

VA Financial Policies and Procedures  
Government-wide Financial Report System (GFRS)

CHAPTER 4

0401 OVERVIEW .....	2
0402 POLICIES .....	3
0403 AUTHORITY AND REFERENCES .....	3
0404 ROLES AND RESPONSIBILITIES .....	4
0405 PROCEDURES .....	4
0406 DEFINITIONS.....	7
0407 QUESTIONS .....	8

## 0401 OVERVIEW

In compliance with the [Government Management Reform Act of 1994](#) and the [Budget and Accounting Procedures Act of 1950](#), VA shall provide the Department of the Treasury (Treasury) financial and operational information, as the Secretary of the Treasury may stipulate. This information must cover all accounts and associated activities of VA. The Treasury's Financial Reporting Division manages three internet applications to collect and analyze data for the publication of the Financial Report (FR) of the United States Government, namely, the Governmentwide Financial Report System (GFRS), the Federal Agencies' Centralized Trial Balance System I (FACTS I) and the Intragovernmental Fiduciary Confirmation System (IFCS).

A. GFRS is a Treasury system that captures each agency's Closing Package information and links the agencies' comparative, audited, consolidated, department-level financial statements to the FR. As an integrated financial consolidation and reporting tool, GFRS is the direct link between VA's audited financial statements and the Federal Governmentwide consolidated financial statements, while simultaneously providing a clear audit trail and supporting compliance with the standards of the [Federal Accounting Standards Advisory Board \(FASAB\)](#). GFRS is designed to grant permissions for different user roles, thereby giving each user the capability to navigate through separate locations within the system. Only users with certain roles, however, have permission to input data, modify data and approve data.

B. FACTS I is Treasury's system that collects agency pre-closing adjusted trial balances at the fund group level, using the Standard General Ledger (SGL) accounts in a numerical order with the required attributes. The attributes are modifiers that further describe an SGL account in order to meet a specific reporting requirement in the preparation of the Financial Report (FR) of the United States Government.

C. IFCS is the official confirmation system for Federal agencies that engage in *fiduciary* intragovernmental transactions. Federal agencies are required to confirm and reconcile the following fiduciary transactions: Investments with the Bureau of the Public Debt (BPD), Borrowings from BPD or the Federal Financing Bank, Federal Employees' Compensation Act transactions with the Department of Labor and Employee Benefit Program transactions with the Office of Personnel Management. To assist the agencies in their accounting and reconciliation of intragovernmental transactions and balances, FRD also maintains the Intragovernmental Reporting and Analysis System (IRAS), which provides quarterly and year-end Closing Package data.

This chapter describes how VA provides its information for the FR using the GFRS and the Federal Agencies' Centralized Trial-Balance System (FACTS I). The information is provided through the Financial Management Service's (FMS's) Closing Package methodology, including the [Federal intragovernmental transactions process](#),<sup>1</sup> and

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<sup>1</sup>The intragovernmental transactions process is described in greater detail in Volume VII, Chapter 5, "*Intragovernmental Activity and Reconciliation*."

requirements for electronically submitting pre-closing adjusted trial-balances (ATBs). The [Closing Package](#) provides the link between VA financial statements and the Governmentwide Financial Report.

## 0402 POLICIES

040201 VA will comply with Treasury guidance, including adherence to submission dates,<sup>2</sup> to meet VA's reporting requirements for input into the Financial Report of the United States Government.

040202 VA will prepare the year-end Closing Package data, at the Department level for current and prior fiscal years, and submit it through GFRS, and will verify data consistency with the comparative, audited, consolidated financial statements, which were also prepared at the Department level.

040203 VA will submit the pre-closing ATBs Master Appropriation File (MAP) through FACTS I at the Treasury appropriation/fund group level, using proprietary USSGL accounts and Notes data in the GFRS FR Notes and the FR Data modules.

040204 VA will submit year-end closing data through FACTS I, in accordance with timeframes contained in Treasury's annual year-end Closing Bulletin.

