

VA Financial Policies and Procedures  
Consolidated Financial Statements

CHAPTER 2

0201 OVERVIEW .....	2
0202 POLICIES .....	2
0203 AUTHORITY AND REFERENCES .....	2
0204 ROLES AND RESPONSIBILITIES .....	3
0205 PROCEDURES .....	5
0206 DEFINITIONS.....	8
0207 RESCISSIONS.....	8
0208 QUESTIONS .....	9
0209 REVISIONS.....	9
APPENDIX A: CONSOLIDATED FINANCIAL STATEMENTS .....	10
APPENDIX B: OFP ACCOUNTING CERTIFICATION LETTER DUE DATES .....	11
APPENDIX C: ANNUAL CERTIFICATION OF ACCOUNTING RECORDS .....	12
APPENDIX D: FAS ANNUAL CLOSE INSTRUCTION MEMORANDUM EXAMPLE .	13
APPENDIX E: MINX JOURNAL VOUCHER PREPARATION AND APPROVAL PROCESS.....	24
APPENDIX F: SAMPLE VHA END OF FISCAL YEAR CERTIFICATION LETTER ...	33
APPENDIX G: SAMPLE VBA END OF FISCAL YEAR CERTIFICATION LETTER AND INSTRUCTIONS.....	43
APPENDIX H: SAMPLE NCA END OF FISCAL YEAR CERTIFICATION LETTER...	53
APPENDIX I: VA FORM 1358 OBLIGATION OR CHANGE IN OBLIGATION REVIEW	57
APPENDIX J: ANNUAL EXHIBIT 52.....	58

## 0201 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) policy and procedures for preparing the annual consolidated financial statements submitted to the Office of Management and Budget (OMB), the Department of the Treasury (Treasury), and the U.S. Congress. VA's financial statements will be prepared in accordance with policies prescribed by OMB. VA will follow OMB form and content as well as instructions for preparing financial statements. This chapter also provides a framework for submitting information useful to Congress, agency managers, and the public.

Another aspect to compiling the consolidated financial statements is the annual audit. During the annual financial statements audit cycle, VA organizations receive various requests for data files and supporting information. This chapter includes audit management guidance to ensure completeness and accuracy of data and to improve the timeframe for furnishing requested information to the auditors for the annual audit of the consolidated financial statements.

## 0202 POLICIES

020201 CONSOLIDATED FINANCIAL STATEMENTS. VA will prepare and submit quarterly and annual financial statements that consolidate financial data from all entities within VA in accordance with OMB and Treasury requirements and guidance. The instructions provided in OMB Circular A-136, *Financial Reporting Requirements*, describe the level of information presented in each of the basic statements<sup>1</sup>. Refer to Appendix A, Consolidated Financial Statements, for a listing of current required financial statements and a brief explanation.

A. VA will present financial statements with summary or detailed information necessary to make the statements useful and comprehensive. VA will ensure financial statements are prepared with quality data. Refer to VA Office of Financial Policy (OFP) Volume I, Chapter 1B, *Quality Financial Information*, for additional information.

B. VA will provide annual close instructions, to include instructions for the end of fiscal year certification letters.

020202 AUDIT GUIDANCE. VA is responsible for ensuring that data and information provided to external auditors for audit testing and support are complete, accurate, and timely.

## 0203 AUTHORITY AND REFERENCES

020301 [Chief Financial Officers Act of 1990, Section 902a \(6\)](#)

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<sup>1</sup> Refer to VA Office of Financial Policy (OFP) Volume VII Chapter 3, *Quarterly Financial Statements*, for additional information specific to quarterly submission.

- 020302 [Government Performance and Results Act \(GPRA\) of 1993, Public Law 103-62](#)
- 020303 [Government Management Reform Act of 1994, Public Law 103-356 \(31 U.S.C. 331\(e\) \(1\), Section 405\)](#)
- 020304 [Federal Managers' Financial Integrity Act of 1982](#)
- 020305 [Reports Consolidation Act of 2000, Public Law 106-531](#)
- 020306 [Federal Financial Management Improvement Act of 1996, Public Law 104-208](#)
- 020307 [Office of Management and Budget \(OMB\) Circular A-123, Management's Responsibility for Internal Control](#)
- 020308 [OMB Circular A-127, Financial Management Systems](#)
- 020309 [OMB Circular A-136, Financial Reporting Requirements - Revised](#)
- 020310 [Treasury Financial Manual, United States Standard General Ledger \(USSGL\)](#)
- 020312 [Federal Intragovernmental Transactions Accounting Policies Guide](#)
- 020313 [Treasury Financial Manual, Volume I Part 2 Chapter 4700 Appendix 10, Intragovernmental Business Rules](#)

#### **0204 ROLES AND RESPONSIBILITIES**

020401 The Secretary of Veterans Affairs is responsible for approving VA's annual Performance and Accountability Report (PAR) which contains VA's consolidated financial statements and notes.

020402 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Specific responsibilities include the direction, management, and provision of policy guidance, and oversight of VA's financial management personnel, activities, and operations. The CFO establishes financial policy, systems, and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

020403 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

020404 Administration CFOs and staff office CFOs (e.g., Office of Information and Technology and Supply Fund) are responsible for ensuring that the financial information

under their areas of jurisdiction is accurate and complies with VA policy, for performing an analysis of the financial information and preparing an explanation of significant line item variances, and for providing the information in accordance with timeframes established. Administration CFOs and staff office CFOs are also responsible for preparing and submitting summary end of fiscal year certification letters of the accounting records to OFP (047GB) by the due dates listed in Appendix B, OFP Accounting Certification Letter Due Dates.<sup>2</sup> Refer to Appendix C, Annual Certification of Accounting Records, for a sample letter that should be customized based upon the area of responsibility. The CFOs are also responsible for ensuring that external auditors are provided complete and accurate information in response to requests for data and information in support of the annual audit of VA's Consolidated Financial Statements. The VBA CFO has an additional responsibility for preparing financial statements under his or her area of jurisdiction for inclusion in the Consolidated Financial Statements.

020405 The Financial Management System Service, in coordination with the Financial Services Center (FSC) and Austin Information Technology Center (AITC), located in Austin, TX, are responsible for maintaining VA's Financial Management System (the General Ledger System), which provides VA's financial information used in preparing and producing financial statements from the Hyperion (MInX) software. The FSC has significant direct involvement in many of the sub-processes within the financial reporting key business process (i.e., General Ledger maintenance, adjustments, accruals, periodic closing of the General Ledger, financial statements and management reporting). The Financial Accounting Service (FAS) at the FSC is responsible for coordinating annual close procedures and instructions. Refer to Appendix D, FAS Annual Close Instruction Memorandum Example.

020406 The VA Office of Finance (OF) is responsible for ensuring compliance with applicable accounting principles and standards, the U.S. Government's Standard General Ledger, and the form and content of financial statements as prescribed by OMB Circular A-136. OF is also responsible for producing accurate financial reports as prescribed by OMB Circular A-136. It is essential that the maximum degree of accuracy and uniformity be attained in the preparation of all financial reports. Such reports constitute basic data from which various summary and consolidated financial statements are developed for submission to the Secretary of Veterans Affairs, OMB and Treasury. Strict observance of prescribed report release dates will be enforced, because the highest degree of synchronization must be attained in summarizing pertinent data in VA's Central Office so consolidated financial reports and statements are submitted within the time limits established by the regulatory agencies of the Government.

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<sup>2</sup> Administration and staff office CFOs are also responsible for a quarterly certification of their financial information. The quarterly certification focuses on compliance with VA policy and an analysis and explanation of significant line item variances. This is due to OFP (047GB) in accordance with the OFP Quarterly Closing Schedule. Refer to Vol VII, Chapter 3, *Quarterly Financial Statements*, for additional information.

020407 The Office of Financial Policy (OFP), under the CFO's direction, provides Departmentwide financial policy and guidance. OFP is responsible for developing, coordinating, issuing, evaluating, and reviewing VA's financial policies, to include those that impact financial systems and procedures for compliance with all financial laws and regulations. The Management and Financial Reports Service (MFRS) within OFP is responsible for preparing various VA comprehensive financial reports, such as those required by the President and the Executive Branch, including OMB/Treasury reports from the Hyperion (MinX) software. MFRS is also responsible for appointing a MinX Journal Voucher (JV) Reviewer (See 0205 Procedures, Section 020501(A) (6)). OFP is also responsible for working with the Office of Inspector General's independent contract auditors on VA's annual Consolidated Financial Statements audit and preparing and reviewing Consolidated Financial Statements, Notes and Required Supplementary Information, etc.

020408 The Office of Financial Process Improvement and Audit Readiness (OFPIAR) is responsible for providing support to VA's Administrations and staff offices in defining a strategy for identifying root causes of audit deficiencies, developing and maintaining standardized corrective action plans (CAPs) related to financial statement audit findings, and improving financial management, including control deficiencies in response to repeat conditions identified in the auditor's report. OFPIAR is responsible for taking the lead in overseeing the execution of CAPs developed by VA's Administrations and staff offices and coordinating a standardized, Departmentwide corrective action plan effort, known as the Financial Statement Corrective Action Plan (FSCAP). FSCAP's ultimate goal is to reduce the risk of material weaknesses on subsequent financial statement audits.

## **0205 PROCEDURES**

020501 CONSOLIDATED FINANCIAL STATEMENTS. The VA CFO will prepare and publish an annual PAR through the Director, office of Performance Management. To ensure the consolidated financial statements are reported in accordance with regulatory guidance, the CFO will take the following actions:

- Ensure the quality and accuracy of VA's financial data, the responsiveness of financial systems, and the effectiveness of the financial service delivery structure.<sup>3</sup>
- Work with and assist the VBA CFO in the preparation of financial reports under his or her area of jurisdiction.
- Work with and assist the Administration and staff office CFOs in analyzing financial information and ensuring compliance with guidance.

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<sup>3</sup> Refer to VA OFP Volume I Chapter 1B, *Quality Financial Information*, for additional information.

A. The Management and Financial Reports Service (MFRS) within OFP will perform the following procedures:

1. Ensure that all annual certification of accounting records letters from Administration CFOs and staff office CFOs are received in accordance with Appendix B, OFP Accounting Certification Letter Due Dates.
2. Perform the essential account reconciliations to ensure the accuracy of VA's consolidated quarterly and annual financial statements.
3. Prepare VA's Consolidated Financial Statements, including Notes and Required Supplementary Information, within the timeframes specified by OMB.
4. Prepare and enter and/or review journal voucher adjustments to conform to generally accepted accounting principles.
5. Maintain all supporting reconciliation files or reports with a copy of the statements in a secured location.
6. Appoint a MinX JV Reviewer to oversee reviews of MinX JVs and ensure JVs are posted as approved and properly supported. Frequency of reviews will be determined by MFRS. Refer to Appendix E.
7. Review all applications for MinX access for appropriateness.

B. The Administration and staff office CFOs will provide annual close instructions to their finance activities, to include a sample of the end of fiscal year certification letter, for certifying the accuracy of their accounting records, and completion of reconciliations and reviews. Refer to Appendix F, G and H for examples of VHA, VBA and NCA, respectively, End of Fiscal Year Certification Letter instructions. Refer to VA OFP Volume I Chapter 6, *Reconciliations*, for additional instructions on required reconciliations.

1. The annual close process should be based upon the Financial Accounting Service (FAS) Annual Close Memorandum. Refer to Appendix D for an example. Each organizational CFO is responsible for reviewing, preparing, and submitting a summary of the certification letters with journal vouchers when appropriate to OFP (047GB) by the due dates listed in Appendix B, OFP Accounting Certification Letter Due Dates. Refer to Appendix C, Annual Certification of Accounting Records, for an example letter that should be customized based upon the area of responsibility.
2. The CFOs for VHA, VBA, NCA and OIT will ensure that a review of the VA Form 1358 Obligations is performed in relation to the preparation and submission of the end of fiscal certification letters. The review will be completed in accordance with the instructions in Appendix I, VA Form 1358 Obligation or Change in Obligation Review,

and in compliance with the requirements prescribed in Volume II Chapter 6, 1358 *Obligations*, and appendices.

