




THE CONTROLLER

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

October 31, 2007

MEMORANDUM FOR CHIEF FINANCIAL OFFICERS AND
INSPECTORS GENERAL

FROM: Danny Werfel 
Acting Controller

SUBJECT: FY 2007 Year-end Reporting Requirements for Federal
Departments and Agencies

This memorandum serves to remind agencies of key year-end reporting requirements and due dates (Attachment C). This memorandum also provides guidance and clarification on the Agency Financial Report (AFR) pilot, the improper payments portal, and the grant streamlining annual report.

I. Alternative Performance and Accountability Report Pilot

A. Americans with Disabilities Act Requirements

Circular A-136 currently requires that those agencies participating in the AFR pilot to post the final AFRs on the agencies' Internet websites by November 15. This requirement is extended to December 17 due to the time needed to ensure that the format of the final AFRs are accessible to all readers consistent with the Americans with Disabilities Act.

B. Due Dates and Submissions

Agencies were given the option to participate in a pilot program this year to produce an alternative to the consolidated Performance and Accountability Report (PAR). Those agencies that elected to participate in the pilot will produce an AFR, Agency Performance Report (APR) and a Highlights document. The requirements for each of the aforementioned documents are contained in the OMB Circular No. A-136, *Financial Reporting Requirements* located at http://www.whitehouse.gov/omb/circulars/a136/a136_revised_2007.pdf, Section II.1.3.

PAR Pilot agencies will submit their AFR on November 15 with the PAR. The draft and final AFRs and PARs should be submitted electronically to OMB, FMS, Main Treasury, and GAO (addresses are located in Attachment D). Agencies may also elect to provide access to a secure intranet site with appropriate passwords. Agencies will submit the APR to the OMB Resource Management Office (RMO) along with the draft Congressional Budget Justifications. The draft Highlights document that will summarize key results from the AFR and APR will be submitted to the RMO by January 15, 2008.

Agencies participating in the PAR pilot should try to allow more time for review of the Congressional Budget Justifications since the format will be different and will contain more information. Agencies not participating in the PAR Pilot are encouraged to prepare a Highlights document that will be submitted on November 15 with the PAR.

Additional guidance on the Management's Discussion and Analysis section of the AFR can be found in the memorandum entitled, *Clarification of Reporting Requirements for Performance and Accountability Report (PAR) Pilot* and can be located at http://www.whitehouse.gov/omb/financial/memos/par_pilot_091207.pdf.

II. Improper Payments Portal

For FY 2007 Improper Payment Information Act (IPIA) and Recovery Auditing reporting, agencies will now be required to enter their information into a Web-based data portal using the OMB MAX database. This data entry will be additional to the required PAR reporting. Both sets of information are due November 15, 2007. The portal opened for agency input on October 22, 2007. For more information or if you have questions, please contact Sally Clark Beecroft at sbeecroft@omb.eop.gov or (202) 395-1040.

III. Grant Streamlining Annual Report

The Report is due to Congress by January 31, 2008. The Report must be simultaneously sent to the Director of OMB. An electronic copy of the final agency report must be posted to the OMB MAX Grants Community site after the report is submitted to Congress and the Director of OMB. Additional guidance on the annual report can be found in the memorandum entitled, *2007 Guidance and Schedule for P.L.106-107 Annual Report*, and can be located at http://www.whitehouse.gov/omb/financial/memos/pl106-107_2007_report.pdf.

IV. Key Year-end Reporting Requirements and Due Dates

A. Parent/Child Agency Reporting – Allocation Transfers

Effective beginning with fiscal year 2007, the parent agency must report all budgetary and proprietary activity in its financial statements. Therefore, the child(ren) must not report any information relating to the allocation transfer(s) on its financial statements. Three exceptions exist to this requirement: 1) Federal trust funds managed by the Bureau of the Public Debt, 2) Funds for which the Executive Office of the President is the parent, and 3) Funds transferred from the Judiciary Branch of government to the Department of Justice U.S. Marshals Services for court security. In these cases, the child(ren) are responsible for reporting all budgetary and proprietary activity on its financial statements. For additional information, refer to the A-136, Section II.4.2.5 (http://www.whitehouse.gov/omb/circulars/a136/a136_revised_2007.pdf).

