Financial Policy

Volume II

Appropriations, Funds, and Related Information

Chapter 1

VA's Accounting Classification Structure

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0101 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures regarding VA’s accounting classification structure and information used to meet Government-wide reporting and financial requirements. This information includes, but is not limited to, elements such as the standard general ledger agency location codes, station numbers, budget object codes, revenue source codes, accounting classification codes, and other codes that enable VA to correctly identify and report its financial information and performance.

The chapter also discusses the proper use of and procedures for assigning and managing VA station numbers (part of the accounting classification structure) and processing journal entries to enter, adjust, or correct accounting and financial information. Refer to Volume II, Appropriations, Funds and Related Information, and Volume XIII, Cost Accounting, for additional information on VA’s budget cycle, funds, and information on revenue and cost accounting.

The primary sources of standardization for classifying the financial effects of the Federal government’s business operations—and deriving the Common Government-wide Accounting Classification Structure (CGAC)—are:

- Office of Management and Budget (OMB) - OMB provides guidance and standards for preparing financial reports, classifying the budget, and implementing financial management systems.

- Department of the Treasury’s –Bureau of Fiscal Service publishes the Treasury Financial Manual (TFM), which provides guidance to Federal agencies on central accounting and reporting and on other fiscal matters. The underlying purpose of Treasury’s guidance is to make it possible to consolidate accounting results of all agencies and to report on the financial operations of the Federal government.

- Chief Financial Officers Council (CFOC)¹ - CFOC provides a model for integrated financial management systems in the Federal government.

- Federal Accounting Standards Advisory Board (FASAB) - FASAB is responsible for developing accounting standards for the U.S. Government. These standards are recognized as generally accepted accounting principles (GAAP) for the Federal government and are applied by Federal agencies in preparing financial statements. The Chief Financial Officer (CFO) has the immediate responsibility to ensure that an accounting classification structure for the integration of appropriation (or fund), property,

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¹ The Council was established under the provisions of the CFO Act of 1990 to advise and coordinate the activities of the agencies of its members on such matters as consolidation and modernization of financial systems, improved quality of financial information, financial data and information standards, internal controls, legislation affecting financial operations and organizations, and any other financial management matter.
revenue, and expense accounting is used and maintained. The accounting classification structure must:

- Provide managers with accurate and complete financial data, including total operating expenses and total acquisition cost of real and personal property;
- Provide for uniform treatment of similar accounting transactions used by all VA organizations;
- Produce significant expense and cost information concerning programs, projects, and other activities, in accordance with internal management needs;
- Facilitate the development of accounting system improvements in the future; and
- Provide appropriation and fund data to meet reporting requirements of OMB, Treasury, and the Chief Financial Officers Act of 1990, and provide other financial data, as needed, for both internal and external reporting requirements. Refer to Volume VII, Financial Reporting, for additional information.

0102 POLICIES

010201 ACCOUNTING CLASSIFICATION STRUCTURE. To aid CFOs in their responsibilities to ensure an accounting classification structure meets the needs of the Government, the CGAC was developed and general Federal guidance issued in the Federal Financial Management Standards, Overview of the CGAC. The CGAC guidance encompasses many aspects of classifying the financial effects of government business activities beyond the accounting classification structure, to include document and transaction control, document referencing and modification, system generated transactions, and audit trails. For purposes of this chapter, only the accounting classification is discussed. A number of standards exist for classifying financial transactions; however, the standards provide latitude for each agency to develop its own classification structure. As a result, the classification structures used in agency systems vary from agency to agency and sometimes within the same agency.

The CGAC is comprised of elements that are entered on a transaction or derived for proper recording and reporting. An example of this is the use of an agency-assigned internal fund code (entered on a transaction) to derive the full Treasury Account Symbol (TAS) used for reporting. Both the internal fund code and the derived TAS are considered elements of the accounting classification structure.

As outlined in the CGAC guidance, the following minimum elements are required in the accounting classification structure. Elements that may be derived are marked with an asterisk.

- Treasury Account Symbol (TAS)*
- Budget Fiscal Year
• Accounting Period
• Internal Fund Code
• Organization (Station Number)
• Program, Project, and Activity* (Accounting Classification Code or Construction Project Code)
• Cost Center
• Object Class (Budget Object Code)
• Revenue Source (Code), and
• Budget Function, and Budget Sub-Function Code*

Refer to Appendix A, VA Accounting Classification Structure, for additional details and reference information.

010201.01 VA will maintain the accounting classification structure elements and definitions to ensure they are uniform and provide consistency in budget and accounting treatment, classification, and reporting. Each classification element will be maintained independently. For example, budget fiscal year must be maintained as a separate value from the period of availability component in the Treasury Appropriation Fund Symbol (TAFS). The subsections below identify VA policy specific to the elements.

A. Treasury Account Symbol, Budget Fiscal Year, and Internal Fund Code. VA will maintain appropriation fund codes in accordance with Treasury guidance. VA will establish separate fund accounts for collections from reimbursable agreements. Funds collected from reimbursable transactions shall not be co-mingled with congressionally appropriated funds. Refer to Volume II, Chapter 2, VA’s Budget Cycle and Fund Symbols, for policy and procedures.

B. Station Numbers. Station numbers are the official identification numbers for funding and budgetary purposes and for describing the sphere of authority of an organizational entity designated by the Secretary. A uniform station number system provides a unique identifier for each station and allows for easier association and integration of data among systems which require unique identification in automated information systems). Refer to Appendix B, VA Station Numbers, for detailed information on the procedures to follow.

1. The Deputy Assistant Secretary (DAS) for Finance will appoint a VA Station Identification Officer who is responsible for approving, assigning, and maintaining the VA station number system.

2. VA administrations and staff offices will designate an individual who will serve as a station number liaison on all station number matters affecting proposed changes to their particular field facilities. The liaison will be responsible for ensuring that the official request is accurate, complete and forwarded to the DAS for Finance in the timeframe as specified on Appendix B, VA Station Numbers.
3. VA administrations and staff offices will obtain an official approval for the activation, retirement or change in status of a station from the DAS for Finance through the VA Station Identification Officer.

    a. Requests for a new station number will be made prior to the allocation of funds for any purpose associated with the new station.

    b. Requests for other actions that affect the status of VA stations (such as consolidation or decentralization of medical centers or medical and regional office centers; activation of satellite facilities; consolidation of satellite facilities with independent outpatient clinics; or change in address, district, or region) will be made in accordance with the procedures outlined in Appendix B, VA Station Numbers.

4. VA will use a three-digit station number for a VA installation or a combination of a three-digit station with a two-digit suffix for a parent relationship with substations for purposes where a coded station identifier is required. The three-digit number ranges by functional areas of responsibility, and station suffix modifiers (substations) are listed in Appendix B, VA Station Numbers.

C. Accounting Classification Code (ACC). The ACC provides VA the means to categorize financial information to support budget execution and reporting functions. The ACC generally represents the lowest level of budget distribution. Refer to VA Volume II, Chapter 2, VA’s Budget Cycle and Fund Symbols, for additional information on the budget process, and Appendix A, VA Accounting Classification Structure.

    1. VA will ensure that the ACC data elements and definitions are uniform and efficient for budget and accounting treatment, classification, and reporting.

    2. VA will integrate budget and accounting activities by synchronizing their accounting classifications and relationships.

D. Cost Centers. Refer to Volume XIII Chapter 1, Cost Centers, for policy, procedures, and detailed information.

E. Budget Object Code (BOC). Refer to Volume XIII Chapter 2, Budget Object Codes, for policy, procedures, and detailed information.

F. Revenue Source Codes. The revenue source code is used within an agency’s revenue system to track the life of revenue from the initial order, processing, and finally to output providing a history of financial activity related to the receipts. Refer to Appendix C, VA Revenue Source Codes, for additional information.

    1. VA will comply with the revenue recognition as required by FASAB, Statement of Federal Financial Accounting Standards (SFFAS) 7: Accounting for Revenue
and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, and OMB A-11, Budget Preparation, Submission, and Execution of the Budget.

2. VA will maintain a revenue system, inclusive of revenue source codes, that will provide the capability to trace transactions from their initial source through all stages of related system processing. VA activities that generate income and are identified with associated revenue source codes include, but are not limited to, donations, rental income, enhanced-use leasing, and recycling and waste reduction programs.

3. VA administration CFOs, or their designees, or the heads of applicable staff offices or their designees \(^2\) will approve revenue source codes prior to implementation.

4. VA managers will ensure that revenue source codes for transactions are being used appropriately and an effective audit trail is maintained. These audit trails are essential for daily operations of the system because they allow for the detection and systematic correction of errors.

010201.02 UNITED STATES STANDARD GENERAL LEDGER (USSGL). In addition to the elements above, an accounting classification structure must support government wide information standards such as the USSGL external reporting requirements of Treasury. The USSGL guidance is composed of five major sections: (1) Chart of Accounts; (2) Account Descriptions; (3) Accounting Transactions; (4) Account Attributes; and (5) Crosswalks to Standard External Reports. The Treasury Financial Management Service (FMS) USSGL guidance is intended to provide the minimum basic structure of accounting transactions required to ensure consistent treatment and reporting of similar transactions. Refer to Appendix D, VA SGL Accounts, for additional information on assigning and maintaining the USSGL specific to VA.

A. VA may use SGL accounts in the financial management system (FMS) that are more detailed than the USSGL chart of accounts when it is deemed necessary and the internal SGLs are rolled into a valid USSGL.

B. VA will maintain and record the SGL to account for all appropriations and funds activities, regardless of the source of funds, in VA’s FMS \(^3\). VA will maintain fund identification of financial resources to: (1) disclose and comply with financial authorizations and (2) prepare reports on the status of funds for Congress, OMB, and Treasury.

\(^2\)A list of personnel approved to submit a request for revenue source codes will be furnished to the Director of VA’s FMS Service at the beginning of each fiscal year, starting with fiscal year 2009.

\(^3\)VA’s General Ledger Account Table (GLAC) resides within FMS and contains a list of SGL accounts.
C. VA will record all transactions (e.g., resources acquired and used by VA and claims against those resources) to the appropriate SGL (transaction level) in VA's FMS.

D. VA will use the USSGL guidance, including the crosswalks, to ensure that both internal and external reporting requirements are properly prepared and submitted.

010201.03 AGENCY LOCATION CODE (ALC). The ALC is a unique symbol\(^4\) assigned by Treasury FMS for reporting purposes. Refer to Appendix E, VA Agency Location Codes, for a listing of current VA ALCs.

A. VA will include the ALC on correspondence, forms, and other documentation forwarded to financial institutions, Treasury FMS, other Federal agencies, and Regional Finance Centers.

B. VA will ensure that ALCs are used to report receipt and disbursement cash transactions (to include Standard Form (SF) 215s: Deposit Tickets, and/or related SF 5515s: Debit Vouchers) and classify them according to appropriation, fund, and receipt account.

C. VA will submit ALC requests, to include new or cancel requests, to Treasury FMS at least 30 days before the requested effective date.

D. The Financial Services Center (FSC) Financial Accounting Service will assign a central point of contact (POC) to maintain the ALC list and provide Treasury FMS with the name, telephone number, and address of one contact person per designated ALC. The central POC will notify Treasury of the designations or subsequent changes. Requests for designations or changes will be submitted to the designated POC in accordance with procedures identified in Appendix E, VA Agency Location Codes.

010201.04 APPROVAL OF NON-ROUTINE FMS TRANSACTIONS EQUAL TO OR GREATER THAN $100 MILLION.

A. Non-routine\(^5\) FMS transactions with an amount equal to or greater than $100 million must be documented and approved using Optional Form (OF) 1017-G, Journal Voucher (or electronic equivalent).

B. Non-Routine transactions equal to or greater than $100 million will not be entered into the accounting system until they have been approved by the FSC.

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\(^4\) In most cases, the first two digits of an 8-digit ALC identify the department or agency, the next two digits identify the bureau, and the last 4 digits identify the specific agency account section within the bureau.

\(^5\) Routine FMS transactions are defined as interface transactions, batch transactions from other systems, and codes AA, AC, AL, SA, SL, ST, and TA. Non-routine transactions are defined as all other FMS transaction codes.
C. Form 1017G documenting non-routine FMS transactions equal to or greater than $100 million will be submitted to the Administration or Staff Office CFO for approval prior to posting in FMS. CFO review and approval will include validating the transaction is proper and appropriate documentation exists and is on file for audit purposes. CFO approval should occur prior to the transaction being recorded in FMS, however, if there is insufficient time to route the transaction for approval, the approval should occur as soon as possible after entry, but no later than ten business days from the date of the transaction.

D. After form 1017G documenting non-routine FMS transactions equal to or greater than $100 million are approved by the Administration or Staff Office, they will be forwarded for review and approval by the FSC. To the extent possible\(^6\), JVs will be approved the same day.

E. Transactions may not be split into multiple entries to circumvent this requirement.

F. It is the responsibility of the Administration and Staff Office CFOs to ensure their financial information is proper, even if their accounting functions are serviced by FSC. The CFOs must ensure they have adequate internal controls in place to oversee the work performed by FSC.

G. The Administration or Staff Office CFO may re-delegate this approval no lower than the GS-15 level\(^7\).

010201.05 APPROVAL OF JOURNAL VOUCHERS (JVs), EQUAL TO OR GREATER THAN $100 MILLION.

A. Non-Routine JVs equal to or greater than $100 million will not be entered into the accounting system until they have been approved by the FSC.

B. To ensure proper accounting, any non-routine\(^8\) FMS JVs with an amount equal to or greater than $100 million will be submitted to the Administration or Staff Office CFO for approval prior to posting in FMS. CFO review and approval will include validating the transaction is proper and appropriate documentation exists and is on file for audit purposes. CFO approval should occur prior to the transaction being recorded in FMS, however, if there is insufficient time to route the transaction for approval, the approval should occur as soon as possible after entry, but no later than ten business days from the date of the transaction.

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\(^6\) The approval will occur as soon as possible, but no later than ten business days from the date of the transaction.

\(^7\) For VHA, this means that the Administration or Staff Office CFO may re-delegate this approval to the VISN CFO.

\(^8\) Routine FMS transactions are defined as interface transactions, batch transactions from other systems, and codes AA, AC, AL, SA, SL, ST, and TA. Non-routine transactions are defined as all other FMS transaction codes.
C. Transactions may not be split into multiple entries to circumvent this requirement.

D. It is the responsibility of the Administration and Staff Office CFOs to ensure their financial information is proper, even if their accounting functions are serviced by FSC. The CFOs must ensure they have adequate processes to oversee the work performed by FSC.

E. After JVs that meet the $100 million threshold are approved by the Administration or Staff Office, the JVs will be forwarded for review and approval by the FSC prior to entry into FMS. To the extent possible, JVs will be approved the same day.

F. The CFO will state on the quarterly certification, “FMS JVs equal to or greater than $100 million have been appropriately reviewed and approved.”

G. The Administration or Staff Office CFO may re-delegate this approval no lower than the GS-15 level.

010201.06 APPROVAL OF MANAGEMENT INFORMATION EXCHANGE (MinX) JVs EQUAL TO OR GREATER THAN $100 MILLION.

A. Administration and Staff Office MinX JVs over $100 million will be reviewed and approved by the Administration and Staff Office CFO prior to submitting to the FSC for processing. CFO review and approval will include validating the transaction is proper and appropriate documentation exists and is on file for audit purposes. After the JV is approved by the Administration or Staff Office, the JV will be forwarded to the FSC for review and approval prior to final posting in MinX. To the extent possible, JVs will be approved the same day.

B. MinX JVs over $100 million prepared by OFP as part of the financial reporting process will be reviewed and approved by OFP prior to entry into MinX. The FSC will perform a post review of MinX JVs submitted by OFP that are over $100 million.

