

**VA Financial Policies and Procedures, Volume VII, Chapter 7
Miscellaneous Reporting Topics – Preparation, Review, and Submission
of the Statement of Transactions (FMS-224)**

CHAPTER 7

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0701 OVERVIEW

This chapter establishes the Department of Veterans Affairs' (VA) policies and procedures relating to the production of the Financial Management Service (FMS) 224, Statement of Transactions, as a major financial report that is required to be prepared and submitted to the Department of the Treasury (Treasury) for use in consolidated financial information of the Federal government. The policies convey the need for VA's strict adherence to the prescribed report release dates, since these submissions affect various VA reporting requirements.

The Secretary of the Treasury is mandated to prepare reports that inform the President, Congress, and the public of the financial operations of the United States Government. The Secretary of Veterans Affairs shall provide the Treasury with all reports and information on VA's financial conditions and operations. The [FMS-224](#) is one reporting mechanism used by Treasury to receive information about VA's financial conditions and operations. The validity of the receipt and disbursement data, reported in the central accounts and published in the financial reports of the U.S. Government, depends on the accuracy of the monthly FMS-224s submitted by VA and other Federal entities. The timeliness of the financial reports depends on VA's strict compliance with Treasury's reporting deadlines.

The FMS-224 is submitted electronically to Treasury through the [Government-Wide Accounting \(GWA\)](#) application and provides Federal program agencies, using FMS' Regional Finance Centers (RFCs) for their disbursing activity, the capability to submit their monthly statements of transactions to Treasury. The FMS-224 is required of every agency for which the Treasury's FMS disburses at any of its RFCs. A specific Agency Location Code (ALC) identifies each agency or department that prepares an FMS-224.

0702 POLICIES

070201 Each VA office with an ALC will use its accounts, appropriations, source data, and all transactions affecting Fund Balance with Treasury (FBWT) as the source data for the FMS-224.

070202 The FMS-224 will be prepared, reviewed, and submitted each month by each VA office according to Treasury guidance on report submission. Strict adherence to the prescribed report release dates will be enforced, since these submissions affect various VA reporting requirements.

070203 Each ALC shall clear any Statement of Difference reported by Treasury to VA on the subsequent FMS-224. The ALC must request the ["Statement of Differences for Deposits"](#) and the ["Statement of Differences for Disbursement Reconciliation"](#) each month.

070204 Each ALC shall ensure that reported receipt and disbursement cash transactions are classified according to appropriation, fund, and receipt account, and related control totals. Receipt and disbursement data within Treasury's systems, as applicable, will be obtained to assist in the preparation of the FMS 224. Any transactions recorded in VA's general ledger that are not associated with transactions processed by RFCs, and are completed outside of the Treasury, will be reflected in Section I of the FMS 224 only.

070205 All expenditure transfer and adjustment documents received at Treasury through September 30 will be processed as September payments. All such documents received after September 30 will be treated as "paid" transactions for the next fiscal year.

070206 [Intra-Departmental Payment and Collection \(IPAC\)](#) transactions and chargebacks will be processed as September transactions, if processed by VA's internally established deadline for end-of-year processing. Prior months' transactions, not previously reported, will be reported in the subsequent month.

070207 Supplemental FMS-224 Reports. Up to nine supplemental reports can be submitted each month to make adjustments to the original FMS-224. Treasury approves all requests to submit supplemental reports. Any supplemental report received after the third business day following the end of the accounting month will adversely affect accuracy and timeliness ratings reported by Treasury.

0703 AUTHORITIES AND REFERENCES

070301 [31 U.S.C. Chapter 35 - Accounting and Collection, Section 3513\(a\), Financial Reporting and Accounting System](#)

070302 [Treasury Financial Manual \(TFM\) Volume 1, Part 2, Chapter 1500, Description of Accounts Relating to Financial Operations](#)

070303 [Treasury Financial Manual \(TFM\) Volume 1, Part 2, Chapter 3100, Instructions for Disbursing Officers' Reports](#)

070304 [Treasury Financial Manual \(TFM\) Volume 1, Part 2, Chapter 3300, Statement of Transactions \(FMS-224\) Reporting by Agencies for which the Treasury Disburses](#)

070305 [Treasury Financial Manual \(TFM\) Volume 1, Part 2, Chapter 3400, Accounting for and Reporting on Cash and Investments Held Outside of the U.S. Treasury](#)

