

**Forest Service Handbook
National Headquarters - Washington Office
Washington, DC**

**Forest Service Handbook 6509.11k – Service-Wide Finance and Accounting Handbook
Chapter 20 - Financial Management**

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Approved by: Donna M. Carmical, Chief Financial Officer (CFO)

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Responsible Staff:

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Digest: Following is an explanation of the changes throughout the directive by section.

20: Updates responsibility direction throughout the entire chapter to reflect the increasing roles and responsibilities of Federal financial management and to update policy as it relates to the incorporation of the Albuquerque Service Center, Budget and Finance (ASC-B&F).

20.41b - 20.41c: Changes captions and adds responsibilities from “Director Program Development and Budget” to “Chief Financial Officer” (sec. 20.41b); and “Director, Fiscal and Public Safety” to “Associate Deputy Chief Business Operations (sec. 20.41c).

20.41d - 20.41i: Add captions and responsibilities for the following sections: “Director of Budget and Finance (ASC-B&F)” (sec. 20.41d); “Director of Strategic Planning, Budget and Accountability (sec. 20.41e); “Director of Financial Management Systems” (sec. 20.41f); “Director of Financial Policy” (sec. 20.41g); “Director of Financial Reporting and Reconciliation” (sec. 20.41h); “Director of Audit and Assurance (Internal)” (sec. 20.41i).

20.42: Changes caption and adds responsibilities from “Regional Foresters, Station Directors, and the Area Director,” to “Regional Foresters, Forest Supervisors, Station Directors, Area Director, International Institute of Tropical Forestry (IITF) Director, Forest Products Laboratory Director, Center Directors and Washington Office Directors”.

20.43: Removes caption and responsibilities for “Forest Supervisors.”

20.5: Adds definitions for allocation, allotment, apportionment, appropriation, budget authority, budget execution, carryover, commitment, financial management systems, Foundation Financial Information System (FFIS), obligation, Program Direction, reapportionments, unobligated balances, and WorkPlan.

20.6: Replaces direction for “Budgetary Resources System” with “References”.

21: Changes caption from “Budgetary Resources, Allotments, and Allocations” to “Budgetary Controls, Resources and Authority.”

21.1: Replaces direction for “Financial Management at National Level” with “Budgetary Controls”.

21.11: Moves caption and direction for “Apportionment and Reapportion” to sec. 21.2.

21.12: Moves caption and direction for “Changes in Inter, Intra-Department Budget Authority” to sec. 21.3.

21.13: Moves caption and direction for “Changes in Accounting Center Budgetary Authority” to sec. 21.4.

21.2: Replaces caption and direction for “Financial Management Below National Level” with “Apportionment and Reapportionment”.

21.21: Removes caption and direction for “Changes in Unit Budgetary Authority”;

21.22 - 21.22d: Removes caption and direction for the following sections: “Changes in Subunit and Management Code Budgetary Authority” (sec. 21.22); “Completion of Management Code Master File Update” (sec. 21.22a); “Revision of Management Codes” (sec. 21.22b); “Deletion of Management Codes” (sec. 21.22c); “Establishment of Prior Year Management Codes” (sec. 21.22d).

21.23: Removes caption and direction for “Operating Plan Requirements”.

21.24: Removes caption and direction for “Procedures When Funds Are Pooled by Subunits”.

21.3: Replaces caption and direction for “National Finance Center Management Accounting Structured Codes (MASC) 2103 Tables” with “Changes in Inter, Intra-Department Budget Authority”.

21.31: Removes caption and direction for “Updating MASC 2103, Table 17 and 24”.

21.4: Adds caption and direction for “Changes in Accounting Center Budgetary Authority”.

22: Replaces caption and direction for “Prior Year Unexpended Balances” with “Financial Statements”.

23: Adds caption and direction for “Financial Management Statements”.

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20.1 – Authority

See FSM 6520.1.

20.2 – Objective

See FSM 6520.2.

20.4 – Responsibility

20.41 – Washington Office

20.41a – Deputy Chiefs

It is the responsibility of Deputy Chiefs to:

1. Refer any staff financial policy and accounting standards issues or concerns to the Director of Financial Policy, for research, resolution, or response, where additional clarification is necessary.
2. Ensure internal controls are in place to comply with this direction.
3. Ensure their staffs that have budgetary and residual financial duties are in compliance with this direction.
4. Keep General Accountability Office (GAO) and Office of the Inspector General (OIG) Audit Liaison Staff apprised of review activities and GAO/OIG inquiries that have not been previously approved through the agency's audit management process. See FSM 1420 and 1430.