B. Disaster Relief Activities with FEMA

A separate memorandum was issued specific to the financial reporting of FEMA's disaster relief activities. Agencies should refer to the memorandum entitled, *Year-end*

Accounting Guidance for Disaster Relief Fund Transactions, which can be located at http://www.whitehouse.gov/omb/financial/memos/disaster_relief_091707.pdf.

C. Debt Collection Improvement Act (DCIA) Annual Report Submission

The DCIA established a framework for improved federal debt collection by centralizing the management of delinquent obligations and providing agencies with more effective debt collection tools. OMB Memorandum M-04-10 (<http://www.whitehouse.gov/omb/memoranda/fy04/m04-10.pdf>) outlines the annual requirement for agencies to report, to OMB, on their internal standards and policies regarding compromising, writing-down, forgiving or discharging debt and compliance with the current requirements. Agencies are also asked to include in their report, an update on the status of any deficiencies identified in the 2006 submission. All reports should be transmitted electronically to OMB. Reports should be sent to the email address, fiareports@omb.eop.gov with the phrase “DCIA Annual Report” in the subject line. For more information or if you have questions, please contact Angela Donatelli at adonatel@omb.eop.gov or (202) 395-7539.

D. Intragovernmental Reconciliations

Intragovernmental balances are required to be reconciled at least quarterly with other Federal trading partners pursuant to OMB and Treasury policy. Agencies should promptly respond to reconciliation efforts and balance confirmations sent by your fellow Federal trading partners. Failure to participate in the reconciliation efforts will hamper the resolution of the government-wide material weakness and potentially jeopardize the audit opinion on the closing packages of your fellow Federal trading partners.

E. Key Year-end Due Dates

AGENCIES SHOULD REFER TO ATTACHMENT C OF THIS MEMORANDUM FOR KEY DUE DATES FOR YEAR-END REPORTING. THE KEY DUE DATES APPLY TO AGENCY REPORTING AND AGENCY SUBMISSIONS TO SUPPORT GOVERNMENT-WIDE REPORTING AS WELL.

We appreciate your continuous efforts to improve financial and performance reporting in the Federal government. If you have any questions regarding the requirements of this memorandum, contact Carrie Hug, Chief, Financial Standards and Grants Branch, Office of Federal Financial Management (OFFM), at (202) 395-3993.

Agencies Required to Prepare Closing Packages and to Submit Representation Letters

Department of Agriculture
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Homeland Security
Department of Housing and Urban Development
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of the Treasury
Department of Veterans Affairs
U.S. Agency for International Development
Environmental Protection Agency
General Services Administration
National Aeronautics and Space Administration
Nuclear Regulatory Commission
National Science Foundation
Office of Personnel Management
Small Business Administration
Social Security Administration
Export-Import Bank of the United States
Farm Credit System Insurance Corporation
Federal Communications Commission
Federal Deposit Insurance Corporation
National Credit Union Administration
Pension Benefit Guaranty Corporation
Railroad Retirement Board
Securities and Exchange Commission
Smithsonian Institution
Tennessee Valley Authority
U.S. Postal Service

**Agencies Participating in the
Alternative Performance and Accountability Report Program**

Corporation for National and Community Services

Denali Commission

Department of Defense

Department of Energy

Department of Health and Human Services

Department of Homeland Security

Department of State

U.S. Agency for International Development

National Aeronautics and Space Administration

National Science Foundation

Small Business Administration

Key Dates for Fiscal Year-End Reporting and the Financial Report of the United States Government