## 0403 AUTHORITY AND REFERENCES

040301 [Budget and Accounting Procedures Act of 1950, Public Law 784 \(31 U.S.C. 3513\(a\), 3513, 3515 and 3516\)](#)

040302 [Chief Financial Officers Act of 1990, Section 902a\(6\)](#)

040303 [Government Management Reform Act of 1994, Public Law 103-356 \(31 U.S.C. 331\(e\)\(1\), 405\)](#)

040304 [Treasury Financial Manual \(TFM\), Part 2, Chapter 4200, Agency Reporting on Unexpended Balances of Appropriations and Funds](#)

040305 [Treasury Financial Manual \(TFM\), Part 2, Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government](#)

040306 [Office of Management and Budget \(OMB\) Circular A-136, Financial Reporting Requirements - Revised](#)

040307 [OMB Memorandum M-08-24, Technical Amendments to OMB Bulletin 07-04, Audit Requirements for Federal Financial Statements](#)

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<sup>2</sup>FR processing key dates are identified on Pages 5-64 in 1 TFM PART 2, Chapter 4700.

040308 [OMB Bulletin 07-04, as amended, Audit Requirements for Federal Financial Statements](#)

040309 [Treasury Bulletin 2008-06, Section 34, Year-end Closing](#)

040310 [Treasury Bulletin 2007-03, Intragovernmental Business Rules](#)

#### **0404 ROLES AND RESPONSIBILITIES**

040401 The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, oversees all financial management activities relating to the Department's programs and operations. 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.

The CFO is specifically responsible for the preparation of the annual Closing Package at the Departmental level and the certification of its accuracy with the comparative, audited, consolidated VA financial statements. The CFO must also submit comparative financial reporting data, Financial Statement Notes and the ATB through the GFRS and FACTS I.

040402 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.

040403 VA's Inspector General (IG) must provide assurance as to the consistency of the Closing Package information, entered by the CFO into GFRS, with VA's comparative, audited, consolidated Department-level financial statements.

040404 VA's Financial Reports Division (FRD) within the Office of Financial Policy (OFP) is responsible for preparing and reviewing VA's consolidated financial statement information prior to final approval and certification by VA's CFO and IG.

#### **0405 PROCEDURES**

040501 VA will coordinate with its counterpart representative in Treasury's Financial Reports Division, who is available to provide information to VA on matters dealing with annual reporting requirements using GFRS/FACTS I/IFCS.

040502 VA will adhere to the FR processing key dates, spanning from August to December of each calendar year, as listed in TFM Part 2, Chapter 4700, for submitting and reporting information to Treasury. The following information must be submitted by the identified Treasury processing dates:

- A. Interim and final legal representation letters and management schedules to GAO, the Department of Justice and Treasury's Financial Management Service (FMS).
- B. Closing Package data in GFRS for applicable modules (see 040503 below).
- C. FACTS I Master Appropriation File (MAF) and FACTS I Adjusted Trial Balance (ATB).
- D. Fourth-quarter Intragovernmental Fiduciary Confirmation System data file.
- E. CFO Approval of the Closing Package.
- F. Inspector General opinion on the Closing Package, including any Partner Note.
- G. The fourth quarter Intragovernmental Reporting and Analysis Report. Differences reports, based upon every agency's submission, are available on the Discoverer application in GFRS.
- H. CFO Representations for Federal Intragovernmental Activity and Balances, including the CFO-certified Closing Package Material Differences/Status of Disposition Report, to GAO and FMS.
- I. The Intragovernmental Comparative Closing Package Explanations of Differences Report.

040503 VA will utilize the following GFRS applicable reporting modules for entering financial data into the GFRS as part of the Closing Package:

- A. The Financial Statement Template Module helps VA create its own specially designed financial statement template format for entering audited financial statement data into GFRS. VA can modify each line item description to fit its needs, assign line attributes, and update the USSGL crosswalk logic to the comparative, audited, consolidated, Department-level Balance Sheet, Statement of Changes in Net Position, Statement of Net Cost/Income Statement and Statement or Note on Custodial Activity, if applicable.

B. The Agency Audited Financial Statement Module enables VA to enter its actual audited financial statement amounts into GFRS, using VA's financial statement template. VA will assign a reporting method and decimal point location to instruct GFRS on how to translate the amounts from the financial statements to whole dollars in the database.