20.41b – Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) has the authority delegated by the United States Department of Agriculture (USDA), Office of the Chief Financial Officer (OCFO). It is the responsibility of the CFO to:

1. Provide financial leadership to the Forest Service; achieve improved federal financial management through increased accountability and strengthened internal controls.
2. Oversee the establishment, maintenance, and implementation of Forest Service integrated financial management systems and ensure that all financial management systems comply with applicable federal standards (FSM 6520.1). Oversee the design of other Forest Service or USDA, OCFO related financial management systems that provide, at least in part, financial or program performance data used in Forest Service financial statements (FSM 6520.1).

3. Oversee national financial management policies and procedures and ensure compliance throughout the Forest Service, through the use of applicable accounting policies, standards, and principles, as well as reviews of financial information and systems functional standards.
 - a. Oversee Forest Service fiscal and accounting data reporting and reconciliation to ensure timely accounting identification and resolution of differences, as well as reliable and accurate preparation of agency financial statements.
 - b. Work with the USDA, Office of the Inspector General, and the General Accountability Office, and other auditors to improve the Forest Service financial statement position and to liaison in carrying out agency audits or Congressionally mandated reviews.
4. Ensure reviews of agency program, business processes, and related financial data are accomplished to minimize external audit findings of deficiencies or violation of laws and/or regulations. Additionally, to build reliance on Forest Service internal quality assurance program by external auditors such that audit costs are minimized while audit reliance is increased.
5. Provide an annual financial report to the Chief and the Secretary of USDA in accordance with FSM 6524, exhibit 01.
6. Monitor the financial execution of the Forest Service budget in relation to actual expenditures. The CFO has authority to:
 - a. Mandate Forest Service data and reporting format requirements.
 - b. Prepare financial statements and work with the USDA, Office of Inspector General and other auditors to improve the agency financial statements position.
 - c. Develop, in coordination with program managers, financial and programmatic performance indicators for inclusion in financial systems, reports and statements.

20.41c – Associate Deputy Chief Business Operations

It is the responsibility of the Associate Deputy Chief Business Operations, to ensure the Director of Budget and Finance (ASC-B&F):

1. Uses due diligence in implementing the policies set forth in this directive.
2. Ensures internal controls are in place to comply with this directive.

20.41d – Director of Budget and Finance (ASC-B&F)

It is the responsibility of the Director of Budget and Finance (ASC-B&F) to:

1. Provide management and oversight of Forest Service accounting operations, claims, payments, travel, and program support; to ensure day-to-day business transactions are accomplished in accordance with Federal Accounting Standards Advisory Board (FASAB) and Generally Accepted Accounting Principles (GAAP) (FSM 6520.1).
2. Manage the financial execution of the Forest Service budget in relation to timely and accurate recording and reporting of agency actual expenditures.
3. Identify and evaluate accounting deficiencies or problems, and direct corrective actions to the appropriate staff.
4. Work directly with field and other staff office managers, to identify their needs for support and assistance from the ASC-B&F.
5. Serve as the first line of access to the field, in addressing routine and established agency accounting and financial management policy, and accounting standards, as it relates to day to day operational activities.
6. Refer any field or ASC-B&F financial management policy and accounting standards, issue or concern to the Director for Financial Policy for research, resolution, or response, where:
 - a. Additional clarification is necessary,
 - b. Policy and standards do not already exist, or
 - c. Departmental Office of General Counsel (OGC), Office of Chief Financial Officer (OCFO), or other appropriate government financial management guidance is warranted.

20.41e – Director of Strategic Planning, Budget and Accountability

It is the responsibility of the Director of Strategic Planning, Budget and Accountability to:

1. Develop and present the Forest Service budget with a focus on measurable results.
2. Prepare requests for apportionments and reappportionments.
3. Provide leadership and formulate policies for developing, allocating, and managing annual agency budgets that reflect specific program objectives, outcomes, outputs, targets, work force, and funding requirements.
4. Provide the Annual Program Direction that indicates allocations, Congressional Direction, and/or priorities.
5. Provide annual work planning and accomplishment reporting, ensuring realistic program and budget information is provided within the planning framework.

6. Prepare allocation advice in the amounts designated by appropriation, rescissions, reprogramming, deferrals, and apportionments.
7. Ensure that amounts allocated at the Forest Service level do not exceed apportionments; especially during periods of continuing resolution.
8. Ensure adequate systems and controls are in place to facilitate sound fund management and to preclude any violation of the Anti-Deficiency Act.

