



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

December 21, 2004

**CIRCULAR A-136**

**TO THE HEADS OF EXECUTIVE DEPARTMENTS, AGENCIES, AND OTHER  
ENTITIES SUBJECT TO THE CHIEF FINANCIAL OFFICERS ACT AND  
THE ACCOUNTABILITY OF TAX DOLLARS ACT**

**SUBJECT:** Financial Reporting Requirements

- 1. Purpose:** This Circular establishes a central point of reference for all Federal financial reporting guidance for Executive Branch departments, agencies, and entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports (PARs) under the Chief Financial Officers (CFO) Act of 1990 and the Accountability of Tax Dollars Act (ATDA) of 2002.

Section 2 provides background information on Federal Financial Reporting; Section 3 discusses entities to which this Circular applies; Section 4 provides Federal Financial Reporting policy and references the relevant bulletins and memoranda for the specific guidance; and Section 5 provides contact information for inquiries.

- 2. Background:** Executive Branch agencies must generally prepare and submit audited financial statements to the Office of Management and Budget (OMB). The CFO Act of 1990 (P.L. 101-576), as amended by the Government Management Reform Act (GMRA) of 1994, requires the major 24 agencies of the Federal Government to prepare and submit audited financial statements. For those Federal entities not covered by the CFO Act, the Accountability of Tax Dollars Act of 2002 (P.L. 107-289) requires those Federal agencies and entities to also prepare and submit PARs to OMB.

Under the Reports Consolidation Act of 2000 (P.L. 106-531), agencies are permitted to submit combined reports in implementing statutory requirements for financial and performance management reporting to improve the efficiency of executive branch performance. These reports are combined in the PAR, which consists of the Annual Performance Report required by the Government Performance and Results Act with annual financial statements and other reports, such as agencies' assurances on internal controls, accountability reports by agency heads and Inspector General assessments of the agencies' most serious management and performance challenges. PARs provide financial and performance information that enables the President, the Congress, and the public to assess the performance of an agency relative to its mission and to demonstrate accountability.

The Department of the Treasury, in coordination with OMB, prepares and submits the *Financial Report of the United States Government* (Financial Report), as required by GMRA. The Financial Report presents and discusses the Government's financial condition and operations for the fiscal year and includes consolidated financial statements and related disclosures, as well as reports on stewardship responsibilities. Important financial management issues are also discussed in Management's Discussion and Analysis section of the Financial Report.

3. **Coverage:** The provisions of this Circular apply to each Executive Branch department, agency, and other entity (agency) that is required to prepare audited financial statements under the CFO Act and the Accountability of Tax Dollars Act.

4. **Policy for Federal Financial Statements and PARs:**

- a. **General.**

The purpose of accelerated reporting is to better ensure that timely and accurate financial and performance information is made available to Federal agency managers as soon as possible after the end of the fiscal year and throughout the year.

- b. **Preparation.**

Agencies shall prepare PARs in accordance with OMB Bulletin No. 01-09 *Form and Content of Agency Financial Statements*, as amended, located at <http://www.whitehouse.gov/omb/bulletins/b01-09.html>, and OMB Circular No. A-11 *Preparation, Submission, and Execution of the Budget*, as amended, located at <http://www.whitehouse.gov/omb/circulars/a11/04toc.html>.

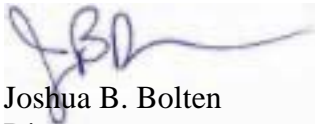
- c. **Submission Date.**

- i. **PARs.** Agencies shall submit their PARs to OMB and the Congress no later than 45 days after the end of the fiscal year. (For those agencies with a September 30 fiscal year end, this due date is November 15.) This Circular makes this 45-day deadline a permanent annual requirement for all executive agencies regardless of fiscal year.
- ii. **Financial Report of the United States Government.** The U.S. Treasury is required to issue the *Financial Report of the United States Government* no later than one month after the 45-day deadline as noted in (i) above. (For a September 30 fiscal year end, this due date is December 15.) This Circular makes this deadline a permanent annual requirement.
- iii. **Interim Financial Statements.** Agencies shall submit unaudited interim financial statements to OMB 21 days after the end of each quarter of the fiscal year. This Circular makes this deadline a permanent quarterly requirement.

d. **Relevant Memoranda.**

- i. This Circular reiterates the accelerated reporting requirements specified in the following Memorandum: *Future External Reporting Changes* (December 21, 2001), located at [http://www.whitehouse.gov/omb/financial/year\\_end\\_reporting\\_2001.pdf](http://www.whitehouse.gov/omb/financial/year_end_reporting_2001.pdf), and Memorandum: *Requirements of the Accountability of Tax Dollars Act of 2002* (December 6, 2002), located at [http://www.whitehouse.gov/omb/financial/accountablity\\_of\\_tax\\_dollars.pdf](http://www.whitehouse.gov/omb/financial/accountablity_of_tax_dollars.pdf).
- ii. In addition, updates to accelerated and other reporting requirements for FY 2004 were provided in Memorandum M-04-20, *FY 2004 Performance and Accountability Reports and Reporting Requirements for the Financial Report of the United States Government* (July 22, 2004), located at <http://www.whitehouse.gov/omb/memoranda/fy04/m04-20.pdf>.

**5. Inquiries:** For information concerning this Circular, please contact the Financial Standards and Grants Branch, Office of Federal Financial Management, Office of Management and Budget, telephone 202-395-3993.



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