C. Transactions may not be split into multiple entries to circumvent this requirement.

D. It is the responsibility of the Administration and Staff Office CFOs to ensure their financial information is proper, even if their accounting functions are serviced by FSC. The CFOs must ensure they have adequate processes to oversee the work performed by FSC.

E. The Administration or Staff Office CFO may re-delegate this approval no lower than the GS-15 level.

9 The approval will occur as soon as possible, but no later than ten business days from the date of the transaction.

10 The approval will occur as soon as possible, but no later than ten business days from the date of the transaction.
010201.07 APPROVAL OF ALL TRANSACTIONS EQUAL TO OR GREATER THAN $1 BILLION.

In addition to the approvals required under sections 010201.05 and 010201.06, Administration and Staff Office CFOs must review and approve all transactions over $1 billion. This review and approval may not be delegated lower than the Senior Executive Service (SES) staff level, as was permitted in sections 010201.04 and 010201.05. CFO review and approval will include validating that the JV is proper and that appropriate documentation exists and is on file for audit purposes. Approval shall be obtained prior to submitting the JV to the FSC or OFP for processing in FMS or MinX. An SES with the FSC or OFP will review and approve the JV over $1 billion prior to entry in FMS or MinX.

010202 DOCUMENTING FINANCIAL CHANGES THROUGH JOURNAL ENTRIES.

VA will record changes to the financial information either through a standard journal entry or a non-standard journal entry.

1. Standard journal entries are used at the field level to record routine accounting activities.

2. Non-standard journal entries will be completed in situations where no standard transaction exists in the Financial Management System (FMS).

3. Non-standard journal entries will be completed when system limitations require an entry in MinX system for financial reporting and presentation purposes.

4. For non-standard journal entries which require processing by another finance activity or entry in MinX, the Optional Form (OF) 1017-G will be prepared at the field level to document the transaction. Refer to Section 010503 and Appendix F: Journal Voucher Procedures, for additional information and guidance on submitting non-standard transactions using the OF 1017-G. Appendix F also contains the formal Journal Voucher Standard Operating Procedure (SOP). This SOP provides guidance that pertains to select staff at the FSC for the preparation and approval of top-level FMS journal vouchers and journal entries in MinX for financial reporting and presentation purposes. The JV SOP does not apply to the operational entries completed at the field level for routine accounting activities.

0103 AUTHORITY AND REFERENCES

31 U.S.C. §1534, Adjustments between Appropriations

31 U.S.C. §1535, The Economy Act (Interagency Agreements)

Federal Financial Management Improvement Act (FFMIA) of 1996

Statement of Federal Financial Accounting Standards (SFFAS), No. 1, Accounting for Selected Assets and Liabilities

SFFAS 4, Managerial Cost Accounting Standards and Concepts

SFFAS 5, Accounting for Liabilities of the Federal Government

SFFAS 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting

OMB Circular A-11, Preparation, Submission and Execution of the Budget

OMB Circular A-123, Appendix D, Compliance with the Federal Financial Improvement Act (9/20/2013)

OMB Circular A-136 Revised, Financial Reporting Requirements

TFM US Standard General Ledger

TFM Volume I, Part 2, Chapter 4200, Federal Agencies’ Centralized Trial-Balance System

CFO Council Web Site

OMB Circular A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act (09/20/2013) P.L. 104-208

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0104 ROLES AND RESPONSIBILITIES

010401 The Assistant Secretary for Management /Chief Financial Officer (CFO) oversees all financial management activities relating to the Department’s programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. §309. 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, Chief Financial Officers, Finance Officers, Chiefs of Finance Activities, Fiscal Officials, Chief Accountants and other key
officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

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 Budget (O/B) provides guidance and support to the Department’s administrations and staff offices on matters relating to budget formulation and execution. The ultimate objective of the formulation process is to ensure the timely, accurate and informed submission of VA’s budget request to OMB and the President’s budget request to Congress. O/B serves as the primary liaison with OMB and relevant Congressional committees during the formulation process, defending and promoting VA’s program plans and budget estimates before examiners and committee staff. In addition, O/B monitors VA’s budget execution process, which starts with the apportionment process.

010405 Program officials who receive allotments that contain estimated reimbursements or other anticipated receipts must maintain constant and careful oversight to ensure that these reimbursements and other income are earned, received and credited as planned, so that appropriate funding adjustments can be implemented if necessary. Program officials cannot use the reimbursable authority received from Congress for any other purpose than that authorized for VA.

010406 VA’s Station Identification Officer is responsible for:

- Approval, assignment, and deactivation of station numbers and verification and concurrence on the official listing of station numbers for publication in the VA Consolidated Address Territorial Bulletin 1 series located at [http://www.va.gov/ofcadmin](http://www.va.gov/ofcadmin).

- Notification to Under Secretaries, Assistant Secretaries, other key officials and respective station number liaisons, as well as all appropriate project managers, of the assignment or deactivation of station numbers or other significant changes.

- Final approval on station suffix modifiers, type, abbreviation, and suffix modifier range changes.

010407 The Administration and Staff Office CFOs are responsible for the review and approval of all non-routine FMS and MinX transactions equal to or greater than $100 million.
010408 FSC is responsible for the yearly update of the ALC Point of Contact listing. FSC will ensure that non-routine transactions over the $100 million threshold received appropriate approvals in a timely manner.

0105 PROCEDURES

010501 For additional information on the elements of accounting classification structure, refer to the following:

- Appendix A, VA Accounting Classification Structure
- Appendix B, VA Station Numbers
- Appendix C, VA Revenue Source Codes
- Appendix D, VA SGL Accounts
- Appendix E, VA Agency Location Codes
- Appendix F, Journal Voucher Procedures

010502 USSGL. VA will use and maintain general ledger accounts by appropriation, fund, and station number. These accounts contain the balances that support the use of VA appropriations and are maintained on a continuing basis until the period of availability ends, when VA must cease incurring obligations against the appropriation. In addition to the USSGL accounts published by Treasury, VA may use SGL accounts in the financial management systems that are more detailed than the USSGL chart of accounts when it is deemed necessary and the internal SGLs are rolled into a valid USSGL. Refer to Appendix D, VA SGL Accounts, for additional information.

A. VA will ensure the financial system is capable of maintaining source documents\textsuperscript{11} that support recording transactions at the USSGL level, provide an adequate audit trail to permit tracking a transaction from beginning to completion, and allow for the detection and systematic correction of errors. These documents may be in the form of purchase orders, invoices, receiving reports, travel orders, employee advances, and various other forms. To ensure source documentation supports transactions, stations are responsible for:

1. Maintaining a method of double-entry accounting for recording transactions in the general ledger at all times.

2. Maintaining records of original entry and subsequent entries to support the general ledger accounts.

3. Maintaining journals in such a manner that, when totaled and posted to the general ledger, the entries can be traced to the journal totals and supporting source documents. These documents represent the primary means of

\textsuperscript{11} Source document may be in electronic (soft) or hard copy form. For electronic formats, the documents must be accessible.
researching an error in a transaction and establish a tracking system, or audit trail, for postings to both the general and subsidiary ledgers.

4. Maintaining subsidiary accounts to provide detailed breakdown of the amounts carried in general ledger control accounts and ensure that reconciliations are performed. Postings to the control accounts and to the subsidiary records should be consistent in order to facilitate the reconciliation of subsidiary accounts with the control accounts, particularly in those instances where the subsidiary record is maintained outside of the core financial system.

5. Exercise due care in entering transactions into journals or records of original entry to ensure that the data contains the number of the general ledger account and, when necessary, the numerical symbol of the appropriation, fund, or station involved.

B. On a monthly basis, VA finance activities and stations will perform a review and reconciliation of source documents to the applicable subsidiary report. Subsidiary accounts or records will be maintained to provide a further breakdown of the amounts carried in the general ledger control accounts. All subsidiary accounts and records will be reconciled to the general ledger, and any adjusting, closing, and reversing entries will be posted to the records. This reconciliation process will ensure that the total on each subsidiary report equals the corresponding general ledger account balance on the trial balance generated at the end of the accounting period.

010503 DOCUMENTING FINANCIAL CHANGES THROUGH JOURNAL ENTRIES. Journal entries are used as source documents for day-to-day accounting activities or to make corrections/adjustments to the VA standard general ledger (SGL) account balances and, by extension, to the quarterly and annual consolidated financial statements. They are used to record expenditure transfers, adjustments to expenditures, and Interstation transactions. In addition, journal entries are used to post estimates that will subsequently be reversed from the SGL and to post specific accounting events that cannot be accomplished using financial system functions.

A. VA finance activities will have adequate internal controls in place to ensure transactions are accurately posted and approved, as required. VA administration CFOs and staff offices with financial responsibilities (e.g., Office of Information and Technology) are responsible for determining the necessary internal controls and levels of approval for journal entries, except those categorized Management Information Exchange (MINX) journal vouchers (JV). Refer to Volume VII Chapter

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12 Some VA subsidiary accounts reside in other locations within “feeder system”, outside of VA’s primary accounting system.
13 JVs categorized as related to MINX processing are used to adjust general ledger accounts that are not posted to FMS prior to the end of the reporting period. The adjustments are made based upon reconciliations performed for the consolidated financial statements.
2, Consolidated Financial Statements, and Appendix F, Journal Voucher Procedures, for additional information and approval of MINX journal vouchers.

B. VA will use journal entries to record changes to the financial information either through a standard or non-standard journal entry. For journal entries that will also be entered by another finance activity, the Optional Form (OF) 1017-G will be used to document the transaction. Refer to Appendix F, Journal Voucher Procedures, for additional information and Figure 1F-4: OF 1017-G Journal Voucher for the form.

1. VA may use standard journal entries to record accounting activities such as deferred maintenance, salary accruals, continuation of pay, or capitalizing an asset. Many of these transactions do not require the same level of review and approval as a non-standard journal entry, but finance activities should have a post-review process to verify that they are accurate.

2. VA will use the OF 1017-G for journal entries when the transaction will also be entered by another finance activity. Supporting documentation and the appropriate approvals will be maintained. At a minimum the following will be completed:

- The OF 1017-G will be properly prepared and adequate support provided to ensure that the journal entry accurately captures the transaction and provides a detailed audit trail.

- The OF 1017-G will be annotated to properly identify the preparer and approver. Names and titles may be represented by user identification. The preparer and approver must be different individuals to maintain the proper segregation of duties.

3. Non-standard journal entries (i.e., not based on standard FMS transactions) are used to correct abnormal balances or other general ledger problems. These are also documented on an OF 1017-G. The FMS access is limited to a few individuals at the FSC because it is a free-form entry. Each entry or transaction could potentially create accounting and reconciliation problems if it is not carefully reviewed and approved by designated accountants before posting. See Appendix F, Journal Voucher Procedures, for additional information and guidance on FSC procedures for the preparation and approval of top-level FMS journal vouchers and journal entries in MinX for financial reporting and presentation purposes.

   a. All stations requesting non-standard journal entries must send them to the FSC for review and processing.

   b. When it is necessary for a station to forward an OF1017-G to the FSC for processing, the form preparer must complete the package and go through the
approval process at the respective finance activity before forwarding to the FSC.

0106 DEFINITIONS

Accounting Classification Structure – The data elements used for categorizing financial transactions along several dimensions that enable retrieval, summarization, and reporting of information in a meaningful way. An accounting classification structure is a “comprehensive language” that supports the traceability and data interoperability of financial information to support budget, financial accounting, and performance reporting requirements.

Adjustments to Expenditures – Adjustments that are made to post expenditures to the proper appropriations due to incorrect initial postings or related to the reimbursement of expenditures authorized in 31 U.S.C. §1534, Adjustments between Appropriations.  

Agency Location Code (ALC) – A numeric symbol assigned by Treasury to identify an agency accounting and/or reporting office. It can be in the form of three digits for Regional Financial Centers, four digits for Non-Treasury Disbursing Offices, or eight digits for reporting entities. In most cases, the first two digits of an eight-digit ALC identify the department or agency, the next two digits identify the bureau, and the last four digits identify the specific agency account section within the bureau.

Budgetary Account – An account that reflects budgetary operations and conditions, such as estimated revenues, appropriations, and obligations, as distinguished from proprietary accounts.

Double-Entry Accounting – Each record of a transaction has both a debit and a credit, with total debits equaling total credits.

Expenditure Transfers – The shifting of funds between appropriations and involves an outlay. The shifting of funds applies equally to (1) transfers of expenditures from one Federal agency to another, (2) transfers from one appropriation to another within the same agency, and (3) transfers to an inter-agency or intra-agency working fund. All transfers between Federal funds (general, special and non-trust revolving funds) and trust funds are also treated as expenditure transfers.

Integrated Financial and Acquisition Management System (iFAMS) – The system replacing VA’s legacy financial system, Financial Management System (FMS), as the official financial and contracting system of record. iFAMS will begin implementation during Fiscal Year 2018 and will continue during the following years until full implementation is successful.

14This statute is intended to facilitate “shared service” activities.
Interstation Transactions – Transfer between VA entities as the result of a purchase of an asset or the incurrence of a liability. The asset or liability originally represented an expenditure (payment) transaction and is subsequently recorded against another VA station.

Journal Entry – Written authorization that usually serves to confirm or vouch for the occurrence of financial transactions. The entry serves as an integral part of the audit trail and bears an appropriation symbol code, a financial management system number, transaction date, amount, ledger account(s) affected, and the signatures (or user identification) of preparer and approver. The “Explanation” column on a typical OF 1017-G, Journal Voucher, allows for references to documentary evidence supporting the transaction, along with a brief description of the transaction.

Proprietary Account – An account that shows actual financial position and operations, such as actual assets, liabilities, fund balances, revenues, and expenditures, as distinguished from budgetary accounts.

Reimbursable Agreements – Also known as a buy/sell activity; a contractual relationship under which a Federal agency may enter into an agreement with another Federal agency and accept funding from the entity as reimbursement for the cost of goods provided or services rendered. Reimbursable agreements are a type of Intragovernmental transaction. Refer to Volume I, Chapter 11, Reimbursable Agreements.

Revenue – The inflow of resources brought into VA, earned through exchange transaction activity or received through non-exchange transactions. This may include sales of products (sales), rendering of services (revenues) and earnings from interest, dividends, lease income and royalties.

Revenue Source Code – A revenue source code identifies and classifies the type of revenue and receipts defined by the user. For example, categories could be rental income, sales by product type, and income by type of service performed.

Routine and Non-routine FMS Transactions - Routine FMS transactions are defined as interface transactions, batch transactions from other systems, and codes AA, AC, AL, SA, SL, ST, and TA. Non-routine transactions are defined as all other FMS transaction codes.

Station Number – A three-digit identifier to recognize a VA installation or a parent relationship. The station may be a stand-alone facility under a single three-digit number or may be a parent station with substations (two-digit suffix modifier) as children. The substations are generally integrated facility identifiers or smaller facilities under the authority of the parent as is the case of outpatient clinics.

System-Generated Journal Entry – A journal entry created within FMS or interfaced to FMS.
Treasury Appropriation Fund Symbol (TAFS) – A summary account established by Treasury for each appropriation and fund showing transactions to such accounts. Each such account provides the framework for establishing a set of balanced accounts on the books of the agency concerned. As used in OMB Circular A-11, Preparation, Submission and Execution of the Budget, this phase refers to general fund expenditure accounts, special fund expenditure accounts, public enterprise revolving funds, intra-Governmental revolving funds, management funds, trust fund expenditure accounts and trust revolving fund accounts. TAFS is also known as Treasury Appropriation Symbol (TAS).

