Financial Policy

Volume VII
Financial Reporting

Chapter 1
Financial Statement Reporting

Approved:
Jon J. Rychalski

Digitally signed by
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Date: 2018.10.23
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Jon J. Rychalski
Assistant Secretary for Management
and Chief Financial Officer
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0101 Overview

This chapter establishes the Department of Veterans Affairs (VA) financial policies regarding financial statement reporting. As an executive agency, VA is required to prepare and submit its audited financial statements, interim financial statements, and Agency Financial Report (AFR) in accordance with Office of Management and Budget (OMB) Circular A-136, Financial Reporting Requirements – Revised; Generally Accepted Accounting Principles (GAAP) promulgated by the Federal Accounting Standards Advisory Board (FASAB); U.S. Standard General Ledger (USSGL); and other applicable authoritative guidance.

Key points covered in this chapter:

- VA will abide by all financial reporting requirements mandated by regulation or statute;
- VA’s period-end closing process is an integral part of VA complying with the financial reporting requirements;
- VA will publish the AFR to present its annual performance and financial activities;
- Office of Financial Policy (OFP) will coordinate submission of the Agency’s financial statements to the Department of Treasury, OMB, and Congress; and
- Financial Process Improvement and Audit Readiness (FPIAR) will serve as the primary liaison between Agency stakeholders and the external financial auditors conducting the audit of VA’s department-wide financial statements.

0102 Revisions

<table>
<thead>
<tr>
<th>Section</th>
<th>Revision</th>
<th>Office</th>
<th>Reason for Change</th>
<th>Effective Date</th>
</tr>
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<tbody>
<tr>
<td>All</td>
<td>New chapter</td>
<td>OFP (047G)</td>
<td>Created a comprehensive financial reporting policy that consolidates eight individual chapters. (See Section 0107- Rescissions)</td>
<td>October 2018</td>
</tr>
</tbody>
</table>

0103 Definitions

**Accruals** – Accounting adjustments for revenues that have been earned but are not yet recorded and expenses that have been incurred but are not yet recorded.

**Actuarial Assumptions** – An estimate of an uncertain variable input into a financial model, normally for the purposes of calculating premiums or benefits. For example, a common actuarial assumption relates to predicting the amount of benefits due to an individual, given their age, gender, health conditions and other factors.
Adjusted Trial Balance (ATB) – A listing of all the account titles and balances contained in the general ledger after adjusting entries for an accounting period have been posted to the accounts.

Agency Financial Report – The Agency’s end of fiscal year financial report that contains various information about the Department as well as the financial statements, notes to the financial statements, the external financial auditor’s opinion, and other supplementary information.

Balance Sheet – Presents the Agency’s total assets, liabilities, and net position at a specific point in time.

Estimates – An approximation of a financial element, item, or transaction for which there is no precise means of measurement.

Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) – A Treasury operated Government-wide Accounting web-based system used by Federal agencies to submit both budgetary and proprietary financial data.

Legal Representation Letter (LRL) – A letter from Office of General Counsel (OGC) to the auditor, in response to a letter of audit inquiry from management to OGC. It is the auditor’s primary means of corroborating the information furnished by management concerning the accuracy and completeness of litigation, claims and assessments.

Management Information Exchange (MinX) System – A hyperion-based reporting system that automates the preparation of VA’s financial statements. MinX receives data via interface from VA’s accounting system.

Management Representation Letters (MRLs) – Formal letters to the independent auditor, signed by the Agency’s senior management, that conform to OMB guidance.

MAX or OMB MAX – A portfolio of software applications sponsored by OMB including an agency portal used to submit data to OMB, a suite of analytical tools, and collaboration tools for agencies to share and work together with other community members towards common federal goals.

Statement of Budgetary Resources (SBR) – The statement and related disclosures provide information about budgetary resources and their use, as well as their status at the end of the period.

Statement of Changes in Net Position (SCNP) – The statement and related disclosures that report the changes in net position during the reporting period.
Statement of Net Cost (SNC) – This statement and related disclosures present the components of the net cost of the reporting entity’s operations for the period.

U.S. Standard General Ledger – Provides a uniform chart of accounts and technical guidance for standardizing federal agency accounting.

0104 Roles and Responsibilities

Secretary of Veterans Affairs is responsible for signing the management statement of assurance, management representation letter and Agency Head message.

The Assistant Secretary for Management/Chief Financial Officer (VA CFO) is responsible for overseeing all VA’s financial management activities, certifying VA’s annual accounting records, signing management representation letters, and coordinating with external financial auditors.

Administration and Staff Office CFOs are responsible for assisting and cooperating with the VA CFO to carry out VA’s financial reporting responsibilities and for signing the management representation letter.

Office of the Inspector General (OIG) is responsible for conducting an audit of the Department’s financial statements.

Office of Financial Policy is responsible for preparing and submitting VA’s AFR.

Financial Services Center (FSC) is responsible for providing operational support of VA’s accounting system to prepare and produce financial statements.

Office of Financial Process Improvement and Audit Readiness is the principal audit liaison responsible for remediating financial statement audit findings and coordinating business process improvements and related internal controls.

Office of Enterprise Integration (OEI) is responsible for collecting, organizing, and reporting Department-wide performance results.

0105 Policies

010501 Reporting Framework

A. VA will comply with all applicable accounting principles, standards, and GAAP promulgated by FASAB.
B. VA will adhere to all financial reporting requirements including the financial management instructions and guidance within the Treasury Financial Manual (TFM) Volume I.

C. VA will present financial information using a core set of values and principles necessary to support responsible financial reporting. Those principles include accuracy, timeliness, relevance, reliability, auditability, consistency, comparability, and understandability.

D. Each VA Administration and Staff Office will maintain documentation for recorded transactions. The documentation must be readily available for review by VA, auditors, and other entities with oversight responsibility.

E. Each VA Administration and Staff Office will adhere to the records retention policy as directed by the National Archives and Records Administration’s Records Schedule in the Code of Federal Regulations for documentation in support of the financial information presented in its financial reports. For additional information, refer to Volume I, Chapter 1 – VA Financial and Accounting Policy Overview.

010502 Financial Reporting Requirements

A. VA will prepare the following financial statements and related disclosures:

- Balance Sheet;
- Statement of Net Cost (SNC);
- Statement of Changes in Net Position (SCNP); and
- Statement of Budgetary Resources (SBR)

B. VA will submit all financial information and financial reports as required by regulation and statute, and in accordance with the mandated frequency, format, and collection tool.

C. VA will prepare and submit monthly adjusted trial balances via Treasury’s Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) in accordance with the most recent TFM Volume I, Supplements – USSGL.

D. The following actions will be taken to ensure the financial statements are reported in accordance with regulatory and statutory guidance:

- Various offices in VA will perform financial statements analytics as needed;
- Administration CFOs or their designees will certify the quarterly and annual financial statements and submit the certifications to OFP for review. See Appendices A and B for sample certifications; and
• OFP will review the Administration CFOs certifications to clarify and resolve any potential problems.

E. VA will prepare quarterly and annual consolidated financial statements in accordance with OMB and Treasury requirements and guidance.

F. VA will comply with OMB Circular A-136 requirements to submit its interim and year-end financial statements through OMB MAX portal.

G. All of the financial statements will be submitted to the external financial auditors.

H. OFP will prepare and submit consolidated interim and annual financial statements, footnotes, and required supplementary information (RSI) to OMB through OMB MAX, Treasury’s Bureau of Fiscal Service, and the Government Accountability Office (GAO) in accordance with OMB Circular A-136 and TFM Volume I.

010503 Periodic Financial Reporting Closing Process

A. OFP will develop and distribute comprehensive quarterly and fiscal year-end closing schedules. The closing schedules contain responsible offices and timelines. Financial reporting related stakeholders throughout the Department will utilize the schedules to ensure that their financial reporting process is completed timely. See Appendix C for an example of tasks in the FY 2018 year-end closing schedule.