020502 AUDIT GUIDANCE. VA staff responsible for completing the data request will coordinate with auditor staff to ensure that there is agreement on the information to be provided and to verify that the prepared data file or information is complete and accurate and “ties” back to a control total or USSGL balance, where appropriate. The request will be provided through the respective organization’s audit liaison to the auditors within the agreed-upon timeframe.

A. The appropriate management official (e.g., next higher level manager) will review all supporting data, information or documents before providing them to the auditors through the audit liaison. The review will validate that the information is responsive to the auditor’s request and is complete and accurate. Documentation validating the review will be maintained as part of the response file.

B. VA organizations should make every effort to coordinate with each other to ensure accuracy and consistency in audit communications and responses.

C. In January of each year in support of the Consolidated Financial Statements, each Administration and staff office CFO will inform OFPIAR and the OFP Financial Reports Service of their primary Audit Office Liaison and Alternate Audit Office Liaison. To ensure timely and accurate responses to auditors’ requests, the following process will be used:

1. OFPIAR will:

a. Maintain a central Web site as a repository for iterations of the Prepared by Client List.

b. Log and record all data and information requests received from the auditors.

c. Oversee the auditors’ request and notify the appropriate Office Audit Liaison with a due date.

d. Update status of requests and provide status as required.

e. Follow up on all open requests that should have been completed by the requested due date.

2. Office Audit Liaisons will:

a. Determine the appropriate person(s) in their organization(s) to gather the data or information requested by the auditors and forward the request with a due date.

b. Prior to sending the audit response (data and/or information) to external auditors,

review and obtain approval by the next higher level management, as required.

- c. Forward the completed response to the auditors. Responses will be uploaded to the designated OFPIAR Web site and a copy provided to next higher management.
- d. Notify the next higher level of management and OFPIAR as soon as practicable if due dates cannot be met, and provide a timeline for completion.
- e. Maintain copies of completed data and information provided to auditors (electronic or hard copy).

3. Next Higher Level of Management will:

- a. Receive either the draft response (see 020502C2b) or final copy (see 020502C2c) of the audit response and review for completeness and accuracy to the request.
- b. Verify that the data and/or information are complete and accurate and reconciles to control totals where appropriate.
- c. Approve the audit response, either electronically or by signature.
- d. Notify the Audit Office Liaison if any inaccuracies are found.

## **0206 DEFINITIONS**

020601 Form and Content. Term used to encompass an agency's Financial Statements, to include the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, Statement of Budgetary Resources, Required Supplementary Stewardship Information and Required Supplementary Information. Refer to Appendix A, Consolidated Financial Statements, for additional information.

020602 OF 1017-G. Optional Form (OF) 1017-G contains the pertinent information to describe, support, and document a JV (e.g., any manual input, accounting classification and reason for the JV).

020603 MinX JV. MinX JV is an off-line adjustment posted for reporting purposes when required adjustments are not posted to FMS. Many JVs will be posted to FMS during the initial or subsequent reporting periods.

## **0207 RESCISSIONS**

020701 VA OFP Volume VII Chapter 2, Consolidated Financial Statements, January 2011



**0208 QUESTIONS**

Questions concerning these financial policies and procedures should be directed as follows:

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)

**0209 REVISIONS**

Section	Revision	Office	Effective Date
0205 Procedures	Added Appendix for MinX JV Preparation and Approval Process	MFRS (047GB)	June 2012
0206 Definitions	Added OF 1017-G and MinX JV	MFRS (047GB)	June 2012
0207 Rescissions	Deleted 020702, 020703, 020704, 020705, and 020706	MFRS (047GB)	June 2012
Appendix D FAS Annual Close Instruction Memorandum Example	Updated FY 11 Annual Close Memo	MFRS (047GB)	June 2012
Appendix E MinX Journal Voucher Preparation and Approval Process	Added (re-write)	OFP Management/ MFRS (047GB)	June 2012
Appendix F	Revised from Appendix E in January 2011 Version	VHA	June 2012
Appendix G	Updated from Appendix F in January 2011 Version	VBA	June 2012
Appendix H	Appendix G (January 2011)	NCA	June 2012

## APPENDIX A: CONSOLIDATED FINANCIAL STATEMENTS

Following are the Consolidated Financial Statements as prescribed by OMB A-136, *Financial Reporting Requirements*.

A. Balance Sheet. Presents, as of a specific time, amounts of future economic benefits owned or managed by the reporting entity (assets), amounts owed by the entity (liabilities), and amounts that comprise the difference (net position).

B. Statement of Budgetary Resources (SBR). This statement and related disclosures provide information about how budgetary resources were made available as well as their status at the end of the period. It is the only financial statement predominantly derived from an entity's budgetary general ledger in accordance with budgetary accounting rules for the Federal Government. Information on the SBR should be reconcilable to the budget execution information reported on the SF 133 *Report on Budget Execution and Budgetary Resources* and with information reported in the Budget.

C. Statement of Changes in Net Position (SCNP). Reports the change in net position during the reporting period. Net position is affected by changes to its two components: Cumulative Results of Operations and Unexpended Appropriations.

D. Statement of Net Cost (SNC). Provides an understanding for the reporting entity, as a whole, by major program, which should relate to the major goal(s) and output(s) described in the entity's strategic and performance plans. Net cost of operations is the cost incurred by the entire reporting entity less any exchange revenue earned from its activities. The statement should include a presentation of the following: (1) program costs; (2) related exchange revenues; (3) the excess of costs over exchange revenues (net program costs); (4) the costs that cannot be assigned to specific programs or outputs; and (5) the exchange revenues that cannot be attributed to specific programs and output.

E. Notes to the Financial Statements and Required Supplementary Information. Disclose detail information of VA's Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources as required by OMB Circular A-136.

**APPENDIX B: OFP ACCOUNTING CERTIFICATION LETTER DUE DATES**

The annual accounting certification letter is due to the Office of Financial Policy (047GB) according to the schedule below:

Office	Due Date	Additional Requirements
Acquisition and Logistics (OAL), VA Supply Fund CFO	5 <sup>th</sup> workday of October	Note any exceptions in a letter jointly signed by the Supply Fund CFO and Deputy Assistant Secretary OAL. When appropriate, attach journal vouchers.
Construction and Facilities Management (CFM), Resource Management (RMO)	5 <sup>th</sup> workday of October	Note any exceptions in a letter jointly signed by the Director, RMO and the Director, CFM. When appropriate, attach journal vouchers.
Financial Business Operations (including Station 101 OIT activity)	5 <sup>th</sup> workday of October	Note any exceptions in a letter jointly signed by the Director, Financial Operations and the Director, Financial Business Operations. When appropriate, attach journal vouchers.
OIT CFO (Station 116)	5 <sup>th</sup> workday of October	Note any exceptions in a letter jointly signed by the OIT Comptroller and CFO. When appropriate, attach journal vouchers.
Financial Services Center	9 <sup>th</sup> workday of October	Summarize station/field facilities and note any exceptions in a letter jointly signed by the Fiscal Officer and Director. When appropriate, attach journal vouchers.
NCA CFO	9 <sup>th</sup> workday of October	Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.
VBA CFO	9 <sup>th</sup> workday of October	Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.
VHA CFO (including OIT activity except Stations 101 & 116)	9 <sup>th</sup> workday of October	Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.

## APPENDIX C: ANNUAL CERTIFICATION OF ACCOUNTING RECORDS

Following is an example of the Annual Certification of Accounting Records. Administration and staff office CFOs should customize for their area of responsibility.

**Department of  
Veterans Affairs**

# Memorandum

Date:

From: Administration CFO, VACO or Other office CFO

Subj: Annual Certification of Accounting Records for XXX

To: Office of Financial Policy (047GB)

In compliance with 31 U.S.C. § 1108, subsection c and 31 U.S.C. § 3515, I certify that the records for accounting period ending September 30, 20XX, accurately reflect the condition of the accounting records for all appropriations and funds maintained for this facility as of the above date. There are also reasonable assurances that (1) obligations and costs are in compliance with the applicable law; (2) all assets are safeguarded against waste, loss, unauthorized use and misappropriation; and (3) revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the assets.

I further certify that all obligations reported in this statement meet the criteria established by 31 U.S.C. § 1501, and that no known unrecorded obligations exist as of the end of the accounting period covered by the reports.

/signature(s) as appropriate/  
[Name]  
[Office]

## APPENDIX D: FAS ANNUAL CLOSE INSTRUCTION MEMORANDUM EXAMPLE

Following is an example of the Financial Accounting Service (FAS) Annual Close Memorandum. The FAS coordinates annually with VA Administrations and staff offices for specific dates and changes prior to issuing.

### FAS FY 11 Annual Close Memorandum (Appendix D includes FY 11 Memorandum)

Enclosed is the FY 11 annual close information. Please review and take note of important dates and action items needing completion.

#### I. FY11 ANNUAL CLOSE ACTIVITY SCHEDULE

- 9/01/11 – FMS Call
- 9/08/11 – FMS Call
- 9/15/11 – FMS Call
- 9/16/11 – Payroll input to FMS for PP18 (Accounting Period 12/11)
- 9/20/11 – September System Payroll Accruals input to FMS (view in FMS 9/21/11)
- 9/22/11 – FMS Call
- 9/23/11 – Last day for payments using canceling funds expired as of BFY 06 (see item II.B)
- 9/27/11 – Credit Card System (CCS) transactions for invoice billings submitted as of 9/26/11 recorded in FMS (can be viewed in FMS on 9/28/11)
- 9/28/11– Payroll input to FMS for PP19 – Payroll will interface into FMS two days earlier than indicated on the PAID calendar.
- 9/28/11 – Last day for station input of EB transactions in FMS (see item II.C)
- 9/28/11 – Last day for FSC staff other than Annual Close Team to process any type of transactions into FMS (see item II.D1)
- 9/29/11 – FSC interfaces to FMS are held (see item II.D2)
- 9/29/11 – FMS Call
- 9/30/11 – FSC interfaces to FMS are held (see item II.D2)
- 9/30/11– Last day for stations to process payment transactions (see item II.E)
  - FMS on-line processing will end at 8:00 PM ET
  - The first DMI/IFCAP interface to FMS will process at 8:35 PM ET
  - The final DMI/IFCAP interface to FMS will process at 10:00 PM ET
    - **AITC recommends a 9:00 PM ET deadline to process IFCAP transactions to ensure they are picked up on the final DMI interface to FMS.**
- 9/30/11– Last day for all other station input into FMS (see II.F)
- 9/30/11 – VBA interfaces VALERI, CPTS, CAATS and WINRS will continue throughout annual close (see item II.D.2)
- 10/01/11– FMS DOWN – no interfaces will process in FMS
- 10/01/11 – FY 11 Period 13 Adjustments coordinated through VHA, VBA, NCA, etc.

- 10/02/11 – Period 13 Trial Balances distributed
  - **FRS** – The FY 12 tables in FRS will be unavailable for seven days after the official date of annual close. FRS will be available to review FY 11 and prior year data, but the new FY 12 data will not be available until approximately 10/11/11
- 10/02/11– FMS DOWN – no interfaces will process in FMS
- 10/03/11 – FMS UP for FY 12 Activity Only (Accounting Period 01/12)
- 10/03/11 – September Accruals Reversed (Accounting Period 01/12)
- 10/03/11 – Credit Card System transactions for invoice billings submitted for 9/27/11-10/03/11 begin recording in FMS (Accounting Period 01/12)
- 10/06/11 – FMS Call
- 10/13/11 – FMS Call
- 10/14/11 – Payroll scheduled for input to FMS for PP20 (Accounting Period 01/12), but will likely be delayed.
- 10/15/11 – FMS down for Period 14, 15 and 00 annual close processing
- 10/16/11 – FMS down for Period 14, 15 and 00 annual close processing
- 10/17/11 – FMS UP for FY 12 Activity (Accounting Period 01/12)
- 10/20/11 – FMS Call
- 10/25/11– October System Payroll Accruals input to FMS

### Accounting Period Definitions

**Period 12** – accounting period for the month of September. This period is closed during the nightly cycle on the night of September 30.

