

**VA Financial Policies and Procedures, Volume I, Chapter 7  
Fiscal Year-End Budgetary Reports**

**CHAPTER 7**

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## 0701 OVERVIEW

This chapter provides guidance to the Department of Veterans Affairs (VA) on the yearend budgetary reports that must be produced for submission to the Office of Management and Budget (OMB) and the Department of the Treasury (Treasury). These reports are end products of the accounting process and must be accurate, timely, and provide full disclosure to users<sup>1</sup>.

## 0702 POLICIES

070201 VA will electronically submit year-end budget execution data to Treasury, using the Federal Agencies' Centralized Trial-Balance System II (FACTS II)<sup>2</sup>, from which a variety of Treasury reports are prepared.

A. **FACTS II** collects budgetary information<sup>3</sup> from all Federal agencies. VA's submission fulfills the requirements of the **Standard Form (SF) 133, Report on Budget Execution and Budgetary Resources**, and the **Financial Management Service (FMS) Form 2108: Year-end Closing Statement**. In addition, a significant amount of this budget information is used to populate the prior year data in the Program and Financing Schedule of the President's Budget. VA will also submit pre-closing adjusted trial-balance (ATB) data for each fiscal year-end through the FACTS II. VA uses FACTS II to submit one set of data in the form of U.S. Government Standard General Ledger (USSGL) account balances. From the FACTS II output, VA may print from one set of budgetary data both the SF 133 and the FMS 2108.

070202 VA will reconcile budget clearing accounts and the Statement of Differences by the fiscal year-end. These accounts are identified by the letter "F" as in the following examples: F3875, F3880, and F3885.

A. VA will transfer properly identified amounts contained in budget clearing accounts to the proper accounts on the fiscal year-end Statement of Transaction<sup>4</sup> (FMS 224). The undistributed and deposit reconciliation criteria for large differences for the current month and prior month for September is \$1 million, as outlined in the Treasury Financial Manual (TFM) Volume I, Part 2, **Chapter 3100** and **Chapter 3300**. Treasury may request classification of large differences and reclassification of amounts in the budget clearing accounts in advance or through additional reports

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<sup>1</sup> For other yearend reporting activity, refer to Volume VII, Chapter 1, *General Financial Reporting Requirements*; Chapter 2, *Consolidated Financial Statements and Footnotes*; and the Annual Performance and Accountability Report (PAR) on VA website: <http://www.va.gov/>.

<sup>2</sup> Guidance on reporting via FACTS II can be found at <http://www.fms.reas.gov/factsii>.

<sup>3</sup> For additional information on the SF-133 and FMS 2108, refer to Volume II, Chapter 1, *General Information*, pages 5-6.

<sup>4</sup> For additional information, refer to Volume I, Chapter 7, *Preparation, Review and Submission of the FMS -224*.

070203 VA will prepare an SF 133 at fiscal year-end, comparable to the SF 133 reports prepared on a quarterly basis.

070204 VA will prepare the FMS 2108 on or before fiscal year-end. The form may be prepared before year-end as a review or check, but must be prepared at year-end.

### **0703 AUTHORITY AND REFERENCES**

070301 [OMB Circular A-11, Preparation Submission and Execution of the Budget](#)

070302 [TFM, Volume 1, Part 2, Central Accounting and Reporting](#)

### **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 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, provides guidance on all aspects of financial management, and directs and manages the Department's financial operations and systems support.

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.

### **0705 PROCEDURES<sup>5</sup>**

070501 Preparation of SF 133

A. The SF 133 is designed to show the status of budgetary resources and related financial data on a consistent basis and in practicable detail, and is intended for use, along with other available information, in reviewing apportionments and the U.S. Government's budgetary program, in managing the rate of incurring obligations and outlays, and as a basis for initiating requests for reapportionments and transfers. An SF 133 must be prepared for each current or expired account.