B. To generate quarterly and year-end consolidated financial statements, staff within the Administrations and Staff Offices will perform activities to accomplish the closing process. Closing activities include but are not limited to adjusting entries, annual accounting system close, reconciliation of key accounts, estimates and recordation of accruals.

C. Adjusting entries will be posted, as needed, to generate accurate Adjusted Trial Balances (ATBs) for financial statements preparation. Adjusting entries include but are not limited to intragovernmental eliminations, accruals, actuarial assumptions, and estimates. Examples for different types of the Management Information Exchange (MinX) System adjusting entries are presented below:

- Accruals/Payroll – Entries are specific to accrued expense methodology and payroll. For example, entries to record annual leave and accrual adjustments;
- Financial Presentation – Entries are made to financial statement line items. For example, entries are used to record offsetting receipts, conform with Treasury's reclassified crosswalks, and eliminate intragovernmental activities;
- Timing Differences – Entries are made to account for data not available at period-end. For example, entries to record cash adjustments to reconcile with the Treasury system, prior year Federal Employees’ Compensation Act (FECA)
actuarial expenses adjustment, and the Judgment Fund imputed costs and also
the accrual related to legal contingencies;

- System Limitations – Entries are necessary to account for VA system limitations. For example, entries used to true-up Canteen Service ledgers for monthly close and properly record transactions with Trading Partners;
- Audit Adjustments – Auditor requested adjustments; and
- Other – One-time entries that do not belong to the above categories.

D. VA will perform a year-end process for its accounting system to close all prior year records reflected in the general ledger and to prepare the system application for the new year’s activities in accordance with the annual closing schedule and instructions.

E. FSC’s Financial Accounting Service (FAS) will coordinate with VA Administrations and Staff Offices on annual close activities. See Appendix D for a sample FAS Annual Close Memorandum.

1. Stations within administrations will adhere to the given deadlines to record transactions in the accounting system prior to fiscal year-end.

2. The annual close team will record significant adjustments requested by the stations after appropriate approval is received from Assistant Fiscal Officer or Administration CFO.

3. Stations at the end of the fiscal year will close out accounts and certify accounting records to the Administration CFOs in accordance with Administration instructions. See Appendix E for a sample station certification.

4. VA and Administration/Staff Office CFOs or their designees will certify annual accounting records and submit a certification to OFP in accordance with OFP Accounting Certification Letter Due Dates. See Appendix F for a sample certification, and Appendix G for a sample of the OFP certification due dates.

010504 Agency Financial Report

A. VA will prepare and submit its AFR in accordance with OMB Circular A-136. The AFR contains the following sections:

1. Management’s Discussions and Analysis (MD&A) – This section provides an overview of VA’s financial and performance results, including internal controls.

2. Financial Section – This section incorporates several components, such as Auditor’s Report, VA’s year-end financial statements, and accompanying notes, required supplementary stewardship information (RSSI), and RSI.
3. Other Information (OI) – This section contains different types of OI that are pertinent to VA’s mission and financial activities.

B. OFP will obtain from OEI performance information as required by OMB. OEI will prepare the performance information in a way that will meet OMB and external (Association of Government Accountants, Certificate of Excellence in Accountability Reporting) review requirements.

C. OFP will create and maintain VA’s Financial Statement and Footnote Disclosure Standard Operating Procedures internally to guide the statement production process.

D. OFP will produce the AFR and will coordinate all information, staff support, and procedural documentation required to meet the AFR filing deadline. To ensure the AFR is published and submitted timely, OFP will create a timeline, see Appendix H, Example of AFR Critical Deadlines.

E. OFP will coordinate approval of the final AFR by each Administration and Staff Office CFOs through the VA Integrated Enterprise Workflow Solution (VIEWS) system.

F. The AFR will provide an overview of the financial and performance data to help Congress, the President, and the public assess VA’s stewardship over the resources entrusted to the agency.

G. Once the AFR is complete, OFP will comply with OMB Circular A-136 requirements and submit the AFR to the following groups and organizations:

- The President of the United States;
- Congress;
- Treasury;
- The Director of OMB through the OMB MAX Federal Community portal; and
- The public

H. OFP will coordinate with the Office of Information Technology (OIT) to make the AFR publicly available on VA’s website.

010505 Audit of Financial Statements and Subsequent Activities

A. OIG will perform an audit of VA’s consolidated financial statements or contract with external financial auditors to perform the audit as required by the Chief Financial Officers Act of 1990.
B. VA CFO and Administration and Staff Office CFOs, will fully cooperate with OIG and external financial auditors during the audit of the VA's consolidated financial statements and fieldwork.

C. VA will comply with the requirements and guidance from GAO Financial Audit Manual (FAM) Section 500, TFM Chapter 4700, and the latest OMB Bulletin ‘Audit Requirements for Federal Financial Statements,’ to develop a Legal Representation Letter (LRL) for the external financial auditors, GAO, Treasury Fiscal Service, and the Department of Justice. OFP will coordinate the preparation and signature processes associated with the LRL. See Appendix I, FY2018 Legal Representation Letter Schedule.

D. To comply with GAO FAM, 280.03 and the latest OMB Bulletin ‘Audit Requirements for Federal Financial Statements,’ VA will provide Management Representation Letters (MRLs) to OIG and the external financial auditors. Specifically, VA will prepare two MRLs: one related to the general purpose financial statements and one related to the reclassified financial statements, also referred to as the closing package. OFP will coordinate and prepare a schedule for the preparation and signature processes associated with the MRLs. See Appendix J, FY 2018 MRLs Schedule.

E. Administration and Staff Office CFOs will inform FPIAR of their organization’s Audit Office Liaison and Alternate Audit Office Liaison contacts, and direct Alternate Audit Liaison to serve as Audit Liaison when needed.

F. To ensure complete, accurate and timely communication with the auditors, FPIAR will serve as the chief Audit Liaison for VA. To this end FPIAR will:

1. Lead and coordinate meetings with auditors and program offices to resolve any significant audit and accounting issues that may arise during the audit.

2. Lead and conduct regular monthly audit status meeting with auditors, OIG, and VA stakeholders to assess the findings and their implications.

3. Maintain a centralized repository to store and archive data related to prepared by client (PBC) requests from the external financial auditors. The database should include the PBC request, responses to the PBC requests, and approvals of the responses.

4. Notify the appropriate Administration/Staff Office Audit Liaisons of each audit request and delivery timeline, and manage production status against due dates to ensure responses are delivered in a timely fashion.

5. Lead and coordinate remediation of audit findings with VA stakeholders.
6. Develop and monitor corrective action plans to remediate deficiencies, improve business practices, and internal controls.

G. Administration/Staff Office Audit Liaisons will review and approve responses to auditors’ inquiries to ensure that they are timely, accurate and complete.