**Period 13** – accounting period for adjustments on October 1st. This period is open only to the annual close team members. Significant adjustments requested by field stations with approval from VACO program offices and selected annual close processing list adjustments are completed during this period. Trial balances from Period 13 are used for annual certification letters.

**Period 14** – accounting period for financial reporting adjustments on October 14th. This period is only open to select members of the annual close team.

**Period 15** – accounting period for annual close. General ledger accounts like those used for revenue and expense are closed for the fiscal year based on the settings in the FMS YACT table.

**Period 00** – accounting period for beginning of the new fiscal year. Trial balances for this period show the opening balances in FMS for the new fiscal year.

**II. TO COMPLETE FMS PROCESSING FOR FY 11, THE FOLLOWING SCHEDULE IS PROVIDED AS A GUIDE FOR INPUT OF TRANSACTIONS:**

- A. Annual Close Review
1. Review outstanding obligations to determine if they meet the requirements of an obligation as defined in Volume I, Chapter 1, paragraph 010609 (<http://vaww4.va.gov/FINANCE/policy/pubs01.asp>). Estimated obligations are to be adjusted (increased or decreased) accordingly.
  2. Review FMS suspense file (SUSF) for documents, which are in HELD or REJECTED status. Make corrections and resubmit, or delete the documents. Do not delete documents generated by interfaces to FMS (e.g. CC, CB, TM, etc).
  3. Ensure transactions affecting unobligated balances, such as payroll accruals, adjustments, obligation of purchase orders, PCS obligations, adjustments of 1358, etc., are processed.
  4. In reviewing available unobligated balances, ensure sufficient funds are available to cover the balances in general ledger 1321 (Accounts Receivable Refunds - Non Federal). An automated FMS process will post SV transactions to charge available funding for the amount in GL 1321 as of 9/30.
  5. An automated process to move BFYs 06 - 10 Tricare and Shared Medical Resources bills to BFY 11 will take place as part of annual close processing. Only Revenue Source Codes 8002, 8006, 8035 for Shared Medical Resources and 8028, 8029, 8030 and 8065 for Tricare are affected. These transactions should not be reversed because Public Law 104-262 allows funds to remain in the current budget fiscal year.
  6. Review and adjust the allowance for bad debts balance established in Asset and Miscellaneous Accounts Fund (AMAF) for public receivables in appropriated funds (0151, 0152, 0160, 0161, 0162, etc). These SV accrual transactions should be set to not reverse.
- B. September 23, 2011 is the last day payments can be made for appropriations expired as of the end of BFY 05 ( 3650160, 364/50160, 364/50161, 3650162, 3650151, 3650152, etc.). The scheduled payment date must be the same date the payment voucher is processed. Payments scheduled for payment after September 23, 2011 will be cancelled.
- C. September 28, 2011 is the last day for Station input of any EB transactions in FMS.
- D. 1. After September 28, 2011, FSC staff will be restricted from processing documents into FMS (other than the Annual Close Team and Nationwide

Accountants to process payroll rejects from PP 19). The intention is to eliminate documents which would adversely affect FY 11 funds for the stations.

2. All interface transactions generated by the FSC will also be held after September 28, 2011. Examples of held **FSC interfaces** include: CAPPS Receivers and Payments; Prime Vendor Subsistence EDI; FEDCAP; CX files; and FedTraveler. **Non-FSC interfaces** (i.e., IFCAP, CAATS, FEE) will continue to process.
- E.
1. Stations can continue to process payment transactions via IFCAP, CAATS, FEE or FMS directly through September 30, 2011. Only FSC-generated payment transactions will be held. Stations should be mindful of other interfaces still generating transactions in FMS and budget accordingly for these transactions.
  2. Scheduled payments during the FMS down period will be accelerated. Payments for October 17th and October 18th will be accelerated to pay on October 14th.
- F. September 30, 2011 is the last day to process transactions affecting accounting period 12 for September 2011 business. Transactions should not be input in FMS with a reversal period of 13/11.
- G. Annual and Multi-year Appropriations expired as of the end of BFY 06 (includes 05/06) will close/cancel as part of the FY 11 Annual Close Process. Review **ALL** outstanding subsidiary records for validity.
1. Travel Obligations **MUST** be reversed manually.
  2. Advances **MUST** be collected, written off, or reclassified as receivables if valid.
  3. Non-Travel Obligations/Payables will be automatically reversed as part of the annual close process. Payable balances will be recorded in the appropriate AMAF fund (i.e., 3650160-AMAFMC, 3650151-AMAFGE) to general ledger 2960.
  4. Receivables should be reviewed for validity. The annual close process will automatically close the open receivables in BFY 06 and create the receivable using the same document number in Base BFY 99 Fund 36 3200 with a BD 09 transaction.
  5. Work in Process (general ledger 1720 and GL 1832) should be reviewed and closed or moved as appropriate.
  6. General ledger 2130 obligations must be cleared and holdbacks released prior to 9/23/11.
  7. BFY 06 Supply fund 4537B2 and 4537B3 will close during annual close.



H. Payroll Accruals

1. MANUAL PAYROLL ACCRUALS MUST HAVE A REVERSAL PERIOD OF 01/12.
2. Payroll accrual adjustments for the September accrual period require special effort. Request Fiscal Officers review payroll accruals in order to ensure accuracy. Refer to Volume I, Chapter 3A (<http://vaww4.va.gov/FINANCE/policy/pubs01.asp>) for payroll accrual adjustment instructions.
3. The number of business days in the system for the September 2011 payroll accrual is **five** work days (September 26 – 30).
- I. On October 01, 2011, corrections to adjust the September 2011 Trial Balance should be coordinated with the respective office (VHA, VBA, NCA, etc.) for approval. VHA, VBA, NCA, etc. will contact the Annual Close staff to process the corrections.
- J. Posting fixed asset depreciation is not part of the annual close process and will post at the end of the calendar month for September 2011 as usual.
- K. SO documents having the accrual flag set to N in FMS will not accrue at the end of the year. Review your SO documents to ensure the validity of the accrual flag. Note: SO documents with equipment BOCs should have the accrual flag set to “N”.

Standardized SO documents should have the accrual flag set to Y unless the BOC is equipment. Ensure enough funds are obligated for all Standardized Obligations.

1VA+ Fund, Government Printing Office, and Lease Obligations SO/MO should have the accrual flag set to “N”.

For 1VA+ Fund, FY 11 Agreement Customers, station fiscal staff need to process their HT obligation document using a date prior to October 1, 2012 and to limit their use of the document to only line 001.

Prime Vendor Pharmacy SO documents should have the accrual flag set to “Y”.

Note: OFP Volume VI, Chapters 1 and 11 – “VA will recognize the liability and related expense in the period the exchange occurs (*accrual accounting*). VA will record accrued salaries and benefits for those amounts owed to employees but not yet paid at the end of the fiscal period.”

**For VBA:**

SOs in the FMS fund 0137 for State Approving Agencies (SAA) should have an N in the Auto Accrual indicator.

SOs established for the FY 11 NAS Contract Counseling obligations (0151A1, 0137C and 0137W), should have a Y in the Auto Accrual indicator. Therefore an accrual will be processed automatically in FMS for the remaining unpaid balance.

VBA Interfaces VALERI, CPTS, CAATS and WINRS interfaces will continue throughout annual close.

**ATTENTION IFCAP USERS:**

To ensure synchronization regarding prior year processing, IFCAP has an option called “Enter/Edit Date When SOs become ARs”. This option is found on the “FMS Documents Inquiry/Error Process” sub-menu of the “Funds Distribution Program Menu”. Field station personnel must manually input September 30, 2011 in this date field. This field must be populated earlier than September 30 as IFCAP prohibits the entry of a prior date in this field.

- L. Direct questions concerning annual close to FAS staff as follows:

<b>VISN/Organization</b>	<b>Nationwide Accountant</b>
VISNs: 1, 2, 6, 16 Other Stations: 101	Primary: Sandra Gibson (512) 460-5012 Alternate: Melissa Waite (512) 460-5157
VISNs: 4, 7, 15, 23	Primary: Melissa Waite (512) 460-5157 Alternate: Sandra Gibson (512) 460-5012
VISNs: 3, 5, 11, 17 Area Office: Eastern, Central	Primary: Brenda Burton (512) 460-5308 Alternate: Ray Medrano (512) 460-5171
VISNs: 9, 12, 18, 99 Other Stations: All other stations not listed elsewhere	Primary: Ray Medrano (512) 460-5171 Alternate: Brenda Burton (512) 460-5308
VISNs: 20, 21, 22 Area Office: Western	Primary: Veronica Carmicheal (512) 460-5411 Alternate: Robyn Schoenfeld (512) 460-5208
VISNs: 8, 10, 19 Area Office: Southern	Primary: Robyn Schoenfeld (512) 460-5208 Alternate: Veronica Carmicheal (512) 460-5411
Supervisor	Lori Thomas (512) 460-5189

- M. The annual station certification letter is based on *Accounting Period 13*.

1. Certification letters for VHA should be sent to:

VHA Office of Financial Management (173A)

Attn: Certification Office  
810 Vermont Ave NW  
Washington, DC 20420

2. Certification letters for VBA should be sent to the Administrative and Loan Accounting Center (ALAC) per the Year-End VBA Letter 20-11-XX.
3. Certification letters for NCA: The Fiscal Officer should submit the certification letter to the cemetery station Director for signature and subsequent submission to:

National Cemetery Administration  
Finance Division (41B1A)  
Attn: Barbara Naglic  
75 Barrett Heights Road, Ste. 309F  
Stafford, VA 22556

Advance copies may be faxed to 540-658-7281 or emailed to [barbara.naglic@va.gov](mailto:barbara.naglic@va.gov).

Detailed instructions for these certifications will be sent separately from the responsible offices.

### **III. FINANCIAL ACCOUNTING SERVICE (FAS) YEAR-END PAYMENT PROCESSING PLANS FOR CREDIT CARD SYSTEM (CCS), PRIME VENDOR PAYMENT SYSTEM, FEE BASIS PAYMENT SYSTEM, TRAVEL MANAGEMENT AND REJECTED PAYMENTS ARE AS FOLLOWS:**

#### **A. CCS (Purchase) TR Transactions**

1. FAS will follow these procedures in processing purchase card transactions for FY 11. On the night of Friday, September 27, 2011, Credit Card System (CCS) will record the obligation/expenditure transactions for the billings in FMS. These transactions will include invoice billings submitted to US Bank as of close of business September 26. FMS reports reflecting those postings will be available on September 28. This report, along with input from cardholders should be used to determine the unbilled purchases for September 27-30 to record the undelivered order. Obligation/expenditure transactions for the daily billings received beginning with charges for activity on September 27 will not be recorded in FMS until the system opens for FY 12. When the recording of these transactions resumes, the CCS will determine the proper appropriation year to be charged based on the purchase date provided by the merchant.
2. The purchase card is to be used through the end of FY 11 and into FY 12 on a business as usual basis. There is no suspension on the use of the purchase card provided an appropriation or continuing resolution has been enacted for FY 12.

3. Stations should compute their unbilled purchase and fleet card transactions for FY 11 and, depending on the appropriation or fund, process a SV CC document with a transaction date of 9/30 and an accounting period of 12/11. The SV CC document must have a reversal period of 01/12. To minimize the effort required for this step, the transaction may be established at summary cost center and BOC levels.
4. Use the IFCAP “Accrual (Monthly)” menu option to record the year-end undelivered orders.
5. Ensure there are funds obligated and accrued for outstanding convenience check amounts.
6. Cost transfers made by VBA between fiscal year appropriations may be done through the CAATS.

Some VHA stations ask their IS/IRM to take action to keep Purchase Card ET transactions from hitting FMS at year end to aid in their unobligated balance reconciliation. For example in VISN 2, after the last file of charges is received and reconciled, IS makes the VISTA options, Reconciliation and Edit/Remove Reconciliation, unavailable so no ET can be generated.