070306 Treasury Financial Manual (TFM) Volume 1, Part 2, Chapter 4300, Reporting Instructions for Accounts Invested in Department of the Treasury Securities

070307 Treasury Financial Manual (TFM) Volume 1, Part 2, Chapter 5100, Reconciling Fund Balance with Treasury Accounts

070308 OMB Circular A-123, Appendix A, Management's Responsibility for Internal Control, Implementation Guide, dated July 22, 2005

070309 Automated Standard Application for Payments (ASAP) System, ASAP.gov

070310 Fedwire Funds Transfer System

0704 ROLES AND RESPONSIBILITIES

070401 The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and codified in Title 38, Section 309 of the U.S. Code, 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, provides guidance on all aspects of financial management, and directs and manages the Department's financial operations and systems support. The CFO is immediately responsible for the accuracy of monthly FMS-224s, *Statements of Transactions*.

070402 All VA management Heads in Administrations, staff offices, staff organizations, and other key officials have the responsibility to implement financial policies and procedures established by the CFO, including compliance with the policies and procedures set forth in this chapter.

070403 For each ALC, a designated individual is responsible for the following tasks:

A. Ensuring that desktop procedures, including detailed instructions for preparation and submission of FMS-224s, are maintained at each office responsible for FMS-224 reporting

B. Providing the name, telephone number, and address of one contact person per designated ALC to the Treasury's FMS and keeping this information current at all times. Written correspondence to establish, change, or delete an ALC must be received by FMS at least 30 days before the requested effective date and forwarded to the following FMS contact:

Manager, Cash Analysis Branch
Cash Accounting Division
Government-Wide Accounting
Financial Management Service
Department of the Treasury
3700 East-West Highway (Room 526E)
Hyattsville, MD 20782
Telephone 202-874-7980

- C. Reviewing the FMS-224 and supporting documentation thoroughly, before transmitting to Treasury
- D. Signing and approving FMS-224 prior to transmittal to Treasury
- E. Ensuring, at a minimum, that two people have access rights to GWAMP at all times, and that there are adequate back-up preparers who are trained to prepare and submit the monthly FMS-224 to Treasury
- F. Providing other necessary guidance to the Accounting Department.

0705 PROCEDURES

070501 Original FMS Submission

- A. VA will prepare and submit each FMS-224 to Treasury through GWAMP, whose portal for transmission opens the first business day of the following accounting month and is available 24 hours per day. Actual submission is required by the third business day of the month subsequent to the month of reporting cash transactions.
- B. VA will prepare the FMS-224 from source data such as vouchers paid or accomplished by Treasury RFCs, IPAC transactions accomplished, cash collections received for deposit on SF 215, *Deposit Tickets*, and any electronic payments/deposits, such as those processed through the [Automated Standard Application for Payments \(ASAP\) System](#) or the Fedwire Deposit System.
- C. VA will complete the following three sections of the FMS-224:
 - Section I classifies, by individual appropriation, fund, or receipt account, all paid or accomplished by Treasury RFCs, IPAC System transfers ASAP payments, and actual collections received during the month for deposit on SF 215 *Deposit Tickets*, net of any SF 5515 *Debit Vouchers*, documents
 - Section II provides control totals of disbursements and collections, classified in Section I, distinguishes disbursement transactions from collections, and

reports all transactions by the disbursing officer symbol and the month accomplished.

- Section III discloses the status of actual collections reported in the [CA\\$HLINK II System](#) including ASAP payments. Undeposited collections at the end of the month will be reported as cash held outside of Treasury transactions.

D. VA reports transactions recorded in agency general ledgers that are not associated with an SF 215, SF 5515, IPAC, or vouchers paid or accomplished by RFCs in Section I of the FMS-224 only. These transactions are based on VA's internal documents accomplished outside of Treasury.

E. VA will perform a monthly reconciliation to ensure that the FMS-224 information reported to Treasury agrees with the data contained in the Financial System and Treasury's confirmed deposit and disbursement activity. The information presented on Treasury's Statement of Differences is used in the reconciliation process, which is described in Volume I, Chapter 6 – Reconciliations, under General Accounting policies and procedures. VA will research any deposit or disbursement differences reported by Treasury for the specific ALC. Treasury will notify the Chief Financial Officer if VA does not clear their differences. Treasury can prepare journal voucher entries, at VA's request, to adjust small differences (\$50 or less) that have been outstanding for three months or less. If VA reconciles its own small differences, an exemption from Treasury's small difference write-off process will be required.