0106 Authorities and References

Accountability of Tax Dollars Act of 2002, Public Law 107-289


Federal Financial Management Improvement Act of 1996, Public Law 104-208, Title VIII

Federal Managers Financial Integrity Act of 1982, Public Law 97-255


Government Performance and Results Modernization Act of 2010, Public Law 111-352

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

OMB Circular A-50, Audit Follow Up

OMB Circular A-123, Management’s Responsibility for Enterprise Risk Management and Internal Control

OMB Circular A-134, Financial Accounting Principles and Standards

OMB Circular A-136, Financial Reporting Requirements – Revised

OMB Bulletin, Audit Requirements for Federal Financial Statements

GAO Financial Audit Manual

TFM Volume I

Treasury’s GTAS Information Portal

Treasury’s USSGL Information Portal

31 U.S.C. Chapter 35 – Accounting and Collection

38 U.S.C. 309 – Chief Financial Officer
National Archives and Records Administration


SFFAC 2: Entity and Display

SFFAC 3: Management’s Discussion and Analysis


SFFAC 5: Definitions of Elements and Basic Recognition Criteria for Accrual-Basis Financial Statements

SFFAC 6: Distinguishing Basic Information, Required Supplementary Information, and Other Accompanying Information

SFFAC 7: Measurement of the Elements of Accrual-Basis Financial Statements in Periods After Initial Recording

SFFAC 8: Federal Financial Reporting

Statement of Federal Financial Accounting Standards (SFFAS) 34: The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board

SFFAS 47: Reporting Entity

SFFAS 49: Public-Private Partnerships: Disclosure Requirements

0107 Rescissions

A. Volume I, Chapter 8, Period-Ending Procedures

B. Volume VII, Chapter 1, Financial Reporting: General Financial Reporting Requirements

C. Volume VII, Chapter 2, Consolidated Financial Statements

D. Volume VII, Chapter 3, Quarterly Financial Statements

E. Volume VII, Chapter 6, Budget Execution Report: SF 133 and FACTS II
F. Volume VII, Chapter 7, Miscellaneous Reporting Topics – FMS-224

G. Volume VII, Chapter 8, Management’s Discussion and Analysis


0108 Questions

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

VHA  
VHA 10A3A Accounting Policy (Outlook)

VBA  
VAVBAWAS/CO/FINREP (Outlook)

NCA  
NCA Financial Policy Group (Outlook)

All Others  
OFP Accounting Policy (Outlook)
Appendix A: Sample Administration CFO Quarterly Financial Statements
Certification

Department of Veterans Affairs

Memorandum

Date: Month XX, 20XX
From: Administration CFO
Subject: FY 20XX QTR X Financial Statement Certification
To: Office of Financial Policy (047GB)

The following representations are presented in connection with the preparation of Department of Veterans Affairs consolidated financial statements and analytics for the period ended Month XX, 20XX.

a. The MinX trial balances of the funds under my purview accurately recorded the underlying transactions and reflect accurate account balances.

b. The intragovernmental trading partner information recorded in the MinX trial balance is accurate and in conformance with Treasury Financial Manual Bulletin No 2011-4.

c. The quarterly financial statements produced from MinX are supported by adequate documentation and analysis of significant variances.

d. The quarterly financial statements are prepared on a consistent basis from period to period. Where significant changes are made in accounting classifications or other concepts underlying them that significantly impair comparability, the effects of the changes will be disclosed.

e. Specific exceptions to this certification are attached.

f. The accounting system’s journal vouchers equal to or greater than $100 million have been appropriately reviewed and approved.

I confirm, to the best of my knowledge and belief, that I am satisfied that these statements are accurate, complete, and comply to the extent applicable with OMB Circular A-136, Financial Reporting Requirements, and the U.S. Department of the Treasury and the Department of Veterans Affairs financial policies and related procedures.

__________________________________________________________________________
Name

__________________________________________________________________________
Date
Appendix B: Sample Administration CFO Year-End Financial Statements Certification

Memorandum

Department of Veterans Affairs

Date:     Month XX, 20XX
From:     Administration XXX Chief Financial Officer
Subject: FY 20XX Q4 Financial Statement Certification
To:    Office of Financial Policy (047GB)

1. The following representations are made in connection with the preparation of the Department of Veterans Affairs consolidated financial statements and analytics for the fiscal year ended September 30, 20XX.

   a. The MinX trial balances of the funds under my purview accurately recorded the underlying transactions and reflect accurate account balances. We continue to research and refine processes around obligations and accruals.

   b. The intra-governmental trading partner information recorded in the MinX trial balance is accurate and in conformance with Treasury Financial Manual Bulletin No 2011-4, and the Financial Services Center continues to research and reconciles material differences with trading partners.

   c. The quarterly financial statements produced from MinX are supported by adequate documentation and analysis of significant variances.

   d. The quarterly financial statements are prepared on a consistent basis from period to period. Where significant changes are made in accounting classifications or other concepts underlying them that significantly impair comparability, the effects of the changes will be disclosed.

   e. Exceptions to this certification are described on the attached Exceptions document.

2. I confirm, to the best of my knowledge and belief, that I am satisfied that these statements are accurate, complete, and comply to the extent applicable with OMB Circular A-136, Financial Reporting Requirements, and the U.S. Department of the Treasury and the Department of Veterans Affairs financial policies and related procedures.

Name and Title

Date
Appendix C: Example Tasks in FY2018 Year-end Closing Schedule

The schedule is revised annually according to updated requirements and deadlines.

<table>
<thead>
<tr>
<th>Task #</th>
<th>Description of Item</th>
<th>Due From POC Organization</th>
<th>Name</th>
<th>Due to POC Organization</th>
<th>Name</th>
<th>Target Completion Date</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Release draft closing schedule to the Administrations</td>
<td>FRS Director</td>
<td>Eve Labador</td>
<td>Administrations, FSC, OACT, Insurance and FRS Staff</td>
<td>Various Staff</td>
<td>8/6/2018</td>
</tr>
<tr>
<td>2</td>
<td>Administrations submit suggested changes to draft closing schedule</td>
<td>Administrations, FSC, OACT, Insurance and FRS Staff</td>
<td>Various Staff</td>
<td>FRS</td>
<td>Tony DeNicolis</td>
<td>8/15/2018</td>
</tr>
<tr>
<td>3</td>
<td>Release FINAL closing schedule</td>
<td>FRS Director</td>
<td>Eve Labador</td>
<td>Administrations, CLA, FSC, Office of Enterprise Integration (OEI), Insurance, and FRS Staff</td>
<td>Various Staff</td>
<td>8/20/2018</td>
</tr>
<tr>
<td>4</td>
<td>The window opens for Closing Package data submission in GFRS for Modules GF006 to GF008, as applicable</td>
<td>VBA Actuaries</td>
<td>Joe Lam</td>
<td>VBA</td>
<td>Luis Flores</td>
<td>9/17/2018</td>
</tr>
<tr>
<td>5</td>
<td>VBA receives the draft C&amp;P actuarial report from VBA actuaries (the actuarial adjustments must be posted to FMS by September 30)</td>
<td>VBA</td>
<td>Luis Flores</td>
<td>VBA Actuaries</td>
<td>Joe Lam</td>
<td>9/28/2018</td>
</tr>
<tr>
<td>6</td>
<td>VBA meets with their actuaries to develop analytics explanations</td>
<td>FRS</td>
<td>Noah Hertach</td>
<td>OFBO</td>
<td>Marques / Larry / Peter Carr</td>
<td>10/1/2018</td>
</tr>
<tr>
<td>7</td>
<td>Request Internal Voucher Line Table (IVLT) report from FMS services for elimination JV</td>
<td>FRS</td>
<td>Hien Dang</td>
<td>FRS</td>
<td>Noah Hertach / Eric Schneider</td>
<td>10/1/2018</td>
</tr>
<tr>
<td>8</td>
<td>Provide GOE Reimbursement Revenue Summary Reports for Intra VA Eliminations</td>
<td>VBA Actuaries</td>
<td>Joe Lam</td>
<td>VBA</td>
<td>Luis Flores</td>
<td>9/17/2018</td>
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Appendix D: FSC-FAS Annual Close Memorandum Example

Enclosed is FY 2018 annual close information as an example. The close memorandum is revised annually according to updated requirements and deadlines.