**Cardholders are reminded they MUST determine if funds are available in the control point before using the purchase card. All purchase card payments with a post date of September 26, 2011 should be reconciled by September 30, 2011.**

#### **B. Prime Vendor Processing**

Prime Vendor Credit Card (CD) transactions are held beginning with US Bank charges for September 27, 2011 like other credit card transactions. Prime Vendor Electronic Data Interchange (EDI) transactions will be held in conjunction with other FSC interfaces beginning on September 29, 2011.

#### **C. Fee Basis Payment Processing**

Fee Basis Credit Card (CG) transactions are held beginning with US Bank charges for September 27, 2011 like other credit card transactions. The AITC will hold the regular Fee Basis (FV) payment processing after September 30, 2011. Payments will continue when FMS opens for FY 12.

#### **D. Travel Management**

Travel Management Center (TM) Reject documents should be resolved prior to the end of the fiscal year in order for the field stations to maintain an accurate record of

funds. TM Rejects cause differences between Treasury and VA accounting records and can adversely affect VA receiving an unqualified opinion on the financial statements.

Field stations can research the SUSF table to determine if there are any TM transactions in held or reject status for their station. The instructions for scanning the SUSF table in FMS are located in the FMS Field Station User's Guide, page B-65. **Do not delete TM rejects from SUSF.**

#### E. Rejected Capp/Certified Payments

1. During the period September 29 through September 30, 2011, FSC will contact Station Fiscal Offices concerning any critical FY 11 appropriation transactions increasing and decreasing Station's unobligated balances by \$100 or more.
2. The last day for **FSC** to process rejects is September 28, 2011.

#### IV. FY11 ANNUAL CLOSE CHECKLIST

##### **Annual Close Memo Ref #**

##### **Item Accomplished**

- |           |  |
|-----------|--|
| II. A. 1. | Review outstanding obligations   |
| II. A. 2. | Review FMS table (SUSF) for held or rejected documents   |
| II. A. 3. | All documents affecting unobligated balances processed   |
| II. A. 4. | Available unobligated balances have sufficient funds to cover general ledger 1321                                      |
| II. A. 5. | BFYs 07 - 11 Tricare and Shared Medical Resources bills moved to BFY 12 are not reversed                               |
| II. A. 6. | Review and adjust the allowance for bad debt.  |
| II. B.    | September 23, 2011 – last day for payments from BFY 06 and BFY 05/06 appropriations                                    |
| II. C.    | September 28, 2011, last day for EB transactions   |
| II. D.    | After September 28, 2011, FSC Staff restricted by system modifications from entering documents and FSC interfaces held |

- II. F. September 30, 2011 – last day for station input, which affects September 2011 business
- II. G. 1. BFY 06 and BFY 05/06 travel obligations are reversed
- II. G. 2. BFY 06 and BFY 05/06 advances – collected, written off or reclassified
- II. G. 3. BFY 06 and BFY 05/06 non-travel obligations and payables are reviewed
- II. G. 4. BFY 06 and BFY 05/06 receivables are reviewed
- II. G. 5. BFY 06 and BFY 05/06 work in process – review and take action
- II. G. 6. BFY 06 and BFY 05/06 GL 2130 obligations cleared/holdbacks released prior to 9/23/11
- II. G. 7. BFY 06 4537B2/B3 will close. Review obligations
- II. H. 1. Manual payroll accruals have a reversal period of 01/12
- II. H. 2. Payroll accrual adjustments reviewed for accuracy
- II. H. 3. September 2011 payroll accrual is five days
- II. I. October 1, 2011 – coordinate September 2011 Trial Balance corrections with respective office (VBA, VHA, NCA, etc)
- II. J. Fixed Asset depreciation will post at the end of calendar month
- II. K. Review accuracy of accrual flags for SO documents
- II. L. Annual Close questions to FAS staff
- II. M. Annual Station Certification letter is based on Accounting Period 13
- III. A.3. Process SVCC to record undelivered orders for unbilled purchase and fleet card transactions
- III. D. Process TM rejects

### **FY 11 Year-End Annual Close Pay Period 19 and 20 Processing**

The following information is provided to assist facilities with an understanding of payroll accruals and recording of the transactions in FMS.

#### **A. The following explains the payroll accrual for Pay Period 19 in FY 2011**

There will be no Payroll accrual for pay period 19.

#### **B. The following explains the payroll accrual for Pay Period 20 in FY 2011**

The Payroll accrual for pay period 20 will be 5 work days. (Sept 26 – 30)

Stations will follow their established process used to adjust the system-generated payroll accruals. The manual accruals are input into FMS for those budget object classes (BOCs) not included in the system-generated accruals.

#### **C. PAID processing information:**

Accessions and separations are charged to the fiscal year (FY) based on the effective date of the action.

Awards are charged to the FY based on the effective date HR enters on the OLDE screen.

## **APPENDIX E: MINX JOURNAL VOUCHER PREPARATION AND APPROVAL PROCESS**

This appendix provides procedures for preparing, reviewing, approving, and posting journal vouchers (JVs) in MinX. For information on journal vouchers other than MINX, refer to Volume II Chapter 1A, *VA's Accounting Classifications Structure*.

### **PROCEDURES FOR MINX JOURNAL VOUCHERS (JVs):**

1. All JVs require thorough documentation, independent review, and quality assurance review.
  - a. JVs are used as source documents for day-to-day accounting activities or to make corrections/adjustments to the VA standard general ledger (SGL) account balances and, by extension, to the quarterly and annual consolidated financial statements.
  - b. JVs require proper preparation, approval, and adequate support (as an example see Figure 3: Optional Sample Journal Voucher Log Form) to ensure they accurately record financial events and provide a detailed audit trail, as well as to ensure accurate and timely preparation of financial statements and other financial reports.

### **MinX JV Preparation**

1. All JVs (see Figures: 2 Journal Voucher Form and Figure 4: Optional MinX Journal Voucher Form and Instructions) must be supported by proper and adequate documentation.
  - a. Documentation must be sufficient so that the approving official and the auditors clearly understand the reason for preparing the JV and are able to determine that it is proper and accurate. Proper documentation in electronic form is necessary to support all JV entries.
  - b. The final MinX JV and supporting documentation will be maintained in a central location created by sending attachments to [vacoofpjvpost@va.gov](mailto:vacoofpjvpost@va.gov). An automatically generated report format (see Figure 6: FMS Report R59-0935) will be extracted from final MinX JV and linked to the email subject lines. The subject line (as listed below with symbols\*) of the email will include the JV label, date of fund transaction (YYYY-MM-DD), last and first name of submitter (i.e., person who submitted the JV in MinX), and notes if needed.

**\*ADM\_0150~fundYYYY-MM-DD~carr,p~"Notesifneeded**

### **MinX JV Review Process**

1. All JVs must be reviewed and approved before posting to ensure proper recording of



entries.

- a. To maintain the proper segregation of duties, the preparer and the approving/posting official must be different individuals that were authorized and approved by the appropriate level of management.
  - b. When the JV's dollar value is at or above \$1 billion for an individual line item of the Balance Sheet and SBR and \$500 million for SNC, the JV must be approved by a Senior Executive Service (SES) member in the preparer's organization prior to being posted in MinX. The approver will forward the JV and the required supporting documentation to the SES member with a cc: to vacoofpjvpost@va.gov. SES concurrence is documented in an email reply to the approver with a cc: to vacoofpjvpost@va.gov.
2. Unapproved MinX JVs will be returned by the approver with detailed reasons for the rejection, such as the JV is not adequately and/or promptly documented. If the preparer's approving official does not approve the JV package, he/she has the option to fill out the appropriate row on a JV checklist indicating that the JV will be returned unapproved. The approving official must provide the MinX JV preparer with a recommendation on how to correct the package, or a citation of a standard transaction that can be used to post the MinX JV within the accounting system to accomplish the same result.

**MinX JV Secondary Level Review (Quality Assurance) (see Figure 1: Optional Checklist)**

1. The MinX JV Report (see Figure 5: MinX Journal Voucher Report) will be reviewed by the service provider and saved to a shared drive. Using a sampling methodology acceptable to MFRS, the service provider will conduct a review of JV's on the report to ensure required supporting documentation is available. The service provider should evidence their review. The JV Report and supporting documentation should be maintained in a central location such as a shared mailbox. This will help reduce the effort required when the auditors/Internal Controls Service (ICS) test sample JVs.
2. If documentation supporting the MinX JVs is not provided or cannot be obtained in a timely manner (i.e., within one business day), then the reviewer will notify the MFRS Director, who will have the option to reverse the transaction.
3. Individuals who repeatedly fail to provide documentation in a timely manner will be referred to the Director of Management and Financial Reports Service. The Director will contact the individual's immediate supervisor and discuss options for remediating the situation. Continued failure to provide adequate documentation to support MINX JV's will subject the individual to removal from the MINX application.

**FIGURE 1: OPTIONAL CHECKLIST FOR SECONDARY LEVEL REVIEW AND APPROVAL OF MINX JOURNAL VOUCHERS - PERFORMED BY MINX JV REVIEWER**

	<b>CHECKLIST STEPS</b> <b>Review and Approval of MinX Journal Vouchers</b>	<b>YES/ NO, N/A</b>	<b>ISSUES/ RESOLUTION EXPLANATION</b>
	Types of MinX Journal Vouchers Abnormal Balance <input type="checkbox"/> Intragovernmental <input type="checkbox"/> Error Correction <input type="checkbox"/> Source Entry <input type="checkbox"/> Rollover <input type="checkbox"/> Reversal <input type="checkbox"/> Audit-Recommended <input type="checkbox"/> Customer-Requested <input type="checkbox"/> Elimination <input type="checkbox"/> Continuing Resolution <input type="checkbox"/> Other (e.g., Offsetting Receipts – done 4 times a year) <input type="checkbox"/>		
	Reviewed all supporting documentation (back-up) to validate the MinX JV for completeness, accuracy, and justification		
	Reviewed all FMS transactions related to this MinX JV		
	Approved MinX JV <input type="checkbox"/> yes <input type="checkbox"/> no (returned approved)		
	Should the MinX JV be entered into FMS?		

**DATE:** \_\_\_\_\_

Secondary level reviews may be performed using this optional checklist.

**FIGURE 2: JOURNAL VOUCHER FORM**

JOURNAL VOUCHER Form: OF 1017-G																								
			JV Number _____ Date _____																					
Appropriation	Explanation	Debit	Credit	Amount																				
36X0000																								
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"><b>Prepared by:</b></td> <td style="width: 40%; border-bottom: 1px solid black; text-align: center;">_____</td> <td style="width: 15%;"></td> <td style="width: 15%; border-bottom: 1px solid black; text-align: center;">_____</td> <td style="width: 15%;"></td> </tr> <tr> <td></td> <td style="text-align: center;">(Signature)</td> <td></td> <td style="text-align: center;">(Date)</td> <td></td> </tr> <tr> <td><b>Approved by:</b></td> <td style="border-bottom: 1px solid black; text-align: center;">_____</td> <td></td> <td style="border-bottom: 1px solid black; text-align: center;">_____</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">(Signature)</td> <td></td> <td style="text-align: center;">(Date)</td> <td></td> </tr> </table>					<b>Prepared by:</b>	_____		_____			(Signature)		(Date)		<b>Approved by:</b>	_____		_____			(Signature)		(Date)	
<b>Prepared by:</b>	_____		_____																					
	(Signature)		(Date)																					
<b>Approved by:</b>	_____		_____																					
	(Signature)		(Date)																					

**FIGURE 3: OPTIONAL SAMPLE JOURNAL VOUCHER LOG FORM**

Journal Vouchers Log For FY XXXX – Station Number XXX						
Date	JV Number	Explanation	Amount	Fund	Initials of Preparer	Initials of Reviewer

FIGURE 4: OPTIONAL MINX JOURNAL VOUCHER FORM AND INSTRUCTIONS

MINX JOURNAL VOUCHER FORM

Post to FMS?  
 Yes  No

JV DATE (MMDD YY): 04/05/11

MINX JOURNAL ID: 9 9 9 9 9 9 9 9 9 9

JOURNAL	AL	FY	PD	STATION	T SYMBOL	FUND	COST CENTER	AO	USSGL	BOC	F/N	TP	VENDOR	Debit Amount	Credit Amt	Reviewed by			
																	1	2	1
1	JV	11	06	101	3609100151	0151A1		04	2225	1204	F	16		100.00	-				
2	JV	11	06	101	3609100151	0151A1		04	2225	1204	N				(100.00)				
3	JV	11	06	101	3609100151	0151A1		04	2290	1204	N			100.00					
4	JV	11	06	101	3609100151	0151A1		04	2290	1204	F	16			(100.00)				
5	JV	11	06	101	3609100151	0151A1		04	2290	1204	N			100.00					
6	JV	11	06	101	3609100151	0151A1		04	2290	1204	F	16			(100.00)				
7																			
8																			
9																			
10																			
11																			
12																			
13																			
14																			
15																			
16																			
JOURNAL TYPE: RO - Rollover Adjustment, JV - Standard JV, or CR - Continuing Res Funding (List all the Journal Types currently existing) -need to verify if this														300.00	(300.00)				
BOC - Budget Object Code / F/N - Federal (F) or Non Fed (N) / TP - Trading Partner - Need fund control point/accounting classification code? Revenue source														DOC TOTAL (+)*	DOC TOTAL (+)*				
														(*) = All Pages	0.00				

**ENTRY DESCRIPTION:**  
To reclassify for missing trading partner codes. This MinX JV will be necessary each month until FMS is updated with the correct trading partner information.

