

VA Financial Policies and Procedures
Other Assets

CHAPTER 10

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1001 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures relating to Other Assets, of which the most material asset account is Advance Payments. Because Advance Payments constitute such a large portion of Other Assets, refer to Volume II, Chapter 7C, for more detailed information on VA's financial policies and procedures on Advance Payments.

1002 POLICIES

100201 VA will record and report advance payments as Other Assets in its Consolidated Financial Statements and accompanying footnotes.

- A. Advances should be initially recorded as an asset and subsequently reduced when the related expenses occur.
- B. Advances are reduced when goods or services are received, contract terms are met, progress is made under a contract or prepaid expenses expire.
- C. Advances subject to refund will be reclassified as accounts receivable for financial reporting purposes.

1003 AUTHORITY AND REFERENCES

100301 [Statement of Federal Financial Accounting Standards \(SFFAS\) No. 1, Accounting for Selected Assets and Liabilities](#)

100302 [Office of Management and Budget \(OMB\) Circular A-136, Financial Reporting Requirements - Revised](#)

1004 ROLES AND RESPONSIBILITIES

100401 The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, oversees all financial management activities relating to the Department's programs and operations. Specific responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

100402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

100403 The Office of Financial Policy (OFP), under the CFO's direction, provides VA-wide financial policy and guidance. Among its responsibilities, OFP develops, coordinates, issues, evaluates and reviews VA financial policies, including those that include financial systems, and procedures for compliance with all financial laws and regulations.

1005 PROCEDURES

100501 VA will record Other Assets in accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 1, Accounting for Selected Assets and Liabilities.

100502 VA will ensure that its reporting of Other Assets is consistent from period to period.

1006 DEFINITIONS

100601 Advance Payment. An amount paid by a Federal entity to its employees, contractors and grantees to cover part or all of the recipient's anticipated expenses or as advance payment for the cost of goods and services the entity acquires. Examples include travel advances disbursed to employees prior to business trips or cash or other assets disbursed under a contract, grant or educational affiliation agreement before services or goods are provided.

1007 QUESTIONS

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

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|------------|---------------------------------|
| VHA | VHA Accounting Policy (Outlook) |
| VBA | VAVBAWAS/CO/FINREP (Outlook) |
| All Others | OFP Accounting Policy (Outlook) |