I. FY18 ANNUAL CLOSE ACTIVITY SCHEDULE

• 9/06/18 – FMS Call
• 9/07/18 – Payroll input to FMS for PP17 (Accounting Period 12/18)
• 9/13/18 – FMS Call
• 9/20/18 – FMS Call
• 9/21/18 – Payroll input to FMS for PP18 (Accounting Period 12/18)
• 9/22/18 – FMS daily reports are available
• 9/23/18 – FMS daily reports are available
• 9/24/18 – Last day for payments using canceling funds expired as of BFY 13 (see item II.B)
• 9/25/18 – September System Payroll Accruals input to FMS (view in FMS 9/26/18)
• 9/25/18 – Credit Card System (CCS) transactions for invoice billings submitted as of 9/24/18 recorded in FMS (can be viewed in FMS on 9/26/18)
• 9/26/18 – CCS interface to FMS is held throughout annual close
• 9/27/18 – Last day for station input of EB transactions in FMS (see item II.C)
• 9/27/18 – Last day for FSC staff other than Annual Close Team to process any type of transactions into FMS (see item II.D1)
• 9/27/18 – FMS Call
• 9/27/18 – VBA interfaces VALERI, CPTS, CAATS and CWINRS will continue throughout annual close (see item II.D.2)
• 9/28/18 – FSC interfaces to FMS are held (see item II.D2)
• 9/29/18 – FMS daily reports are available
• 9/30/18 – FMS daily reports are available
• 9/30/18 – Last day for all other station input into FMS (see item II.F)
  • FMS on-line processing will end at 8:30 PM ET
  • The first DMI/IFCAP interface to FMS will process at 8:35 PM ET
  • The final DMI/IFCAP interface to FMS will process at 10:00 PM ET
  • **AITC recommends a 9:00 PM ET deadline to process IFCAP transactions to ensure they are picked up on the final DMI interface to FMS.**
  • All interfaces with the exception of FSC interfaces will take place as well as normal end of month processing
• 10/01/18 – FMS DOWN – no interfaces will process into FMS
• 10/01/18 – FY 18 Period 13 Adjustments coordinated through VHA, VBA, NCA, etc. and processed by the Annual Close team
• 10/02/18 – Period 13 Trial Balances and reports available

**FRS** – The FY tables in FRS will be available as follows:
FY18 Period 12 data available 10/1/18
FY18 Period 13 data available 10/2/18
FY19 Period 01 data available 10/3/18

- 10/01/18 – FMS DOWN – no interfaces will process in FMS
- 10/02/18 – FMS DOWN – no interfaces will process in FMS
- 10/03/18 – FMS DOWN – no interfaces will process in FMS (if needed)
- 10/04/18 – FMS DOWN – no interfaces will process in FMS (if needed)
- 10/04/18 – FMS Call
- 10/05/18 – All interfaces including FSC interfaces resume
- 10/05/18 – September Accruals Reversed (Accounting Period 01/19)
- 10/05/18 – Credit Card System transactions for invoice billings submitted for 9/25/18-10/05/18 begin recording in FMS (Accounting Period 01/19)
- 10/05/18 – FMS reports and FMS tables with beginning balances (i.e. F852 and GLTS) will display a zero amount in the beginning balance column until after the FY closes completely in mid October (see II. K)
- 10/05/18 – Payroll scheduled for input to FMS for PP19 (Accounting Period 01/19), but will likely be delayed
- 10/11/18 – FMS Call
- 10/18/18 – FMS Call
- 10/19/18 – Payroll input to FMS for PP20
- 10/20/18 – FMS down for Period 14, 15 and 00 annual close processing
- 10/21/18 – FMS down for Period 14, 15 and 00 annual close processing
- 10/22/18 – FMS down for Period 14, 15 and 00 annual close processing (if needed)
- 10/22/18 – Period 14, 15 and 00 Trial Balances available
- 10/23/18 – FMS up for FY 19 Activity (Accounting Period 01/19)

**Accounting Period Definitions**

**Period 12** – accounting period for the month of September. This period is closed during the nightly cycle on the night of September 30.

**Period 13** – accounting period for adjustments on October 1st. This period is open only to the annual close team members. Material adjustments requested by field stations with approval from VACO program offices and selected annual close processing list adjustments are completed during this period. Trial balances from Period 13 are used for annual certification letters.

**Period 14** – accounting period for financial reporting adjustments in mid to late October. This period is only open to select members of the annual close team.
Period 15 – accounting period for annual close. General ledger accounts like those used for revenue and expense are closed for the fiscal year based on the settings in the FMS YACT table.

Period 00 – accounting period for beginning of the new fiscal year. Trial balances for this period show the opening balances in FMS for the new fiscal year.

II. TO COMPLETE FMS PROCESSING FOR FY 18, THE FOLLOWING SCHEDULE IS PROVIDED AS A GUIDE FOR INPUT OF TRANSACTIONS:

A. Annual Close Review

1. Review outstanding obligations to determine if they meet the requirements of an obligation as defined in OFP Volume II, Chapter 5, paragraph 050201 (http://www.va.gov/finance/docs/VA-FinancialPolicyVolumeIIChapter05.pdf ). Estimated obligations are to be adjusted (increased or decreased) accordingly.

2. Review FMS suspense file (SUSF) for documents, which are in HELD or REJECTED status. Make corrections and resubmit, or delete the documents. Do not delete documents generated by interfaces to FMS (e.g. CC, CB, TM, etc.).

3. Ensure transactions affecting unobligated balances, such as payroll accruals, adjustments, obligation of purchase orders, PCS obligations, adjustments of 1358, etc., are processed.

4. In reviewing available unobligated balances, ensure sufficient funds are available to cover the balances in general ledger 1321 (Accounts Receivable Refunds – Non-Federal). An automated FMS process will post SV transactions to charge available funding for the amount in GL 1321 as of 9/30. Any abnormal credit balances in GL 1321 must be corrected prior to 9/30 for the SV transaction to post correctly.

5. An automated process to move BFYs 14 – 18 Tricare and Shared Medical Resources bills to BFY 19 will take place as part of annual close processing. Only Revenue Source Codes 8002, 8006, 8035 for Shared Medical Resources and 8028, 8029, 8030, 8065 for Tricare are affected. These transactions should not be reversed because Public Law 104-262 allows funds to remain in the current budget fiscal year.

6. Review and adjust the allowance for bad debts balance established in AMAF for public receivables in appropriated funds (0151, 0152, 0160, 0161, 0162, etc.). These SV accrual transactions should be set to not reverse.
B. September 24, 2018 is the last day payments can be made for appropriations expired as of the end of BFY 13 (i.e. 362/30167, 3630160, 362/30160, 362/30161, 3630162, 3630151, 3630152, 3630129, 3630142, etc.). The scheduled payment date must be the same date the payment voucher is processed and can be updated manually on UPVT. Payments with a scheduled date after September 24, 2018 will be cancelled.

C. September 27, 2018 is the last day for Station input of any EB transactions in FMS.

D. 1. After September 27, 2018, FSC staff will be restricted from processing documents into FMS. The intent is to eliminate documents which would adversely affect FY 18 funds for the stations.

2. All interface transactions generated by the FSC will also be held after September 27, 2018. Examples of held FSC interfaces include: IPPS; Prime Vendor Subsistence EDI; CX files; and Concur. Non-FSC interfaces (i.e. IFCAP, CAATS, FEE) will continue to process.

E. 1. Stations can continue to process payment transactions via IFCAP, CAATS, FEE or FMS directly through September 30, 2018. Only FSC generated payment transactions will be held. Stations should be mindful of other interfaces still generating transactions in FMS and budget accordingly for these transactions and any potential interest payments.

2. Scheduled payments during the potential FMS down period will be accelerated. Payments for October 1st, October 2nd, October 3rd and October 4th will be accelerated to pay by September 30th. Payments for October 22nd and 23rd will be accelerated to pay by October 19th.

F. September 30, 2018 is the last day to process transactions affecting accounting period 12 for September 2018 business. Transactions should NOT be input in FMS with a reversal period of 13/18.

G. Annual and multi-year appropriations expired as of the end of BFY 13 (includes 12/13) will close/cancel as part of the FY 18 Annual Close Process. Review ALL outstanding subsidiary records for validity.

1. Travel Obligations MUST be reversed manually.

2. Advances MUST be collected, written off, or reclassified as receivables if valid.

3. Non-Travel Obligations/Payables will be automatically reversed as part of the annual close process. Payable balances will be recorded in the appropriate AMAF fund (i.e. 3630160-AMAFMC, 3630151-AMAFGE) to general ledger 296A or 296B.
4. Receivables should be reviewed for validity. The annual close process will automatically close the open receivables in BFY 13 and create the receivable using the same document number in Base BFY 99 Fund 36 3200 with a BD 09 transaction. Review GL 4221. GL 4221 should be cleared for all funds closing as of BFY 13.

