



United States  
Department of  
Agriculture

Office of the  
Chief Financial  
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Associate Chief  
Financial Officer -  
Financial Operations

Washington D.C.  
20250

Bulletin: OCFO 06-03

Date: August 1, 2006

Subject: Internal Controls Over Standard Vouchers in the Foundation Financial Information System (FFIS)

To: FFIS Agencies

OCFO  
BULLETIN

## PURPOSE

The purpose of this bulletin is to expand the requirements for proper internal controls over Standard Voucher (SV) documents. Under this revised policy, USDA agencies must ensure that proper internal controls are in place for SVs and for any direct-entered SV clone which is recording a correction, adjustment or estimate into the Foundation Financial Information System (FFIS). Examples of the applicable SV clones include period-end estimate documents, such as the Year-end Accrual (YE) and the Year-end Cash Adjustments (YF) documents. A separate bulletin, OCFO 06-04, Internal Controls Over Balanced Vouchers in the Foundation Financial Information System (FFIS), dated August 1, 2006, has been developed to address internal controls related to Balanced Voucher documents.

## BACKGROUND

SV transactions use pre-established general ledger posting models that are coded at a detailed accounting level. For USDA, baseline SV documents are used primarily to record correction or adjustment transactions. There are also direct-entered SV clones, such as the YE and YF documents, which are used to record estimates or accruals. When appropriate, YE and YF transactions should have a reversal period coded on the document.

Depending on the degree of decentralization, an agency can process SV adjustments at the headquarters level or at the lowest field level. Agencies can also delegate the preparation of SV transactions to the Associate Chief Financial Officer – Financial Operations/Controller Operations Division (ACFO-FO/COD), who can process certain documents on the agency's behalf.

## RESPONSIBILITIES

Agencies are responsible for the quality and integrity of the financial data in FFIS. Numerous online capabilities, as well as report generation features through the baseline

application and the Financial Data Warehouse (FDW), support agency monitoring of financial data.

## **POLICY**

### ***Documentation, Retention, and Review***

No SV or SV clone meeting the criteria of a correction, adjustment or estimate will be processed in FFIS without the benefit of a detailed analysis and supporting documentation. Supporting documentation must be complete so that it does not require further research. If applicable, it should include any calculations, analysis performed, corroborating e-mails, or Departmental guidance used to justify the transaction. For example, the analysis may be in the form of a reconciliation that details an out-of-balance condition. In this case, a copy of the reconciliation work papers must be included as support. Each agency must also design a hardcopy adjustment form that is auditable and supports management reviews. At a minimum, the form must include the following elements:

- SV or SV clone document number;
- Date the document is prepared;
- Purpose of the SV or SV clone, including whether the transaction should be self-reversing, and if so, the reversal period. Each document may have multiple entries, but must have a single purpose reflected in the supporting document that will be attached to the adjustment form; and
- Signature blocks and dates of signatures for the following individuals:
  - (1) Preparer, who will enter the transaction; and
  - (2) Approver, who will apply an on-line approval (other offline approvals will be at the discretion of the agency).

The preparer must attach a screen print of the document to the adjustment form along with the supporting documentation.

The adjustment form and supporting documentation must be kept at the location where they were originally prepared and recorded in FFIS. Documents entered on behalf of the agency by the ACFO-FO/COD will be returned to the requesting agency with the proper approval signatures for retention in the agency files. The storage of this information must be accessible in order to facilitate research efforts and auditor inquiries. It is also recommended that agencies store supporting documentation in an electronic format so that it is easily transmittable to other interested parties. Management must periodically review adjustment files and reports to ensure controls are effective. Adjustment files should be accessible for six years to support management reviews and audits.

### ***Authorization***

Direct-entered SVs and the applicable SV clones must have at least one level of on-line approval. The preparer will edit and place the document on hold so that the document

will be stored on the Document Suspense File (SUSF). The designated approver will apply the on-line approval in the agency's application by entering an "A" in the document command. An offline approval by an agency CFO designee can be applied at the discretion of the agency. SV documents recorded via an interface can be loaded with "approvals on" upon acceptance of a documented and approved business process.

### ***Security Model***

All agency FFIS Security Administrators shall implement security models that limit access to the SV and the applicable SV clone documents. They must incorporate, at minimum, the level of approval discussed above.

### **INQUIRIES**

Questions concerning this bulletin should be directed to Lynn Moaney at (202) 720-1553 or Douglas Cheney at (202) 720-1168.

### **EFFECTIVE DATE**

This bulletin supersedes FFIS Bulletin 02-06, Internal Controls over Standard Vouchers in the Foundation Financial Information System, dated June 19, 2002, and is effectively August 1, 2006.

/s/

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Associate Chief Financial Officer for Financial Operations