



Financial Management Standardization

CGAC at FMS

August 5, 2008
FMS 2008 Conference

Contents

- Introduction – What is Financial Management Standardization?
- Governmentwide Standardization Efforts
 - Framework
 - Budget Execution Financial Management Line of Business
 - Financial Systems Integration Office
 - Financial Management Line of Business
 - Office of Management and Budget (OMB) 1/28/08 timeline/policy memo
- Financial Management Service (FMS) Standardization Approach
 - Overview
 - Agency Identifier: Phases I and II
 - Enterprise Data Architecture
 - Treasury Financial Manual
- Acronyms
- References
- Contacts

Introduction

What is Financial Management Standardization?

Previous Practice:

- OMB sets Financial Management (FM) policy.
- Agencies react by developing individual, independent systems (manual or electronic) to comply with FM policy.

Previous Challenges:

- Agencies do not speak the same FM language.
- Agencies can not communicate on a Governmentwide level.
 - Interagency financial statement elimination entries

Introduction (cont)

What is Financial Management Standardization? (cont)

FMS's Role:

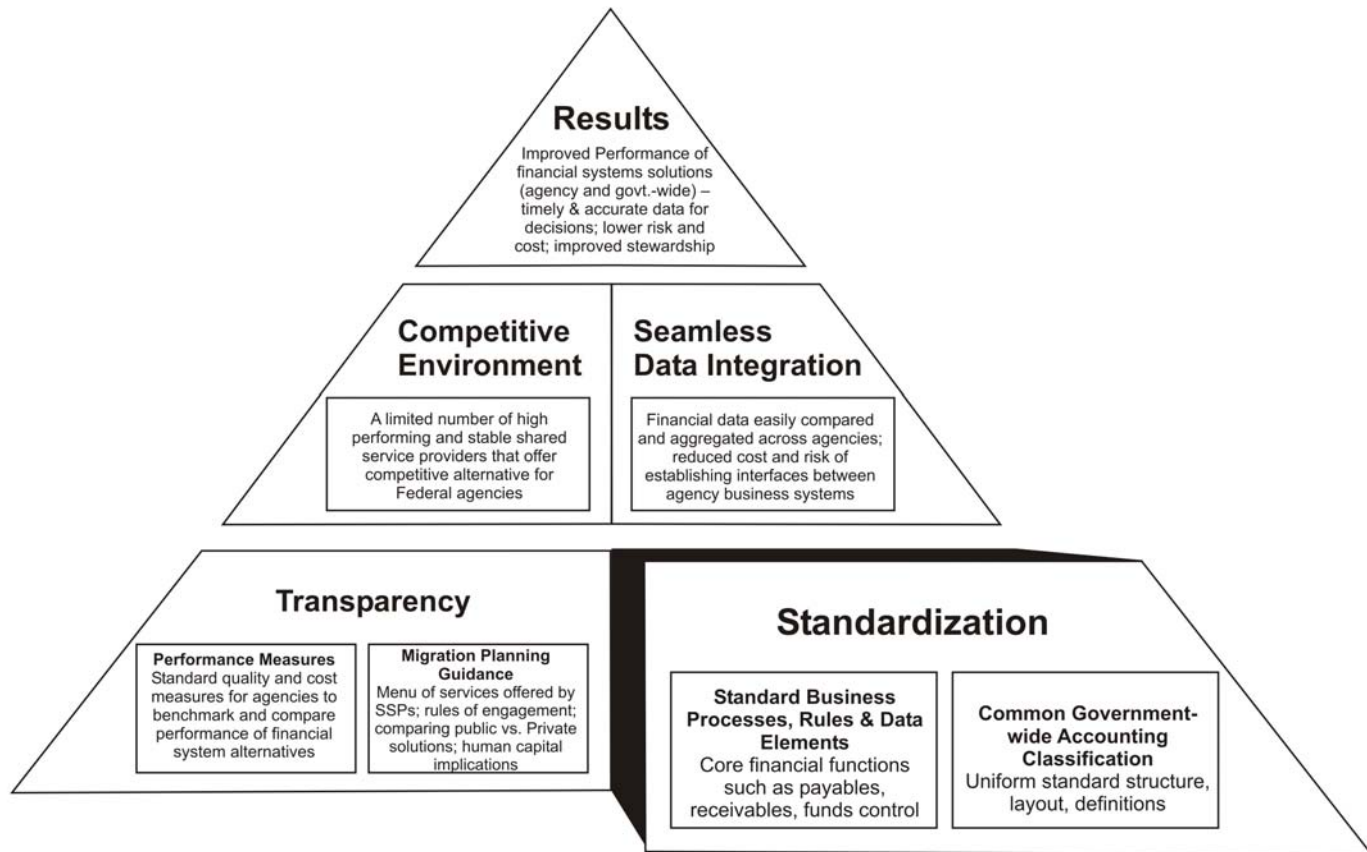
- to accept standardized data from agencies
- be proactive in implementing the standardization policies set by OMB

Goals:

- All agencies will use the same FM business rules, procedures and data elements.
- All agencies will communicate FM information more efficiently and effectively Governmentwide.