0107 RESCISSIONS

010701 Volume II Chapter 1, VA’s Accounting Classification Structure, March 2017

0108 QUESTIONS

Questions concerning these financial policies and procedures should be directed as follows:

VHA VHA CFO Accounting Policy (10A3A) (Outlook)
VBA VAVBAWAS/CO/OPERATIONS (Outlook)
NCA NCA Finance Group (Outlook)
All Others OFP Accounting Policy (Outlook)

0109 REVISIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Revision</th>
<th>Office</th>
<th>Reason for Change</th>
<th>Effective Date</th>
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<tbody>
<tr>
<td>Appendix E</td>
<td>Updated VBA’s contact information on the ALC chart</td>
<td>OFP (APS)</td>
<td>Contact information was updated</td>
<td>September 2018</td>
</tr>
<tr>
<td>Appendix F</td>
<td>Updated the FSC Accounting e-mail address, FMS JV Approval procedures, and MinX JV Data Field Requirements</td>
<td>OFP (047G)</td>
<td>Financial Reporting Corrective Action Plan</td>
<td>September 2018</td>
</tr>
<tr>
<td>0106 Definitions</td>
<td>Added iFAMS definition</td>
<td>OFP (047G)</td>
<td>Define iFAMS</td>
<td>June 2018</td>
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<tr>
<td>Appendix E</td>
<td>Updated ALC listing</td>
<td>OFP (047G)</td>
<td>Added ALC listing for iFAMS processing</td>
<td>June 2018</td>
</tr>
<tr>
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<tr>
<td>Appendix D</td>
<td>Updated responsibilities for maintenance of USSGL accounts</td>
<td>OFP (047F)</td>
<td>To reflect current responsibilities and procedures</td>
<td>February 2018</td>
</tr>
<tr>
<td>Appendix E</td>
<td>Update Agency Location Code listing</td>
<td>OFP (047G)</td>
<td>Update with current information</td>
<td>February 2018</td>
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<tr>
<td>0102 Policies</td>
<td>Added pre-approval requirement for non-routine FMS and MinX JVs equal to or greater than $100 million</td>
<td>OFP (047G)</td>
<td>NFR 15-1, Consolidated Financial Reporting</td>
<td>December 2017</td>
</tr>
<tr>
<td>010201.03 Agency Location Code</td>
<td>Removed references to Treasury FMS 224, Statement of Transactions</td>
<td>OFP (047G)</td>
<td>FMS 224 is no longer used</td>
<td>December 2017</td>
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<tr>
<td>0104 Roles and Responsibilities</td>
<td>Assigned roles and responsibilities for pre-approval of non-routine FMS and MinX JVs equal to or greater than $100 million</td>
<td>OFP (047G)</td>
<td>NFR 15-1, Consolidated Financial Reporting</td>
<td>December 2017</td>
</tr>
<tr>
<td>Appendix C</td>
<td>Updated revenue source codes for VHA and VBA</td>
<td>OFP (047G)</td>
<td>New codes</td>
<td>December 2017</td>
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<tr>
<td>Appendix F, JV SOP Section 1.2 Responsibilities</td>
<td>Added clarification to the Roles and Responsibilities</td>
<td>OFP (047G)</td>
<td>NFR 15-1, Consolidated Financial Reporting</td>
<td>December 2017</td>
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<td>Appendix F, JV SOP</td>
<td>Removed references to the JV template</td>
<td>OFP (047G)</td>
<td>JV template is no longer used</td>
<td>December 2017</td>
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<tr>
<td>0101 Overview</td>
<td>Updated Department of Treasury’s Financial Management Service to Bureau of Fiscal Service and removed reference to the CFOC Financial Line of Business, Financial Systems Integration Office</td>
<td>OFP (047G)</td>
<td>General update</td>
<td>March 2017</td>
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<tr>
<td>010201.02D Policies</td>
<td>FSC Financial Accounting Service will assign POCs for ALC</td>
<td>OFP (047G)</td>
<td>Added roles and responsibility</td>
<td>March 2017</td>
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<td>Reason for Change</td>
<td>Effective Date</td>
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<tr>
<td>0105 Procedures</td>
<td>Added reference for Appendix F</td>
<td>OFP (047G)</td>
<td>NFR 16-4 Financial Reporting</td>
<td>March 2017</td>
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<tr>
<td>0107 Rescissions</td>
<td>Updated rescinded volumes</td>
<td>OFP (047G)</td>
<td>General Update</td>
<td>March 2017</td>
</tr>
<tr>
<td>Appendix B</td>
<td>VA Station Numbers</td>
<td>OFP (047G)</td>
<td>VHA requested update to station numbers</td>
<td>March 2017</td>
</tr>
<tr>
<td>Appendix E</td>
<td>FSC FAS Director recommends cancellation of ALC request. Updated points of contact on Figure 1E-3, Active VA ALCs and Contacts</td>
<td>OFP (047G)</td>
<td>General update</td>
<td>March 2017</td>
</tr>
<tr>
<td>Appendix F</td>
<td>Renamed Appendix F and added JV SOP</td>
<td>OFP (047G)</td>
<td>Update per CLA recommendation for NFR 16-4 Financial Reporting</td>
<td>March 2017</td>
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<tr>
<td>Appendix F, JV</td>
<td>Updated various sections of JV SOP to reflect current procedures, and added</td>
<td>OFP (047G)</td>
<td>Update per CLA recommendation for NFR 16-4 Financial Reporting</td>
<td>March 2017</td>
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<td>SOP</td>
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</table>
APPENDIX A: VA ACCOUNTING CLASSIFICATION STRUCTURE

BACKGROUND: The CGAC structure is comprised of the minimum data needed to comply with internal and external reporting requirements, including preparation of financial statements, reporting on the agency’s budget and the cost of programs, and other financial-related processes such as funds control and cost accounting. Refer to the Federal Financial Management Standards, Overview of the CGAC for general Federal guidance.

The CGAC structure increases standardization in the following ways while still providing an agency mission-specific need within the standard structure:

- Identifies the elements to be used for classification;
- Establishes standard names, definitions, and formats for the elements; and
- Aligns the values of similar codes used by OMB and Treasury.

Some of the basic components of the Federal CGAC include the funding source, the program financed, and the organization responsible for managing resources. The USSGL, a mandatory component of the classification structure, provides a uniform chart of accounts to enable consistent recording of financial events and consolidation of data at the government-wide level.

The data elements that make up an accounting classification structure are not limited to the ones entered on a transaction. Many of the data elements that classify transactions are derived by a financial management system based on business logic or associations between data elements established when the system is initially configured. An example of this is the use of an agency-assigned internal fund code (entered on a transaction) to derive the full Treasury Account Symbol (TAS) used for reporting. Both the internal fund code and the derived TAS are considered elements of the accounting classification structure.

A. VA will maintain the accounting classification structure in accordance with the above policy guidance and ensure that the required elements are maintained independently. For example, budget fiscal year must be maintained as a separate value from the period of availability component in the TAFS.

B. The accounting classification structure includes the following elements (SMA-01). The VA element name is identified in parenthesis.

- Treasury Account Symbol (TAS) - An identification code assigned by Treasury, in collaboration with OMB and the owner agency, to an individual appropriation, receipt, or other fund account. The term “Treasury Appropriation/Fund Symbol”

15 OMB Circular A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act (09/20/2013).
is used to describe a particular type of TAS—one with budget authority. The terms TAS and TAFS are sometimes used synonymously. Refer to Volume II, Chapter 2, VA’s Budget Cycle and Fund Symbols.

• **Budget Fiscal Year (BFY)** - The fiscal year in which the obligation is made and captured on the obligating document; it is used to distinguish whether subsequent adjustments affect a prior year or the current year. The budget fiscal year is not the same as the TAS period of availability.

• **Internal Fund Code (Fund)** - An agency-assigned code value for a fund. It is a shorthand code entered on transactions and enables the derivation of the account identification codes (appropriation, receipt, or other TAS) required for reporting externally to Treasury (the TAS) and OMB (the budget account).

• **Organization (Station Number)** - An agency-assigned code value that identifies the entities that manage resources below the agency and bureau levels and are responsible for carrying out the programs and activities of the Federal government. VA uses a three-digit identifier to recognize a VA organization or station. The station may be a stand-alone facility under a single three-digit number or may be a parent station with substations (suffix modifier) as children. The substations are generally integrated facility identifiers or smaller facilities under the authority of the parent as is the case of outpatient clinics. Refer to Appendix B, VA Station Numbers, for additional information on maintaining the station numbers.

• **Program, Project, and Activity (Accounting Classification Code (ACC) or Construction Project Code)** -
  
  o **Program** - An agency-assigned code that categorizes financial information by strategic goal, program, project, and line of business; it is used to describe what an agency does and the types of things for which it is funded.
  
  o **Project** - An agency-assigned code that identifies a planned undertaking of something to be accomplished or produced, or an undertaking having a finite beginning and end. Examples are a construction project, a research and development project, and a reimbursable project.
  
  o **Activity** - Identifies the actual work task or step performed in producing and delivering products and services, or the aggregation of actions performed within an organization that is useful for purposes of activity-based costing. An activity, in this context, is not the same as a “budget activity,” which is generally another name for a program.

VA’s accounting classification code is a nine-digit character code that is defined in the Fund Control Point/Project Table (PGMT) in the financial system. The ACCs are established in PGMT for each budget fiscal year. The PGMT contains
information on standard ACCs used by more than one station and non-standard codes that are used by a single station. Users may identify the standard ACCs in the PGMT by an asterisk in the Station field.

- **Cost Center (Cost Center)** - An agency-assigned code that identifies a logical grouping of one or more related activities or organizational units into a common pool for the purpose of identifying the cost incurred. The VA cost centers are distinguished by area of responsibility or geographic region and are symbolized by a four- to six-digit code used to identify the organizational elements. Refer to *Volume XIII, Chapter 1, Cost Centers*.

- **Object Class (Budget Object Code)** - A code that classifies obligations by the items or services purchased by the Federal government (e.g., personnel compensation, supplies, rent, or equipment). While OMB establishes the standard codes, titles, and definitions of the object class, an agency may further define extensions for capturing additional detail to support internal information needs. Refer to *Volume XIII, Chapter 2, Budget Object Codes*.

- **Revenue Source (Revenue Source Code)** - An agency-assigned code that classifies revenue and receipt transactions by the type or source of revenue. Refer to Appendix C, VA Revenue Source Code.

- **Trading Partners** – Intragovernmental or intergovernmental transactions are business activities conducted between Federal entities. The two entities conducting the business transaction are business partners. The use of trading partner attributes on such transactions enables analysis and elimination of Federal activity within VA and in the Governmentwide financial statements.

- **Budget Function or Budget Sub-Function Code** - A USSGL account attribute, used with the internal fund code to classify data according to major purpose served or national need addressed for reporting purposes. These codes may be derived based on other data. Classifications are required by the Congressional Budget Act of 1974 (OMB A-11). The VA budget function or sub-function codes are derived during the operations process in FMS.

- **Accounting Period (Accounting Period)** - The time period in which a transaction is effective in the general ledger. In most instances, this time period pertains to a fiscal month within a fiscal year. However, in some instances, an accounting period represents a period that falls before or after the fiscal month and is used for recording opening balances to the period or period-end adjustments applicable to a month, quarter, or fiscal year. Accounting periods are used to group transactions by the time period in which they are reported. The VA accounting period in FMS is used to identify the fiscal month (numeric 01 to 12) or reporting period. The VA reporting periods are sequential periods assigned after period 12.
C. In addition to the policy and guidance, the following accounting classification structure requirements for core financial systems need to be considered. These may be further modified, as needed for the CGAC structure. Refer to the OMB Circular A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act (09/20/2013) for detailed information.

1. Define Additional Accounting Classifications (SMA-02). Define additional (lower) levels in the fund, program, project, organization and object class structures (e.g. establish parent-child relationships with the ability to summarize, distribute funds, and report data at all defined levels).


3. Derive Short Classification Codes (SMA-04). Derive full accounting classifications on transactions from abbreviated user input. Examples of methods include: entering shorthand codes, deriving elements from an entered field, or providing users with a list of values from which to choose.

4. Modify Accounting Classification Tables (SMA-05). Add, change, or deactivate elements of the accounting classification structure and define valid ACE values without programming changes (e.g., through online table updates).

5. Capture Accounting Classification Effective Date (SMA-06). Capture an effective date for accounting classification structure and valid value changes. Activate or deactivate accounting classification changes based on effective date.

6. Query Accounting Activity (SMA-07). Query document accounting data. Parameters include all standard and VA-defined accounting classification elements. Result is a list of selected document accounting lines. Display the document number, accounting classification elements, and accounting line amounts. Drill down from the accounting lines to general ledger transaction details, including transaction numbers, transaction and system dates, and debits and credits.

7. Maintain an accounting classification structure that can associate each element with multiple other elements and element values (SMA-11), including: (The VA element name is identified in parenthesis)

   - TAS to multiple internal funds (funds);
   - Internal fund (fund) to multiple organizations (stations), programs, projects, and activities (ACCs);
   - Organization (Station) to multiple programs, projects and activities (ACCs);
• Project code to multiple organizations (stations), programs and activities (ACCs); and
• Program to multiple organizations (stations), projects and activities (ACCs);
APPENDIX B: VA STATION NUMBERS

A. The FSC Director, or other designee (as assigned by the DAS for Finance), is assigned as VA’s Station Identification Officer, responsible for assigning and maintaining the uniform station number system.

B. A station number system provides a unique identifier for each station and allows for easier association, integration of financial data among systems, and naming of VA facilities. As displayed in Figure 1B-1: Station Number Groups, the three-digit station number also identifies the functional areas of responsibility throughout VA.

**Figure 1B1-1: Station Number Groups**

<table>
<thead>
<tr>
<th>Station Number Range</th>
<th>Functional Areas of Responsibility</th>
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</thead>
<tbody>
<tr>
<td>100-199</td>
<td>Central activities</td>
</tr>
<tr>
<td>200-299</td>
<td>Automation Center or Benefits Delivery Centers</td>
</tr>
<tr>
<td>300-399</td>
<td>VBA activities</td>
</tr>
<tr>
<td>400-499</td>
<td>Medical Centers, VA Medical and Regional (VBA) Offices co-located), Veterans Integrated Service Network (VISN)</td>
</tr>
<tr>
<td>500-699 and 776-777</td>
<td>VHA activities</td>
</tr>
<tr>
<td>700-775 and 778-799</td>
<td>Miscellaneous (Supply Depots, Marketing Centers, CHAMPVA, Inspector General Offices, National Cemetery Memorial Service Networks (MSNs), National Cemetery Field Support Facilities, Canteen Service Field Offices, Prosthetics Center, National Railroad Retirement Board*, National Personnel Records Center* (military records), Army Reserve Personnel Center*), Office of Resolution Management Field Offices, Consolidated Patient Account Centers (CPAC), National Patient Safety</td>
</tr>
<tr>
<td>800-999</td>
<td>National Cemeteries, Manila Outpatient Clinic (964) Western Area Office (999)</td>
</tr>
</tbody>
</table>

*These non-VA activities require station numbers to access the Beneficiary Identification and Records Locator Subsystem (BIRLS).

C. Types of Station Number Requests. Station numbering requests, to include substation requests, require a memorandum to be sent to the FSC at least 90 days prior to the effective date of the assignment. In accordance with the policy outlined in section 010201.01 B. and as appropriate to the office making the request, requests will be sent through the Deputy Under Secretary for Health for Operations and Management (for VHA), or the administration Chief Financial Officer (for VBA and NCA). VA Central Office requests will be sent to OFP. The information is
necessary to allow automated information system (AIS) managers time to incorporate changes in the appropriate AIS.

1. Following are the types of Station Number Requests.

   - Reserve or Extension;
   - Assignment and Activation;
   - Name Change;
   - Facility Relocation; and
   - Retire

   Note: Requests to update the facility telephone number may be submitted in an e-mail to the FSC; these do not require a memorandum. The telephone numbers are used when generating information that may be released to Veterans and providers.

2. Each memorandum request will identify the type of station, name, location of the station, the effective date of the assignment, and the point of contact that will serve as the station number liaison on all station number matters affecting proposed changes to their particular field facilities. The request will include:

   a. Type of request;
   b. Date the requested action will take place;
   c. Facility and Telephone Number;
   d. Station number(s) affected, when already established;
   e. Point of contact (POC) name, telephone, and e-mail; and
   f. Parent Station if request relates to a suffix number.