B. The SF 133 is divided into four sections: (1) Budgetary Resources; (2) Status of Budgetary Resources; (3) Change in Obligated Balances; and (4) Net Outlays. When preparing the report, amounts are to be reported to the nearest dollar and reported in

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<sup>5</sup> For crosswalks to standard external reports (FSM 2108 and SF 133), refer to the USSGL TFM, Section V. The most recent list of USSGL attributes, used on the budgetary reports, is in TFM, Section IV. For logon questions to the FACTS II application, refer to the FMS Help Desk.

whole dollars. The amounts reported are cumulative from the beginning to the end of the fiscal year. Footnotes will be included at the end of the report. If additional materials are required, they must be forwarded directly to OMB. Exhibits of sample SF 133 reports can be found in OMB Circular A-11. Detailed preparation instructions for the SF 133 report are located in OMB Circular A-11, Appendix F.

#### 070502 Preparation of FMS 2108

A. The FMS 2108 is required pursuant to [TFM, Volume 1, Part 2, Chapter 4200](#). The report is used to: (1) prepare the Treasury pre-closing trial balance of the central appropriation and fund accounts; (2) submit agency requests for central appropriation and fund account cancellations with the exception of no-year (X) accounts; (3) prepare agency analyses of appropriation and fund balances in terms of availability; and (4) provide source data used by the Treasury in publishing the Financial Report of the United States Government.

B. The FMS 2108 shows the pre-closing unexpended balances of appropriation and fund accounts and balances of unfunded contract authority, borrowing authority, investments held (at par), unrealized discount, unamortized investment premiums and discounts, and funds held outside the Treasury. Transactions to support the unexpended balance are provided to agencies through the monthly Governmentwide Accounting (GWA) Account Statement Application at <http://www.gwa.gov>. The annual Yearend Closing bulletin includes a schedule of reporting due dates.

#### 070503 Report Certification

For yearend FACTS II submission, Treasury requires certification by VA's Chief Financial Officer, or designee, for all accounts, including those with a zero balance. Treasury's Enterprise Security Branch assigns SecurID cards to the certifying official. This card replaces the signature. If any designee has changed, the new designee must obtain a new SecurID card, logon ID, and password. Treasury does not require VA to certify FACTS II submissions for each fiscal year quarter.

The following certification language can be used to certify accounts:

“Pursuant to the authority vested in me, I transmitted to the Treasury's FMS, by electronic means, my certification that the obligation balances in each VA appropriation account reflect proper existing obligations, and that expenditures from the account since the preceding review were supported by a proper obligation of funds and otherwise meet the criteria of 31 U.S.C. 1501(A). In doing so, I submit my electronic certification.”

VA must maintain an up-to-date contact profile in FACTS II.

## 0706 DEFINITIONS

070601 Budget Clearing Accounts. Treasury established these suspense accounts to temporarily hold unidentifiable general, revolving, special, or trust fund collections that belong to the Federal Government. The funds remain in these accounts until agencies can classify them to the proper receipt or expenditure accounts. These accounts are no longer used unless a waiver is granted to an agency. VA has such a waiver.

070602 Contract Authority. The authority given to agencies that permits them to incur obligations in advance of an appropriation, offsetting collections, or receipts to make outlays to liquidate the obligations. Typically, Congress provides contract authority in an authorizing statute to allow agencies to incur obligations in anticipation of the collection of receipts or offsetting collections that will be used to liquidate the obligations.

070603 Program. Activities or sets of activities recognized as programs by the public, OMB, or Congress, as well as those that entail program management or policy direction, beyond those previously identified in the former Section 57, [OMB Circular A-11, Preparation, Submission and Execution of the Budget](#). This definition is also interpreted to include all grants; regulatory activities; direct Federal programs; research and development activities; procurements, including capital assets and service acquisition; credit programs; and any activity engaged in by VA in support of its programs.

070604 Statement of Differences. Treasury produces a Statement of Differences to report differences between deposits and/or disbursements recorded by Treasury versus what was reported by the agency.

070605 Statement of Transactions. The FMS-224 report is prepared by VA for submission to Treasury to reflect all transactions affecting Fund Balance with Treasury (FBWT). It is a regular monthly report that is also required at yearend.

## 0707 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)