IF ADJUSTING OR REVERSING A PREVIOUSLY POSTED JV, FILL IN THE FOLLOWING:  
AND ATTACH THE POSTED JV AS SUPPORT DOCUMENTATION.

ORIGINATING JV DATE (MMDD YY):

ORIGINATING JOURNAL ID:

PREP BY:	DATE:	MinX User ID:	DOCUMENT TOTAL: \$300.00
APPRV BY:	DATE:	MinX User ID:	

For use only if JV does not meet the predefined threshold requirements:

AUTHORIZING OFF:	DATE:
------------------	-------

### Journal Voucher Form Instructions (Optional)

A MinX *Journal Voucher Form* is used to make adjusting entries to the financial statements, which are not made through other systems, such as FMS.

1. **Journal ID:** The Journal ID number must be assigned whenever the journal voucher is created in MinX. Currently Journal ID is assigned by preparer in MinX. Preparer will input the Journal ID that was created in MinX which is a unique ID in MinX.
2. **Journal Type:** Complete this code on the journal voucher to describe the type of transaction recorded for the department making the charge. For each Journal Type, use a new journal voucher form. Select from the list of Journal Type codes on the form.
3. **Fiscal Year (FY):** 2 digits, the appropriate fiscal year (ex: "FY99", "FY00", etc.) to which a transaction should be recorded is required.
4. **Period (PD):** 2 digits, the appropriate period to which the JV should be adjusting the changes.
5. **Station:** 3 digits, the appropriate station to which the JV should be adjusting the entries for. When FSC is required to input JVs in FMS but detail accounting information is not available due to timing issue, default station will be used (decision pending on one or more default stations).
6. **T Symbol (TAS):** Full treasury accounting symbols that indicates agency, fiscal year, & funds (ex: 3609100151).
7. **Fund/Treasury Account Symbol:** from the TFM.
8. **Fund:** The appropriate fund to which a transaction should be recorded is required.
9. **Cost Center:** The appropriate cost center where the transaction should be charged to.
10. **AO (Accounting Office):** the appropriate accounting office who created the document.
11. **USSGL/Account:** from the VA Chart of Accounts.
12. **Budget Object Code (BOC):** from the VA policy document.
13. **Federal or Non-Federal (F/N):** 1 digit, the appropriate flag for federal/non-federal GL entries which will affect intragovernmental reporting.
14. **Trading Partner Code (TP):** 2 digits, the required trading partner code for federal transactions GL, non-federal transactions do not required TP code.
15. **Vendor Code:** For Federal GL account entries, non-federal transactions do not require vendor code. The vendor code should be included for federal GL account entries.
16. **Amount (Debit and Credit):** Record the amount in dollars and cents. Ensure debits and credits equal and all budgetary and proprietary accounts are balanced.
17. **Document Total:** Enter the total dollar amount in the space at the bottom of the amount column.
18. **Reviewed by:** Both preparer and approval will review and initial each line of entries on JV for quality check. \*When the net amounts of any lines of JV at or above \$1B for BS & SBR, & \$500M for SNC, the JV must be approved by a SES member in the preparer's organization prior to being posted in MinX. For additional information, see new guidance for MinX JV process procedure.
19. **Entry Description:** A detailed explanation describing why the JV is necessary including if and when it will be reversed and if it needs to be posted to FMS is required. For errors, describe the cause of the error, if known. If more space is needed, attach another page. A detailed ENTRY DESCRIPTION describing why the JV is necessary including if and when it will be reversed and if it needs to be posted to FMS.
20. **MinX User ID:** Enter your system ID which is usually the same as your VA ID (why do we need this on this form?).

## FIGURE 5: MINX JOURNAL VOUCHER REPORT

How to download the MinX JV Report:

1. – Log into MinX.
2. – Select vafmsapp1
3. – Select MinX2011 (current year)
4. – Open> + Documents > + Reporting > + Journal from the sidebar.
5. – From the reports listed, select 'Journal Audit Extract'.
6. – At 'Point of View', select the period you want for the report.
7. – At 'Style Sheet', select 'Journal\_Audit\_Extract.xsl' to format for Excel.
8. – Select OK to run the report.
9. – When the data is returned, 'Copy' and 'Paste' data into Excel.
10. – From the Excel ribbon, chose 'Data', then 'Text to Columns', then 'Delimited' and Next >, then '~' and Next>, then Finish. This step will separate the data into separate columns.
11. – Save your file.

**FIGURE 6: FMS REPORT R59-0935 (Sample)**

Label		Expr1	Expr2	Created By	Posted By	
ADM_0150	8	YYYY-MM-DD	11-Jul-11	AAC\vafscphanp	AAC\vafsclockep	ADM_0150~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_0151	8	YYYY-MM-DD	13-Jul-11	AAC\vafscphanp	AAC\vafsclockep	ADM_0151~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_0151_RO_Recurr	18	YYYY-MM-DD	07-Jul-11	DVA\VACOWalkea	DVA\vacopoolejo	ADM_0151_RO_Recurr~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_0170	8	YYYY-MM-DD	09-Jul-11	AAC\vafsckongos	AAC\vafsclockep	ADM_0170~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_0170_CatAdj	15	YYYY-MM-DD	14-Jul-11	DVA\vacodangh	DVA\vacopoolejo	ADM_0170_CatAdj~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_0170_RO_Recur	17	YYYY-MM-DD	08-Jul-11	DVA\vacodangh	DVA\vacopoolejo	ADM_0170_RO_Recur~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_3800_Jun	12	YYYY-MM-DD	14-Jul-11	DVA\vacorusser	DVA\vacopoolejo	ADM_3800_Jun~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4018	8	YYYY-MM-DD	09-Jul-11	AAC\vafscwuyuna	AAC\vafscharmot	ADM_4018~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4018_RO_Recurr	18	YYYY-MM-DD	12-Jul-11	DVA\vacochohj	DVA\vacopoolejo	ADM_4018_RO_Recurr~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4537	8	YYYY-MM-DD	11-Jul-11	AAC\vafscbrockl	AAC\vafsclockep	ADM_4537~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4537_RO_Recur	17	YYYY-MM-DD	06-Jul-11	DVA\vacowagnes	DVA\vacopoolejo	ADM_4537_RO_Recur~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4539	8	YYYY-MM-DD	14-Jul-11	AAC\vafscphanp	AAC\vafsclockep	ADM_4539~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4539_RALeasehold	20	YYYY-MM-DD	14-Jul-11	DVA\vacohertan	DVA\vacopoolejo	ADM_4539_RALeasehold~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4539_RO_Recurr	18	YYYY-MM-DD	05-Jul-11	DVA\vacohertan	DVA\vacopoolejo	ADM_4539_RO_Recurr~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_4539_TP	11	YYYY-MM-DD	14-Jul-11	DVA\vacohertan	DVA\vacopoolejo	ADM_4539_TP~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_6000_Jun	12	YYYY-MM-DD	14-Jul-11	DVA\vacorusser	DVA\vacopoolejo	ADM_6000_Jun~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_CR_UA_Adjust 11	19	YYYY-MM-DD	06-Jul-11	DVA\vacowagnes	DVA\vacopoolejo	ADM_CR_UA_Adjust 11~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_GFRS_Jun	12	YYYY-MM-DD	14-Jul-11	DVA\vacorusser	DVA\vacopoolejo	ADM_GFRS_Jun~fundYYYY-MM-DD~carr,p~Notesifneeded
ADM_GFRS1_Jun	13	YYYY-MM-DD	14-Jul-11	DVA\vacorusser	DVA\vacopoolejo	ADM_GFRS1_Jun~fundYYYY-MM-DD~carr,p~Notesifneeded
BEN_0101_JUNFY11_A	18	YYYY-MM-DD	08-Jul-11	VBA\ormtsmit	VBA\ormrdavi	BEN_0101_JUNFY11_A~fundYYYY-MM-DD~carr,p~Notesifneeded
BEN_0102_JUNFY11_A	18	YYYY-MM-DD	06-Jul-11	VBA\ormdjenk	VBA\ormmstur	BEN_0102_JUNFY11_A~fundYYYY-MM-DD~carr,p~Notesifneeded
BEN_0102_JUNFY11_B	18	YYYY-MM-DD	08-Jul-11	VBA\ormdjenk	VBA\ormmstur	BEN_0102_JUNFY11_B~fundYYYY-MM-DD~carr,p~Notesifneeded



## APPENDIX F: SAMPLE VHA END OF FISCAL YEAR CERTIFICATION LETTER

Following is an example of a VHA End of Fiscal Year Certification Letter. The letter is revised annually according to changed requirements and dates.

**Department of  
Veterans Affairs**

# Memorandum

Date:

From:

**Director, (Facility's Name, Number, City, State) (101/00)**

Subj:

**Annual Certification of Accounting Records for Station 644**

To:

**VHA Office of Finance (10A3A)**

1. The management of Phoenix VA Health Care System, Station 644, Phoenix, Arizona, certifies that, in compliance with 31 U.S.C. § 1108, subsection c, and 31 U.S.C. § 3512, the financial accounting system records for the accounting period ending September 30, 2011 accurately reflect the following conditions for which the agency is responsible.
    - a. All obligations recorded as of September 30, 2011 are supported under the "Documentary evidence requirement for Government obligations" criteria established by 31 U.S.C. § 1501, and no known unrecorded obligations, [including adjustments to agree with actual authorizations issued or orders placed](#), exist as of the end of the accounting period. If an expenditure or obligation incurred as of September 30, 2011 was not properly recorded, it must be recorded and reported as an adjustment during the current month against the appropriation available at the time the obligation was actually incurred or the expenditure was made. When such adjustment transactions are necessary and they represent material amounts or have relative importance, a reference with an appropriate detailed explanation must be provided. Copies of adjusting journal vouchers and supporting worksheets must be enclosed with the certification letter.
- Yes, we do have unrecorded obligations.

Provide detail explanation.