Governmentwide Standardization Efforts

Standard Federal Financial Business Process Vision/Framework



Governmentwide Standardization Efforts (cont)

Budget Execution Financial Management Line of Business

- Mapping intersections between budgeting and FM processes
- Mapping budget execution processes and data flow among agencies, the Treasury Department, OMB and Congress
- Developing a Governmentwide data model and process to support the automated data exchange between budget execution and FM systems

Governmentwide Standardization Efforts (cont)

- **Financial Systems Integration Office (FSIO)**
 - Developing FM business standards, processes, data, and business rules for Agencies
 - Setting core financial system requirements
 - Testing/certification of vendors
- **Financial Management Line of Business (FMLoB)**
 - Developing efficiencies in Federal financial operations
 - Reaching common FM standards and solutions:
 - Common Government-wide Accounting Classification (CGAC) Structure
 - Standard accounting data elements
 - Payments & Fund Management, Receivables, Reimbursables, & Reporting

Governmentwide Standardization Efforts

OMB's 1/28/08 Memo: Proposed Financial Management Time Line

Feb 08

Dec 08

Dec 09

Dec 10

- Finalize business standards:
 - Funds control
 - Payment management
 - Receivable management
 - Reimbursables
 - Reporting processes
- Update Core Financial System Requirements with business standards
- Revise OMB Circular A-127, Financial Systems, based on policy updates

- Develop updated FSIO testing methodologies
- Develop test scenarios
- Core Financial System vendors incorporate business standards in preparation for testing

Test CFS

Governmentwide Standardization Efforts (cont)

OMB's 1/28/08 Memo: Policy Update

- FSIO tested and certified software will include CGAC and standard business processes and will be released as the Federal configuration.
- Integrators must implement the Federal configuration.
- Agencies must use the Federal configuration.
- The Federal configuration will be the standard; approved deviations must be registered with FSIO.
- **Agencies will implement new standards at a time of major upgrade/implementation of financial system**
 - Based on system life cycle for financial system

FMS Standardization Approach

Overview

- **CGAC changes that impact FMS:**
 - ✓ **Treasury Account Symbol (TAS)**
 - Current to Components
 - **Agency Identifier**
 - ✓ **ALC**
 - Will become a dummy code
 - Will not map to department regular code
 - Will change CGAC document

- **FMS Fund Balance with Treasury Transaction Processing & Reporting :**
 - **Transaction Applications – IPAC, Payment, Collections, 224, etc.**
 - Accept input with current or new CGAC format
 - **Deliver CGAC format output**

FMS Standardization Approach

Overview (cont)

- **FMS Financial Reporting:**
 - **Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS)**
 - ✓ Modernization effort to replace FACTS I, II, IFCS, and IRAS reporting systems
 - ✓ Receive CGAC compliant bulk file only
 - **U.S. Standard General Ledger (USSGL)**
 - ✓ move from 4 to 6 digits
 - ✓ attributes will be CGAC Compliant to support GTAS
- **Treasury Financial Manual (TFM)**
 - Phased in approach

FMS Standardization Approach (cont)

Phase I – Informational: CGAC - AGENCY IDENTIFIER

Introducing the new Agency Identifier to Federal Program Agencies (FPAs)

- May 1, 2008, sent a memorandum to Chief Financial Officer (CFO)/Deputy CFO and Independent Agencies
 - ✓ Moving from 2 digit department regular code to CGAC 3 digit Agency Identifier
 - ✓ Report included expenditure accounts only
 - Agency Identifier for expenditure accounts will be used for all other accounts.

- Deadline---July 1, 2008, received comments from FPAs

FMS Standardization Approach (cont)

Agency Identifier Phase I (cont)

Agency Identifier Conversion Rules:

1. **Departments and Major Independent Agencies**
 - retain original department regular code with the addition of a preceding zero [20 = 020]
2. **Remaining Independent Agencies**
 - most of which use department regular code "95"
 - will receive a unique 3 digit Agency Identifier according to the OMB Budget published in OMB Circular A-11
3. **Legislative Branch**
 - currently uses two or more department regulars, will all be converted to the single Agency Identifier 001
 - This merge into a single Agency Identifier may create duplicates; some agencies will receive a new 4-digit main account.
4. **International Assistance Programs (IAP)**
 - currently uses two or more department regulars will all be converted to the single Agency Identifier code 072
 - This merge into a single Agency Identifier may create duplicates; some agencies will receive a new 4-digit main account.

