

## VA Finance Terms and Definitions

This glossary attempts to define commonly used terms in the Department of Veterans Affairs (VA) accounting system. It is not all inclusive.

*Account Classification Code (ACC):* Existing only in the Financial Management System (FMS), it corresponds to the fund control point (FCP) number in Integrated Funds Control, Accounting, and Procurement (IFCAP). In other words, ACC is the FMS version of an FCP. The F16 reports reference the ACC rather than the FCP.

*Budget Object Code (BOC):* Formerly known as subaccounts. An accounting code that serves as a description of the type of services being received (e.g., 1001, 1081, 2660).

*Committed/Obligated (Funds):* When a Service initiates a transaction, the funds are considered *committed*. Once Finance/Contracting processes the transaction, the funds are considered *obligated*.

*Control Point Clerks:* Create transactions for requests for supplies and services, which the Control Point Official approves or disapproves and sends to Finance or Contracting. Additionally, Control Point Clerks may reconcile the control point balance and generate reports.

*Control Point Officials:* Approve requests, reconcile the financial records of their control point, and authorize users to be Requestors, Control Point Clerks, or Control Point Officials for the control point.

*Cost Center (CC):* An accounting code that serves as a description of a program, activity, or service incurring the expense (e.g., 820200, 824100).

*FMS:* VA's accounting system. Finance is the only Service that has ability to perform transactions in this system. However, some Services have the ability to view this system in order to carry out their duties, but most do not need access.

Between IFCAP and FMS, FMS is considered the primary accounting system because ALL accounting transactions record in FMS, but not all transactions record in IFCAP. The FMS system passes FCP adjustments to IFCAP on a daily basis. These adjustments arise from FMS accounting activity that does not originate in IFCAP. A late receipt of goods, for example, could result in an interest expense. The IFCAP system would have no record of this type of charge to the FCP, and would have to rely on FMS to provide adjustment data. As a result, FMS has the most current, accurate information, and this information is what is used for monitoring and reporting purposes. Reasons for the discrepancies between IFCAP and FMS are due to both Finance activity and how the fund control points are managed by the Service.

*Fiscal Quarter:* The fiscal year is broken into four 3-month quarters which are:

- 1st Quarter = October 1st - December 31<sup>st</sup>;
- 2nd Quarter = January 1st - March 31<sup>st</sup>;
- 3rd Quarter = April 1st - June 30<sup>th</sup>; and
- 4th Quarter = July 1<sup>st</sup> - September 30<sup>th</sup>.

*Fiscal Year:* 12-month operating cycle that spans October 1<sup>st</sup> - September 30<sup>th</sup>.

*FCP or Control Point (CP):* A holding area for cash that has been assigned to a service, program, or activity, similar to a 'checking account' for your service. A Service can have one or many FCPs as decided by the service chief, fiscal officer, and/or regulations.

*F16 Report:* A document that is sent via email in VistA to a designated person in a Service each time the CP experiences activity. It contains information from the FMS section of the running balance, plus additional information such as CC and BOC.

*IFCAP:* also referred to as VistA. This is considered the 'front end' of the accounting system. IFCAP automates the creation, approval, forwarding, monitoring, and payment of requests for supplies and services.

*Issue Book:* An electronic request of inventory items that the warehouse keeps in stock. When placing an order, the purchase acts like a withdrawal from an FCP.

*Purchase Card:* A purchasing tool used to set aside/reserve funds from an FCP for an estimated expense. It is a card similar to a personal credit card. When placing an order, the purchase card acts like a withdrawal from an FCP.

*Running Balance:* A running record of all the transactions generated and approved for an FCP. Provides information that shows the total amount of funds committed, obligated, and remaining to be spent for a specified fiscal quarter.

*1358 (Estimated Obligation):* An accounting document used to set aside/reserve funds from an FCP for an estimated expense. When placing an order, the 1358 acts like a withdrawal from an FCP. Some 1358s may have one vendor; others may be used for multiple vendors for similar services.

*2237 (Purchase Order):* A purchasing/contracting document used to set aside/reserve funds from an FCP for an estimated expense. When placing an order, the 2237 acts like a withdrawal from an FCP.