- No, we don't have unrecorded obligations.
- b. All outstanding undelivered orders and accrued services payable in excess of 90 days as of September 30, 2011, were reviewed and determined to be valid.
- Yes.
- No.
- c. All purchase orders with residual balances up to 10% of the total obligation, NTE \$500, have been liquidated in accordance with the VA Memorandum, subj: Authority to Liquidate Residual Purchase Order Balances, dated September 13, 2010.
- Yes.
- No. Provide explanation.
- d. The unobligated balance in general ledger account 4610 (funds available for the current fiscal year) as of September 30, 2011, should reflect credits balances due to the EOM procedures (SV 97 and SV 99) to produce accurate budgetary reporting related to SGL 1321 ([FSC News Flash FY 10 Issue 28 Budgetary Accounting for GL 1321-Credit Memos](#)).
- e. All accounts receivable are certified correct as of September 30, 2011. The computations for Medical Care Collections Fund allowance for bad debt and contractual adjustments are accurate, and all non Medical Care Collections Fund receivables are recorded correctly. Finally, all system generated allowances for medical accounts receivable have been reviewed for accuracy.
- Yes.
- No.
- f. All accounts receivable subsidiary records as of August 31, 2011, were reconciled to the appropriate VA/SGL control accounts.

Yes.

No.

- g. All other general ledger account balances as of August 31, 2011, were reviewed to ensure that a normal status exists and appropriate adjustments were made where needed and the most recent chart of valid general ledger accounts was used to validate the status of the general ledger accounts. Any exceptions to a “normal” balance must be explained in detail in paragraph two of the certification letter. A copy of the Monthly Reconciliation Summary Sheet as of August 31, 2011 is attached.

Yes.

No.

- h. In accordance with the Expired Funds Control Act of 1990, all pending accounting transaction records associated with FY 2006 and multi FY 2005/2006 were cleared, validated or reviewed as of September 30, 2011 prior to the annual close. Transactions must be cleared subject to the following provisions: “after the closing of an account under section 1552(a) or 1555 of U.S.C. title 31, obligations and adjustments to obligations that would have been properly chargeable to the account, both as to purpose and in amount, before closing, and that are otherwise not chargeable to any current appropriation account of the agency may be charged to any current appropriation account of the agency available for the same purpose.” Please refer to 31 U.S.C. §1553 “Availability of appropriation accounts to pay obligations.”

Yes.

No.

- i. All balances in general ledger account 2400 as of July 31, 2011 in budget clearing accounts 36F3875 and 36F3885 were identified and posted to the proper appropriation or fund by September 30, 2011.

Yes.

No. .

- j. No land, building or other structures are recorded in the annual Medical Services Appropriation (0160A1), Medical Support and Compliance Appropriation (0152A1) or Medical Facilities Appropriation (0162A1); the multi-year Medical Care Appropriation (0160B2); or the Major and Minor Construction Appropriations (0110 and 0111). These assets are recorded in the Asset and Miscellaneous Accounts Fund (AMAF). Fixed assets currently recorded in GPF Fund 8180S are acceptable.

Yes.

No.

- k. All heritage assets have been properly classified and deferred maintenance costs for heritage assets have been properly recorded.

Yes.

No.

- l. Environmental liabilities have been properly estimated and recorded in accordance with the reporting requirements of VA Financial Policies and Procedures, Volume VI, Chapter 8, Environmental and Disposal Liabilities.

Yes.

No.

- m. All occupied or completed construction and maintenance repair projects were capitalized in accordance with VA Financial Policies and Procedures, Volume V, Chapter 9. General Property, Plant and Equipment and not in general ledger account 1720 (work-in-process).

Yes.

No.

- n. All real property, personal property and supply fund asset accounts as of August 31, 2011, were reviewed and reconciled with the Field Logistics officer representatives and Engineering Services representatives during FY 2011 and adjustments were recorded as necessary.<sup>4</sup>

- (1) All Equipment Inventory Listings (EILs) were inventoried during FY 2011
- (2) The EILs were signed by the Custodial Officials.
- (3) Reports of Surveys were initiated for all items that could not be located.
- (4) Adjustment vouchers for capitalized assets were completed and processed as appropriate.
- (5) All Generic Inventory Package (GIP) primary inventory points were inventoried during FY 2011 and adjustments were made timely as appropriate.

Yes.

No.

- o. All real and personal property asset accounts properly reflect depreciation expense and accumulated depreciation as of September 30, 2011.

Yes.

No.

- p. A physical inventory of Supply Fund stock was performed during FY 2011, and no amounts other than Supply Fund costs remain in standard general ledger 6100 (Operating Expenses-General).

- (1) A complete wall-to-wall physical count of all Supply Fund inventory was performed during FY 2011.
- (2) Reconciliation between the Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP) Inventory balance and the Fiscal balance was accomplished.

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<sup>4</sup> Refer to [VA Handbook 7002/1, Transmittal Sheet](#), for additional information.

(3) All discrepancies were identified and adjustment vouchers were processed timely as appropriate.

Yes.

No.

Not applicable. The station does not have the Supply Fund stock.

q. End-of-year payroll accrual adjustments were processed in accordance with VA Financial Policies and Procedures, Volume I, Chapter 3a, PAID Accounting Operations.

Yes.

No.

r. All General Post Fund accounts are correct and all funds received for the General Post Fund were deposited to the correct General Post Fund accounts, e.g., 8180G or 8180S.

Yes.

No.

s. All revenues and expenditures applicable to VA operations are properly recorded and accounted for reliable financial reporting.

Yes.

No.

t. In accordance with OMB Circular A-123, Management's Responsibility for Internal Control, internal controls are established as safeguards to protect government against waste, loss, unauthorized use and/or misappropriation. Attachment C from VHA Directive 2001-076 is completed and attached. (Expired 12/31/2006)

Yes.

No.

- u. The reconciliation of the Work-In-Process (WIP) report (RVAWIPV, F876) and the General Ledger reconciliation of FMS and Fixed Assets Subsystem Report (RFAVGLV, F852) were accomplished for the month of August 2011 and copies of the reconciliation reports are attached.

Yes.

No.

- v. The reconciliation of the Personal Funds of Patients (PFOP) was accomplished for August 2011 and a copy of the reconciliation report is attached.

Yes.

No.

- w. In accordance with VHA Handbook 1730.01, Use and Management of the Government Purchase Card Program, dated August 27, 2008, the Facility Director is responsible for the complete implementation of the Purchase Card Program. Specifically, the Facility Director is required to do the following:

**(1) Implement the Purchase Card Program.** The Facility Director, along with the Purchase Card Coordinator, and Financial Manager must sign the end-of-fiscal year certification of accounting records to confirm that the requirements of the Purchase Card Program in the handbook, including joint training and annual cardholder reviews, are being met. The VISN and Facility Directors must ensure that annual reviews of their government purchase card programs are performed to ensure that all VHA program participants follow the procedures in the handbook.

**(2) Designate the Purchase Card Coordinator, Dispute Officer, and Approving Officials (AOs).** All individuals named must actually perform

these duties and the duties must be part of their performance plans. Each should receive back-up support from one or more alternates. AOs are not required to be supervisors, but must have a detailed knowledge of the budget for their control point(s).

**(3) Ensure Local Efficiencies.** The Facility Director must ensure that local micro-purchases are decentralized through the dissemination of purchase cards to trained personnel permanently assigned and accountable to facility service and/or product lines.

**(4) Ensure User Training and Delegation of Authority.** The Facility Director must ensure that facility financial and logistics managers jointly provide and document training, oversight and annual reviews of all cardholders and AOs. All cardholders and AOs must attend appropriate training and complete VA Form 0242, Purchase Card Certification Form. The facility head of contracting authority (HCA) then delegates micro-purchase authority to them under VA Acquisition Regulations (VAAR), Part 801. All cardholders and AOs must attend refresher training every 2 years unless a shorter period is required by the facility or additional training for an individual is deemed necessary to improve performance.

Yes.

No.

x. Facility users have the appropriate menu assignments to enforce the separation of duties rules. Those facilities with approved waivers to the separation of duties rules must have a copy of the waiver on file and attach a copy to the certification letter.

Yes.

No.

y. Budget fiscal year 2011 bills for TRICARE and other medical sharing activities were automatically moved forward to budget fiscal year 2012 during the year-end close process. The revenue source codes affected include 8002, 8006, 8028, 8029, 8030, 8035, 8050, 8051, 8052 and 8065. Bills from federal sources are not included because federal revenue is available when billed.



Yes.

No.

z. Budget fiscal year 2011 bills for CHAMPVA activities were manually moved forward to budget fiscal year 2012 during the year-end close process.

Yes.

No.

aa. The station has accurate and timely information on the cost and revenue for contracts and agreements, e.g., Enhanced Sharing to be in compliance with Statement of Federal Financial Accounting Standards Number 4, Managerial Cost Accounting Concepts and Standards for the Federal Government. Cost information is accurate and available for FY 2011.

Yes.

No.

2. ( ) **We have no exceptions to report as part of this certification.**

( ) **We have properly reported and documented exceptions to this certification as required.**

**3. Check List:**

Yes

No

Copies of adjustment journal voucher and supporting worksheets for unrecorded obligations and adjustments are attached if applicable.

Attachment C, OMB Circular A-123, from VHA Directive 2001-076 is completed and attached.

- The reconciliation of WIP (RVAWIPV, F876) report for August 2011 is attached.
- The reconciliation of FMS GL and Fixed Assets Subsystem Report (RFAVGLV, F852) for August 2011 is attached.
- The reconciliation of the Personal Funds of Patients (PFOP) for August 2011 is attached.
- A copy of the waiver for Separation of Duties is attached.
- The Monthly Reconciliation Summary Sheet for August 2011 is attached. Explanations on abnormal Trial balances are provided.

Signature  
Fiscal Officer

Signature  
Purchase Card Coordinator

Signature  
Director

**Annual Certification as Required in OMB Circular A-123**

As Director of VA (Facility's Name, Number, City, State), I am aware of the importance of internal controls and have a system of management controls in place in my organization. Management control evaluations are conducted regularly and improvements are made as appropriate. When high vulnerability areas are identified, appropriate action plans are prepared to implement corrective action.

This office, therefore, provides reasonable assurance of being in substantial compliance with Office of Management and Budget (OMB) Circular A-123 and the Federal Managers' Financial Integrity Act of 1982 (Public Law 97-255).

Signature  
Medical Center Director

Date

**APPENDIX G: SAMPLE VBA END OF FISCAL YEAR CERTIFICATION LETTER  
AND INSTRUCTIONS**

Following are sample VBA end of fiscal year instructions. Each year the letter is revised according to changed requirements and dates.

**DEPARTMENT OF VETERANS AFFAIRS  
Veterans Benefits Administration  
Washington, D.C. 2042**

August 27, 2011

VBA Letter 20-10-24

Director (00)  
VA Regional Offices and Centers

SUBJ: Year-End Financial Reports and Statements

The year-end certification of accounting records required by VA Financial Policies and Procedures Vol. VII Ch. 2, Consolidated Financial Statements, is an important source of information for the Section 4 report (Accounting Systems) required by the Federal Managers' Financial Integrity Act (FMFIA). This letter is intended to focus attention on certain issues of current concern and to ensure that all accounting matters under facility jurisdiction are included in the certification.

The Office of Acquisition and Logistics issued Information Letter 049-07-09 on August 7, 2007, to address data verification and validation of the Federal Procurement Data System (FPDS). The Office of Federal Procurement Policy and the General Services Administration require VA to certify complete and accurate FPDS data annually. Additionally, Information Letter 049-07-08, dated June 19, 2007, addressed legislation authorizing a unique "Veterans First" approach specific to contracting. This approach placed Service Disabled Veteran Owned Small Businesses and Veteran Owned Small Businesses first and second, respectively, in satisfying VA's acquisition requirements. In accordance with these information letters, VBA must provide a report on the use of the Veterans First Contracting Program and must validate use of both FPDS and the Electronic Contract Management System (eCMS). Appropriate line items have been added to the year-end certifications to address these areas.

## Completing the Certification

Those facilities that have not reviewed their unliquidated obligations during the year must do so before year-end closing to reasonably assure that all those transactions meeting the criteria of valid obligations set forth in 31 U.S.C. 1501 have been properly recorded. In addition, stations are reminded that this certification encompasses all accounting records controlled by the facility. These accounting records include FMS, PAID, Insurance, the Decentralized Benefit Programs, and any other program unique to VBA facilities. In addition to reporting on your facility, a certification letter is required for any other independent station serviced by your facility. **The end of August reports can be used to complete the certification.** However, any material differences from September need to be reported in the certification letter.