C. The Reclassification Module enables VA to reclassify its audited financial statement line items to the Closing Package line item descriptions that are provided as guidance by Treasury's Financial Management Service. GFRS uses a normal balance concept. However, all numbers must be entered as positive in GFRS unless the balance of that line is abnormal.

D. The Trading Partner Note Module enables VA to identify its Trading Partners for each Federal line item to which an agency line item was reclassified.

E. The Closing Package Notes Module enables VA to enter Closing Package Note data for all notes set up by the GFRS' system administrator.

F. The Other FR Data Module enables VA to enter Other Data related to the consolidated financial statements in the format created by the GFRS' system administrator.

G. The Completions and Approvals Module enables VA and all roles, as designated as such in the module, to complete and approve the financial statements by individual module.

H. The USSGL-Based Financial Statements Module enables VA to view its ATB FACTS I data in the standard Closing Package template format.

040504 VA will submit pre-closing ATBs via FACTS I Internet application on GOALS II. VA must submit its ATBs at the Treasury appropriation/fund group level using proprietary USSGL accounts. The ATB data submission is a tool used to facilitate the Closing Package and is not used to prepare the FR.

040505 VA will submit its Closing Package data via the GFRS Internet application on GOALS II to Treasury's Financial Management Service by 6:00 p.m. EST November 15 for the fiscal year ending September 30 of the prior fiscal year. The CFO must certify the accuracy of the data in the Closing Package for the Inspector General to opine, as required.

For further reference, the Treasury Financial Manual, Part 2, Chapter 4700 provides extensive information on FACTS I and the preparation of financial reporting data. For example, the manual contains 4704 Key Processing Dates, 4705 Closing Package Requirements, 4705.10 GFRS System Access, 4705.25 GFRS Reportable Data and 4706-4707 procedures for handling various financial statement accounts.

## 0406 DEFINITIONS

040601 Abnormal Balance. When the regular balance of an account line item, whether a debit or credit, is the reverse of what it should be.

040602 Adjusted Trial Balance (ATB). A list of USSGL accounts with attributes and pre-closing adjusted balances prepared at a specified date (year-end).

040603 Attribute. A modifier that further describes a USSGL account to meet a specific reporting requirement and is captured at the transaction level. For example, “F” is an attribute of a USSGL account balance that results from transactions between Federal Government entities included in the FR, and “N” is an attribute that results from transactions not with a Federal Government entity included in the FR.

040604 Closing Package. A year-end process designed to link agencies’ comparative, audited, consolidated, Department-level financial statements to the FR; it includes data submitted by VA from certified documents for inclusion in the FR.

040605 Financial Management Service (FMS). A Treasury bureau that provides central payment services to Federal agencies, operates the Federal Government’s collections and deposit systems, provides Governmentwide accounting and reporting services, and manages the collection of delinquent debt owed to the Government.

040606 Financial Report (FR) of the U.S. Government. Provides summary information on Federal Government operations and financial positions on an accrual basis.

040607 Financial Statement Template. A format defined by VA based on its comparative, audited, consolidated, Department-level financial statement line items and USSGL crosswalks.

040608 Governmentwide Financial Report System (GFRS). A system that captures each agency’s Closing Package information and links the agency’s comparative, audited, consolidated, Department-level financial statements to the FR of the U.S. Government and resolves material deficiencies identified by the Government Accountability Office (GAO).

040609 Normal Balance. The regular balance of a line item and either a debit or credit as determined by the account type selected. The normal balance attribute is used to determine the appropriate stored value of manually entered amounts.

040610 Treasury Appropriation/Fund Group. A four-digit identifier that corresponds to the Treasury account symbol found in the [Federal Account Symbols and Titles \(FAST\) Book](#) and combines all fiscal years reported for each agency appropriation or fund account symbol.

040611 Treasury Appropriation Fund Symbol (TAFS). A combination of numbers that denotes the responsible agency, period of availability and fund classification according to a prescribed system of account classification and identification.

040612 USSGL Data. FACTS I ATB data that can be viewed in GFRS to assist agencies in completing their Closing Packages and for non-verifying agencies to complete notes and other FR data.

040613 Verifying Agency. One of the 24 major CFO Act agencies and 11 other agencies material to the FR.

### **0407 QUESTIONS**

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

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