D. Additional Considerations for Station Number Requests.

1. Any information that is not known at the time of the station reservation request must be provided to the VA Station Identification Officer by e-mail at vafscaccountingsystemsoversight@va.gov within a reasonable timeframe of the memorandum, not to exceed one year from the date of the memorandum notification generated by the VA Station Identification Officer. The e-mail received by the facility must provide a POC or designee. The FSC will contact the POC or designee listed in the e-mail notifying if information is needed or an extension of the reservation is required. The reserved station or suffix number will not be activated until all required information is provided to the VA Station Identification Officer. If the missing information or no request for activation or
extension of reserved status is received within one year, a reserved station number that has not been activated or extended will be cancelled.

2. VA facilities are generally named for the geographical location where they are located. VA facilities may be named in honor of individuals only when authorized by congressional mandate or Executive Order of the President. Parts of facilities, such as individual buildings, wings of buildings, patient treatment wards, and auditoriums, may be named in honor of individuals, if approved by the Secretary of Veterans Affairs. A copy of the congressional mandate or Executive Order must be attached to the station request.

3. VA may assign a new station number to a replacement facility when the replacement facility is built at a location different from the original facility that it replaces. These requests will contain a statement specifying that the new facility will be situated at a different location different than the current facility.

4. Several stations may share the same location, but under the leadership of individual directors. In these cases, a separate station number may be assigned to each station.

5. When a station is closed, the station number will be retired and will not be reassigned.

6. When a VHA regional office activity and a medical center are combined to form a new facility, a new station number will be assigned.

E. To facilitate the exchange of data between two or more systems and maintain consistency, program managers will request a substation (suffix modifier) when it is necessary to uniquely identify:

1. A medical center or domiciliary division of a complex station;

2. A facility separate from the parent station; or

3. A non-VA facility where reports are generated either by or through a VA station. The suffix modifier is appended to the VA station number that represents the data on behalf of the non-VA station. For example, a private medical facility treating VA patients would be identified by using the station number of the VHA medical center that authorizes treatment, with a suffix modifier.

F. Within a particular reporting structure, a specific suffix modifier will be uniformly applied to identify a specific function as listed in Figure 1B-2: Station Suffix Modifiers.
1. Components of medical and regional office centers or medical center complexes that are not stations will not be identified by separate station numbers. When the need arises for these components to be uniquely identified, and such identification is not provided for by other means, a suffix modifier will be assigned to the basic station number.

2. Suffix modifiers will not be used to identify routine activities of typical stations.

FSC review and approval are required prior to requesting changes to Figure 1B-2: Station Suffix Modifiers. Stations must forward all change requests to the VAFSC Accounting Systems Oversight shared inbox. Subsequent to review and approval, the FSC will forward each request for policy update to OFP.

**Figure 1B-2: Station Suffix Modifiers**

<table>
<thead>
<tr>
<th>Substation Type</th>
<th>Abbreviation</th>
<th>Suffix Modifier or Classification Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>VBA Substation</td>
<td>VBASUB</td>
<td>AA - AZ</td>
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<tr>
<td>* VA Medical Center</td>
<td>VAMC</td>
<td>A4-A9</td>
</tr>
<tr>
<td>*VA Clinic (Includes: VA Health Care Center (HCC), Community-Based Outpatient Clinic (CBOC), both Primary Care CBOC &amp; Multi-Specialty CBOC, and VA Other Outpatient Service Sites (OOS Sites)- to include Mobile Clinics)</td>
<td></td>
<td>HCC Classification: BY-BZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CBOC Classification: GA-GZ; G1-G9; JA-JZ; J1-J9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OOS Classification: QA-QZ; Q1-Q9</td>
</tr>
<tr>
<td>*VA Community Living Center</td>
<td>CLC</td>
<td>9AA-9AE</td>
</tr>
<tr>
<td>Community Nursing Home</td>
<td>CNH</td>
<td>9AK-9AZ</td>
</tr>
<tr>
<td>State Veterans Home - Nursing Home</td>
<td>STNH</td>
<td>9AF-9AJ</td>
</tr>
<tr>
<td>State Veterans Home - Domiciliary</td>
<td>STHOME</td>
<td>DT-DZ; EA-ES</td>
</tr>
<tr>
<td>*VA Domiciliary and other Mental Health Residential Rehabilitation Treatment Programs or Residential Care Site (excluding Compensated Work Therapy-Transitional Residence)</td>
<td>VADOM</td>
<td>BU-BX</td>
</tr>
<tr>
<td>Non-VA Hospital (Army)</td>
<td>NVAHA</td>
<td>CN - CS</td>
</tr>
<tr>
<td>Non-VA Hospital (Navy)</td>
<td>NVAHN</td>
<td>CT - CY</td>
</tr>
<tr>
<td>Non-VA Hospital (Air Force)</td>
<td>NVAHAF</td>
<td>C0-C4; CZ</td>
</tr>
<tr>
<td>Non-VA Hospital (Public Health Service)</td>
<td>NVAHPHS</td>
<td>C5-C9; DA</td>
</tr>
<tr>
<td>Non-VA Hospital (Other Federal)</td>
<td>NVAHOF</td>
<td>DB - DG</td>
</tr>
<tr>
<td>Substation Type</td>
<td>Abbreviation</td>
<td>Suffix Modifier or Classification Range</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>--------------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>Non-VA Hospital (Public)</td>
<td>NVAHP</td>
<td>DH - DM</td>
</tr>
<tr>
<td>Non-VA Hospital (Civil)</td>
<td>NVAHC</td>
<td>DN - DS</td>
</tr>
<tr>
<td>Employee Education System</td>
<td>EES</td>
<td>D2-D9; E2-E9; F2-F9</td>
</tr>
<tr>
<td>History File Construction</td>
<td>HFC</td>
<td>FA-FS</td>
</tr>
<tr>
<td>Integrated Disability Evaluation System</td>
<td>IDES</td>
<td>MA - MZ</td>
</tr>
<tr>
<td>*Compensated Work Therapy-Transitional Residence</td>
<td>CWT/TR</td>
<td>PA-PN</td>
</tr>
<tr>
<td>National Suicide Hotline Call Center</td>
<td>NSHCC</td>
<td>SH1 – SH9</td>
</tr>
</tbody>
</table>

* As of October 1, 2014, VHA Classification Policy was reformatted to align with requirements. Approved sites of care will receive station number suffixes consistent with their conditional (intended) classification. Station numbers and suffixes will not change based on subsequent changes in classifications. Over time, it is possible suffix identifiers will not be directly associated with site classifications as the site classifications may change with the annual classification update.
APPENDIX C: VA REVENUE SOURCE CODES

BACKGROUND. This appendix provides the procedures and requirements for managing and assigning VA revenue source codes. VA’s revenue source code is a unique four-digit code to define revenue sources within different VA programs. The codes in FMS represent the mechanism to identify the applicable accounts receivable to move into the next fiscal year as part of the annual close process. Existing revenue source codes fall into two categories: (1) asset management revenue source codes, and (2) non-asset management revenue source codes.

VA managers and other designated employees will use VA’s FMS capability to assist them in carrying out their program responsibilities effectively and efficiently and in fulfilling their internal and external reporting requirements, including reports on revenue transactions, such as the following:

- Available Funds Report(s) for each TAS/TAFS that is subject to Treasury’s reporting requirements, inclusive of revenue transactions.

- Revenue Activity Summary Report at the internal fund organization and TAS/TAFS levels. The activity summary must provide the following data elements for each applicable General Ledger account, at a minimum:
  - The balance at the beginning of the accounting period;
  - The total amount of debits by transaction type for the accounting period;
  - The total amount of credits by transaction type for the accounting period; and
  - The cumulative ending balance for the accounting period.

- Federal Agencies’ Centralized Trial-Balance System I (FACTS I16) revenue data, as required by Treasury’s FMS, in any Government-wide financial report.

PROCEDURES

A. VA managers will determine the validity of and the need to make any changes to revenue source codes by reviewing the existing revenue source codes to determine if they are still valid, need a description modification, or should be deleted. Requests for any new revenue source codes or changes/deletions to current revenue source

16 FACTS I/II are being replaced by the Government wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) which is slated to go into production December 2013. GTAS was also developed under the CGAC structure and streamlines agency reporting.
codes will be forwarded to the Office of Financial Systems and Operations via Microsoft Outlook mailbox, “ACC\FCP Requests.”

B. VA FMS is designed with the flexibility to accommodate new and emerging reporting requirements, both internally and externally, to enable individual operating components to carry out program responsibilities effectively and efficiently.

1. VA’s revenue source codes will consist of a total of four characters which may be alpha, numeric, or alpha-numeric, to identify the organization earning the revenue.

2. VA’s revenue source codes will be assigned by using a standardized and unique numbering scheme as follows:

   a. Enhanced sharing assets must begin with an alpha character of “A” followed by three sequential numbers;

   b. Enhanced-use lease assets must begin with an alpha character of “E” followed by three sequential numbers; and

   c. Out-lease assets must begin with an alpha character of “U” followed by three sequential numbers.

3. The numbering scheme will support the activities below:

   • Transactions that record revenues based on sales of products or services, where the products or services are delivered prior to or concurrent with the payment.

   • Transactions that allocate receipts to unearned revenue/advances (e.g., allow for entry of receipts to an advance USSGL account, either on an individual transaction basis or for a class of transactions, based on a predefined attribute or combination of attributes).

   • Transactions that reclassify prior receipts to earned revenue based on some predetermined factor, such as an application process that allows for the earning of 25 percent of the fee as earned revenue as each step of the process is completed.

C. VA will use revenue source codes in the following activities:

1. Supply Fund activities will use a numbering scheme that begins with “SF,” “SM,” and “SR,” followed by two numeric characters for its revenue activities.
2. VHA will use revenue source codes for the Medical Care Collection Fund (MCCF) revenue activities and other reimbursable activities. The numbering scheme will begin with either code "81" through "89" with a combination of alpha-numeric for the third and fourth positions – or – with code "8A" through "8P" with a combination of alpha-numeric for the third and fourth positions. VHA will use a numbering scheme that begins with an “80” for all non-MCCF revenues and reimbursable activities.

3. VHA General Post Fund and NCA National Cemetery Gift Fund activities will use a numbering scheme that begins with a “9” for revenue activities.

4. VBA Loan Guarantee Programs will use a numbering scheme beginning with an “L” for revenue activities. Education and Insurance will use a numbering scheme beginning with a “V” for revenue activities.
APPENDIX D: VA SGL ACCOUNTS

BACKGROUND. The USSGL is the basis for VA’s Chart of Accounts, which provides control over all financial transactions and resource balances, and represents the basic structure for VA’s financial accounting and reporting functions, including proprietary, budgetary and any memorandum accounts. The procedures in this appendix will be used to assign and maintain VA’s SGL accounts. Because budgetary and proprietary accounts form the basis for producing required budgeting and financial reports, ensuring consistency in the accounting treatment of similar transactions creates reliable data used for planning, budgeting, reporting, and other management purposes.

A. USSGL Account Structure. The USSGL account structure is intended to be the minimum account structure providing a self-balancing set of accounts (the total debits equal total credits) and is used by Federal agencies to support the preparation of standard external reports required by OMB and Treasury. The Chart of Accounts identifies and defines budgetary, proprietary, and memorandum accounts to be used in VA accounting systems. Refer to the appropriate Treasury FMS USSGL web sites for reference, http://www.fms.treas.gov/ussgl/index.html.

1. Proprietary asset and liability accounts cover the receipt of funds in the Treasury, the proper classification of assets (such as receivables, prepayment, inventory, and fixed assets), and the recognition and proper classification of liabilities. The transactions in these accounts provide information on how operations are functioning, as well as ensure that the basic accounting equation remains in proper balance. The financial control provided through accounting records for property provides managers with a tool that helps to discharge effectively their stewardship function for those resources.

2. Budgetary accounts reflect the recording of appropriation, apportionment, allocation, commitment, obligation, revenue, and expense process. Revenue and expense accounts measure the realization of revenues from reimbursements and the recognition of costs through the use and consumption of assets. The transactions involve anticipating resources, realizing resources, or changing the status of resources.

B. In addition to the USSGL accounts published by Treasury, VA may use SGL accounts in the financial management systems that are different from the USSGL Chart of Accounts when it is deemed necessary and the internal SGLs are rolled into a valid USSGL.

VA’s four-digit SGL accounts are classified as follows:

- 1000 Assets;
- 2000 Liabilities;
- 3000 Net Position;
• 4000 Budgetary;
• 5000 Revenues and Financing Sources;
• 6000 Expense;
• 7000 Gains/Losses/Extraordinary Items, etc.;
• 8000 Memorandum\(^{17}\); and
• 9000 Memorandum

5. The standard account attributes required for reporting proprietary account information, namely, Federal Agencies' Centralized Trial-Balance System I (FACTS I), and reporting budgetary account information, Federal Agencies' Centralized Trial-Balance System II (FACTS II),\(^ {18}\) are listed in Section IV of the USSGL authority citation.

PROCEDURES

A. Maintenance of USSGL Accounts

1. VA will maintain general ledger accounts (FMS GLAC tables) and appropriate reference tables (e.g. ACED/ACEN). The GLAC resides within FMS and contains a list of SGL accounts. To establish accounts under the GLAC Table, accountants within the various VA operating areas will complete a GLA request form, ensuring that all applicable fields are populated.

2. VA will maintain only those accounts that are current to VA’s operations and adjust accounts annually based on any changes recommended by Treasury for the USSGL application. VA’s Chart of Accounts should reflect only those accounts that are used within continuing operations. VA will review Treasury’s annual guidance to determine whether new budgetary and proprietary accounts should be added to the Chart of Accounts, whether existing accounts require modification or definitional change, or whether existing accounts require deletion from the financial management systems.\(^ {19}\)

B. Establishment and Updates of USSGL Accounts (VA FMS GLAC Table). Requests for establishment or updates to VA USSGL accounts are processed through the respective administration or staff offices.

\(^{17}\) USSGL 8000 is currently used by VBA for credit reform transactions, however, they are researching the feasibility in using these accounts to capture purchases of PP&E for intragovernmental transactions.

\(^{18}\) FACTS I/II are being replaced by the Government wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) which is slated to go into production December 2013. GTAS was also developed under the CGAC structure and streamlines agency reporting.

\(^{19}\) The USSGL is updated annually by Treasury to recognize new business events and associated transaction types. These changes are published on Treasury’s website for review and adoption by agency financial operations at: http://www.fms.treas.gov/ussgl.
1. Operating area accountants will complete the General Ledger Account Request form (FMS GL Updates Request Form, http://www.va.gov/finance/policy/links.asp) to have general ledger accounts established or updated within the GLAC Table.

2. The completed request form will be submitted to the requester’s immediate supervisor for review and signature. The signed form is then forwarded to “FSC Transaction Review” mail group with a cc: to the designated OFP contact and the “Transaction Review” mail group.

3. Designated OFP personnel review the submitted forms for accuracy and perform checks-and-balances against the already established GLAC. Once a form is approved by OFP, it will be sent to the VACO FMS contact with a CC to “VACO 047e7” mail group.

4. After FMS Services receives the approved form, the request will be processed in FMS. Based on the confirmation from the system, the FMS Services contact will inform the requester, FSC review group, OFP group, and “Transaction Review” group of the completion via email.

5. OFP then notifies the requesting organization that the request has been approved and that an account has been established within the GLAC and is ready for use via email, with a cc: to the OFP Financial Reporting Service group (047GB).
APPENDIX E: VA AGENCY LOCATION CODES

This appendix provides procedures for the maintenance of the ALCs, to include requests for establishing, changing, or canceling an ALC. Questions related to ALC policy should be addressed to OFP Financial Reports Service.