5. Work in Process (general ledger 1720 and GL 1832) must be reviewed and closed or moved as appropriate.

6. General ledger 2130 obligations must be cleared and holdbacks released prior to 09/24/18.

7. BFY 13 Supply fund 4537B2 and 4537B3 will close during annual close.

H. Payroll Accruals

1. MANUAL PAYROLL ACCRUALS MUST HAVE A REVERSAL PERIOD OF 01/19.

2. Payroll accrual adjustments for the September accrual period require special effort. Request Fiscal Officers review payroll accruals in order to ensure accuracy. Refer to Volume I Chapter 3A (http://www.va.gov/finance/policy/pubs/volumeI.asp) for payroll accrual adjustment instructions.

3. The number of business days in the system for the September 2018 payroll accrual is TEN work days (September 17 – 21 and September 24 - 28).

I. On October 1, 2018, material corrections to adjust the September 2018 Trial Balance should be coordinated with the respective office (VHA, VBA, NCA, etc.) for approval. VHA, VBA, NCA, etc. will contact the Annual Close staff to process the corrections.

J. Posting fixed asset depreciation is not part of the annual close process and will post at the end of the calendar month for September 2018 as usual.

K. FMS reports and FMS tables with beginning balances (i.e. F852 and GLTS) will display a zero amount in the beginning balance column until after the FY closes completely in mid October.

L. SO documents having the accrual flag set to N in FMS will not accrue at the end of the year. Review your SO documents to ensure the validity of the accrual flag. Note: SO documents with equipment BOCs should have the accrual flag set to N.

Standardized SO documents should have the accrual flag set to Y unless the BOC is equipment. Ensure enough funds are obligated for all Standardized Obligations.
1VA+ Fund, Government Printing Office, and Capital Lease Obligations SO/MO should have the accrual flag set to N.

For 1VA+ Fund, FY 18 Agreement Customers, station fiscal staff need to process their HT obligation document using a date prior to October 1, 2018 and to limit their use of the document to only line 001.

Prime Vendor Pharmacy SO documents should have the accrual flag set to Y.

Note: OFP Volume VI, Chapters 1 and 11 – “VA will recognize the liability and related expense in the period the exchange occurs (accrual accounting). VA will record accrued salaries and benefits for those amounts owed to employees but not yet paid at the end of the fiscal period.”

For VBA:

SOs in the FMS fund 0137 for State Approving Agencies (SAA) should have an N in the Auto Accrual indicator.

SOs established for the FY 14 VetSuccess Contract Counseling obligations (0151A1, 0137C and 0137W), should have a Y in the Auto Accrual indicator. Therefore, an accrual will be processed automatically in FMS for the remaining unpaid balance.

VBA Interfaces VALERI, CPTS, CAATS and CWINRS interfaces will continue throughout annual close.

ATTENTION IFCAP USERS:

To ensure synchronization regarding prior year processing, IFCAP has an option called “Enter/Edit Date When SOs become ARs”. This option is found on the “FMS Documents Inquiry/Error Process” sub-menu of the “Funds Distribution Program Menu”. Field station personnel must manually input September 30, 2018 in this date field. This field must be populated earlier than September 30 as IFCAP prohibits the entry of a prior date in this field.

M. Direct questions concerning annual close to FAS staff as follows:

<table>
<thead>
<tr>
<th>VISN/Organization</th>
<th>Nationwide Accountants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>VHA VISNs:</strong> 2, 3, 5, 6, 15, 16, 19, 20, 23, 99</td>
<td>Primary:</td>
</tr>
<tr>
<td><strong>NCA Districts:</strong> North Atlantic (NA)</td>
<td>Alternate:</td>
</tr>
<tr>
<td><strong>NCA Headquarters (HQ):</strong> 707, 767, 768, 769, 786</td>
<td></td>
</tr>
<tr>
<td><strong>Other:</strong> 101, 103, 104, 106, 111, 112, 116, 150, 151, 189, 200, 211, 212, 215, 282, 284, 705</td>
<td></td>
</tr>
<tr>
<td><strong>VHA VISNs:</strong> 1, 4, 8, 9, 11, 17, 21, 22</td>
<td>Primary:</td>
</tr>
</tbody>
</table>
NCA Districts: Midwest (MW) & Pacific (PA)  
VBA Area Office: North Atlantic (20F1) & Continental (20F4)  
Alternate: 

VHA VISNs: 7,10,12,16  
NCA Districts: Southeast (SE), Continental (CN)  
VBA Area Office: Southeast (20F2), Midwest (20F3), Pacific (20F5)  
Any other station not listed elsewhere  
Primary:  
Alternate: 

Payroll Rejects Related Issues:  
Accountants:  

Nationwide Accounting Team Email Account  
(We prefer all email communication be sent to our email group account)  
VA Nationwide Accounting  
Chief, Nationwide Accounting and Training Section  

N. The annual station certification letter is based on Accounting Period 13

1. Certification letters for VHA must be uploaded to the appropriate FY 18 Annual CFO Certification folder.

2. Certification letters for VBA should be sent to the Administrative and Loan Accounting Center (ALAC) per the Year-End VBA Letter.

3. Certification letters for NCA: The NCA Finance Service will submit the certification letter to the cemetery station Director for signature and subsequent return to the NCA Finance Service. Certification memos may be faxed to 540-658-7281 or scanned and emailed to the NCA CAATS Finance Approvers mail list no later than Thursday, October 4, 2018.

Detailed instructions for these certifications are sent separately from the responsible offices.

III. FINANCIAL ACCOUNTING SERVICE (FAS) YEAR-END PAYMENT PROCESSING PLANS FOR CREDIT CARD SYSTEM (CCS), PRIME VENDOR PAYMENT SYSTEM, FEE BASIS PAYMENT SYSTEM, TRAVEL MANAGEMENT AND REJECTED PAYMENTS ARE AS FOLLOWS:

A. CCS (PURCHASE) TRANSACTIONS

1. FAS will follow these procedures in processing purchase card transactions for FY 18. On the night of Tuesday, September 25, 2018, Credit Card System (CCS) will record the obligation/expenditure transactions for the billings in FMS. These transactions will include invoice billings submitted to US Bank as of close of business September 24. FMS reports
reflecting those postings will be available on September 26. This report, along with input from cardholders should be used to determine the unbilled purchases for September 25-30 to record the undelivered order. Obligation/expenditure transactions for the daily billings received beginning with charges for activity on September 25 will not be recorded in FMS until the system opens for FY 19. When the recording of these transactions resumes, the CCS will determine the proper appropriation year to be charged based on the purchase date provided by the merchant.

2. The purchase card is to be used through the end of FY 18 and into FY 19 on a business as usual basis. There is no suspension on the use of the purchase card provided an appropriation or continuing resolution has been enacted for FY 19.

3. Stations should compute their unbilled purchase and fleet card transactions for FY 18 and, depending on the appropriation or fund, process a SV CC document with a transaction date of 9/30 and an accounting period of 12/18. The SV CC document must have a reversal period of 01/19. To minimize the effort required for this step, the transaction may be established at summary cost center and BOC levels.

4. Use the IFCAP “Accrual (Monthly)” menu option to record the year-end undelivered orders.

5. Ensure there are funds obligated and accrued for outstanding convenience check amounts.

6. Cost transfers made by VBA between fiscal year appropriations may be done using CAATS.

7. Some VHA stations ask their IS/IRM to take action to keep Purchase Card ET transactions from hitting FMS at year end to aid in their unobligated balance reconciliation. For example, in some VISNs, after the last file of charges are received and reconciled, the IS makes the VISTA option, Reconciliation, and Edit/Remove Reconciliation, unavailable so no ET can be generated.

