streamlined and will take less time. The system will conduct many of the validations in the closeout process against the business rules identified and therefore there will be fewer manual processes. Furthermore, much of the verification and processes that took place in the As-Is closeout process will take place earlier in the To-Be process to ensure that action is taken when issues are identified rather than rectifying them at the closeout of an agreement.

High-Level Summary of Closeout Gap Analysis	
Current Process	Enhancements
Agreement closeout request letter is drafted using MS Word and manually sent to FAD	Agreement closeout request letter will be drafted using standardized language and systematically sent to FAD
Manual review and verification of the CS's file to determine if agreement can be closed out	Systematic verifications will take place to determine if all final reports have been submitted and all pending actions and issues have been resolved before an agreement can be closed out
Completion of Funds Analysis spreadsheet (MS Excel) to determine CS compliance with the agreement budget and if any refunds are owed	The Funds Analysis spreadsheet is no longer needed as verifications will take place earlier in the process when cash requests are made as well as when the financial reports are submitted
Final closeout letter is drafted using MS Word and manually sent to the CS	Final closeout letter will be drafted using standardized templates and populated with information within the system and systematically sent to the CS
Draft letters are manually sent for review thus creating back and forth transfers of MS Word Documents	Draft letters will be systematically sent for review thus eliminating the back and forth transfers of MS Word Documents
Action can be taken on an agreement after it has been closed out	Action cannot be taken on an agreement after it has been closed out

J. Common Elements

The Gap Analysis for the Common Elements section compares the As-Is functionality to the To-Be functionality to highlight areas that are being modified.

Current Process

The current Common Elements functionality will be greatly improved by the system. The first improvement will be in the Reporting and Performance Management functionality. Currently, the reporting capabilities of FAD are mostly limited to the data that is captured in FADS. This is a significant drawback to the Division, since FADS was originally designed to handle only proposal data.

Another improvement will be seen in the Workflow management which is currently handled manually, through the use of FADS, and Excel spreadsheets. Finally, there is no central security function for all food aid information. Although the FADS application has seven (7) user security levels built into it, there is considerable food aid data dispersed amongst other individual, personal spreadsheets, and various external interfacing systems (e.g. FARES, PowerTrack).

Enhancements

In the new system, custom reports will be generated by the user across multiple data repositories that cover all modules of the system which include: Budgeting Creation, Budget Allocation, Budget Planning, Proposal Creation and Submission, Evaluation, Recommendation and Approval, Agreement Generation, Procurement, Payments and Receivables, Amendments, Claims, Compliance and Evaluation, and Closeout.

The enhanced system will also automate the Workflow process allowing users to assign documents to other users and track their progress to completion. When a user is assigned a document, they will be notified through system alerts, emails, and messages sent to their individual queues. Other functionality including the ability to submit Ad-hoc requests for supporting documentation and an internal messaging system for users will also support the Workflow process.

Furthermore, the new system will be integrated with a single sign-on solution, eAuthentication, which will feature a central data repository that ensures that food aid data adheres to USDA FAS security requirements.

High-Level Summary of Common Elements Gap Analysis	
Current Process	Enhancements
Reporting is based on limited data repositories that are captured in FADS	Reporting will be based on multiple data repositories that will be captured in FAIS
Workflow management is handled through a manual process using FADS and MS Excel Spreadsheets	Workflow management will be handled through an automated process where users will be assigned documents and their progress will be tracked to completion
No central security function for all food aid information	Centralized security function for all food aid information using single sign-on solution, eAuthentication