Key Due Date	Who Should Submit	Requirement	Recipient
7/23/2007	CFO Act and ATDA agencies*	Submission of unaudited financial statements for 3 rd quarter	OMB OFFM and RMO
8/28/2007 – 9/19/2007	All	FACTS I MAF Window	FMS
When available but NLT 8/29/2007	Agencies in Attachment A (OIG)	Submission of interim Legal Representation Letter and Management Schedule	DOJ, FMS, GAO
9/10/2007 – 11/15/2007	Agencies in Attachment A	GFRS Window for Closing Package submissions	FMS
10/1/2007 – 11/15/2007	Agencies excluded from Attachment A	FACTS I Window for ATB submissions and related GFRS Notes and Other data submissions	FMS
10/1/2007	Payroll Providers (OIG)	Submission of Retirement, Health Benefits, and Life Insurance Withholdings/Contributions and Supplemental Semiannual Headcount Report	OPM (wwscott@opm.gov; cc: Finance@opm.gov)
10/19/2007	Agencies in Attachment A	Submission of intragovernmental data files for 4 th quarter	FMS
10/9/2007 – 10/19/2007	All	Submission of fiduciary balances for 4 th quarter through IFCS (final)	FMS
11/1/2007	All	Submission of draft Performance and Accountability Report and pilot Agency Financial Report (AFR)	OMB OFFM and RMO
11/15/2007	All	Submission of final Performance and Accountability Report (PAR) and pilot Agency Financial Report (AFR)	OMB OFFM and RMO, Main Treasury, FMS, GAO
11/15/2007	Agencies in Attachment A (OCFO)	CFO Approval of Closing Package	FMS
When available but NLT 11/15/2007	Agencies in Attachment A (OCFO)	Submission of Management Representation Letters (related to general-purpose financial statements)	OMB OFFM, Main Treasury, FMS, GAO
When available but NLT 11/15/2007	Agencies in Attachment A (OIG)	Submission of final Legal Representation Letter and Management Schedule	DOJ, FMS, GAO
11/17/2007 (noon EST)	Agencies in Attachment A (OIG)	Submission of Opinion on Closing Package (refer to TFM, Part 2, Chapter 4700 for documents to attach to the opinion)	OMB OFFM, FMS and GAO

Key Due Date	Who Should Submit	Requirement	Recipient
When available but NLT 11/17/2007	Agencies in Attachment A (OCFO)	Submission of Management Representation Letters (related to special-purpose/Closing Package financial statements)	OMB OFFM, Main Treasury, FMS, GAO
11/26/2007	Agencies in Attachment A (OCFO)	Submission of CFO Representations on Intragovernmental Activity and Balances	FMS and GAO
When available but NLT 11/29/2007	CFO Act agencies (OCFO and OIG)	Submission of FIPS data and IG certification	OMB OFFM
11/30/2007	Agencies in Attachment A (OCFO)	Submission of ATBs through FACTS I	FMS
12/10/2007	Agencies in Attachment A (OIG)	Email on subsequent changes to the final legal representation letter that have arisen after the submission of the final legal representation letter but prior to December 7.	FMS
12/10/2007	Agencies in Attachment A (OCFO)	Email on subsequent changes to the management representation letters and financial statements that have arisen after the date of the financial statement audits (general-purpose and special-purpose) but prior to December 7.	OMB OFFM, FMS, Main Treasury, GAO
1/15/2007	Agencies in Attachment B (Agencies in the pilot program)	Submission of the draft Highlights document	OMB RMO
2/1/2008	Agencies in Attachment B (Agencies in the pilot program)	Submission of the Highlights document	OMB OFFM and RMO
Similar timing as Congressional Budget Justifications	Agencies in Attachment B (Agencies in the pilot program)	Submission of the draft and final Agency Performance Report	OMB OFFM and RMO

* See OMB Bulletin No. 07-04, *Audit Requirements for Federal Financial Statements*, for agencies subject to the Accountability of Tax Dollars Act.

Contact Information

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(Office number, e-mail, telephone, and fax should be obtained from the respective RMO.)

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