## How It All Ties Together

In order to carry out day-to-day operations, it is necessary to purchase supplies and services from both inside and outside the VA Medical Center. The VA accounting system provides for purchasing of such items. Accounting codes allow us to identify the types of supplies and services being purchased and by whom, to develop a budget for these items, and to monitor spending on these items.

The VA accounting system's codes include CCs, BOCs, FCPs, and obligation numbers. These codes are used to tell us who is ordering a supply or service, what type of supply or service is being ordered, the quantity of the supplies and services, for how long the services are needed, and from whom we are getting the supplies/services.

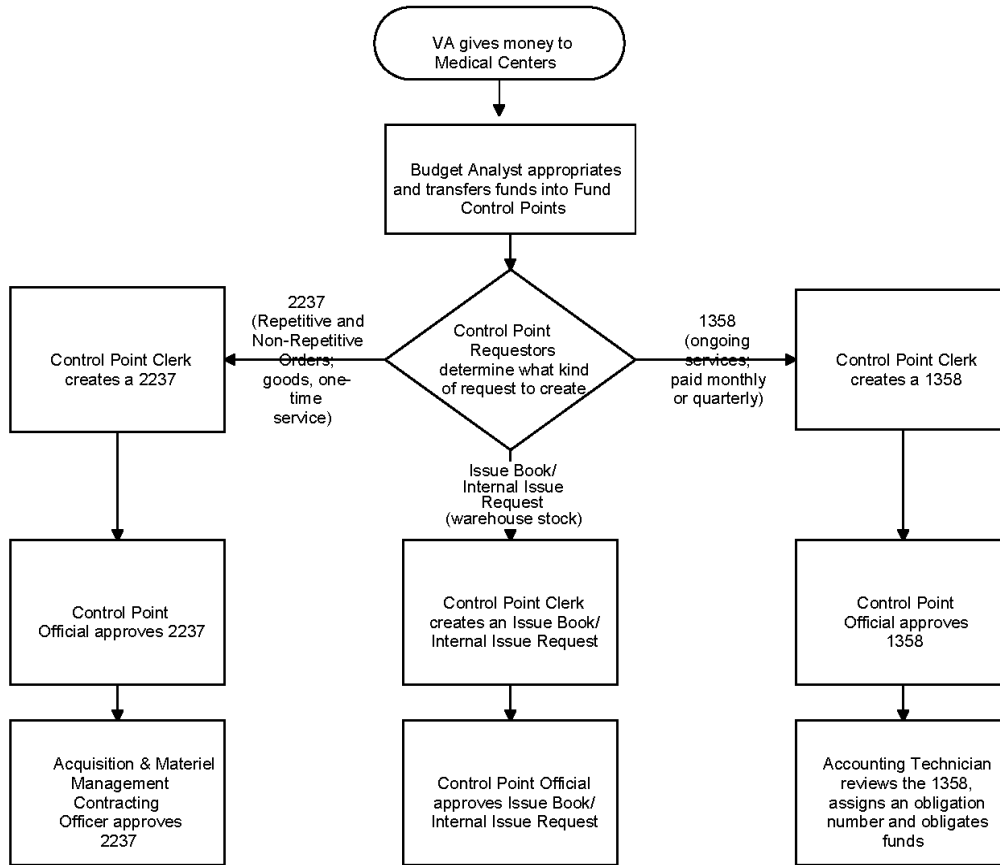
The FCP is the 'checking account' for the Service. Usually an FCP is specific to just one Service, so knowing the FCP number helps to determine which Service the expense belongs to.

Items can be purchased from the FCP by using either a 1358, 2237, purchase card, or issue book. When using one of these instruments to commit (set aside) funds, an FCP has to be selected (if your Service has more than one), then a CC and BOC have to be assigned.

The CC identifies what type of program, activity, or department is going to use the service or supply, and the BOC describes the type of supply or service.

Once the 1358 is processed by Finance or the 2237 is processed by Contracting, it will be assigned an obligation number (e.g., 6C9109, 6A4652). This number can be used to pull up the details about the order. The order will contain information such as the vendor name and contact information and details about the supply/service such as quantity and timeframe.

### IFCAP PROCESS FLOWCHART



**Figure 1: IFCAP Process Flowchart**