A. Annual Review of ALC Contacts.

Annual Review of Contact List. The assigned FSC Financial Accounting Service (FAS) accountant will verify/update the assigned VA ALC contacts, as identified in Figure 1E-3: Active VA ALCs and Contacts annually (December). The accountant will verify by e-mailing or calling the individual contact and make any necessary changes. If the contact does not respond, the official will be contacted.

B. Procedures for Maintaining ALC.

1. New Request. A new request should only be made when a new major system or program is created and requires separate tracking from an existing system or program (e.g., replacement corporate financial system).

   a. A request for a new ALC will be submitted in a memorandum to the FSC Transaction Review mail group. The FSC Transaction Review group will assign the request to an FAS accountant. The ALC request must contain the following information:

   • ALC – Proposed ALC number;
   • Location – Agency address requesting ALC;
   • Program – Name of program;
   • Contact;
   • Contact phone number;
   • Official – AD or Director name, title, and phone number; and
   • Detailed justification

   b. The FAS accountant will verify the memorandum request to determine its propriety and whether the proposed ALC number is available and within the correct numbering sequence. All VA ALCs begin with 3600 and are an eight-digit number. The last four digits are assigned based on the following station number sequence:

   • Staff Offices: 100/200 series;
   • VBA: 300 series;
   • VHA: 400 – 600 series;
   • NCA: 700 - 900 series;
• Canteen: 785; and
• Manila Exception: ALCs are 14 digits—the 1st 4 are the agency locator code, 5th and 6th are the bureau code, 7th-10th are the ALC for Global Financial Service, 11th–14th are the Disbursement Office.

c. Once the information is verified, the FAS accountant forwards the request to the FAS Associate Director (AD) with their recommendation. If approved, FAS will send a letter to Treasury-FMS containing the above information and addressed to:

   **Cash Accounting Division (ALC Request)**  
   Department of the Treasury – FMS  
   Financial Management Service  
   3700 East-West Hwy., (Room 500E)  
   Hyattsville, MD 20782  
   202-874-9866

   Once the ALC is established, the FAS accountant will inform the requestor and the Chief of the FSC FAS Accounting Reconciliation and Report Division.

2. Cancel ALC Request.

   a. A request to cancel an ALC will be submitted in a memorandum to the FSC Transaction Review mail group. The FSC Transaction Review group will assign the request to an FAS accountant. The request should only be sent after the Statement of Differences has been cleared and no activity to the ALC has been posted for the past year. The ALC request must contain the following information:

   • ALC – cancellation  
   • Location – Agency address  
   • Program – Name of program  
   • Contact  
   • Contact phone number  
   • Official – AD or Director name, title, and phone number and  
   • Detailed Justification – Include where activity should be reported if any occurs in the future

   b. The FAS accountant will verify the memorandum request and forward it to the FAS Director with a recommendation. If approved, FAS will send a letter to Treasury-FMS containing the above information and addressed to:
c. Once Treasury FMS has canceled the ALC and notified FAS, the FAS accountant will inform the requestor and the Chief of the FSC FAS Accounting Reconciliation and Report Division.

**Figure 1E-3: Active VA ALCs and Contacts**

<table>
<thead>
<tr>
<th>ALC</th>
<th>LOCATION</th>
<th>PROGRAM</th>
<th>PHONE</th>
<th>RESPONSIBLE OFFICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>36000102</td>
<td>VA FSC Customers FAS (0474)</td>
<td>OGA Medical Claims Payments (Franchise Fund)</td>
<td>512-460-5257 512-460-5484 512-460-5195</td>
<td>Director, FAS 512-460-5207</td>
</tr>
<tr>
<td>36000103</td>
<td>VA Central Office (241B)</td>
<td>VBA Life Insurance Investments</td>
<td>302-375-6388 202-461-9355 202-461-9880</td>
<td>Director, VBA APRS 202-461-9968</td>
</tr>
<tr>
<td>03600104</td>
<td>VA FSC Customers FAS (0474)</td>
<td>iFAMS Processing</td>
<td>512-460-5257</td>
<td>Director, FAS 512-460-5207</td>
</tr>
<tr>
<td>36000200</td>
<td>Financial Services Center FAS (0474)</td>
<td>Payroll Adjustments (All appropriations and funds with salary expenses)</td>
<td>512-460-5257 512-460-5195 512-460-5484</td>
<td>Director, FAS 512-460-5207</td>
</tr>
<tr>
<td>36000201</td>
<td>Department of Veterans Affairs VBA Finance Center (201/241)</td>
<td>Benefits Payments (VBA benefits appropriations and funds)</td>
<td>708-681-6650</td>
<td>Director 708-681-6650</td>
</tr>
<tr>
<td>36000310</td>
<td>Department of Veterans Affairs</td>
<td>VBA Life Insurance</td>
<td>215-842-2000 ext: 4280 ext: 4279</td>
<td>Chief of Accounting</td>
</tr>
<tr>
<td>ALC</td>
<td>LOCATION</td>
<td>PROGRAM</td>
<td>PHONE</td>
<td>RESPONSIBLE OFFICE</td>
</tr>
<tr>
<td>----------</td>
<td>----------------------------------------------</td>
<td>----------------------------------------</td>
<td>------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>41</td>
<td>Regional Office &amp; Insurance Center</td>
<td>ext. 4716</td>
<td>215-842-2000 ext: 4716</td>
<td></td>
</tr>
<tr>
<td>36001200</td>
<td>Financial Services Center</td>
<td>VA core financial system (All appropriations and funds other than VBA Life Insurance)</td>
<td>512-460-5257 512-460-5254</td>
<td>Director, FAS 512-460-5207</td>
</tr>
</tbody>
</table>
APPENDIX F: JOURNAL VOUCHER PROCEDURES

A. Journal entries required to be entered by another finance activity or non-standard journal entries entered by the FSC will be supported by a completed OF 1017-G, Journal Voucher (OF 1017-G). Refer to Figure 1F-4: OF 10-17-G, Journal Voucher.

Some of the most common journal entries are:

- A direct disbursement transaction used to record expenditures for invoices from other Government agencies. These do not require an OF 1017-G to be completed, but source documentation to identify the charge and obligation should be maintained either in soft or hard copy. Intra-Governmental Payment and Collection System (IPAC) transactions processed as journal entries transactions should be properly supported and referenced.

- An advance disbursement transaction used to record advances and advance offsets for invoices from other Government agencies. These do not require an OF 1017-G to be completed, but source documentation to identify the charge and obligation should be maintained either in soft or hard copy. IPAC transactions processed as journal entries transactions should be properly supported and referenced.

- A transfer of accounting activities (assets, liabilities, or expenditures) to record transfers between stations. These transactions may require an OF 1017-G to be prepared if the transaction will also be entered by another finance activity. The finance office processing the transaction affecting another station serviced by a different finance activity will forward a copy of the OF 1017-G and supporting documentation to the respective finance activity in soft or hard copy.

- A transfer of accounting activities to record transfers between appropriations or fund accounts. These transactions may require an OF 1017-G to be prepared if the transaction will also be entered by another finance activity. The finance office processing the transaction affecting another station serviced by a different finance activity will forward a copy of the OF 1017-G and supporting documentation to the respective finance activity either in soft or hard copy.

- A transfer of accounting activities to record a transfer within a station. The finance activity processing this transaction will retain the supporting documentation of the transfer.

- A standard journal entry to record accounting activities such as deferred maintenance, salary accruals, continuation of pay, or capitalizing an asset.

- A transfer transaction to record a transfer of funds from one account to another, such as to transfer funds from a suspense account to an appropriated fund account.
The finance activity processing this transaction will retain the supporting documentation of the transfer.

B. OF 1017-G Preparation, Approval and Submission.

1. General internal procedures will ensure that the OF 10-17-G is:

   • Supported by proper and adequate documentation.
   
   • Reviewed and approved to ensure correct amounts and proper recording of entries at the posting account, appropriation, and fund levels, as applicable.
   
   • Annotated with the name, title, date, office symbol, and signature of both the preparer and the approver. For soft copy format, the name, title, and office symbol may be represented by user identification (user ID).
   
   • Authorized and approved at the appropriate level of management or designee. To maintain the proper segregation of duties, the preparer and the approving official will be different individuals. The approving official must have a level of authority above that of the individual preparing the OF 1017-G.
   
   • Posted as it is approved. This should be accomplished as part of the periodic monitoring and control processes.

2. The preparer will complete OF 1017-G, as needed, and ensure that the documentation supports the transaction request. Proper documentation, in hard or soft copy or both, is necessary to support all entries.

   • Documentation will be sufficient to provide the approving official and the auditors a clear understanding of the OF 1017-G and the ability to determine whether it is proper and accurate.

   • A request for a journal entry not supported by accurate or proper documentation will be denied and returned with a request for additional information required to process the OF 1017-G along with any applicable authoritative guidance to support the need for the journal entry.

   • Where detailed transactions are summarized in the form, the supporting documentation will be attached to the OF 1017-G. Detailed transaction information will be attached to the actual OF 1017-G or a location (e.g., shared drive, SharePoint) provided that identifies the supporting documentation.

3. The preparer will sign and submit the OF 1017-G and supporting documentation to the approving official for review. Where the process is mainly done in soft
copy, submission may also include entering the transaction into the financial system of record.

4. Journal entries entered by another finance activity: The approving official will review and approve (or reject) the OF 1017-G. Once approved, the preparer will enter the transaction into the financial system (if not completed in step 3) and forward a complete and approved copy of the package to the other finance activity.

5. Non-standard journal entries entered by the FSC: After the approving official has approved and signed the OF 1017-G, the preparer will submit the completed package to the email address VAFSC Nationwide Accounting (VAFSCNWAccounting@va.gov) for review and input into the system.

C. Rejection of an OF 1017-G.

1. OF 1017-G packages submitted to another finance activity may be returned to the JV preparer if there is insufficient documentation to support the request. Before returning the package, the finance activity should contact the submitting finance activity for additional information to address question and concerns. If the submitting finance activity cannot provide the requested supporting information, the JV package will be returned and the initial journal entry reversed. Subsequent requests will be submitted in accordance with the procedures in section B. above.

2. OF 1017-G packages (non-standard journal entries) submitted to the FSC for processing will be returned immediately to the JV preparer when there is insufficient documentation to process the journal entry. It is the responsibility of the preparer to research and resubmit the package through the review and approval process in section B. above. Packages may also be rejected if a standard transaction or other acceptable entry can be used to enter the JV transaction. The FSC will clearly annotate why packages are returned.
### JOURNAL VOUCHER

<table>
<thead>
<tr>
<th>REFERENCE</th>
<th>EXPLANATION</th>
<th>DEBIT</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**J.V. No.**

**DATE (MM/DD/YYYY)**

**Prepared By:** (Signature)

**Title of Preparing Official**

**Approved By:** (Signature)

**Title of Approving Official**

Optional Form 1017G (9-79)
Title 7, GAO Manual

**Figure 1F-4: OF 1017-G, Journal Voucher**
D. Journal Voucher Standard Operating Procedure

1. This guidance below, starting in section 1.0 pertains to select staff at the FSC for the approval of top-level FMS journal vouchers, and select staff at FSC, VBA, and OFP for the preparation and approval of journal entries in MinX for financial reporting and presentation purposes. The Standard Operating Procedure does not apply to the operational entries completed at the field level for routine accounting activities but does apply to journal vouchers submitted to FSC for input to FMS.

1.0 Overview

The VA’s Financial Management System (FMS) serves as the central accounting system for all of VA. Financial statements are prepared using extracts from FMS general ledger data, Trust Oversight data, and journal voucher (JV) entries through the Management Information Exchange (MinX) system, which generates the Quarterly and Annual Consolidated Financial Statements. FMS has limited report production capabilities which resulted in the development of MinX. The MinX system assists in the creation of the financial statements and uses mechanisms like JVs and manual crosswalks to support accurate external reporting. The purpose of this SOP is to provide guidance and instructions for JV preparers and approvers of adjusting JVs within FMS and MinX and does not apply to the operational entries completed at the field level for standard, routine business transactions.

1.1 Rescinded

1.2 Roles and Responsibilities

All VA Administrations have the ability to produce JVs; however, activities relating to the posting of JVs into FMS and MinX are primarily split between the FSC in Austin, Texas, and VA Central Office (VACO). Each organization with the capability to prepare JVs also maintains the authority to approve their JVs below the $100 million threshold. JVs equal to or greater than $100 million require the Administration or Staff Office CFO’s approval prior to entry into the accounting system. FSC will post all Minx JVs $100 million or greater. FSC provides final approval of all FMS JVs prepared by other Administration and Staff Office accounting staff. OFP will post and approve financial statement related MinX JV adjustments. The sections below describe the key functional organizations involved in the JV process as well as specific roles and responsibilities of those preparing, approving, and posting FMS/MinX JVs.
1.2.1 FMS

Figure 1.2.1-1 FMS JV Key Functional Organization Responsibilities

<table>
<thead>
<tr>
<th>Organization</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans Benefits Administration (VBA)</td>
<td>Located in Washington, DC, VBA APRD accountants in VACO complete the majority of adjusting entries for VBA transactions. The VBA Finance Center, Administrative and Loan Accounting Center (ALAC), and Insurance Center may also identify the need for an adjusting entry.</td>
</tr>
<tr>
<td>Accounting Policy and Reporting Division (APRD)</td>
<td></td>
</tr>
</tbody>
</table>

Figure 1.2.1-2 FMS JV Key Roles

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMS JV Preparer</td>
<td>The FMS JV Preparer identifies the need for a JV, collects the necessary supporting documentation, and prepares the adjusting JV for the FMS JV Approver to review and approve. The FMS JV Preparer may be an accountant at the administration/station level, or may be from FSC-ASOD or others within FSC-FAS.</td>
</tr>
<tr>
<td>FMS JV Approving Official</td>
<td>The FMS JV Approving Official reviews the JV and supporting documentation for accuracy and completeness and approves the JV for posting. The FMS JV Approving Official is generally the supervisor of the FMS JV Preparer, or his/her designated representative.</td>
</tr>
<tr>
<td>FMS JV Authorizer</td>
<td>The FMS JV Authorizer reviews the final approved JV and posts the JV to FMS. The following positions are normally designated as FMS JV Authorizers for FMS JVs: Director, Financial Accounting Service; Chief, Accounting Systems Operations Division; and Chief,</td>
</tr>
</tbody>
</table>
### Role Responsibilities

Accounting Systems Oversight Section. In their absence, other knowledgeable parties may be delegated this authority. There are typically no more than five FSC staff members with security access to input JV transactions in FMS including delegated backups.