070502 Supplemental FMS Submissions

A. VA can submit up to nine supplemental FMS-224s; these do not replace the original FMS-224, but rather are used to make adjustments to the original.

B. Every effort must be made to submit any required supplemental reports by the end of the third business day following the close of the accounting month. Supplemental reports submitted more than three business days following the end of the accounting period will negatively affect accuracy and timeliness ratings reported by Treasury.

070503 Yearend FMS Requirement

VA will adhere to the Treasury's [Yearend Closing Bulletin](#) procedural guidance for the preparation and submission of the fiscal year-end FMS-224.

0706 DEFINITIONS

070601 Agency Location Code (ALC). The ALC is a unique symbol, assigned by Treasury's FMS for reporting purposes. It can be in the form of 3 digits for Regional Financial Centers, 4 digits for Non-Treasury Disbursing Offices, or 8

digits for reporting entities. In most cases, the first two digits of an 8-digit ALC identify the department or agency, the next two digits identify the bureau, and the last 4 digits identify the specific agency account section within the bureau.

070602 [Automated Clearing House \(ACH\)](#). The primary electronic funds transfer system used by agencies to make payments.

070603 [Automated Standard Application for Payments \(ASAP\) System](#). ASAP is a recipient-initiated payment and information system, designed to provide a single point of contact for the request and delivery of Federal funds.

070604 [CA\\$HLINK II](#). This system is used to manage the collection of U.S. Government funds throughout the world and to provide deposit information to federal agencies, linking federal agencies, commercial banks, the Federal Reserve Banks, and the Treasury Department fund managers together through an electronic network. It provides Federal agencies with daily information (via the Internet) to verify deposits, ACH and Fedwire transfers, and voucher adjustments to reconcile their accounts.

070605 FMS-224. The monthly FMS-224 report is prepared by VA for submission to Treasury to reflect all transactions affecting Fund Balance with Treasury (FBWT).

070606 [GWA](#). The Government-Wide Accounting (GWA) System Account Statement Module is online and allows users to retrieve daily accounting information concerning their ALCs. This system provides Federal program agencies with a central source for retrieving a nearly daily picture of their account balances to facilitate the maintenance of the FBWT.

070607 [Intragovernmental Payments and Collections System \(IPAC\)](#). The system provides a standardized interagency fund transfer mechanism for Federal program agencies. IPAC comprises three interrelated subsystems: (1) the application that facilitates the intragovernmental transfer of funds, with descriptive data, from one Federal program agency to another; (2) the processing of retirement and health insurance payments by Federal agencies to the Office of Personnel Management, using the [Retirement and Insurance Transfer System \(RITS\)](#); and (3) the processing of check disbursement data returned to Federal agencies for which Treasury has disbursing authority, using the [Treasury Receivable Accounting and Collection System \(TRACS\)](#).

070608 Standard Form (SF) 215, Deposit Ticket. Used to record a deposit to an ALC by the Federal Reserve Bank, which reports a summary credit amount to an agency's ALC in the CA\$HLINK system.

070609 Standard Form (SF) 5515, Debit Voucher. Used to record against an agency's account by the Federal Reserve Bank, reported to the agency's ALC in the CA\$HLINK system.

070610 Statement of Differences (SOD). Treasury produces a Statement of Differences to report differences between deposits and/or disbursements recorded by Treasury versus what was reported by the agency. Treasury identifies these differences by comparing Statement of Transaction (FMS-224) data and [Statement of Accountability \(FMS-1219 and SF-1218\)](#) data, reported by agencies, to data reported by financial institutions and RFCs and through Treasury's IPAC system.

070611 Treasury Account Symbol (TAS). This is a standard component-based symbol, used in conjunction with a business event type code, to create standardization and consistency in the central accounting and reporting process that supports most agency accounting systems, as well as new initiatives under development by the [Financial Management Line of Business \(FMLoB\) Common Government-Wide Accounting Classification \(CGAC\)](#) Structure to standardize the accounting structure for agencies.

070612 Treasury's Central Accounting System. The Treasury system that processes the information—originally collected and maintained by the GWA System—that is used for creating the FMS-224 entries.

0707 RESCISSIONS

This chapter rescinds OF Bulletin 08GA1.08, *Statement of Transactions (SF-224)*, dated June 3, 2008.

0708 QUESTIONS

Questions concerning these financial policies and procedures should be addressed to:

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