FMS Standardization Approach (cont)

Agency Identifier Phase II (cont)

Legislative and IAP Plan:

- FMS/OMB will identify & publish new Main accounts.
 - Some FPAs get new main accounts to maintain a unique Treasury Account Symbol.
- FMS will update 2 digit department regular & Main codes to new department regular & main codes during fiscal year 2010.
 - To support FMS data conversion effort
- 3 digit CGAC Agency Identifier will be available in calendar year 2011.

FMS Standardization Approach (cont)

Agency Identifier Phase II - Implementation

Treasury Managed Trust Funds Plan:

- FMS, OMB, BPD & Program Agencies decided to change from the 2 digit Treasury department regular code to the respective 2 digit program department regular code.
- FMS & OMB will update 2 digit department regular code to new program department regular code on October 1, 2008.
- 3 digit CGAC Agency Identifier will be available in calendar year 2011.

FMS Standardization Approach (cont)

Agency Identifier Phase II (cont)

FMS/OMB Plan:

- Publish a Crosswalk
 - current TAS to CGAC TAS [Summer 2009]
- Update FMS & OMB systems to accept CGAC formats [2011]
- Develop agency transition plan
 - Input files = Accept old & new format
 - *GTAS – will only accept CGAC format*
 - Output files = new CGAC format
- Publish guidance for agency transition plan [date TBD]

FMS Standardization Approach (cont)

■ Enterprise Data Architecture (EDA)

- Defines common data elements to be shared Governmentwide
 - ISO 11179
- Establishes & maintains standard interfaces
 - XML schema [Governmentwide goal]
- Harmonizes FM data across the Government

FMS Standardization Approach (cont)

- **EDA (cont)**

- **Recommended action:**

- Build EDA into project plans
- Accept EDA XML schemas for interface requirements

FMS Standardization Approach (cont)

Treasury Financial Manual (TFM)

Communication to FPAs:

1. TFM.1

- Informational TFM
 - Changes
- Publish approximately 9 months before implementation

2. TFM.2

- Official guidance
- Publish approximately 90 days before implementation

FMS Standardization Approach (cont)

Acronyms:

CFO	Chief Financial Officer
CGAC	Common Government-wide Accounting Classification Structure
EDA	Enterprise Data Architecture
FM	Financial Management
FMLoB	Financial Management Line of Business
FMS	Financial Management Service
FPA	Federal Program Agency
FSIO	Financial Systems Integration Office
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System
IAP	International Assistance Programs
OMB	Office of Management and Budget
TAS	Treasury Account Symbol
TFM	Treasury Financial Manual
USSGL	U.S. Standard General Ledger

FMS Standardization Approach (cont)

References:

- Agency Identifier May 1, 2008 CFO Memo & Reports - <https://www.sam.gov/sampublic/agencycodes.htm>
- CGAC - [http://www.fsio.gov/fsio/download/cgac/CGAC Structure Report 07-31-07.doc](http://www.fsio.gov/fsio/download/cgac/CGAC_Structure_Report_07-31-07.doc)
- EDA - www.fms.treas.gov/eda
- FSIO/FMLoB - www.fsio.gov
- GTAS - <http://fms.treas.gov/gtas/index.html>
- GWA TAS - http://fms.treas.gov/gwa/factsheet_tas.html
- OMB 1/28/08 FMLoB Standardization Memo – http://www.whitehouse.gov/omb/financial/ffs/fmlob_update_01-2008.pdf
- USSGL - <http://www.fms.treas.gov/ussgl/index.html>

FMS Standardization Approach (cont)

Contacts:

Agency Identifier

Cheryl Dixon: cheryl.dixon@fms.treas.gov (202) 874-9771

Budget – OMB

Teresa Tancre: [Teresa A. Tancre@omb.eop.gov](mailto:Teresa.A.Tancre@omb.eop.gov) (202) 395-4836

Enterprise Data Architecture

Ed Coia: ed.coia@fms.treas.gov (202) 874-7039

Marcel Jemio: marcel.jemio@fms.treas.gov (202) 874-6838

FM Standardization

Robin Gilliam: robin.gilliam@fms.treas.gov (202) 874-9133

Holden Hogue: holden.hogue@fms.treas.gov (202) 874-6257

Treasury Financial Manual

Judy Yuran: judy.yuran@fms.treas.gov (202) 874-6308