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#### 1.2.1 MinX

**Figure 1.2.2-1 MinX JV Key Functional Organization Responsibilities**

<table>
<thead>
<tr>
<th>Organization</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Reports Service (FRS), Office of Financial Policy</td>
<td>FRS accountants in VACO are responsible for Department-level transactions. When the reporting periods have closed, FRS oversees all adjustments that are processed as a result of extenuating circumstance or audit adjustments in period 13 and 14. When necessary, designated MinX users can manually consolidate (non-standard practice) data in MinX instead of waiting for the automatic overnight consolidation.</td>
</tr>
<tr>
<td>Financial Services Center (FSC), Financial Accounting Service (FAS)</td>
<td>FSC-FAS Accountants are responsible for preparing and submitting JVs in MinX. FSC-FAS Supervisory/Staff Accountants are responsible for reviewing, approving, and posting JVs in MinX. FSC Director, Deputy Director, or their designee will perform a secondary review of non-routine MinX JVs over $100 million and respond to the administration within two business days for any questions. All other JVs will be processed as submitted.</td>
</tr>
<tr>
<td>Veterans Benefits Administration (VBA)</td>
<td>VBA accountants in VBA-APRD are responsible for submitting adjusting entries for VBA transactions. VBA has the ability to submit and approve JVs in</td>
</tr>
<tr>
<td>Organization</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>National Cemetery Administration (NCA)</td>
<td>NCA has the ability to process JVs in MinX; however; all NCA JVs are submitted and posted by the FSC.</td>
</tr>
<tr>
<td>Veterans Health Administration (VHA)</td>
<td>VHA has the ability to process JVs in MinX; however, all VHA JVs are submitted and posted by the FSC.</td>
</tr>
<tr>
<td>FSC-Enterprise Oversight Division</td>
<td>FSC-EOD is responsible for performing a quarterly second level review of a sample to ensure adjusting entries processed in MinX have supporting documentation.</td>
</tr>
</tbody>
</table>

**Figure 1.2.2-2 MinX JV Key Roles**

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>MinX JV Submitter</td>
<td>The MinX JV Submitter identifies the need for a JV, collects the necessary supporting documentation, and enters / submits the JV into MinX for the approver to review, approve, and post to the system.</td>
</tr>
<tr>
<td>MinX JV Approver</td>
<td>The MinX JV Approver reviews the JV and supporting documentation for accuracy and completeness and approves the JV via the “Approve” function in MinX.</td>
</tr>
<tr>
<td>MinX Advanced User</td>
<td>The MinX Advanced User has the ability to enter / submit JVs as well as certify / approve JVs that they have prepared. The MinX Advanced User also has the ability to open and close periods within MinX.</td>
</tr>
<tr>
<td>MinX JV Poster</td>
<td>The MinX JV Poster posts an approved JV or reviews the JV and supporting documentation for accuracy and completes and posts the JV via the “Post” function in MinX.</td>
</tr>
</tbody>
</table>
1.3 Authorities and References

- **VA Financial Policies and Procedures, Volume II – Chapter 1, Accounting Classification Structure** – This chapter establishes the VA financial policies and procedures regarding VA’s accounting classification structure and information used to meet Government-wide reporting and financial requirements.

- **VA Financial Policies and Procedures, Volume VII – Chapter 2, Consolidated Financial Statements** – This chapter establishes the VA policy and procedures for preparing the annual consolidated financial statements submitted to the OMB, the Department of the Treasury, and the United States (US) Congress (USC).

- **VA Financial Policies and Procedures, Volume I – Chapter 8, Period-Ending Procedures** – This chapter establishes the VA financial policies and procedures related to period-ending procedures necessary to meet VA’s financial accounting and reporting requirements.

- **VA Financial Policies and Procedures, Volume VII – Chapter 5, Intragovernmental Activity and Reconciliations** – This chapter establishes VA policies and procedures for identifying, recording, reconciling, and reporting intragovernmental transactions.

- **VA Financial Policies and Procedures, Volume VII, Chapter 1, – Financial Reporting: General Financial Reporting Requirements** – This chapter sets forth the purpose, authorities and references, policies, roles and responsibilities, procedures, definition, and rescissions of any existing policy and procedures documents relating to financial reporting requirements.

- **VA Financial Policies and Procedures, Volume VII – Chapter 6, Federal Agencies Centralized Trial Balance System (FACTS) II** – This chapter addresses the VA policy and procedures to meet the Report on Budget Execution and Budgetary Resources (SF 133) and FACTS II reporting requirements. FACTS II has been replaced by the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS). VA Policies are currently in the process of being updated to reflect GTAS.

- **VA Policy Directive 4900** – Prescribes policy, responsibilities, references, and definitions that VA program managers must follow to demonstrate the required internal controls over the development and maintenance of Office of Management (OM) automated information systems within VA. Establishes the Systems Quality Assurance Service (SQAS) as the primary office for management and oversight of independent verification and validation (IV&V) activities and the internal control areas for OM systems developed, managed, maintained, or contracted by OM and related system interfaces.
• **OMB Circular A-123, Enterprise Risk Management and Internal Control** – Government-wide regulation defining the management responsibilities for internal controls which apply to Adjusting Entries.


• **Federal Financial Management Improvement Act (FFMIA)** – Requires compliance with the US Standard General Ledger (USSGL) at the transaction level


• **Bureau of the Fiscal Service Federal Intragovernmental Transactions Accounting Policies Guide** - This guide provides Government-wide policies for Federal program agencies to account for and reconcile transactions occurring within and between Federal Agencies.

### 1.4 Systems

The systems listed below are the primary systems significant in the FMS and MinX Adjusting JV process.

• **Financial Management System (FMS)** – FMS is a standardized, integrated, VA-wide system that interfaces externally with Treasury, the General Services Administration, the Internal Revenue Service, the Defense Logistics Agency, and various commercial vendors and banks for electronic billing and payment purposes. This system supports the collection, processing, and dissemination of several billion dollars of transactions and financial information each FY. FMS verifies that external financial systems comply with Government accounting
principles and standards, financial policy, and automated financial exchange requirements. FMS serves as the VA system of record.

- **Management Information Exchange (MinX)** – This system consolidates GL activities from JVs, FMS and other sources such as Trust Oversight to create financial statements for external reporting. The Office of Fiscal Policy (OFP) implemented MinX to improve the VA’s financial reporting and to comply with the requirements of the Federal Managers Financial Integrity Act (FMFIA) and OMB Circulars A-123, A-127, and A-130. The VA uses MinX to compile financial data for reporting to OMB through GTAS and other users. All data reported on the financial statements is derived based on rules defined in MinX tables that follow Treasury reporting rules. OFP defined a rule in the MinX tables for each item reported on the financial statements.

- **The Austin Information Technology Center (AITC) transfers FMS data to MinX.** The AITC runs a nightly production job to extract year-to-date journal transactions for current and reportable GL accounts and funds from FMS. The AITC transfers a flat file to MinX using File Transfer Protocol (FTP). Access to this file is restricted using current VA mainframe access security standards. The production job does not change FMS data. During year end close, there are a number of manually initiated transfers between these systems. At the start of Period 13, trial balance data is transferred from FMS to MinX. After Period 13 adjustments are entered into MinX, transactions coded as FMS Adjustments are interfaced from MinX to FMS. Transactions coded as Non-FMS Adjustments or None are not interfaced from MinX to FMS. This starts Period MinX Period 14 which should only be used for financial statement presentation adjustments. If audit adjustments are received during this period, they are made in MinX.

### 1.4.1 Other Systems

The following additional systems impact the FMS and MinX Adjusting JV process, specifically as interface or other system limitation or reconciliation issues result in the need for adjusting JVs in FMS or MinX.

- **Integrated Funds Distribution Control Point Activity, Accounting and Procurement (IFCAP)** - IFCAP software, which is an application in the Veterans Health Information Systems and Technology Architecture (VistA), handles logistic and financial functions. IFCAP accounting functions and transmits documents to the Financial Management System (FMS) located in Austin, Texas. In addition, IFCAP transfers obligation information back to the Control Point and updates the Control Point Balance automatically.

- **Government-wide Treasury Account System (GTAS)** – GTAS is a Treasury web-based system implemented for use in Government-wide reporting that merged the functionality of four applications that collected trial balance data: FACTS I, FACTS II, Intragovernmental Fiduciary Confirmation System (IFCS), and Intragovernmental Reporting and Analysis System (IRAS). Agencies submit proprietary and budgetary data simultaneously in one submission. Edits within GTAS check data across both budgetary and proprietary reporting. GTAS was launched in December 2013 for FY2014 reporting.
• **Government-wide Financial Reporting System (GFRS)** – GFRS is a Treasury web-based system that captures each agency's closing package information. GFRS links the agencies' comparative, audited consolidated, Department-level financial statements to the AFR. As an integrated financial consolidation and reporting tool, GFRS is the direct link between VA’s audited financial statements and the Federal Government-wide Consolidated Financial Statements. Beginning in Fiscal Year (FY) 2016 Treasury will populate GFRS reclassified lines, starting with module 3, with GTAS trial balance data. GFRS is comprised of several different modules used by VA to enter financial data into GFRS.

• **Intragovernmental Reporting System (IGRS)** – IGRS is a VA Hyperion-based system used by the Financial Reports Division (FRD) to assist in the preparation of the Intragovernmental Reconciliation and Analysis System report on intragovernmental transactions submitted to Treasury. It is a system that compiles reports and facilitates research into VA’s transactions with other Federal agencies.

• **OMB MAX (indirect)** – MAX Information System collects, validates, analyzes, models, collaborates with agencies on, and publishes information relating to its government-wide management and budgeting activities.

• **Benefits Delivery Network (BDN)** – The BDN is the legacy system employed by VBA to process certain entitlements, claims, and compensation payments. The primary services of the BDN are: receipt, processing, tracking and disposition of veterans’ applications for benefits; requests for assistance and general administration of legislated benefit programs. The BDN processes at the Hines Information Technology Center (ITC) and supports the external interfaces (such as SSA and IRS) and provides payment data to the U.S. Treasury, which issues benefit payments. BDN also interfaces with FMS and transmits transactions to update the budget tables and general ledgers. Transactions are at a summary level for reporting purposes.

• **VALERI** – VALERI is VA’s web-based system to help monitor servicers and the success of the Veterans Affairs (VA) Home Loan Program. The system allows users to monitor the servicing of VA loans, generate loss mitigation recommendations, review adequacy of servicing, review non-routine claims and incentives, and conduct post-audits. VALERI also houses reporting tools to assist VA personnel.

• **CPTS/WebLGY** – The Department of Veterans Affairs (VA) Loan Guaranty Service (LGY) administers a home loan program that encourages home ownership among eligible Veterans, active-duty personnel, eligible surviving spouses, and members of the Reserves and National Guard. The program provides loan guaranty for residential property purchased by eligible borrowers. In certain cases (e.g., Native American direct loans, refunded loans, and vendee loans), the VA will provide direct financing to eligible borrowers resulting in direct financing loan assets for the VA. If a VA-guaranteed or VA-financed home loan terminates from foreclosure, the VA usually acquires the property. In these instances, the VA becomes the holder of Real Estate Owned (REO) assets.
VA uses contractors to manage REO and loan assets. The WebLGY system assists the VA in oversight of REO and loan assets.

- **CWINRS** – CWINRS is the Vocational Rehabilitation and Employment Service’s (VR&Es) electronic case management system used to manage caseload and program costs. The system automatically generates VA forms and letters, makes payments on behalf of the participants, schedules and tracks appointments, and provides staff a complete case history of chronological events.

- **VBA Finance and Accounting System** – VETSNET FAS is an online application that provides fiscal and accounting transaction processing for Compensation, Pension, Chapter 18, Reinstated Entitlement Program for Survivors (REPS), and Vocational Rehabilitation & Employment (CH31) programs. It is one component of a suite of applications known as VETSNET, which altogether supports VBA’s C&P claims processing from establishment through payment and beyond.

### 1.4 Significant Documents and Forms

- **OF 1017-G** – This document is designed to capture the data that will be input/uploaded into FMS or MinX for JV submission, review and approval.

- **SF 133 Workbook** – FSC-FAS prepares a SF 133 Workbook for most VA TAFS, which is created in Excel and includes the FMS monthly trial balance and a JV worksheet with additional tabs to assist in preparation and support of the SF 133 and JVs. TAFS assigned to VBA do not use the SF 133 workbook. For VBA TAFS the SF 133 is created directly in MinX.

- **MinX JV Review Report** – The MinX JV Review Report evidences the secondary review of MinX JVs performed by FSC’s EOD.

- **FMS JV Log** – The FMS JV Log is used by FSC and is designed to track JVs that have been created, submitted, and posted to FMS. It captures information that provides details that will help with identifying the JV in FMS. This data includes an FSC assigned sequential number, FMS document ID, the preparer, the approver, the date posted, and a description.

- **MinX JV Log** – The MinX JV log is a report obtained from the MinX system that captures all JVs that have been created, submitted, and posted in MinX. The MinX JV log is used as a tool in the monthly and quarterly monitoring procedures.

### 2.0 JV User Guide Process Overview

Adjusting JVs are required in situations where no standard transaction exists in FMS or system limitations require an entry in MinX for financial reporting and presentation purposes. The following sections of this SOP describe the categories or approved
purposes for FMS/MinX JVs; procedures for the preparation, review, and approval of JVs; supporting documentation and retention procedures; and risk identification processes that impact the ongoing monitoring and testing of JVs.

2.1 Approved Purposes for JVs

2.1.1 FMS

FMS adjusting JVs are used in circumstances where a correction or adjustment is required and there is no standard FMS transaction. In the event that an FMS adjusting JV with the same purpose and impacting the same GL accounts is required on a recurring basis, the FSC will work to develop a standard FMS transaction for that scenario. Due to character limits in FMS data fields and in an attempt to standardize the descriptions used for JVs, FSC has implemented a series of FMS JV categories/types. Figure 2.1.1-1 summarizes the common categories/types of FMS adjusting JVs and is not an all-inclusive listing of approved FMS adjusting JV purposes.

**Figure 2.1.1-1 Common Categories of FMS Adjusting JVs**

<table>
<thead>
<tr>
<th>Type</th>
<th>Description/Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrual</td>
<td>This category of JV is used to record accruals that are not recorded by the administrations/stations as routine business transactions in the normal course of business.</td>
</tr>
<tr>
<td>Adjustment</td>
<td>This category of JV is used for any type of correction or adjustment that is required. Common types of adjustments include the following: Advances, Asset, Balance Sheet, Budget Authority, Closing Accounts, FMS System Issue, Net Position, Payables, SF-133.</td>
</tr>
<tr>
<td>Cleanup</td>
<td>This category of JV is used for JVs completed to prepare FMS data for conversion to a new accounting system.</td>
</tr>
<tr>
<td>Elimination</td>
<td>This category of JV is used for intra and intergovernmental elimination purposes.</td>
</tr>
<tr>
<td>Interface</td>
<td>This category of JV is used for adjustments that are required due to interface issues between FMS and other systems used to process transactions in the normal course of VA business. Common types of interface adjustments include: Adjustment, Balance Sheet, Canteen, Closing Accounts, Outlays, Payables, Trading Partner.</td>
</tr>
<tr>
<td>Issue</td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>This category of JV is used for adjustments required for financial statement presentation purposes.</td>
</tr>
<tr>
<td>Reclassify</td>
<td>This category of JV is used to correct entries where an attribute of the JV was incorrectly recorded. These JVs do not have an impact on the</td>
</tr>
</tbody>
</table>
2.1.2 MinX

MinX JVs are used primarily to adjust GL balances for the content and presentation of VA’s financial statements. Adjustments are made to all GL accounts to accurately report or present VA’s financial information. Figure 2.1.2-1 includes a listing of the current approved purposes for MinX JVs. Note that this listing may not be all inclusive and should be regularly reviewed and updated by OFP.

