

**Assistant Secretary for Management
Action Item**

SUBJECT: Approval of one new financial policy chapter.

Vol.	Ch.	Title
II	9	Prior Year Recovery

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

- Volume II, Chapter 9, *Prior Year Recovery*, establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding VA Prior Year Recovery of Obligations (prior year recoveries). When an obligation recorded in the prior fiscal year, or as of the prior fiscal year-end, is deobligated in the current year, it is considered a prior year recovery. The deobligation may be a partial reduction in the amount obligated or a complete cancellation.

NOTE: This is a new chapter.

RECOMMENDATION: Approve the financial policy chapter by signing below.

Approved:

_____/s/ Helen Tierney_____
Helen Tierney
Assistant Secretary for Management

October 22, 2014
Date