



United States Department of the Interior


OFFICE OF THE SECRETARY
Washington, DC 20240

OCT 02 2007



FINANCIAL ADMINISTRATION MEMORANDUM 2007-014 (II.J)

To: Bureau Assistant Directors, Administration
Chief Executive Officer, National Business Center
Bureau Finance Officers
Finance Officer, Office of the Special Trustee

From: Michael Powers 
Associate Director
Office of Financial Management

Subject: Treasury Report on Receivables and Financial Statement Reconciliation –
Combined Certification and Verification

This Financial Administration Memorandum (FAM) updates FAM 2004-012, dated October 28, 2004, and FAM 2006-015, dated October 11, 2006. These FAMS require all areas within Bureaus and Offices with the responsibility for reporting "Receivables Due from the Public" on the Treasury Report on Receivables (TROR) to:

- certify that the 4th quarter (year-end) delinquent debt information reported on the TROR for cross servicing and offset in Part II, Section B, is correct and enforceable,
- verify that the information presented in Part I, Section A, Ending Balance line of the "Report on Receivables Due from the Public" reconciles to the receivable balances in the bureau's Form and Content – Audited Financial Statement, i.e. the Balance Sheet and FACTS, and
- maintain financial statement reconciliation work papers and prepare a reconciliation worksheet to support the certification and verification statement.

For FY2007, bureaus and OS Offices with TROR reporting responsibilities are requested to complete the attached combined certification/verification form and submit this form together with the preliminary TROR and reconciliation worksheet to the Office of Financial Management, Attn: Lynnell Green no later than November 5, 2007.

Attachment

Prior Financial Administration Memoranda on this subject:

No. 2004-012 (II.J.), October 28, 2004 – Active

No. 2006-015 (II.J.), October 11, 2006 - Active



DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

WASHINGTON, D.C. 20227
September 12, 2007

RECEIVED

2007 SEP 21 PM 4:04

To: Chief Financial Officers and Chief Credit Management Officials
EXECUTIVE SECRETARIAT

From: Rita Bratcher *Rita Bratcher*
Assistant Commissioner
Debt Management Services

Subject: Combined Certification and Verification of Fiscal Year 2007 "Treasury Report on Receivables and Debt Collection Activities"

The Treasury Report on Receivables and Debt Collection Activities (TROR) is the Federal Government's primary means for Federal agencies to provide comprehensive information on receivables and delinquent debts due from the public. **Debt Management Services is requesting that the Departments/Agencies file a combined certification and verification form for the TROR to Treasury by Thursday, November 15, 2007.** We anticipate that this will facilitate the reconciliation of your TROR with your agency financial statements.

The Certification relates to the debt collection information presented in Part 2, Section B, "Debt Eligible for Referral to Treasury for Offset and Cross-Servicing" of the TROR. The Verification requirements are authorized under OMB Circular A-129, Managing Federal Credit Programs. The combined "TROR Certification/Verification Form", with instructions, is enclosed.

If an agency cannot certify and verify the accuracy of its receivables and debt collection information, the Chief Financial Officer or the agency head must provide an explanation, identifying the bureaus or divisions that are unable to validate this information. The instructions for this required Certification and Verification are enclosed. Your agency's submissions may be viewed on-line at <http://fmsapps.treas.gov/apps/dmis>. Please complete the enclosed Certification/Verification form. This form must be signed and returned by November 15, 2007. Please fax it to:

Certification/Verification Team
Financial Management Service
Debt Management Services
Attn: Terrence Prince
Phone: (202) 874-8580
Fax: (202) 874-7292

If you have any questions regarding this memorandum, please contact Terrence Prince or Dr. Gina Myers, Director, Accounting & Agency Services Division at (202) 874-8580.