### Figure 2.1.2-1 Approved Purposes for MinX JVs

<table>
<thead>
<tr>
<th>Type</th>
<th>Description/Example</th>
<th>GL Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Accruals/Payroll</td>
<td>Adjustments specific to accrued expense methodology and payroll</td>
<td></td>
</tr>
<tr>
<td>Annual Leave</td>
<td>Record Annual leave liability – funded and unfunded</td>
<td>Multiple GLs</td>
</tr>
<tr>
<td>Accrual Adjustments</td>
<td>Record Accrual Adjustments</td>
<td>Multiple GLs</td>
</tr>
<tr>
<td>2-Budgetary Adjustments</td>
<td>Adjustments to conform to budgetary documents – for example, SF-132 Schedule of Apportionment</td>
<td></td>
</tr>
<tr>
<td>Budgetary Corrections</td>
<td>This entry is used to balance the SF-132; correct budgetary interface issues</td>
<td>Multiple SGLs</td>
</tr>
<tr>
<td>3-Financial Presentation</td>
<td>Adjustments to financial statement line items, for example, eliminations</td>
<td></td>
</tr>
<tr>
<td>Financial Reporting Presentation</td>
<td>This entry is to record VA Offsetting Receipts. Collections are credited to general fund, special fund, or trust fund receipt accounts.</td>
<td>9701 AND 9702</td>
</tr>
<tr>
<td>Type</td>
<td>Description/Example</td>
<td>GL Impact</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td><strong>This entry is to correct ending balance for incorrect close out of prior year rescission amount. Note: This adjustment is temporary, pending recommended resolution.</strong></td>
<td></td>
<td>3100 and 3310</td>
</tr>
<tr>
<td><strong>This adjustment is required to conform with Treasury's reclassified crosswalks to submit into the GFRS closing package for the SNC.</strong></td>
<td></td>
<td>Multiple SGLs and 5XXX and 6XXX</td>
</tr>
<tr>
<td><strong>Eliminations</strong></td>
<td><strong>This entry is used for Statement of Net Cost eliminations.</strong></td>
<td>Multiple GLs</td>
</tr>
<tr>
<td></td>
<td><strong>This entry is required for VA SNC elimination and reclassification for intragovernmental activity and presentation.</strong></td>
<td>Multiple GLs</td>
</tr>
<tr>
<td></td>
<td><strong>This entry eliminates the intragovernmental receivable balances in supply and franchise funds (re: DeptAdmin) and offsets the elimination against VHA payables.</strong></td>
<td>1316, 1317 AND 211N</td>
</tr>
<tr>
<td></td>
<td><strong>This entry is required to reclassify expenses to 036 to offset Franchise Revenue per IVLT.</strong></td>
<td>6100</td>
</tr>
<tr>
<td><strong>4-Timing Differences</strong></td>
<td><strong>Adjustments to account for data not available at month end for example from Treasury, DOL, DOJ</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Treasury CARS Cash Adjustments</strong></td>
<td><strong>This entry adjusts FBWT accounts to Treasury CARS balances and establishes the Treasury liability.</strong></td>
<td>1010 and 2400</td>
</tr>
<tr>
<td></td>
<td><strong>This entry reclassifies the balances from sub 00 to the only active sub (90); and to the other 6 subs to match CARS; and is required to certify GTAS.</strong></td>
<td>1010, 1023, 2400, 2401 AND 2404</td>
</tr>
<tr>
<td></td>
<td><strong>This entry adjusts NonFMS FBWT GL to tie to GTAS FBWT balance and establishing Treasury liability; and is required to certify GTAS.</strong></td>
<td>1010 AND 2985</td>
</tr>
<tr>
<td>Type</td>
<td>Description/Example</td>
<td>GL Impact</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>This entry reclassifies FMS GFR balances and establishes the Treasury liability.</strong></td>
<td></td>
<td>2985 AND 6744</td>
</tr>
<tr>
<td><strong>This entry is required in Period 14 for Cancelling Funds. FMS close logic incorrectly posts to cancelling years with TC ‘BL’.</strong></td>
<td></td>
<td>4350, 480F AND 480N</td>
</tr>
<tr>
<td><strong>Authoritative Sources (e.g. DOL FECA)</strong></td>
<td>This entry adjusts the prior year Actuarial Expense recorded in the current year.</td>
<td>2225 AND 6850</td>
</tr>
<tr>
<td><strong>Judgment Fund</strong></td>
<td>This entry records the Judgment Fund imputed costs and also the accrual related to Legal contingencies.</td>
<td>5780 AND 6734</td>
</tr>
<tr>
<td><strong>5-Other</strong></td>
<td><strong>One time entries not belonging to the above categories</strong></td>
<td></td>
</tr>
<tr>
<td><strong>6-System Limitations</strong></td>
<td><strong>Adjustments necessary to account for VA systems limitations, including trading partner corrections</strong></td>
<td></td>
</tr>
<tr>
<td><strong>GTAS</strong></td>
<td>This adjustment is required to conform with Treasury's reclassified crosswalks to submit into the GFRS closing package for the BS.</td>
<td>Multiple GLs, 13XX, 14XX and 2XXX.</td>
</tr>
<tr>
<td></td>
<td>These entries are required to correct for how MinX calculates net position amounts as a result of how prior year MinX period 14 entries roll forward.</td>
<td>2650, 2921, 3310 AND 6850.</td>
</tr>
<tr>
<td></td>
<td>This entry adjusts GTAS TP 999 for SL 5720,</td>
<td>5720, 5721, and 5723</td>
</tr>
<tr>
<td><strong>Canteen</strong></td>
<td>This entry is used to true-up Canteen Services ledgers for monthly close. Canteen operates on a retail cycle separate from VA's system, and manual adjustments are necessary to bring VA's ledgers into alignment with Canteen.</td>
<td>1010, 1023, 1120, 1190, 1311, 2116, 3310, 5103, 6100 AND 9089.</td>
</tr>
<tr>
<td><strong>Trading Partner Corrections</strong></td>
<td>This entry is used to properly record transactions with Trading Partners due to inherent FMS limitations.</td>
<td>Multiple SGLs</td>
</tr>
<tr>
<td><strong>7- Audit Adjustments</strong></td>
<td><strong>Auditor requested adjustments</strong></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>Description/Example</td>
<td>GL Impact</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>Audit Adjustments</td>
<td>This entry is used to record proposed audit adjustments in MinX period 14.</td>
<td>Multiple SGLs</td>
</tr>
</tbody>
</table>

2.2 Process for Creating and Approving Journal Vouchers

2.2.1 FMS

FSC-FAS staff post adjusting JVs in FMS as needed when a VA field station, administration, or FSC-FAS encounters an abnormal balance or problem that cannot be corrected with a standard FMS transaction. These requests may come from VBA-APRD or from the station level within one of VA’s Administrations. The ability to post adjusting JVs in FMS is limited to a small group within FSC-FAS.

2.2.1.1 Procedures for FMS JV Preparation

1. The FMS JV Preparer identifies the need to complete a JV. Before creating a JV, the FMS JV Preparer should consider the following:
   a. Whether the JV is intended for more than one purpose. If the intended JV serves more than one purpose, then the FMS JV Preparer should prepare multiple JVs.
   b. Whether there is a standard FMS transaction that can correct the issue. The FMS JV Preparer should work with the FSC-NAS Accountant to verify that there is no standard FMS transaction available.
   c. Whether the JV is on the list of standard adjusting FMS JV categories (see Section 2.1.1)
      i. If the JV is not on the list of standard adjusting FMS JV categories, the FMS JV Preparer should consult with the FSC-NAS Accountant, FMS JV Approving Official, FMS JV Authorizer, or other official to verify that the JV is necessary.

2. The FMS JV Preparer sends the OF 1017-G JV form via email or fax with all supporting documentation to the FMS JV Approving Official. The OF 1017-G JV form provided by the FMS JV Preparer must include the GL accounts, fund, and budget fiscal year. The following additional fields may also be provided depending on the purpose of the JV:
   a. Balanced budgetary and balanced proprietary general ledger entries at the individual FMS fund code level.
   b. The cost center,
   c. Fund control point/accounting classification code, and
d. Budget object code for any expense GL accounts and obligation/expenditure
   GL accounts.
e. The revenue source code for any revenue GL accounts and budgetary
   reimbursement GL accounts.
f. A schedule number and accomplish date for cash entries.
g. The vendor code is included for federal GL account entries.
h. An explanation describing what caused the erroneous balance.

### 2.2.1.2 Procedures for FMS JV Approval

1. The FMS JV Approving Official reviews the JV and supporting documentation for the
   following:
   a. The FMS JV resolves the identified problem;
   b. The description includes adequate detailed explanations supporting why the
      JV must be processed;
   c. The JV category and entry descriptions are consistent and complete;
   d. Supporting documentation stands on its own;
   e. Documentation is complete and attached schedules and calculations tie to the
      adjustment amounts of the JV; and

2. If the JV requires updates, the FMS JV Approving Official will notify the FMS JV
   Preparer of the required updates. The FMS JV Preparer updates the JV and
   supporting documentation as required.

3. The FMS JV Approving Official signs the hard copy or provides an electronic
   approval of the JV to indicate approval and the JV and supporting documentation is
   provided to the FMS JV Authorizer.
   a. For JV’s initiated by a field level-station or Administration, the FMS JV
      Preparer or FMS JV Approving Official submits the JV and supporting
      documentation to the FSC-NAS Accountant through the “VA FSCNW
      Accounting” Outlook Mailbox at <VAFSCNWAccounting@va.gov>. The FSC-
      NAS Accountant provides secondary review and approval prior to submitting
      to the FMS JV Authorizer.
   b. For JV’s initiated within FSC FAS, all supporting documentation must also be
      provided to the FMS JV Authorizer.

4. The FMS JV Authorizer enters the JV into the JV log to obtain a sequential number,
   provides final approval by adding his/her initials and date to the bottom hard copy of
   the JV, and then enters the approved JV into FMS.

5. Once the JV is posted in FMS, the FMS JV Preparer or FSC-NAS Accountant
   updates the JV supporting documentation to demonstrate that the JV was accurately
   posted in FMS (e.g. a screenshot of the JV, trial balance or other available report).
The final JV supporting documentation should be submitted to the Document Management System (DMS) via a request to the mailroom.

### 2.2.1.3 FMS JV’s Requiring Additional Approvals

1. If the JV dollar value is at or above $1 billion for an individual line item of the Balance Sheet or Statement of Budgetary Resources (SBR) and $500 million for the Statement of Net Cost (SNC), the JV must be approved by a Senior Executive (SES) member in the preparer’s organization prior to posting in FMS. These thresholds for approval pertain specifically to a change in individual financial statement line amounts as opposed to the absolute value of all lines on the JV.

2. The FMS JV Preparer, FMS JV Approving Official, or FMS JV Authorizer must provide the JV and supporting documentation to the SES either in hard copy or via email.

3. The SES reviews and approves the documentation and provides evidence of approval, in either hard copy or electronic format, to the FMS JV Preparer, FMS JV Approving Official, or FMS JV Authorizer.
   a. In situations where the same JV (type, purpose, GL impact) is required periodically throughout the year (e.g. monthly, or quarterly), the SES may provide broad approval for all instances of the JV, in the form of a summary memo or other blanket statement.

4. Once the SES’ approval and signature is obtained, the FMS JV Authorizer posts the JV in FMS.

5. The FMS JV Preparer, FMS JV Approving Official, or FMS JV Authorizer verifies that evidence of the SES approval is retained with the supporting documentation package that is sent to DMS.

### 2.2.2 MinX

FSC-FAS, FRS, and VBA-APRD staff post adjusting entries in MinX on a monthly basis, primarily for reporting purposes. At the beginning of each period, MinX starts with no data for the new period. The MinX trial balance is populated through manually entered JVs and the nightly interface from FMS.

#### 2.2.2.1 Procedures for MinX JV Preparation

1. On a monthly basis, when the MinX period opens, the MinX JV Submitter identifies a need to complete a JV. Before creating a JV, the MinX JV Submitter should consider the following:
a. Whether the sequence of other JVs impacts the JV the MinX JV Submitter is going to make. For example, all “Elimination” JVs must be done last.
b. Whether an adjustment can be posted in FMS, rather than in MinX. The MinX JV Submitter should consult with FSC-FAS or FRS. Note: Once the FMS period is closed and MinX period is open, it is too late to enter an adjustment in FMS; however, the preparer should consider whether this type of adjustment, if required in the future, can be done in FMS, rather than in MinX.
c. Whether the JV is on the list of approved recurring JVs (see Section 2.1.2). If the JV is not on the list of approved MinX JV purposes, the MinX JV Submitter should consult with the MinX JV Approver, FRS Director, or other official to verify that the JV is necessary.
d. Whether the JV is required in MinX period 13 or 14.
   i. MinX period 13 is considered the adjustment period for permanently recording JVs from MinX into FMS. It is critical that the MinX JV Preparer select “FMS Adjustment” or “Non-FMS Adjustment” in period 13 so that entries properly transfer to FMS. All entries flagged as “FMS Adjustment,” are recorded as permanent in FMS, when period 13 in MinX is closed. During period 13 for a pre-set period of time per the close schedule, MinX is available for JV input. After the period 13 close date, the MinX JV Preparer must request permission from FRS to post adjustments. MinX will be re-opened on a case by case basis. For an alignment of the MinX and FMS periods, see Section 2.8.
   ii. When MinX period 14 opens, MinX should be used only for certain types of adjustments such as corrections to the presentation of statements, adjustments that must be made as a result of the audit, entries to re-input rejections from the Period 13 interface, or to re-input Non-FMS transactions from Period 13 that are not carried forward to Period 14.

2. Once the need is identified, the MinX JV Submitter either populates the OF 1017-G or submits the JV data directly into MinX. Specific fields are required to be completed to successfully upload the data into MinX. Figure 2.2.2.1-1 details what is required to be captured in each MinX JV data field.

**Figure 2.2.2.1-1 MinX JV Data Field Requirements**

<table>
<thead>
<tr>
<th>Field</th>
<th>Headings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Label</strong></td>
<td>Input the JV Name, following the naming convention of – Administration_Fund_Period Year_Alpha-numeric Character(s) (e.g. A, B, C, D, E). *--Note that VBA uses the</td>
</tr>
<tr>
<td>Field</td>
<td>Headings</td>
</tr>
<tr>
<td>----------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Field</td>
<td>Business Line (e.g. HOU, BEN, INS, etc.) in lieu of the Administration, as required for VBA reporting.</td>
</tr>
<tr>
<td>Balance Type</td>
<td>Select “Balanced” or “Balanced by Entity”, in cases where the JV applies to more than one entity. The field will default to “Balanced.”</td>
</tr>
<tr>
<td>Year and Period</td>
<td>Select the Year and Period to which the JV applies, at the system POV view.</td>
</tr>
<tr>
<td>Type</td>
<td>Regular</td>
</tr>
<tr>
<td>Group</td>
<td>This field is a drop down menu: Select One of the following MinX JV Categories:</td>
</tr>
<tr>
<td></td>
<td>• 1-Accruals/Payroll</td>
</tr>
<tr>
<td></td>
<td>• 2-Budgetary Adjustments</td>
</tr>
<tr>
<td></td>
<td>• 3-Financial Presentations</td>
</tr>
<tr>
<td></td>
<td>• 4-Timing Differences</td>
</tr>
<tr>
<td></td>
<td>• 5-Other</td>
</tr>
<tr>
<td></td>
<td>• 6-Systems Limitation</td>
</tr>
<tr>
<td></td>
<td>• 7-Audit Adjustments</td>
</tr>
<tr>
<td>Security Class</td>
<td>This field is populated based on the User ID of the individual submitting the JV and is based on the individual's Group.</td>
</tr>
<tr>
<td>Currency</td>
<td>USD</td>
</tr>
<tr>
<td>Description</td>
<td>Input a description for the JV, relevant to the MinX approved purposes. The description should provide sufficient clarification to stand on its own without further conversation or information, and is subject to the field character limits (255 characters).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Field</th>
<th>Lines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario</td>
<td>“Actual”</td>
</tr>
<tr>
<td>GL Account</td>
<td>Input the General Ledger account for the JV line.</td>
</tr>
<tr>
<td>Debit/Credit</td>
<td>Input the amount to be debited / credited from the GL.</td>
</tr>
<tr>
<td>Entity</td>
<td>Input the Treasury Account Symbol (TAS) / Fund to which the JV applies.</td>
</tr>
<tr>
<td>Value</td>
<td>Input “Entity Curr Adjs”</td>
</tr>
<tr>
<td>ICP</td>
<td>Select [ICP None]</td>
</tr>
<tr>
<td>Field</td>
<td>Lines</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Custom 1</strong></td>
<td>Select the VA station number associated with the TAS. For instance, 20_105 for TAS processed mainly at ALAC, or 20_201P for TAS processed mainly at Hines.</td>
</tr>
<tr>
<td><strong>Custom 2</strong></td>
<td>Select “GX” for Federal General Fund (trading partner 99), “FX” for Federal Other Than General Fund (all other federal trading partners), “NX” or enter “[None]” for Non-Federal transactions.</td>
</tr>
<tr>
<td><strong>Custom 3</strong></td>
<td>Select “FMSAdjustment” for a period 13 adjustment that should be interfaced in FMS in period 14, or “NonFMSAdjustment” for a period 13 adjustment that should not be interfaced in FMS in period 14. Most adjustments should be “FMSAdjustment”. The default for this field is “None”, which should not be selected, as it will result in incorrect Trial Balance reports.</td>
</tr>
<tr>
<td><strong>Custom 4</strong></td>
<td>Select the Budget Object Class (BOC), as appropriate. Enter “None” if there is no BOC.</td>
</tr>
<tr>
<td><strong>Trading Partner</strong></td>
<td>Select the Trading Partner / Main Account from the available selections (e.g. 0200550, 0360150, etc.). If this is not a Federal transaction, enter “None”. The Trading Partner includes the three-digit agency code followed by the four-digit main account TAS code. For example, transactions with the Federal General Fund (099) and the main account (0000) will be displayed as 0990000. Transactions between funds in VA (036) and the main TAS account code (XXXX) will be displayed as 036XXXX.</td>
</tr>
<tr>
<td><strong>Line description</strong></td>
<td>Description for the individual line. Also used to pass information to the process that loads JVs to FMS at year end. The MinX field character limit is 55 characters. For period 13, do not use more than 30 characters because the description will be truncated when posted to FMS.</td>
</tr>
</tbody>
</table>

1. Once the JV is submitted in MinX, the MinX JV Submitter provides the JV and all supporting documentation to the Minx JV Approver.