Cardholders are reminded they MUST determine if funds are available in the control point before using the purchase card. All purchase card payments with a post date of September 24, 2018 should be reconciled by September 30, 2018.

B. PRIME VENDOR PROCESSING

Prime Vendor Pharmacy Credit Card (CD) transactions are held beginning with US Bank charges for September 25, 2017 like other credit card transactions. Prime Vendor EDI transactions will be held in conjunction with other FSC interfaces beginning on September 28, 2018.
C. FEE BASIS PAYMENT PROCESSING

The AITC will hold the regular Fee Basis (FV) payment processing after September 28, 2018. Payments will continue when FMS opens for FY 18.

D. TRAVEL MANAGEMENT

Travel Management Center (TM) Reject documents should be resolved prior to the end of the fiscal year in order for the field stations to maintain an accurate record of funds.

TM Rejects cause differences between Treasury and VA accounting records and can result in findings on VA’s financial statement audit.

Field stations can research the SUSF table to determine if there are any TM transactions in held or reject status for their station. The instructions for scanning the SUSF table in FMS are located in the FMS Field Station User's Guide, page B-60. **Do not delete TM rejects from SUSF.**

E. REJECTED IPPS PAYMENTS

1. During the period September 28 through September 30, 2018, FSC will contact Station Fiscal Offices concerning any critical FY 18 appropriation transactions increasing and decreasing Station’s unobligated balances by $100 or more. The September 28 payment file will be the last one for FY 18. No payment file will be generated on September 29 or September 30, as they are not business days, but rejects may still be processed.

2. The last day for **FSC** to process rejects is September 27, 2018.

IV. FY18 Annual Close Checklist

<table>
<thead>
<tr>
<th>Annual Close</th>
<th>Item Accomplished</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memo Ref #</td>
<td></td>
</tr>
</tbody>
</table>

II. A. 1. Review outstanding obligations

II. A. 2. Review FMS table (SUSF) for held or rejected documents

II. A. 3. All documents affecting unobligated balances
II. A. 4. Available unobligated balances have sufficient funds to cover general ledger 1321.

II. A. 5. BFYs 14 - 18 Tricare and Shared Medical Resources bills moved to BFY 19 are not reversed.

II. A. 6. Review and adjust the allowance for bad debt.

II. B. September 24, 2018 – last day for payments from BFY 13 and BFY 12/13 appropriations.

II. C. September 27, 2018, last day for EB transactions.

II. D. After September 27, 2018, FSC Staff restricted by system modifications from entering documents and FSC interfaces held.

II. F. September 30, 2018 – last day for station input, which affects September 2018 business.

II. G. 1. BFY 13 and BFY 12/13 travel obligations are reversed.

II. G. 2. BFY 13 and BFY 12/13 advances – collected, written off or reclassified.

II. G. 3. BFY 13 and BFY 12/13 non-travel obligations and payables are reviewed.

II. G. 4. BFY 13 and BFY 12/13 receivables are reviewed.

II. G. 5. BFY 13 and BFY 12/13 work in process – review and take action.

II. G. 6. BFY 13 and BFY 12/13 GL 2130 obligations cleared/holdbacks released prior to 09/24/18.

II. G. 7. BFY 13 4537B2/B3 will close.

II. H. 1. Manual payroll accruals have a reversal period of 01/19.

II. H. 2. Payroll accrual adjustments reviewed for accuracy.

II. H. 3. September 2018 payroll accrual is ten days.
II. I.  October 1, 2018 – coordinate September 2018 Trial Balance corrections with respective office (VBA, VHA, NCA, etc.)

II. J.  Fixed Asset depreciation will post at the end of calendar month

II. K.  FMS reports and FMS tables with beginning balances will display zeros

II. L.  Review accuracy of accrual flags for SO documents

II. M.  Annual Close questions to FAS staff

II. N.  Annual Station Certification letter is based on Accounting Period 13

III. A.3.  Process SVCC to record undelivered orders for unbilled purchase and fleet card transactions

III. D.  Process TM rejects
Appendix E: Sample of VHA Station Annual Accounting Records Certification

Department of Veterans Affairs

Memorandum

Date:     Date, Month, 20XX

From:    Facility Director (00), (Facility’s Name, City, State)

Subject: Annual Certification of Accounting Records for Station XXX

To:   VHA Office of Finance (10A3A)

1. The management of (Facility’s Name, Number, City, State) certifies that, in compliance with 31 U.S.C. § 1108, subsection c, and 31 U.S.C. § 3512, the financial accounting system of records for the accounting period ending September 30, 20XX accurately reflects the following conditions for which the agency is responsible in that:

   a. All obligations recorded as of September 30, 20XX are supported under the “documentary evidence requirement for government obligations” criteria established by 31 U.S.C. § 1501.

      ☐ Yes, all obligations are properly supported.

      ☐ No, we have obligations that are not properly supported. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet linked in Section 2, Page 3 of this document.

   b. No known unrecorded obligations, including delinquent obligations and adjustments to increase obligations, exist as of September 30, 20XX. Unrecorded obligations include (but not limited to): Delinquent Obligations, Ratified Commitments that are not obligated, and Obligation rejects that were not corrected as of September 30, 20XX or during Accounting Period 13.

      ☐ Yes, all obligations are recorded.

      ☐ No, we have unrecorded obligations as of September 30, 20XX. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet linked in Section 2, Page 3 of this document.
c. No known unauthorized commitments were pending ratification as of September 30, 20XX. An unauthorized commitment is a transaction that exceeds a contracting officer’s warranted authority or is a commitment made by an individual who lacks contracting authority.

☐ Yes, all unauthorized commitments have been ratified or denied.
☐ No, we have unauthorized commitments pending ratification as of September 30, 20XX. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet linked in Section 2, Page 3 of this document.

d. All outstanding undelivered orders and accrued services payable with at least 90 days of inactivity as of September 30, 20XX were reviewed and determined to be valid.

☐ Yes.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet linked in Section 2, Page 3 of this document.

e. No appropriations are deficient as of September 30, 20XX. General ledger 4610 or 4650 must reflect a credit balance sufficient to cover a corresponding debit balance in general ledger account 1321.

☐ Yes, appropriations have sufficient funds.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.

f. All non-Medical Care Collection Fund receivables with at least 90 days of inactivity as of September 30, 20XX were reviewed and determined to be valid. All bills determined to be invalid or uncollectible were written-off, decreased, or canceled in accordance with VA Financial Policies and Procedures, Volume XII.

☐ Yes.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.
☐ Not Applicable. The station does not have any non-MCCF receivables.

g. General ledger account balances as of August 31, 20XX were reviewed to ensure the existence of a normal balance. Subsidiary reports were also reviewed to ensure there were no out-of-balance conditions. Any exceptions to a
normal balance or any out-of-balance conditions in the subsidiary reports are explained in detail in the “Comments” column of the Reconciliation Summary.

☐ Yes. General ledgers were reviewed and there are no differences or all differences and abnormal balances were corrected and appropriately annotated.

☐ No, we did not complete a review of the Reconciliation Summary.

h. All heritage assets have been properly classified and deferred maintenance costs for heritage assets have been properly recorded in accordance with VA Financial Policies and Procedures, Volume III, Chapter 6, 060503, Heritage Assets.

☐ Yes.

☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.

☐ Not Applicable. The station does not have any heritage assets.

i. Deferred Maintenance and Environmental and Disposal Liabilities have been properly estimated and recorded in accordance with VA Financial Policies and Procedures, Volume V Chapter 9, Volume VI Chapter 8, and Volume III Chapter 6.

☐ Yes.

☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.

☐ Not Applicable. The station does not have any Deferred Maintenance or Environmental Liabilities to report.

j. All General Ledger accounts for fixed assets, depreciation expense, and accumulated depreciation are accurate as of September 30, 20XX.

☐ Yes.

☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.