Enclosures

TROR Certification/Verification Form

TREASURY REPORT ON RECEIVABLES DUE FROM THE PUBLIC
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007

- I. I have reviewed the information presented in the Treasury Report on Receivables and Debt Collection Activities (TROR) submissions for the fiscal year ending September 30, 2007. In my opinion, **all** of the receivables information specifically presented in the TROR is accurate and consistent with the agency accounting systems and the delinquent debt information reported in Part II, Section B is accurate and legally enforceable.

Chief Financial Officer (signature)
(Or Agency Head)

Date

Chief Financial Officer (printed)
(Or Agency Head)

Agency

OR

- II. I have reviewed the information presented in the Treasury Report on Receivables and Debt Collection Activities (TROR) submissions for the fiscal year ending September 30, 2007. The receivables or delinquent debt information presented in the TROR is not consistent with the agency accounting systems.

Attached is a list identifying the reporting entities and the parts of the form that I am **unable** to certify/verify with an explanation as to why certification is not possible, and a target date for when such certification can be submitted to the Department of the Treasury-Financial Management Service.

TROR Receivables (*Part I, Section A, Line 7*) \$ _____

Reconciliation Amount \$ _____

Amount Unable to Verify \$ _____

Financial Statement Receivables \$ _____

Chief Financial Officer (signature)
(Or Agency Head)

Date

Chief Financial Officer (printed)
(Or Agency Head)

Agency

Certification

All 4th quarter (year-end) reports must also be certified by the submitting agency's CFO or equivalent. Certification means that the delinquent debt information reported on the Receivables Report for cross servicing and offset in Part II, Section B, is correct and legally enforceable.

Only one certification at the Agency or Department level is to be submitted. The certification is to be submitted by the Agency/Department Chief Financial Officer or equivalent.

Questions:

Questions concerning the certification/verification process should be directed to:

Financial Management Service
Telephone Number: (202) 874-8580
Fax Number: (202) 874-7292

Only one Certification/Verification form per Agency or Department is to be submitted. The Certification/Verification form is submitted separately from the Receivables Report itself.

Due Date

The Certification/Verification form is due to FMS by November 15, 2007

DMIS System Access

To receive access to the DMIS System to view your agency's reports, call (205) 912-6205 and a user ID will be issued.

Where to Send

Once the Certification/Verification form has been completed and signed, please fax it to:

Certification/Verification Team
Financial Management Service
Debt Management Services
Accounting & Agency Services Division
Agency Liaison Branch
Attn: Terrence Prince
Fax: (202) 874-7292

Verification

All 4th quarter (year-end) reports must be **verified** by the submitting Agency/Department's Chief Financial Officer (CFO) or equivalent.

Verification of the Receivables Report means that the report has been reconciled to the agency's Audited Financial Statements to the Federal Agencies Centralized Trial-Balance System (FACTS).

Only one verification at the Agency or Department level is to be submitted. The verification is to be submitted by the Agency/Department CFO or equivalent.

The verification should state that **the information presented in Part I, Section A, Ending Balance line of the "Report on Receivables Due from the Public" was reviewed and is reconciled to the receivable balances in the agency's (a) Form and Content -Audited Financial Statements, i.e., the Balance Sheet and (b) FACTS.** If the report is not reconciled to the Balance Sheet and FACTS, the verification should so state, with an explanation as to why verification is not possible. Agencies should also disclose the audit opinion of the Financial Statements or any issues regarding the pertinent accounts.

FMS acknowledges that there will be differences among the balances reported since the Receivables Report presents the gross book value of receivables as opposed to the net present value presented on the Audited Financial Statements and in FACTS. **Agencies are requested to define these differences and disclose any discrepancies in a separate document to be returned with the signed Certification/Verification.**

Note: Report accrued interest on this report the same as it is reported in FACTS and the financial statements, up to 180 days of delinquency. If interest is accrued on debts over 180 days delinquent and is included in FACTS submissions and on the audited financial statements, report it in the TROR with a footnote.

Include in the TROR all receivables for programs that are administered by the agency. Receivables are reported with the program that first generated the receivables unless there was a transfer by book entry to another entity.