2.2.2.2 Procedures for MinX JV Approval

1. The MinX JV Approver reviews the JV and supporting documentation for the following:
a. The description includes adequate detailed explanations supporting why the JV must be processed;
b. The JV category and entry descriptions are consistent and complete;
c. Supporting documentation stands on its own;
d. Documentation is complete and attached schedules and calculations tie to the adjustment amounts of the JV; and

2. If the JV requires updates, the MinX JV Approver will notify the MinX JV Submitter of the required updates.
   a. The MinX JV Submitter will then un-submit the JV and place the JV in working status in MinX to make updates.
   b. Once the updates are complete, the MinX JV Submitter submits the JV in MinX and notifies the MinX JV Approver that the revised JV is ready for approval.

3. The MinX JV Approver notifies the MinX JV Submitter that the JV has been approved. If the JV Approver has posting authority, the JV Approver may post the JV. If not, the MinX JV Approver sends a notification to the MinX JV Poster through the “VAFSC MinX JV Post” vafscminxjvpost@va.gov, that the JV is ready to be posted and the JV Poster uses the “post” command in MinX.

4. To verify that a MinX JV has accurately posted in the system, the MinX JV Approver should manually run the consolidation process using the “Consolidate” function in MinX.
   a. For further instructions on the consolidation process, refer to the MinX JV Guide.
   b. The MinX JV Approver should update the JV supporting documentation to demonstrate that the JV was accurately posted in MinX (e.g. a pre-entry and post-entry consolidation trial balance, screen shot of the JV, or other report).

5. The MinX JV Submitter or JV Approver must send an email with all supporting documentation and attachments to the “VACO OFP JV Post” Outlook Mailbox <vacoofpjvpost@va.gov>. The subject line for the email must be the same as the JV number (label) posted in MinX.
   a. The final supporting documentation for the JV should demonstrate that the JV was accurately posted in MinX (e.g. a pre-entry and post-entry consolidation trial balance, screen shot of the JV, or other report).

2.2.2.3 MinX JVs Requiring Additional Approvals

1. If the JV dollar value is at or above $1 billion for an individual line item of the Balance Sheet or Statement of Budgetary Resources (SBR) and $500 million for the Statement of Net Cost (SNC), the JV must be approved by a Senior Executive (SES)
member in the submitter’s organization prior to posting in MinX. These thresholds for approval pertain specifically to a change in individual financial statement line amounts as opposed to the absolute value of all lines on the JV.

2. The MinX JV Submitter or Approver must provide the JV and supporting documentation to the SES either in hard copy or via email.

3. The SES reviews and approves the documentation and provides evidence of approval, in either hard copy or electronic format to the MinX JV Submitter or Approver.
   a. In situations where the same JV (type, purpose, GL impact) is required periodically throughout the year (e.g. monthly, or quarterly), the SES may provide broad approval for all instances of the JV, in the form of a summary memo or other blanket statement.

4. Once the SES’ approval and signature is obtained, the MinX JV Approver certifies / approves the JV via the “post” command in MinX. See Section 2.2.2.2, Step 3.

5. The MinX JV Submitter or Approver verifies that evidence of the SES approval is retained with the supporting documentation sent to the “VACO OFP JV Post” Outlook Mailbox.

2.3 JV Supporting Documentation and Retention Procedures

The specific type of supporting documentation for FMS and MinX JVs varies based on the type of JV created; however, all JV packages should include at a minimum, the following:

1. A clear description of the purpose of the JV with adequate detailed explanation supporting why the JV must be processed. Adequate explanation means that additional descriptions or discussions should not be required to understand the purpose of the JV.

2. A clear calculation of the JV amount, supported by attached schedules (i.e. reconciliations, transaction detail), that enables a reviewer to re-perform the calculation

3. Sufficient evidence that the JV was properly posted to the GL (e.g. a before / after trial balance) and demonstrating the effects of the JV on the financial statements, as needed.

4. Evidence that demonstrates the adequacy of the preparation, review, and approval process in accordance with the requirements outlined above. See Section 2.2.

2.3.1 FMS

For FMS JVs, the following additional considerations must be followed:
1. All JVs and supporting documentation packages must be clearly labeled with the FMS Document ID#.

2. For station level requests, documentation must be sent via email to the Outlook Mailbox, “VA FSCNW Accounting”, <VAFSCNAccounting@va.gov>. See Section 2.2.1.
   a. Emails sent to the Outlook Mailbox are stored indefinitely.

3. Documentation must also be saved into the FSC’s Document Management System (DMS) for access by all FSC Nationwide Accountants. See Section 2.2.1.

### 2.3.2 MinX

For MinX JVs, the following additional considerations must be followed:

1. All JVs and supporting documentation packages must be clearly labeled with the MinX JV Number.

2. Documentation must be sent via email to the Outlook Mailbox, “VACO OFP JV Post,” <vacoofpjvpost@va.gov>. See Section 2.2.2.
   a. Emails sent to the Outlook Mailbox are stored indefinitely.

3. Documentation must also be saved in a shared location (Shared Drive, SharePoint) for access by all involved in the MinX JV preparation and approval process.

### 2.4 JV Log Procedures

The purpose of the JV log is to implement a standard process to select a unique identification for each JV and to maintain a record of the complete population of JVs entered into FMS and MinX. Two separate JV Logs are maintained – one for FMS JVs, one for MinX JVs. The FMS/MinX JV Logs are used in the JV Preparation process, to verify completeness and accuracy of the JV population in the quarterly JV monitoring and testing process, and for other analytic procedures.

#### 2.4.1 FMS

1. The FSC maintains a log of FMS adjusting JVs entered. The JV Log contains the following fields:
   a. FSC Assigned Sequential Number – A unique sequential number used to name JVs. The number is selected by the FMS JV Authorizer and must be entered in the JV Header Description field in FMS.
   b. FMS Document ID – A unique document ID created by the FMS JV Preparer using the numbering scheme of the applicable station. Any changes to the FMS Document ID are recorded in the “Notes” column of the JV Log.
c. Prepared By – The name of the individual that prepared or requested the JV – which can be an accountant at a field station or Administration, FSC-NAS Accountant, or other accountants within FSC-FAS.

d. Approved By – The name of the individual that approved the JV – which can be from the station/administration accountant’s supervisor, the FSC-NAS Accountant’s supervisor, or others within FSC-FAS.

e. Reviewed and Input By – The name of the individual that completed the final review and input the JV into FMS. This role is limited to personnel at the FSC, and no more than four personnel typically have access to input JVs.

f. Date – The date that the JV was entered into FMS.

g. Short Description – A short description of the JV category/type based on the current listing of general descriptions. This description is entered into the “JV Line Description” field in FMS which has a character limit.

h. Detailed Explanation – A detailed explanation of the purpose of the JV that expands upon the Short Description.

2. The FMS JV log is used for the following purposes:

   a. To select a unique sequential number for each JV prepared (See Section 2.2.1)
   b. To verify the completeness of the FMS JV population (See Section 2.6)
   c. To verify that no duplicate FMS JVs are entered (See Section 2.6)
   d. Completing analytics on the JVs to inform risk analysis and monitoring procedures (See Section 2.5)

2.4.2 MinX

1. The MinX system retains a log of all JVs submitted and posted in MinX. The MinX JV log can be extracted from the system and contains the following fields: The MinX JV log contains the following fields:

   a. Account – The GL account(s) to which the JV entry is recorded.
   b. Label – The header label (unique identification) for the MinX JV. This label must follow the format “Administration_Fund_Period Year_Alpha Character (e.g. A, B, C, D, etc.).”
   c. Line Description – A short description of the purpose of the JV based on the current listing of approved purposes. This description is entered into the “Line Description” field in MinX which is subject to a character limit.
   d. Created By – The name (username) of the MinX JV Submitter.
   e. Date Created – The date that the JV was entered into MinX.
   f. Posted By – The name (username) of the MinX JV Approver.
   g. Amount – The JV debit/credit amount.
2. The MinX JV log is used for the following purposes:

a. To identify the population of JVs that have been entered into MinX in the current period in circumstances where timing must be considered (e.g. Elimination JVs). See Section 2.2.21.
b. To verify the completeness of the MinX JV population. See Section 2.6.
c. To verify that no duplicate MinX JVs are entered. See Section 2.6.
d. Completing analytics on the JVs to inform risk analysis and monitoring procedures. See Section 2.5.

2.5 Risk Identification Process

On an annual basis, OFP must perform an assessment of risk over FMS and MinX JVs to inform quarterly monitoring and testing procedures as well as to implement supplementary controls over high-risk JVs, as required. The following procedures describe the risk based approach that OFP performs:

1. Annually, OFP must obtain the population of FMS and MinX JVs and verify the completeness of the population using one of the following procedures:
   a. Perform a reconciliation of the system extract using the FMS or MinX JV log for the fiscal year under review.
   b. Perform a reasonableness check on the population against the average count of JVs for the prior fiscal year.
2. Verify that all FMS and MinX JVs align with the common FMS JV categories/types and the approved MinX JV purposes listed in Section 2.1. If a new JV category/type is present, additional research on this JV should be performed to understand the purpose and requirements for the JV.
3. Assess all FMS JV categories/types and MinX JV approved purposes using a series of qualitative and quantitative risk factors.
   a. Consider the following qualitative factors:
      i. Known issues relating to the JV category/type (e.g. as identified by auditors)
      ii. JV categories/types and/or GL accounts that have been historically prone to error
      iii. Nature and complexity of the JV (JVs that don't affect the financial statements, JVs that affect the presentation/face of the financial statements, JVs that affect a financial statement line item)
      iv. Frequency of the JV (e.g. standard MinX JVs for recording SF-133 versus one-off JV)
      v. JVs that are based on significant management estimates
   b. Consider the following quantitative factors:
i. Number and dollar value of adjustments by JV category/type
ii. Number and dollar value of adjustments by GL account
iii. JVs that exceed $1 billion (based on the net value of the adjustment to a particular account or line item for the BS/SBR), $500 million (for SNC) or other pre-determined thresholds

4. For each FMS JV category/type and MinX approved purpose, assign a risk score of low, medium, or high based on the qualitative and quantitative risk analysis.

2.6 Monitoring Procedures

On a monthly and quarterly basis, Office of Financial Policy should conduct monitoring and testing procedures that provide continuous improvement and inform the following:

- Quality, completeness, and accuracy of JVs and supporting documentation
- Compliance with JV standard operating procedures
- Reduction of unnecessary JVs
- Enhanced internal controls over high risk JV types

2.6.1 Quarterly JV Testing Procedures

FSC performs limited review procedures over MinX JVs on a quarterly basis, according to the terms of a service level agreement.

1. The Quarterly JV Tester should select a sample of MinX JVs for review. In selecting the sample, the Quarterly JV Tester should apply the following considerations, or consult with a statistician for guidance:
   a. Stratification of the population: Consider whether the population should be stratified into groups based on JV characteristics or risk factors prior to selecting the sample. For example, group by Administration or station, approved purpose (MinX), risk score, or dollar amount (e.g. based on materiality thresholds).
   b. Non-Statistical Sampling methods: Consider which non-statistical sampling method is appropriate for the selection, such as random, judgmental, or haphazard.
   c. FAM Sampling Guidance: A recommended sample size of 45 items is based on FAM guidance which provides the acceptable number of deviations in testing. The Quarterly JV Tester should refer to FAM guidance (Section 450) and determine the appropriate tolerable rate for errors.

2. The Quarterly JV Tester should obtain supporting documentation for each selected JV and analyze at a minimum, the following key attributes:
   a. The accuracy of the dollar value of the JV based on calculations included in the supporting documentation;
b. The accuracy / validity of the GL accounts to which the JV is recorded, and the resulting financial statement impact;

c. The quality of the description / purpose of the JV and evidence that the JV is necessary;

d. The adequacy of the supporting documentation, including the retention location, according to the requirements outlined in Sections 2.2 and 2.3; and

e. Evidence that the JV was properly prepared/approved according to the procedures outlined in Section 2.2, including additional approvals required based on thresholds or other risk factors.

3. Upon conclusion of the testing, the results should be summarized in an overall report. The report should describe the processes for obtaining the population and selecting the sample and summarize the overall results of testing. The report should be presented to the Director of the Office of Financial Policy for review, and the review should be validated by signature.

2.7 Rescinded

2.8 FMS and MinX Periods

<table>
<thead>
<tr>
<th>FMS Period</th>
<th>MinX Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>FMS 00</td>
<td>MinX BegBal00</td>
</tr>
<tr>
<td>FMS 01</td>
<td>MinX OCT</td>
</tr>
<tr>
<td>FMS 02</td>
<td>MinX NOV</td>
</tr>
<tr>
<td>FMS 03</td>
<td>MinX DEC</td>
</tr>
<tr>
<td>FMS 04</td>
<td>MinX JAN</td>
</tr>
<tr>
<td>FMS 05</td>
<td>MinX FEB</td>
</tr>
<tr>
<td>FMS 06</td>
<td>MinX MAR</td>
</tr>
<tr>
<td>FMS 07</td>
<td>MinX APR</td>
</tr>
<tr>
<td>FMS 08</td>
<td>MinX MAY</td>
</tr>
<tr>
<td>FMS 09</td>
<td>MinX JUN</td>
</tr>
<tr>
<td>FMS 10</td>
<td>MinX JUL</td>
</tr>
<tr>
<td>FMS 11</td>
<td>MinX AUG</td>
</tr>
<tr>
<td>FMS 12</td>
<td>MinX SEP</td>
</tr>
<tr>
<td>FMS 13</td>
<td>MinX Period 13</td>
</tr>
</tbody>
</table>
Each FMS period runs from the first day of the month through the last day of the month (where FMS period 01 is October, FMS period 02 is November, etc.). FMS period 00 represents the current years’ beginning balances. FMS period 13 is open on October 1, and FMS period 14 is a single day for all final entries. FMS period 15 is the period when all general ledgers close out in preparation for the next year’s beginning balances.

MinX periods open when the final FMS month end date is received, typically around the 3rd day following month end. The close of MinX periods is dependent on whether it is a month or quarter end. MinX period 13 is the adjustment period for permanently recording JVs from MinX into FMS. MinX period 14 is used only for certain types of adjustments, such as audit adjustments. There is no corresponding MinX period for FMS period 15.