## Submitting the Certification

Certifications for all stations will be submitted in letter format to the Administrative Loan Accounting Center (ALAC) no later than October 4, 2011. Please refer to Enclosure C for ALAC specific instructions and dates. The Manila Regional Office and the Hines Finance Center will follow the requirements listed in Enclosure D. The reports may be faxed to (512) 460-5539 or scanned and e-mailed to VBA ALAC ADMIN ACCOUNTING mailbox.

The ALAC will forward their certifications to VBA, Office of Resource Management, Finance Services Staff (241), 1800 G Street, NW Washington, DC 20006 by October 7, 2011.

Refer to Enclosures A, B, C, and D as additional guidance for completing the certification process at your station.

## Questions

All questions in regard to the annual certification may be directed to [POC Name] of the VBA Office of Resource Management (241) at (XXX) XXX-XXXX.

/s/  
[Name]  
Acting Under Secretary for Benefits

## Enclosures

cc: Area Directors  
Office of Field Operations

**Enclosure A**

**Refer to the Financial Accounting Service (FAS) FY 11 Annual Close  
Memorandum**

**EXAMPLE**

### **FY 10 Year-End Annual Close Pay Period 19 and 20 Processing**

Each year some stations experience confusion related to the payroll accrual process and annual close. The following information is provided to assist facilities with an understanding of payroll accruals and the recording of the transactions in FMS.

#### **The following explains the payroll accrual for Pay Period 19 in FY 2011**

The Payroll accrual for pay period 19 will be 10 work days. (Sept 13 –24)

#### **The following explains the payroll accrual for Pay Period 20 in FY 2011**

The Payroll accrual for pay period 20 will be 4 work days. (Sept 27 - 30)

Stations will follow their established process used to adjust the system-generated payroll accruals. The manual accruals are input into FMS for those budget object classes (BOCs) not included in the system-generated accruals.

#### **PAID processing information:**

Accessions and separations are charged to the fiscal year (FY) based on the effective date of the action.

Awards are charged to the FY based on the effective date HR enters on the OLDE screen.

## FY 10 Procedures for VBA Centralized Stations

### Administrative Loan Accounting Center (ALAC) Responsibilities

- Real and personal property accounts are reconciled and adjustments made to correct any out of balance conditions between FMS and the fixed asset subsystem.
- FMS work-in-process accounts (Standard General Ledger 1720) for construction or leasehold improvements that are occupied or completed have been capitalized or expensed.
- All real property asset accounts have been reviewed and adjustments made as necessary. All accounts properly reflect depreciation expense and accumulated depreciation amounts.
- Non-expendable property accounts are correct based on the station reconciliation, and the depreciation expense and the related accumulated depreciation accounts are correct.
- All accounts receivable have been accurately stated in the facility's trial balance.
- Station has been provided a listing of all undelivered orders and accrued services payable with a balance outstanding in excess of 90 days for review, and adjustments are made based on the review.
- All suspense balances, as of August 31, 2011, in budget clearing account (36F3875) have been reviewed and cleared out to the proper appropriation or fund.
- All account balances have proper debit/credit balances, (asset accounts with credit balances, liability accounts with debt balances, etc.)
- Payroll data has been reconciled each pay period.
- Prior year funds were not used for current year purchases.
- Monthly-generated financial reports (FMS) were reconciled timely.
- There are no out of balance conditions for general ledger accounts 2210 (accrued salaries) in prior years, 1319 (allowance for bad debts) and 1329 (allowance for loss on accounts receivable).

- All SF 224 differences in disbursements and cash balances with Treasury have been reviewed and reconciled as of end of year.

#### **Centralized VBA Stations Responsibilities**

- See Tab U of the ALAC Station Package for Certification Letter
- All documents related to obligations/expenses have been forwarded to ALAC.
- ALAC has been notified when construction or leasehold improvements are occupied or completed, and supporting documentation has been provided.
- All non-expendable property accounts have been reconciled with the Office of Acquisition and Logistics or other applicable office.
- Proper documentation has been provided to ALAC for establishment of any known accounts receivable.
- All undelivered orders and accrued services payable with a balance outstanding in excess of 90 days have been reviewed for their validity.
- All suspense balances, as of August 31, 2011 in budget clearing account (36F3875) have been reviewed and ALAC has been notified to clear out to the proper appropriation or fund.
- Timely deposits have been made of funds received by the Regional Office.
- Separation of duty requirements are complete and accurate.
- Delegations of Authorities are complete and correct.
- Action has been taken to resolve Management Quality Assurance Service (MQAS) review findings and recommendations. The MQAS review for accounting is limited to Internal Controls.
- Travel and Purchase Card Program requirements are met.
- Prior year funds were not used for current year purchases.
- Timely response has been made to notifications from ALAC based on monthly financial reports (FMS) reconciliations.
- Station has maintained adequate source documentation for accounting transactions.



- Maintenance and service contracts were properly executed.
- Ensure all SF 224 differences in disbursements and cash balances with Treasury have been reviewed and resolution action forwarded to the ALAC for reconciliation as of end of year.
- Work with ALAC in August to clear any Fixed Asset out of balances with WIP before the August end of month reports are run.
- Ensure all acquisitions over \$3,000 are entered into FPDS-NG under 10E 10/1/10.
- Ensure all acquisitions over \$3,000 are considered for the Veterans First Program 10/1/10.
- Ensure all acquisitions over \$25,000 are entered into eCMS 10/1/10.
- Chief of Finance Activity or designee will ensure that separation of duties was maintained for the use of Form 1358.
- As a reminder, you are certifying your records to be correct as of August 31, 2011. Regional Offices are required to list and provide the dollar amount of the payroll and purchase card accruals on the certification letter. If no accrual is done, a negative response is required.

See following example:

<u>Description</u>	<u>Amount</u>
ARRA Purchase Card	\$\$\$\$
IT Payroll	\$\$\$\$
IT Purchase Card	\$\$\$\$
GOE Payroll	\$\$\$\$
GOE Purchase Card	\$\$\$\$
VRE Purchase Card	\$\$\$\$

**REMINDER: (Do not include Automated/System payroll accrual amounts or the automated purchase card accruals accomplished through CAATS)**

**Please include manual accruals input in CAATS or sent to ALAC for processing.**

**NOTE: Contract Counseling accruals will occur automatically for NAS**

**FY 10 End of Year Certification Schedule**

- 9/24/10 – Last day for payments using canceling BFY 04 funds
- 9/28/10 – Last day to input EB transactions in CAATS
- 9/28/10 – Last day for ALAC to input EB transactions in FMS
- 9/29/10 – Last day for Payroll and Purchase Card accruals input into CAATS
- 9/29/10 – Last day for input into CAATS
- 9/29/10 – Purchase Card and Payroll accruals and accrual changes due to ALAC for input into FMS
- 9/30/10 – Last day for ALAC input into FMS
- 10/01/10 – FY 10 Period 13 emergency adjustments coordinated through ALAC: Name/ Phone of Contact(s)
- 10/01/10 – CAATS up for FY 11 input but no files interface with FMS
- 10/04/10 – EOFY Certification Letters due to ALAC
- 10/04/10 – First day FY 11 ALAC input into FMS
- 10/04/10 – CAATS files begin interface with FMS
- 10/07/10 – Certification Letters due to VBA Office of Resource Management

**FY 10 Procedures for Hines Finance Center and Manila Regional Office**

**The Directors at the Hines Finance Center and Manila Regional Office will certify:**

- Real and personal property accounts are reconciled and adjustments made to correct any out of balance conditions between FMS and the fixed asset subsystem.
- FMS work-in-process accounts (Standard General Ledger 1720) for construction or leasehold improvements that are occupied or completed have been capitalized or expensed.
- All real property asset accounts have been reviewed and adjustments made as necessary. Stations must ensure all accounts properly reflect depreciation expense and accumulated depreciation amounts.
- All non-expendable property accounts have been reconciled with the Office of Acquisition and Logistics or other applicable office. Also ensure the depreciation expense and the related accumulated depreciation accounts are correct.
- All accounts receivable have been accurately stated in the facility's trial balance.
- All undelivered orders and accrued services payable with a balance outstanding in excess of 90 days have been reviewed for their validity.
- Stations that perform SF-224 reporting must ensure all differences in disbursements and cash balances with Treasury have been reviewed and reconciled as of end of year.
- All suspense balances, as of August 31, 2011, in budget clearing account (36F3875) have been reviewed and cleared out to the proper appropriation or fund.
- All account balances have been reviewed for proper debit/credit balances, and corrections made, if necessary (e.g., asset accounts with credit balances, liability accounts with debit balances, etc.).
- Payroll data has been reconciled each pay period.
- Timely deposits have been made of funds received by the Regional Office.
- Prior year funds were not used for current year purchases.

- Chief of Finance Activity or designee will ensure that separation of duties was maintained for the use of Form 1358.
- Provide the dollar amount of payroll, purchase card, and contract counseling cost accruals on the certification letter. If no accrual is done, a negative response is required.

<u>Description</u>	<u>Amount</u>
ARRA Purchase Card	\$\$\$\$
IT Payroll*	\$\$\$\$
IT Purchase Card	\$\$\$\$
GOE Payroll*	\$\$\$\$
GOE Purchase Card	\$\$\$\$
VRE Purchase Card	\$\$\$\$

\*Note: (Do not include Automated/System accrual amounts)

## APPENDIX H: SAMPLE NCA END OF FISCAL YEAR CERTIFICATION LETTER

Following is a sample NCA end of fiscal year certification letter. The letter is revised annually according to changed requirements and dates.

### Department of Veterans Affairs

# Memorandum

Date:

From: Director, (Facility's Name, Number, City, State) (101/00)

Subj: Annual Certification of Accounting Records for Station XXX

To: NCA Finance Service (41B4)

- The management of (Facility's Name, Number, City, State) certifies that, in compliance with 31 U.S.C. §1108, subsection c, and 31 U.S.C. §3512, the financial accounting system records for the accounting period ending September 30, 2011, accurately reflect the following conditions for which the agency is responsible.
- All obligations recorded as of September 30, 2011 are supported under the "Documentary evidence requirement for Government obligations" criteria established by 31 U.S.C. §1501, and no known unrecorded obligations exist as of the end of the accounting period.
- All outstanding undelivered orders and accrued services payable in excess of 90 days as of September 30, 2011, were reviewed and determined to be valid.
- The unobligated balance in general ledger account 4610 (funds available for the current fiscal year) as of September 30, 2011, is sufficient to cover the balance in general ledger account 1321 (accounts receivable-refunds credit memos).
- All accounts receivable are certified correct as of September 30, 2011.
- All other general ledger account balances as of August 31, 2011, were reviewed to ensure that a normal status exists and appropriate adjustments were made where needed and the most recent chart of valid general ledger accounts was used to validate the status of the general ledger accounts. Any exceptions to a "normal" balance must be explained in detail in paragraph two of the certification letter.

- In accordance with the Expired Funds Control Act of 1990, all pending accounting transaction records associated with FY 2006 and multi FY 2005/2006 were reviewed as of September 30, 2011, to clear up as many items as possible prior to the annual close. Transactions must be cleared subject to the following provisions: “after the closing of an account under section 1552(a) or 1555 of U.S.C. title 31, obligations and adjustments to obligations that would have been properly chargeable to the account, both as to purpose and in amount, before closing, and that are otherwise not chargeable to any current appropriation account of the agency may be charged to any current appropriation account of the agency available for the same purpose.” Please refer to 31 U.S.C. §1553 “Availability of appropriation accounts to pay obligations.”
- All balances in general ledger account 2400 as of July 31, 2011, in budget clearing accounts 36F3875 and 36F3885 were identified and posted to the proper appropriation or fund by September 30, 2011.
- No land, building or other structures are recorded in the Cemetery Operations and Maintenance Appropriation (0129A1 or 0129B1), NCA’s AARA Fund (0130B1); or the Major and Minor Construction Appropriations (0110 and 0111). These assets are recorded in the Asset and Miscellaneous Accounts Fund.
- All heritage assets have been properly classified and deferred maintenance costs for heritage assets have been properly recorded.
- Environmental liabilities have been properly estimated and recorded in accordance with the requirements prepared for VA by Grant Thornton LLP.
- All occupied or completed construction and maintenance repair projects were capitalized in accordance with VA Office of Financial Policy Volume V, Chapter 9, *General Property, Plant and Equipment*, and not in general ledger account 1720 (work-in-process).
- All real property and personal property asset accounts as of August 31, 2011, were reviewed and reconciled with the Office of Acquisition and Logistics and Engineering Services during FY 2011 and adjustments were recorded as necessary.
  - All Equipment Inventory Listings (EILs) were inventoried during FY 2011.
  - The EILs were signed by the Custodial Officials.
  - Reports of Survey were initiated for all items that could not be located.
  - Adjustment vouchers for capitalized assets were completed and processed as appropriate.