☐ Not Applicable. The station does not have any Fixed Assets.

k. Enhanced Use Leases (EUL), Sharing Agreements, and Land Use Agreements are documented, billed, and collected in accordance with policy.
☐ Yes.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.
☐ Not Applicable. The station does not have any EUL, Sharing Agreements, or Land Use Agreements.

I. In accordance with OMB Circular A-11, accounting records for real property leases have been reviewed and determined to be accurate and complete.

☐ Yes.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.
☐ Not Applicable. The station does not have lease agreements.

m. All inter-agency and intra-agency agreements have been forwarded to FSC mailbox at vafscagreementrepository@va.gov. Please note that FSC will review and upload the agreement to the IAA repository.

☐ Yes.
☐ No. Details are provided on the “FY 20XX Annual Certification – Exceptions” spreadsheet (All Other tab) linked in Section 2, Page 3 of this document.
☐ Not Applicable. The station does not have any inter-agency or intra-agency agreements.

2. Certification

☐ We have no exceptions to report as part of this certification.
☐ We have properly reported **ALL** exceptions on the FY 20XX Annual Certification – Exceptions spreadsheet.

3. Check List of additional documents to be uploaded to the SharePoint:

   Yes   No   N/A
1. □ □ □ The exception spreadsheet (in Excel format). (Please refer to the following hyperlink: FY 20XX Annual Certification - Exceptions)

2. □ □ □ A copy of the Accountable Officer’s Year-End Certification letter for inventory values is complete and attached. (Please refer to the following hyperlink: FY 20XX Accountable Officer’s Certification)

3. □ □ □ A copy of the Certification for Management’s Responsibility for Internal Control, per OMB Circular A-123, is complete and attached. (Please refer to the following hyperlink: FY 20XX A123 Certification)

4. □ □ □ The entire Monthly Reconciliation Summary spreadsheet for August 31, 20XX is attached. Explanations for any differences and/or abnormal general ledger account balances are provided. (Please refer to Item 1.g.)

5. □ □ □ The Certification Memo and Data Collection Instrument (DCI) for annual review of 1358’s for September 30, 20XX is attached (Please refer to the following hyperlinks: FY 20XX Annual 1358 Certification, FY 20XX 1358 Data Collection Instrument) NOTE: If applicable, the Data Collection Instrument must include a detailed corrective action plan.)

________________________________________  __________________________
Printed Name                              Printed Name

________________________________________  __________________________
Signature        Date                        Signature        Date
Chief Financial Officer                   Director
Department of Veterans Affairs

Memorandum

Date: Month XX, 20XX
From: Administration CFO, VA CFO
Subject: Annual Certification of Accounting Records for XXX
To: Office of Financial Policy (047GB)

In compliance with 31 U.S.C. § 1108, subsection c and 31 U.S.C. § 3515, I certify that the records for accounting period ending September 30, 20XX, accurately reflect the condition of the accounting records for all appropriations and funds maintained for this facility as of the above date. There are also reasonable assurances that (1) obligations and costs are in compliance with the applicable law; (2) all assets are safeguarded against waste, loss, unauthorized use and misappropriation; and (3) revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports and to maintain accountability over the assets.

I further certify that all obligations reported in this statement meet the criteria established by 31 U.S.C. § 1501, and that no known unrecorded obligations exist as of the end of the accounting period covered by the reports.

______________________________________________  _________________
Name and Title                                      Date
Appendix G: Sample OFP Accounting Certification Letter Due Dates

Below is a sample of the Office of Financial Policy (047GB) Accounting Certification Letter due dates. Contact OFP for specific due dates each year.

<table>
<thead>
<tr>
<th>Office</th>
<th>Due Dates</th>
<th>Additional Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition and Logistics (OAL), VA Supply Fund CFO</td>
<td>10/4/2018</td>
<td>Note any exceptions in a letter jointly signed by the Supply Fund CFO and Deputy Assistant Secretary OAL. When appropriate, attach journal vouchers.</td>
</tr>
<tr>
<td>Construction and Facilities Management (CFM), Resource Management (RMO)</td>
<td>10/4/2018</td>
<td>Note any exceptions in a letter jointly signed by the Director, RMO and the Director, CFM. When appropriate, attach journal vouchers.</td>
</tr>
<tr>
<td>Financial Services Center (including Stations 101 &amp; 116 OIT activities)</td>
<td>10/4/2018</td>
<td>Summarize station/field facilities and note any exceptions in a letter jointly signed by the Fiscal Officer and Director. When appropriate, attach journal vouchers.</td>
</tr>
<tr>
<td>NCA CFO</td>
<td>10/4/2018</td>
<td>Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.</td>
</tr>
<tr>
<td>VBA CFO</td>
<td>10/4/2018</td>
<td>Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.</td>
</tr>
<tr>
<td>VHA CFO (including OIT activity except Stations 101 &amp; 116)</td>
<td>10/4/2018</td>
<td>Summarize station/field facilities and note any exceptions in a letter signed by the Administration CFO. When appropriate, attach journal vouchers.</td>
</tr>
</tbody>
</table>
Appendix H: Example of AFR Critical Deadlines

Enclosed is an example from FY 2018. The AFR Critical Deadline is revised annually according to updated requirements and deadlines.

Timeline for FY2018 Agency Financial Report

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018 AFR Kick-off Meeting</td>
<td>6/21/2018</td>
</tr>
<tr>
<td>POCs submit FY2018 AFR interim data to OFP (covering up to Q3)</td>
<td>8/2/2018</td>
</tr>
<tr>
<td>OFP edit and input all the interim data into template (interim draft)</td>
<td>8/15/2018</td>
</tr>
<tr>
<td>OFP perform technical review of interim draft AFR and follow up with POCs</td>
<td>8/30/2018</td>
</tr>
<tr>
<td>OFP submit interim draft AFR to OF then OM</td>
<td>9/6/2018</td>
</tr>
<tr>
<td>OF review interim draft AFR</td>
<td>9/20/2018</td>
</tr>
<tr>
<td>OM review interim draft AFR</td>
<td>10/4/2018</td>
</tr>
<tr>
<td>POCs submit FY2018 AFR final data to OFP (including Q4)</td>
<td>10/5/2018</td>
</tr>
<tr>
<td>OFP edit and input all the final data into template, and submit final draft for technical review</td>
<td>10/11/2018</td>
</tr>
<tr>
<td>OFP complete technical review of final draft AFR and follow up with POCs</td>
<td>10/18/2018</td>
</tr>
<tr>
<td>OFP submit draft AFR in VAIQ to admins and staff offices for concurrence</td>
<td>10/18/2018</td>
</tr>
<tr>
<td>OFP address remaining comments on AFR</td>
<td>10/19/2018</td>
</tr>
<tr>
<td>OF review FY2018 AFR final draft</td>
<td>10/25/2018</td>
</tr>
<tr>
<td>OFP submit draft AFR to OMB</td>
<td>10/25/2018</td>
</tr>
<tr>
<td>OFP address OMB and Auditors comments on AFR</td>
<td>11/8/2018</td>
</tr>
<tr>
<td>OFP</td>
<td>11/15/2018</td>
</tr>
<tr>
<td>• Publish Final AFR in OMB MAX</td>
<td></td>
</tr>
<tr>
<td>• Email POCs for: Congress and GAO</td>
<td></td>
</tr>
<tr>
<td>• Send to Webmaster for publishing</td>
<td></td>
</tr>
<tr>
<td>• Send to 508 compliance team</td>
<td></td>
</tr>
<tr>
<td>OFP confirm 508 compliance and upload new version to VA website if there are any changes</td>
<td>11/30/2018</td>
</tr>
</tbody>
</table>
Appendix I: FY2018 Legal Representation Letter Schedule

Enclosed is an example from FY 2018. The schedule is revised annually according to updated requirements and deadlines.

<table>
<thead>
<tr>
<th>Due Date</th>
<th>Due From</th>
<th>Due To</th>
<th>Description of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>6/25/2018</td>
<td>OFP</td>
<td>CFOs &amp; OGC</td>
<td>OFP emails call memos to CFOs &amp; OGC for pending or threatened litigation cases and unasserted claims from 10/01/17 to 06/30/18</td>
</tr>
<tr>
<td>7/5/2018</td>
<td>OFP</td>
<td>OGC</td>
<td>OFP emails with cases and claims provided by CFOs to OGC.</td>
</tr>
<tr>
<td>7/10/2018</td>
<td>OGC</td>
<td>OFP</td>
<td>OGC emails the draft interim LRL with 3 Attachments to OFP.</td>
</tr>
<tr>
<td>7/13/2018</td>
<td>OFP</td>
<td>OGC</td>
<td>OFP reviews the info and provides comments to OGC if corrections and clarifications are needed.</td>
</tr>
<tr>
<td>7/20/2018</td>
<td>OGC</td>
<td>CLA</td>
<td>OGC submits the LRL with 3 Attachments to CLA.</td>
</tr>
<tr>
<td>9/20/2018</td>
<td>OFP</td>
<td>CFOs &amp; OGC</td>
<td>OFP emails call memos to CFOs &amp; OGC for pending or threatened litigation cases and unasserted claims from 07/01/18 to 09/30/18</td>
</tr>
<tr>
<td>10/3/2018</td>
<td>OFP</td>
<td>OGC</td>
<td>OFP emails with cases and claims provided by CFOs to OGC.</td>
</tr>
<tr>
<td>10/4/2018</td>
<td>OGC</td>
<td>OFP</td>
<td>OGC drafts Legal Representation Letter (LRL) update with 3 attachments covering 07/01/18 to 09/30/18 and emails them to OFP.</td>
</tr>
<tr>
<td>10/5/2018</td>
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<td>OGC</td>
<td>OFP reviews the info and provides comments to OGC if corrections and clarifications are needed.</td>
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<tr>
<td>10/13/2018</td>
<td>OGC</td>
<td>CLA</td>
<td>OGC submits the year-end LRL update covering 07/01/18 to 09/30/18 to CLA.</td>
</tr>
<tr>
<td>11/1/2018</td>
<td>OFP</td>
<td>CFOs &amp; OGC</td>
<td>OFP emails reminders to CFOs &amp; OGC for pending or threatened litigation cases and unasserted claims from 10/01/18 to 10/31/18</td>
</tr>
<tr>
<td>11/2/2018</td>
<td>OFP</td>
<td>OGC</td>
<td>OFP emails with cases and claims provided by CFOs to OGC.</td>
</tr>
<tr>
<td>11/3/2018</td>
<td>OGC</td>
<td>OFP</td>
<td>OGC provides OFP with any update/change to the cases/claims reported previously.</td>
</tr>
<tr>
<td>11/4/2018</td>
<td>OFP</td>
<td>OGC</td>
<td>OFP reviews the info and provides comments to OGC if corrections and clarifications are needed.</td>
</tr>
<tr>
<td>11/8/2018</td>
<td>OGC</td>
<td>CLA</td>
<td>OGC submits the LRL update covering 10/01/18 to 10/31/18 to CLA.</td>
</tr>
<tr>
<td>11/16/2017</td>
<td>OGC</td>
<td>OFP</td>
<td>OGC emails OFP with any update/change to the cases/claims reported previously for 11/1/18 - 11/16/18.</td>
</tr>
<tr>
<td>11/17/2018</td>
<td>OFP</td>
<td>CLA</td>
<td>OFP provides CLA with any update/change to the cases/claims reported previously for 11/1/18 - 11/16/18.</td>
</tr>
<tr>
<td>1/14/2018</td>
<td>OFP</td>
<td>OIG</td>
<td>OFP provides OIG with any update/change to the cases/claims reported previously for 11/17/18 – 1/14/19.</td>
</tr>
</tbody>
</table>
Appendix J: FY 2018 Management Representation Letters Timeline Milestones

Enclosed is an example from FY 2018. The schedule is revised annually according to updated requirements and deadlines.

<table>
<thead>
<tr>
<th></th>
<th>Milestones</th>
<th>Start Date</th>
<th>Anticipated Completion Date</th>
<th>Responsible Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>OFP to review Management Representation Letter SOP, timeline, and prior year letters. Update timeline for current fiscal year. Create individual letters based on prior fiscal year.</td>
<td>08/08/2018</td>
<td>08/16/2018</td>
<td>OFP</td>
</tr>
<tr>
<td>2</td>
<td>Draft CFO memo to direct Administration and other Executive offices comment on prior year MRL and to obtain Point of Contact (POC) designees. Establish VA Integrated Enterprise Workflow Solution (VIEWS) assignment.</td>
<td>08/08/2018</td>
<td>08/17/2018</td>
<td>OFP</td>
</tr>
<tr>
<td>3</td>
<td>Route the memo for Assistant Secretary for Management /Chief Financial Officer (ASM/CFO) to sign via package folder. When signed, distribute to Administrations and Executive Offices.</td>
<td>08/20/2018</td>
<td>08/31/2018</td>
<td>OFP</td>
</tr>
<tr>
<td>4</td>
<td>Provide suggested edits for developing the individual FY 2018 MRLs and POCs.</td>
<td>09/05/2018</td>
<td>09/20/2018</td>
<td>Administrations and Executive Offices</td>
</tr>
<tr>
<td>5</td>
<td>Adjudicate input received from the Administrations and Executive offices.</td>
<td>09/24/2018</td>
<td>09/28/2018</td>
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</tr>
<tr>
<td>6</td>
<td>Upon receipt of the financial auditor’s draft FY 2018 Management Representation Letters, compare to previous year’s letters and suggested edits to develop FY2018 individual MRLs and closing package letter.</td>
<td>10/01/2018</td>
<td>10/12/2018</td>
<td>Auditors/OFP</td>
</tr>
<tr>
<td>7</td>
<td>Confirm POC contacts are still valid.</td>
<td>10/12/2018</td>
<td>10/12/2018</td>
<td>OFP</td>
</tr>
<tr>
<td>8</td>
<td>Contact the Executive Secretary’s office to review formatting for draft letters the Secretary will sign.</td>
<td>10/12/2018</td>
<td>10/18/2018</td>
<td>OFP/Executive Secretariat</td>
</tr>
<tr>
<td>Milestones</td>
<td>Start Date</td>
<td>Anticipated Completion Date</td>
<td>Responsible Party</td>
<td></td>
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<td>9</td>
<td>10/19/2018</td>
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<td>10/22/2018</td>
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<td>10/24/2018</td>
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<td>OFP/Executive Secretariat</td>
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<tr>
<td>17</td>
<td>11/1/2018</td>
<td>11/2/2018</td>
<td>OFP/Executive Secretariat</td>
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<td>18</td>
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<td>11/13/2018</td>
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<tr>
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<td></td>
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<td>20</td>
<td>01/25/2019</td>
<td>02/04/2019</td>
<td>OFP/ Administrations and Executive Offices</td>
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</tr>
<tr>
<td>Milestones</td>
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<td>Anticipated Completion Date</td>
<td>Responsible Party</td>
<td></td>
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<tr>
<td>----------------------------------------------------------------------------</td>
<td>------------</td>
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<tr>
<td>the date of the financial statement audits, November 16, 2018 and up through February 4, 2019.</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>21 OFP provides Subsequent Changes to Fiscal Service, OMB, and GAO by noon February 5, 2019 via e-mail to <a href="mailto:Financial.Reports@fiscal.treasury.gov">Financial.Reports@fiscal.treasury.gov</a>; <a href="mailto:Carol_S._Johnson@omb.eop.gov">Carol_S._Johnson@omb.eop.gov</a>, <a href="mailto:USCFS@gao.gov">USCFS@gao.gov</a></td>
<td>02/05/2019</td>
<td>02/05/2019</td>
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