

**Assistant Secretary for Management
Action Item**

SUBJECT: Approval of two updated financial policy chapters.

Vol.	Ch.	Title
II	2A	Supply Fund
II	7	Various Appropriations Law Related Topics

DISCUSSION: The Financial Policy Steering Committee voted, approved, and recommended CFO approval of the following policy chapters:

- Volume II, Chapter 2A, *Supply Fund*, establishes VA financial policies and procedures for the Supply Fund, which includes a system of fiscal accounting and internal control over the assets, liabilities, income and expenses to meet VA's financial management requirements. The system, which conforms to the accounting principles, standards and general requirements prescribed in Volume II, Chapter I, VA's Accounting Classification Structure, affords an integrated control of assets and liabilities by synchronizing entries to general ledger control accounts and subsidiary perpetual inventory, accounts receivable and accounts payable records.
- Volume II, Chapter 7, *Various Appropriations Law Related*, establishes VA financial policies and procedures for various appropriations law related topics. In accordance with Article I, Section 9, of the U.S. Constitution, "no money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law". Under the rules of both Houses, an appropriation act should follow enactment of authorizing legislation. Congress enacts laws and appropriates funds to implement them, while the Executive Branch carries out the laws, using Congressionally-approved funds. When funds are appropriated, the amount determines the authorized program spending level of each department, agency or program of the Government.
- Changes to the policies were editorial. Hyperlinks were updated and added to the policies to provide additional information. Overall, the Volume II, Chapter 2A and Chapter 7 policy changes were not substantive in nature.

NOTE: A summary of revisions to the chapters is attached.

RECOMMENDATION: Approve the updated financial policy chapters by signing below.

Approved:

/s/ Helen Tierney
Helen Tierney
Assistant Secretary for Management

08/29/2014
Date