- All real and personal property asset accounts properly reflect depreciation expenses and accumulated depreciation as of September 30, 2011.
- End-of-year payroll accrual adjustments will be processed in accordance with VA Office of Financial Policy, Volume I, Chapter 3a, *PAID Accounting Operations*.
- All Cemetery Gift Fund accounts are correct and all funds received for the Cemetery Gift Fund were deposited to the correct Cemetery Gift Fund accounts, e.g., 8129G or 8129S.
- All revenues and expenditures applicable to VA operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over assets.
- The reconciliation of the Work-In-Process (WIP) report (RVAWIPV) and the General Ledger reconciliation of FMS and Fixed Assets Subsystem Report (RFAVGLV) was accomplished for the month of August 2011 and copies of the reconciliation reports are attached.
- In accordance with NCA Handbook 4080, Government Purchase Card Procedures, dated April 28, 2008, the Director, Office of Field Programs and the Memorial Service Network (MSN) Directors are responsible for providing management support for the Government purchase card program for all applicable offices.
  - The Cemetery Director and/or the approving official has local oversight responsibility that all guidelines, policies and procedures are followed for the Government Purchase card program, which include, but are not limited to, the critical elements listed below.
  - All purchase card transactions are for official Government use, within the allowable limits assigned to the account and that adequate funds are available, prior to purchase.
  - To the greatest extent possible, micro-purchases met socio-economic goals and a wide variety of vendor resources were used.
  - All transactions posted to the cardholder's account that are disputed are reconciled within 30 calendar days.
  - All required supporting documentation is maintained, such as order forms, sales invoices, sales receipts, or packing slips per the VA Manual MP-4, Part 10, item No. 5-1c.

- Performance plans include the appropriate performance standards for the duties assigned under the Government purchase card program for AOs and active cardholders.
- Facility users have the appropriate menu assignments to enforce the separation of duties rules.
- 1358 Obligations have been reviewed and are in compliance with the guidelines as set forth in VA Policy Volume II Chapter 6, 1358 Obligations.

**We have no exceptions to report as part of this certification.**

**We have properly reported and documented exceptions to this certification as required.**

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Signature  
Administration CFO



## APPENDIX I: VA FORM 1358 OBLIGATION OR CHANGE IN OBLIGATION REVIEW

Refer to VA OFP Volume II Chapter 6, *1358 Obligations*, and the Appendices for additional details on the requirements for using VA Form 1358 (1358.)

A. The CFOs for VHA, VBA, NCA and OIT will ensure that an annual review of 1358s is performed and submitted on the End of Fiscal Year Certification letters.

B. As determined by each CFO, transactional testing will be performed as part of the annual review of the 1358s. At a minimum, the transactional testing will be a random sampling of the 1358s and a mixture of high and low dollar volume.

C. The scope of the review will be conducted in accordance with the guidance provided in Volume II Chapter 6, *1358 Obligations*, and the appendices. The review will include the following, at a minimum:

1. The 1358 obligations are among the valid uses as specified in Volume II Chapter 6, *1358 Obligations*, Appendix A, VA Form 1358 Approved Uses.
2. The segregation of duties for processing a 1358 have been met. Refer to Volume II Chapter 6, *1358 Obligations*, Section 060205 for details on the segregation of duties.
3. The 1358 has been completed in accordance with Volume II Chapter 6, *1358 Obligations*, and is supported with appropriate documentation. As an example, the compliance should include validating the purpose, vendor and contract number fields (as applicable); verifying the accuracy of the supporting documentation reviewed; describing what was procured; and supporting the obligation amount and budget object code charged.

D. The annual review results will be submitted as part of the End of Fiscal Year Certification Letter. Recommendations will be documented and tracked to ensure that remediation actions are implemented. The routine follow-up on the recommendations and their implementation should also be documented and the report closed out only upon documentation that applicable parties have implemented the recommendations. Supporting documentation will be retained in accordance with the National Archives and Records Administration (NARA) standards, currently 6 years and 3 months.

## APPENDIX J: ANNUAL EXHIBIT 52

The Office of Management and Budget (OMB) Circular A-11 Section 52 requires agencies covered by the CFO Act of 1990 to annually provide an Exhibit 52 resource allocation report on financial activities. The purpose is to obtain a more complete view of financial management resources from all CFO Act agencies.

VA will prepare and submit annually to OMB the consolidated Exhibit 52 financial data from all entities within the Department in accordance with OMB Circular A-11, Section 52 requirements and guidance. VA's financial statements will be prepared in accordance with policies prescribed by OMB and the CFO Council as well as instructions for preparing an Exhibit 52. This appendix includes management guidance to ensure completeness and accuracy of data and to improve the timeframe for furnishing requested information. This appendix also provides a framework for submitting useful information when requested by Members of Congress, the public and private sector, and Agency managers. VA will ensure the Exhibit 52 is prepared with quality data. Refer to Office of Financial Policy (OFP) Volume I, Appendix 1B, *Quality Financial Information*, for additional information.

Exhibit 52 applies to all 24 CFO Act agencies. The Exhibit 52 requires current resource levels for functions overseen by the CFO, including budget formulation and execution (regardless of whether these two activities are under the purview of the CFO). If the budget activities are performed outside of the CFO organization, then this must be indicated on the exhibit.

For each category described in the Description for Exhibit 52 Submission (see the following pages), report actual cost for the fiscal year in millions of dollars and full-time employee equivalents (FTE) and contractor FTE data. Information should represent VA's best estimate of salaries, contracts, or other major expenses. Allocation of overhead expenses is not required. Federal agencies using a Federal Shared Service Provider (SSP) must disclose service charge costs separately. Also, indicate the types of services being provided, e.g., server hosting, application support, transaction processing.

The attached formatted spreadsheet must be used and uploaded in VA's document tracking system. Field facilities will be required to report information through their administration or staff office. The Administrations and staff offices will submit summarized information to the VA Central Office Management and Financial Reporting Service (MFRS) (047GB2) for analysis and consolidation. MFRS will consolidate the Department's overall numbers using the report format provided.

The Exhibit 52 is due on December 30, or as directed by the Office of Financial Policy MRFS (047GB2). Any questions may be directed to the Director of MFRS, Steve

MacQueen, at 202.461.6494 or [Steve.MacQueen@va.gov](mailto:Steve.MacQueen@va.gov); or Supervisory Accountant, Christian Poole, at 202.461.6485 or [JohnChristian.Poole@va.gov](mailto:JohnChristian.Poole@va.gov).

**Description for Exhibit 52 Submission**

Categories	Description
No. of FTEs	Number of government employee FTEs supporting the activities described in each category. If an employee has performed a number of activities that would fall under more than one category, then report the employee's service under the category upon which the person had spent the most time.
No. of Contractors	Number of contractors supporting the activities described in each category. If a contractor has performed a number of activities that would fall under more than one category, then report the contractor's service under the category upon which the person had spent the most time.
Cost of Contractors (\$ in millions)	Amount of actual costs incurred for contractors supporting the activities described in each category.
Total Cost (\$ in millions)	Amount of actual costs incurred for supporting the activities described in each category. Include contractor costs.
VA Contact	Include a point of contact for the information provided by the CFO organization of the VA.
Contact Information	Include e-mail and telephone number of VA contact
Accounts Payable	Activities that lead up to disbursing payments due to the public, such as recording obligations, receiving and accepting goods and services, and establishing payables. (Exclude travel obligation activities)
Accounts Receivable	Activities associated with establishing and collecting amounts due from the public for performance of services, delivery of goods sold, the passage of time (e.g., interest earned), overpayments, or other actions by the VA.
Disbursement	Activities associated with making payments that were warehoused, recording payments made by other systems, and transmitting payment files in the formats required by Treasury for the initiation of EFTs and check payments. It also includes payment activities of agencies that have delegated disbursing authority to print checks or to initiate electronic transfers. (Exclude travel payment activities)

**Description for Exhibit 52 Submission**

Categories	Description
General ledger	Activities related to performing analysis, reconciling transactions posted, and recording adjustments to the general ledger.
Intra-governmental	Activities associated with identifying and posting entries that resulted from exchange and non-exchange transactions between Federal entities, e.g., reimbursable, fiduciary, transfers, and borrowing authorities.
Travel	Activities associated with establishing travel obligations, advances, and payments.
Financial Reporting	Activities associated with generating internal and external reports such as financial statements, trial balance, 133, 224, 1219/1220, fund status, transaction history, and ad hoc queries.
Accounting Policy	Activities associated with drafting and issuing financial management policies.
Internal Control	Activities associated with monitoring and improving internal control and reporting annual assessment of internal control as required by FMFIA.
Audit Support	Activities associated with supporting the annual financial statement audit, e.g., audit liaison.
Financial Systems	Activities associated with supporting the core financial system and other financial management systems maintained by the VA CFO office.
Budget Formulation	Activities associated with determining priorities for future spending and to develop an itemized forecast of future funding and expenditures during a targeted period of time. This includes the collection and use of performance information to assess the effectiveness of programs and develop budget priorities.
Budget Execution	Activities pertaining to the legal and managerial uses of budgetary resources to achieve results that comply with the enacted budget and Administration policy. Budget execution activities include but are not limited to: apportionments, allotments, commitments, reprogramming actions, incurring obligations, and funds control.
OIG Financial Statements Audit	Activities associated with the annual financial statement audit by Inspector General Staff and contractors.
Cost Accounting/ Performance Management	Activities associated with accumulating, recognizing, and distributing organization and program costs for management information purposes. Include activities associated with Budget and Performance integration.
Grants	Activities relating to grants management functions performed by agency grants management officials, agency grants specialists, agency grants policy officials, and other related costs.
Other	All activities previously not defined, e.g., grants and loans.

EXHIBIT 52

CHIEF FINANCIAL OFFICE RESOURCES

<b>Department or Agency Name:</b>				
<b>Agency Contact (prepared by):</b>				
<b>Contact Information (email/phone):</b>				
<b>Categories</b>	<b>No of FTEs</b>	<b>No of Contractors</b>	<b>Cost of Contractors (\$ in millions)</b>	<b>Total Cost (\$ in millions)</b>
<b>Financial Operations</b>				
<i>Accounts Payable</i>				
<i>Accounts Receivable</i>				
<i>Disbursement</i>				
<i>General Ledger</i>				
<i>Intragovernmental</i>				
<i>Travel</i>				
<b>Sub-total Financial Operations</b>	-	-	\$ -	\$ -
<b>Financial Reports</b>				
<b>Accounting Policy</b>				
<b>Internal Control</b>				
<b>Audit Support</b>				
<b>Financial Systems</b>				
<b>Budget</b>				
<i>Formulation</i>				
<i>Execution</i>				
<b>Sub-total Budget</b>	-	-	\$ -	\$ -
<b>OIG for Financial Statements Audit</b>				
<b>Cost Accounting/Performance Management</b>				
<b>Grants Management</b>				
<b>Other (e.g. personnel, procurement, loan etc)</b>				
<b>Total</b>	-	-	\$ -	\$ -

Is the CFO responsible for handling the budget functions? (Yes/No)

Comments: