



Department of Veterans Affairs

Financial Policy

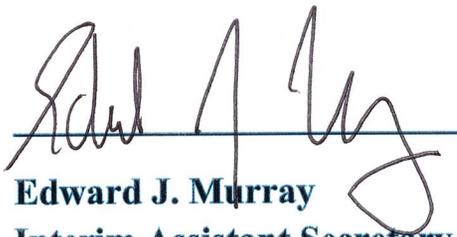
Volume 1

General Accounting

Chapter 1

VA Financial and Accounting Policy Overview

Approved:

A handwritten signature in black ink, appearing to read "Edward J. Murray", is written over a horizontal line.

Edward J. Murray
Interim Assistant Secretary for Management
And Interim Chief Financial Officer

10-27-2016

Date

VA Financial Policies and Procedures
VA Financial and Accounting Policy Overview

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0101 OVERVIEW

This chapter establishes the Department of Veterans Affairs' (VA) policies and procedures for financial activities to ensure they are current and useful for their intended audience and the overall financial and accounting functions. Pursuant to the [Chief Financial Officer's \(CFO\) Act of 1990](#)¹ and [Office of Management and Budget \(OMB\) Circular A-134, *Financial Accounting Principles and Standards*](#), each agency must establish a CFO. The VA CFO is the Assistant Secretary for Management. This chapter is the first in several volumes/chapters that make up the complete financial policies and procedures as referenced by [CFO Act of 1990](#), [OMB Circular A-134, *Financial Accounting Principles and Standards*](#), and other regulatory guidance. The CFO Act outlines the following financial and accounting responsibilities under the purview of CFO:

- Direct, manage, and provide policy guidance and oversight of agency financial management personnel, activities, and operations, including the implementation of agency asset management systems, systems for cash management, credit management, and debt collection.
- Develop and maintain an integrated agency accounting and financial management system, including internal controls, which provides for:
 - Complete, reliable, consistent, and timely information which is prepared on a uniform basis and is responsive to the financial information needs of agency management;
 - Reporting of cost information;
 - Integration of accounting and budgeting information; and
 - Systematic measurement of performance.

Maintaining an updated library of financial policy assists the VA CFO in implementing and adhering to uniform financial policies and procedures. It assures common business events, across all VA operations, are being accounted for and reported in a similar fashion. A current library of financial policy and procedures is used to ensure that the additional functions required by the CFO Act are maintained in the accounting and financial systems. The current library of Office of Financial Policy (OFP) chapters are accessible on the Internet, <http://www.va.gov/finance/policy/pubs/>. The volumes include:

¹ The CFO Act of 1990 is incorporated in [31 U.S.C. Sections 901 and 902](#).

Volume I	General Accounting
Volume II	Appropriations, Funds, and Related Information
Volume III	Miscellaneous Accounting Topics
Volume IV	Revenues and Expenses
Volume V	Assets
Volume VI	Liabilities
Volume VII	Financial Reporting
Volume VIII	Cash Management
Volume X	Grants Management
Volume XI	Committee on Waivers and Compromises
Volume XII	Debt Management
Volume XIII	Cost Accounting
Volume XIV	Travel
Volume XV	Payroll
Volume XVI	Charge Card Programs

In addition to policies, financial systems play a key role in assuring that VA management has quality financial information available to complete internal and external reporting and analysis requirements. The financial systems should provide for the proper accounting of VA's financial information, to include classifying, recording, controlling, reporting, and analyzing financial data to: (1) show the cost of carrying out responsibilities; (2) provide a basis for financial planning; (3) provide data for evaluating performance; (4) show the status of financial condition and results of operations through the preparation of financial statements and other required reporting; (5) safeguard public funds and other resources; and (6) ensure compliance with applicable laws. Refer to [Volume I, Chapter 4, *Financial Management Systems*](#), for additional information.

0102 POLICIES

010201 The VA CFO will ensure that accounting and financial policy is updated as required when there are changes to laws, regulations, standards, or other authoritative guidance, or is established when new requirements dictate.³ This includes guidance promulgated through the United States Code (U.S.C.); Code of Federal Regulations (C.F.R.); Federal Accounting Standards Advisory Board (FASAB) concepts, standards, bulletins, and other pronouncements; Office of Management and Budget (OMB) circulars, bulletins, and memoranda; Department of the Treasury (Treasury) guidance, and applicable VA policy.

A. The VA CFO will promulgate guidance that adheres to the Federal generally accepted accounting principles (GAAP) hierarchy as listed under the [FASAB Statement](#)

³ VA Directive 6630, Directives Management, is not applicable to the development, revision, and/or rescission process for financial policies and procedures due to the specific delegated authority vested in VA's CFO.

of Federal Financial Accounting Standards 34, [The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board](#), when reviewing and issuing financial policy.

B. The VA CFO will promulgate Department-wide policies for effective financial management and control. The implementation of these policies is the responsibility of VA officials at all levels of the Department. These policies are based, in part, on the following considerations:

1. VA is entrusted with public funds and charged, by law, with the responsibility for both controlling and accounting for these funds.
2. Use of public funds must be accomplished so that missions are executed and activities are conducted in the most efficient and economical manner.
3. Use of public funds is a function that requires the exercise of sound judgment, based on reliable information.

C. Office of Finance, OFP, as an agent of the CFO, will follow the procedures as established by the Financial Policy Steering Committee (FPSC) Charter,⁴ for updating or issuing VA CFO policy.

1. FPSC members will review the charter annually and revise as needed, to include identifying new members.
2. FPSC members will identify their Financial Policy Working Group (FPWG) counterpart for membership.
3. FPWG members will identify subject matter experts to represent them as chapters are worked through the financial policy (FP) process.

D. OFP will maintain procedures to ensure that the FPSC Charter is followed and policy chapters are properly reviewed prior to FPSC review and approval. Refer to [Appendix A, Flowchart Overview of the Financial Policy \(FP\) Process](#), and [Appendix B, Procedures for Reviewing and Updating Financial Policy](#), for additional guidance.

E. Once the policy has been approved by the VA CFO, OFP will ensure that the policy is disseminated through an Alert Notification to the FPSC and FPWG email groups and documents are published on the OFP Publications Website, <http://www.va.gov/finance/policy/pubs/>.

⁴ A copy of the current FPSC Charter may be requested from the Office of Financial Policy, Accounting and Payroll Policy Service. The charter is also available on the [FP SharePoint](#) site (limited to member access). [See Section 0108 Questions](#) for contact information.

F. VA Administrations, Staff Offices, and other key officials are responsible for adhering to the policies and for incorporating them into their organization-specific policies and procedures, as appropriate.

1. VA Administration, Staff Office, and other key official's policies and procedures may be more restrictive than the VA policy; however, organization specific policies must be supportable and enforceable. For example, a review or reconciliation frequency requirement may be greater than the minimum VA requirement.

2. The general chain of command for field facilities and staff offices shall be used and maintained. Initial policy inquiries should be directed to the appropriate VA Administration, Staff Office or key official. The Administration, Staff Office, or key official will forward requests to OFP if they cannot respond to the question. Refer to section [0108, Questions](#) for contact information.

010202 VA will follow the [National Archives and Records Administration \(NARA\) General Record Schedule](#) for determination and disposition of finance and accounting records. Refer to [Appendix C, VA Financial Records Control Schedule](#), for guidance.

010203 VA will maintain strong internal controls for safeguarding assets, promoting the accuracy and reliability of financial data, and encouraging adherence to approved policies. Refer to [Volume I Chapter 5, Management Accountability and Responsibility for Internal Controls](#), and [OMB Circular A-123, Management's Responsibility for Internal Control](#), for additional guidance.

0103 AUTHORITY AND REFERENCES

010301 [31 U.S.C. 901 Chief Financial Officers \(CFO\) Act of 1990](#)

010302 [31 U.S.C. Chapter 35 Accounting and Collection](#)

010303 [Federal Financial Management Improvement Act \(FFMIA\) of 1996](#)

010304 [Rehabilitation Act of 1998 \(Amended\), Section 508, Compliance](#)

010305 [FASAB Handbook of Federal Accounting Standards and Other Pronouncements](#)

010306 [OMB Circular A-123, Management's Responsibility for Internal Control, Appendix A, Internal Control over Financial Reporting](#)

010307 [OMB Circular A-123, Management's Responsibility for Internal Control, Appendix D, Compliance with Federal Financial Management Improvement Act of 1996, September 2013](#)

010308 [OMB Circular A-134, Financial Accounting Principles and Standards](#)

010309 [National Archives and Records Administration \(NARA\)](#)

010310 [VA Directive 0000, Delegations of Authority, dated September 9, 2009](#)

0104 ROLES AND RESPONSIBILITIES

010401 The Assistant Secretary for Management and CFO for VA oversees all financial management activities relating to the VA's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309: Veterans' Benefits. 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 and provides guidance on all aspects of financial management.

010402 Under Secretaries, Assistant Secretaries, other key officials, and financial officials, are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

"Under Secretaries" refers to Under Secretary for Benefits for Veterans Benefits Administration (VBA), Under Secretary for Health for Veterans Health Administration (VHA), and Under Secretary for Memorial Affairs for National Cemetery Administration (NCA).

"Assistant Secretaries" refers to heads of VA Staff Offices for Congressional and Legislative Affairs; Human Resources and Administration; Information and Technology; Management; Operations, Security and Preparedness; Policy and Planning; and Public and Intergovernmental Affairs.

"Other key officials" refers to: Chairman, Board of Veterans' Appeals (BVA); Chief of Staff of Veterans Affairs (COSVA); Director, Center for Faith Based and Neighborhood Partnerships (00FB); Director, Center for Minority Veterans (CMV); Director, Center for Women Veterans (CWV); Director, Office of Small and Disadvantaged Business Utilization (OSDBU); Director, Office of Survivors' Assistance (00SA); General Counsel, Office of General Counsel (OGC); Inspector General, Office of Inspector General (OIG); Principal Executive Director for Office of Acquisition, Logistics, and Construction (OALC); and the Chief Veterans Experience Officer (VEO).

"Financial officials" also referred to as "Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, and Chief Accountants" in other chapters, includes the administration CFOs; VHA Veterans Integrated Service Network (VISN) CFOs; VBA Regional Office Chiefs of Support Service; VHA Medical Center Chief Fiscal or Financial Officers; CFOs of Staff Offices and other VA entities; chief accountants; and other financial staff who manage operations and provide support to their CFOs.

Under Secretaries, Assistant Secretaries, other key officials, and financial officials are responsible for ensuring their employees understand and comply with financial policies

and procedures. Annually, Under Secretaries, Assistant Secretaries, other key officials, and financial officials are required to assess internal controls of their programs and offices and provide reasonable assurance that:

- Obligations and costs are in compliance with applicable laws;
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation;
- Revenue and expenditures are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports, and to maintain accountability over assets; and
- Programs are meeting their intended objectives.

In accordance with VA Directive 0000, Delegations of Authority, dated September 9, 2009, VA officials will delegate decision-making authority to the maximum and legal extent that is both feasible and beneficial while ensuring proper accountability for all actions.

010403 The Office of Finance, OFP, is responsible for developing, coordinating, reviewing, evaluating, and issuing VA financial policies, including those that impact financial systems and procedures for compliance with all financial laws and regulations. OFP is also responsible for preparing various comprehensive Departmental financial reports, such as those required by the President and the Executive Branch, including OMB and Treasury reports.

010404 The Office of Business Oversight has the responsibility for performing quality assurance evaluations to ensure that VA's financial accounting and reporting systems conform to VA's accounting principles and standards as well as assessing the adequacy of these systems to effectuate sound financial controls.

0105 PROCEDURES

010501 OFP will maintain an inventory of financial policies and procedures that are used consistently across VA. This inventory consists of the volumes and chapters issued by the VA CFO.

A. In accordance with the FPSC Charter, VA will engage employees from the Administrations, Staff Offices, and field locations in the review or development of chapters that are necessary to address changing circumstances or new business events. Refer to [Appendix A, Flowchart Overview of the Financial Policy \(FP\) Process](#), and [Appendix B, Procedures for Writing and Updating Financial Policy](#), for detailed information on the procedures.

B. VA will periodically review the current inventory of chapters over a five year cycle, or earlier as needed, to ensure that the policy is updated to address gaps or deficiencies that may be caused by changes in existing or new legislation, regulatory requirements, or institutional policies and procedures. Annually, an OFP FP Chapter Review Schedule, or similar schedule, will be used to establish the chapter order and set an estimated timetable. A current [FP Chapter Review Schedule](#) is maintained on the FP SharePoint site (access limited to members). Refer to [Figure 1B-1 FP Chapter Review Schedule Template](#) in [Appendix B, Procedures for Writing and Updating Financial Policy](#).

C. VA will ensure that newly-developed or revised financial policy and procedures chapters are:

- Written to be user friendly with minimal technical jargon;
- Consistent in format, layout, distribution, and communication;
- Aligned with the relevant internal and external governing authorities and hyperlinked to these authorities;
- Published in a format to allow for the greatest search capability and compliance with [Section 508 of the Rehabilitation Act of 1998](#)⁵; and
- Compliant with internal VA Information Technology (IT) Directives 06-1 through 06-5.

0106 DEFINITIONS

010601 Accounting. The function of classifying, recording, controlling, analyzing, and reporting financial data to: (1) show the cost of carrying out responsibilities; (2) provide a basis for financial planning; (3) provide data for evaluating performance; (4) show the status of financial condition and results of operations through the preparation of financial statements, and other required reporting; (5) safeguard public funds and other resources; and (6) ensure compliance with applicable laws.

010602 Accounting Standards or Principles. Those conventions, rules, and procedures necessary to define acceptable accounting practices at a particular time. Accounting standards include broad guidelines of general application and may also include detailed practices and procedures.

010603 Asset. Tangible or intangible items owned by the Federal Government which have probable economic benefits obtained or controlled by a Federal Government entity.

⁵ Refer to [29 U.S.C. 701, Vocational Rehabilitation and Other Rehabilitation Services](#)

010604 Financial Management System. The total of VA financial and accounting systems, both manual and automated, used for planning, budget formulation and execution, program and administrative accounting, and audit, as well as other systems for recording and classifying financial data and reporting financial management information. The system may be comprised of one or more applications used for: collecting, processing, maintaining, transmitting, and reporting data about financial events; supporting financial planning or budgeting activities; accumulating and reporting cost information; or supporting the preparation of financial statements.

010605 508 Compliant. A term that describes the Federal requirement [[Rehabilitation Act of 1998](#)] for agencies to make their electronic and information technology accessible to people with disabilities.

0107 RESCISSIONS

010701 OFP Policy Volume 1 Chapter 1, May 2013

0108 QUESTIONS

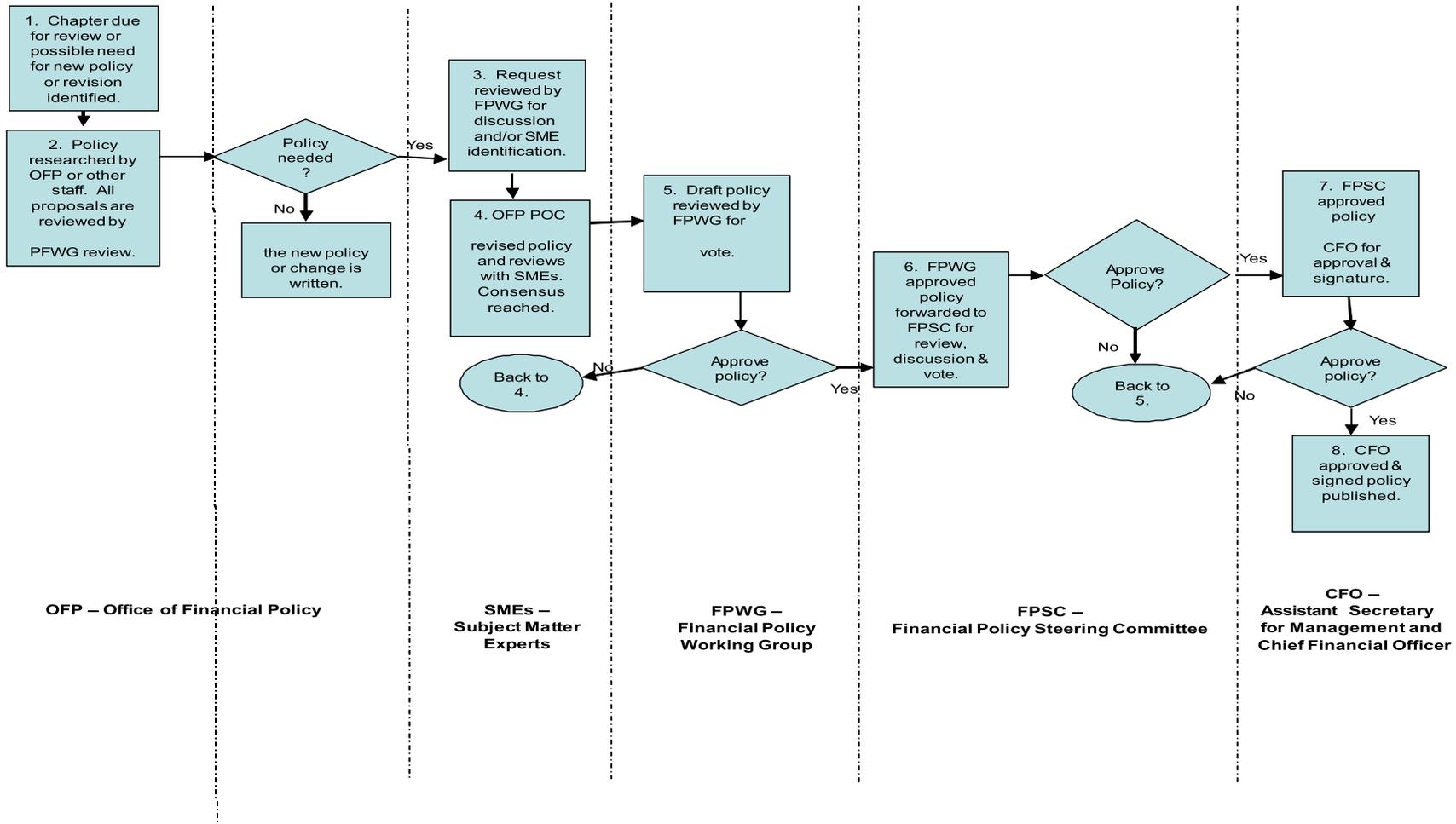
Questions concerning these financial policies and procedures should be directed to:

VHA	VHA CFO Accounting Policy (10A3A) (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)

0109 REVISIONS

Section	Revision	Office	Date
010402	Add Chief Veterans Experience Officer (VEO) to 'Other Key Officials' listing	OFP	Oct. 2016
0101	Added "pursuant to CFO Act". VA has CFO who is the Assistant Secretary for Management	OFP	July 2015
010201 D	Removed "Accounting and Payroll Policy Service"	OFP	July 2015
010201 F	Added the term "other key officials". Deleted the last sentence in Paragraph 2.	OFP	July 2015
010310	Added reference for VA Directive 0000, Delegations of Authority	OFP	July 2015
010402	Expanded the discussion of roles and responsibilities to define offices of the Under Secretaries, Assistant Secretaries and other key officials, described CFOs and Chief Accountants, and listed responsibilities to cover implementing policies, internal controls, as well as delegating to the lowest level.	OFP	July 2015
010501 B	Changed to state a 5 year review cycle or earlier as needed	OFP	July 2015
Overall	Replaced "OFP APPS" (Office of Financial Policy Accounting Policy and Payroll Service) and "APPS" with "OFP".	OFP	July 2015
Appendix A	Updated step 6 to accurately reflect the chapter workflow when the FPSC requests additional revisions.	OFP	July 2015
Appendix B	Replaced "OFP APPS" and "APPS" with "OFP".	OFP	July 2015
Appendix C	Updated the link and the National Archives and Records Administration (NARA) Schedules for retention and disposition of records to the new consolidated format.	OFP	July 2015

APPENDIX A: FLOWCHART OVERVIEW OF THE FINANCIAL POLICY (FP) PROCESS



1. Chapter due for review or a new or revised law, regulation, etc. affecting policy is received.
2. OFP or other staff reviews, researches, and identifies possible need for new or revised published policy. All policy proposals are reviewed by OFP prior to FPWG review. If policy is not required, the current policy relating to the request is identified.
3. Request for policy is submitted to the FPWG for review/discussion and/or identification of SMEs.
4. OFP Point of Contact (POC) completes draft of policy and works with the assigned SMEs. Once a consensus or majority consensus among the SME workgroup is reached, the draft policy is submitted to FPWG.
5. FPWG reviews the draft policy and approves or disapproves. Policy not approved may be returned to the POC/SME working group (#4) to alter/resubmit, or the FPWG may choose to resolve the issue(s) and approve.
6. FPWG-approved policy is forwarded to FPSC for review, discussion and vote. Policy not approved will be returned to the FPWG. The FPWG, depending upon the recommended changes or corrections, may send to the SME group. The FPSC may also choose to resolve the issue(s) and approve.
7. FPSC-approved policy is forwarded to the CFO for approval and signature. Policy not approved is returned to OFP to determine the disposition and how it will be handled.
8. CFO-approved policy is published on the [OFP Publications Library Website](#).

APPENDIX B: PROCEDURES FOR REVIEWING AND UPDATING FINANCIAL POLICY

A. OFP FP Chapter Review Schedule. OFP will maintain the inventory of existing financial policy chapters on a chapter review schedule that will be available on the OFP FP SharePoint site. The current [FP Chapter Review Schedule](#) is maintained on the FP SharePoint site (access limited to members). Refer to [Figure 1B-1: FP Chapter Review Schedule Template](#) for an example of the format.

1. On an annual basis, OFP will perform a thorough review of the chapter review schedule to identify new or revised authorities or legislation, requested policy changes, and other open issues to ensure that the policy is being updated as needed. As part of the review, OFP will:

- Determine the scope of the financial policy and procedures chapters that need to be updated, merged, or rescinded.
- Identify gaps and policy changes. Include notes in the comments section of the review schedule to identify changes, such as new policy requirements, mergers, or movement to another volume.
- Examine current financial policy and procedures chapters to determine their continued relevance to VA's operations.
- Develop a detailed schedule and track the update process to ensure that the effort remains on course and the designated review cycle is accomplished.

2. On a continuing basis (daily, if needed), OFP will monitor and update the chapter review schedule as financial and accounting regulatory guidance is issued or revised. Adjustments may include moving chapters forward on the schedule, identifying requested updates, issues, or other changes, updating for approval, and other actions.

3. In addition to the FP Chapter Review Schedule, OFP will maintain a Cumulative Rescission Matrix spreadsheet that lists the volumes/chapters identifying rescissions, mergers, or moves and crosswalks to the previous policy to include Directives, Handbooks, Manuals, and Bulletins. The current [Cumulative Rescission Matrix](#) is located on the OFP Publications Website.

B. OFP Policy POC: Initial Chapter/Appendix Review. Once a chapter/appendix has been identified on the review schedule or added as a new subject, the Policy POC will:

- Review regulatory guidance and existing VA policy. Develop a new chapter/appendix based on the information or review of the existing policy for new or

changed regulatory guidance that may affect the chapter/appendix. Use the current chapter template to ensure formatting and presentation are accurate.

- Review other chapters that are directly related and check for possible mergers.
- Recommend revisions to the chapter/appendix. At a minimum, ensure that the Authority and References section is updated and properly hyperlinked; the header is updated to reflect a new estimated publish date; formatting changes are made that have occurred since the last published date; and new or updated regulatory citations are included as applicable to the subject, such as [OMB Circulars](#) or [Treasury Financial Manual](#).
- Create a Comment Matrix to track the revisions, comments, and resolutions. If the chapter revisions are minor, the Revision section of the chapter may be used for this purpose. Refer to the [Figure 1B-2, Comment Review Matrix Example](#).
- Identify and request subject matter experts (SMEs). SMEs may be either a preliminary group that is intimately involved with the subject or a broader group that is made up of FPWG-designated SMEs and other referrals.

C. SME Review. After performing these initial steps, the Policy POC will determine whether a select group of SMEs will initially review the chapter or whether a broader group of SMEs (FPWG identified) will be used. A preliminary group of SMEs is not required; the chapter content will determine this. The Policy POC is responsible for the following during the SME review(s):

- Developing and maintaining a comments review matrix to establish an audit trail that tracks the disposition of each comment;
- Conducting additional research or discussion on areas that need to be updated or expanded based on review feedback;
- Scheduling and facilitating the SME working sessions to discuss the chapter/appendix, feedback received, and other actions necessary to resolve any open review comments;
- Incorporating revisions and re-issuing draft versions of the materials that reflect these revisions; and
- Ensuring that the content remains within the chapter/appendix purview and regulatory guidance and bringing the SMEs to a consensus prior to submitting to the FPWG for review.

1. When a preliminary group of SMEs is used, the Policy POC will review the chapter with the SMEs for readability, organization, accuracy, and references using methods such as conference calls, live meeting(s), email, etc. The Policy POC is responsible for tracking the revisions and maintaining the comment matrix. SMEs may provide comments and revisions directly to the chapter through the SharePoint document. Outside versions should not be used to ensure that changes are not lost.

2. Following the preliminary review, the Policy POC will coordinate the chapter through the broader SME group. As noted in item 1, the initial review may actually be conducted by the broader SME group. SMEs may be added throughout this step to ensure that the relevant offices are represented. The OFP POC is responsible for holding conference calls, live meetings, etc. to review the chapter with the broader SME group.

3. If the SMEs cannot resolve an issue, the group will prepare recommendations to be considered by the FPWG for resolution. SMEs familiar with the issues should be invited to the FPWG meeting to participate in the discussion.

4. Once the SME review is complete, the chapter/appendix will be moved to the FPWG for review and vote.

D. FPWG Review. The Policy POC will prepare the chapter/appendix, update the comment matrix, and upload the documents into the appropriate SharePoint FPWG meeting folder. Additional supporting documentation should also be uploaded at this time.

1. Chapters/appendices should be available to the FPWG at least one week prior to the meeting.

2. Chapters are reviewed and voted on by the FPWG.

a. If revisions are needed and the chapter is not approved, the Policy POC will work to resolve the issues and present the chapter for FPWG vote at a subsequent scheduled meeting or by an electronic vote (e-vote).⁶ Major revisions may require return of the chapter to the SMEs for discussion and review.

b. For an e-vote, the Policy POC will make required revisions, upload the chapter either to the FPWG meeting folder or establish a separate e-vote folder, and disseminate a No-Yes voting email to the FPWG Voting Outlook email group. Revisions must be

⁶ When e-vote is appropriate, this will be determined by the FPWG members. E-vote should only be used in limited cases where a need for expediency exists. Because of the revisions and required responses, many times the chapter will not be approved prior to a subsequent FPWG meeting.

approved by the FPWG prior to moving to the FPSC. If an issue cannot be resolved, the issue will be presented to the FPSC for resolution.

c. Once the chapter is approved, it will be forwarded to the FPSC for review and vote.

3. Appendices generally do not require a vote, but are presented to the FPWG for review and comment.⁷ However, an appendix may be returned to the SMEs if the FPWG does not agree with the content or would like additional information included. Appendices that are reviewed and are not held for another review are forwarded to the FPSC for review and comment.

E. FPSC Review. The Policy POC will prepare the chapter/appendix, update the comment matrix, and upload the documents into the appropriate SharePoint FPSC meeting folder. Additional supporting documentation should also be uploaded at this time.

1. Chapters/appendices should be made available to the FPSC at least one week prior to the meeting.

2. The chapter is reviewed and voted on by the FPSC.

a. If revisions are needed and the chapter is not approved, the Policy POC will work to resolve the issues and present the chapter for FPSC vote at a subsequent scheduled meeting or by an electronic vote (e-vote). Major revisions may require a chapter to be returned to the FPWG or SMEs for discussion, review, or vote.

b. For an e-vote, the Policy POC will make required revisions, upload the chapter either to the FPSC meeting folder or establish a separate e-vote folder, and disseminate a No-Yes voting email to the FPWG Voting Outlook email group. Revisions must be approved by the FPSC prior to presenting to the CFO for review.

c. Once the chapter is approved, OFP will prepare the chapter for review, edit, approval, and signature by the CFO.

3. Appendices do not require a vote, but are presented to the FPSC for review and comment. However, an appendix may be returned to the FPWG if the FPSC does not agree with the content or would like additional information included. Appendices that are reviewed and are not held for another review are uploaded to the OFP Publications Website. The date in the approved column is updated to reflect the appendix change, but no change is made to the chapter date.

⁷ An exception to this is for Volume II Chapter 6, 1358 Obligations. Revisions to Appendices A or B may require CFO signature depending on the revision. This will be determined by OFP.

F. OFP is responsible for ensuring that the FPSC approved chapters are properly formatted and edited prior to submitting for CFO approval. Refer to the following documents in the FP SharePoint/APPS folder⁸: [FPII Process Checklist](#), which contains detailed steps for editing and submission to CFO approval procedures; and [Volume Chapter Template with Style Sheet Information](#), which contains detailed formatting information.

G. Once all edits have been made, the CFO approved chapter(s), along with the CFO approval, will be published on the OFP Website and an Alert Notification issued. OFP will disseminate the Alert Notification to the FPSC and FPWG Outlook email groups. Refer to [SOP for Policy Notification Process](#)⁹ for additional guidance.

⁸ Access limited to OFP Personnel.

⁹ Access limited to OFP Personnel.

Figure 1B-1: FP Chapter Review Schedule Template

- Current [FP Chapter Review Schedule](#) - FP SharePoint (access limited to FP members)
- Cumulative [Rescission Matrix](#)

Vol	Ch	Titles	047GA POC	Other Office Lead	SME Rvw	FPWG Rvw	FPWG Mtg	FPWG Apprvl	FPSC Rvw	FPSC Mtg	FPSC Apprvl	CFO Apprvl Reqst	CFO Apprvl	Last Rvsd Date	Comments
I	1	VA's Accounting Policies													
I	1A	Process to Update/Develop Financial Policy and Procedures													
I	1B	Quality Financial Information													
I	3A	PAID Accounting Operations													
I	4	Financial Management System													
I	5	Management Accountability and Responsibility for Internal Controls													
I	6	Reconciliations													
I	7	Fiscal Year-End Budgetary Reports													
I	8	Period-Ending Procedures													
I	9	Expenditure Transfers													
I	10	Bartering													
I	11	Reimbursable Agreements													
II	1	VA's Accounting Classification Structure													
II	2	VA's Budget Cycle and Fund Symbols													

Figure 1B-2: Comment Review Matrix Example

Comment Review Matrix - VA Financial Policy and Procedures						
Volume # Chapter #, Title of Chapter						
Section and Paragraph Referenced	Submitter	Comment	Date Comment Submitted	Disposition	Date Comment Resolved	Status
Meeting DATE						
Initial Chapter Review						

APPENDIX C: VA FINANCIAL RECORDS CONTROL SCHEDULE (RCS)

Note: Updates to this appendix will be included as the categories are reviewed and properly determined.

The VA finance and accounting RCS is derived from the following [NARA Schedules](#):

- [Schedule 5. Budget Preparation, Presentation, and Apportionment Records](#)
- [General Records Schedule 1.1: Financial Management and Reporting](#) for Accountable Officers' Accounts Records, Expenditure Accounting Records, and
- Stores, Plant, and Cost Accounting Records

The types of finance and accounting records are divided into the following categories:

- A. Budget
- B. Accounting
- C. Agent Cashiers
- D. Payroll Records
- E. Payments
- F. Collections (Indebtedness)
- G. Financial Reports