20.41f – Director of Financial Management Systems

It is the responsibility of the Director of Financial Management Systems:

1. Manage the agency core financial and accounting system, currently named Foundation Financial Information System (FFIS).
2. Plan, develop, improve, implement, and ensure integration of all Forest Service financial management, accounting, and budget systems that promote effective, and timely financial management operations.
3. Monitor and review the effectiveness of internal controls of financial management systems to ensure conformance to principles, standards, and laws.
4. Provide expert technical advice for new and advanced accounting systems.
5. Direct and review the design and development of complete agencywide systems as well as the interfaces between the common functions of agency systems used at all management levels.
6. Validate accounting data and report for complete accounting programs, ensuring accuracy and conformance with governmentwide accounting principles, requirements, and internal agency controls.
7. Ensure that agency financial management systems conform to existing applicable functional requirements for the design, development, operation, and maintenance of financial management systems, as defined by OMB Circulars, Treasury Financial Manuals and other federal government financial systems regulations.
8. Ensure that new functional financial systems requirements are implemented expeditiously, with proper consultation among affected customers and programs.
9. Ensure that the financial management systems track financial events and summarize information to support the effective decision making capability of managers in carrying out the mission of the Forest Service.
10. Ensure documentation for technical systems, such as requirements documents, systems specifications and operating instructions are adequate, to enable technical personnel to operate financial systems in an effective and efficient manner.

11. Provide for adequate management reporting.
12. Support the preparation of auditable financial statements.

20.41g – Director of Financial Policy

It is the responsibility of the Director of Financial Policy to:

1. Maintain day to day managerial responsibility for the operation of the Forest Service Financial Policy and Standards program.
2. Develop national financial management policies and standards for existing and/or newly developed programs or projects.
3. Ensure accounting standards and procedures for programs are designed to promote effective and timely financial management operations and reflect higher Departmental and government authorizing bodies, such as Treasury, FASAB, OMB, or GAO, and so forth.
4. Advise staff on all agency financial management policy and standards, including appropriation and fund use, budget, accounting standards, travel, and claims.
5. Ensure policies and standards are appropriately reflected in Forest Service manuals and handbooks; in particular, the 6500, 1900, and 1400 titles.
6. Coordinate agency requests for additional clarification of policy and standards with other appropriate government financial management authorities, such as Treasury or Office of General Counsel.
7. Work with Financial Management Systems to ensure all financial systems meet federal accounting and reporting standards, such as Treasury SGL posting criteria, OMB appropriations and funds control, and FASAB accounting standards.
8. Work with the Albuquerque Service Center, Budget and Finance (ASC-B&F) staff to provide resolution to field and ASC-B&F financial management policy and standards issues which require:
 - a. Further clarification,
 - b. Creation of new direction, and/or
 - c. Coordination with Departmental or higher governmental ruling bodies.
9. Perform reviews to ensure compliance with agency guidance.

20.41h – Director of Financial Reporting and Reconciliation

It is the responsibility of the Director of Financial Reporting and Reconciliation to:

1. Prepare periodic and annual agency financial statements, as well as Department of the Treasury, Office of Management and Budget, and other required financial management reports.
2. Ensure financial statements are prepared in accordance with guidance provided in OMB Circular A-136, “Financial Reporting Requirements.”
3. Analyze and reconcile the general ledger on a monthly basis.
4. Provide the Chief Financial Officer timely notices of trends and analyses of financial data to facilitate decision making on agency financial and/or business processes.

20.41i – Director of Audit and Assurance (Internal)

It is the responsibility of the Director of Audit and Assurance to:

1. Plan and perform reviews to evaluate the overall effectiveness and compliance of internal control systems as required by the Federal Financial Managers’ Financial Integrity Act and OMB Circular A-123 Appendix A and C.
2. Oversee all Government Accountability Office/Office of Inspector General (GAO/OIG) audits and reviews, and inquiries conducted throughout the Forest Service.
3. Work closely with individuals and staffs, internal and external to the agency, to provide sufficient support on audits/reviews, prepare official agency responses, and implement corrective actions to address auditor-identified recommendations.
4. Develop corrective actions to address, monitor, and report quarterly on management challenges identified in the annual OIG Report to the Secretary.
5. Prepare corrective action plans, monitor, and report quarterly and semi-annually to the Department on the status of audits one-year and older.
6. Work with financial policy to ensure policy is updated to meet audit standards and agency recommendations for corrective action.
7. Serve as the agency primary point-of-contact for the annual financial statement audit.
8. Serve as the WO audit liaison responsible for supporting the ASC B&F staff by providing supporting documentation for the myriad financial statement, A-123, and other audits/reviews.
9. Maintain internal controls to adhere to this policy.
10. Prepare annual assurance statement on effectiveness of internal control systems.

20.42 – Regional Foresters, Forest Supervisors, Station Directors, Area Director, International Institute of Tropical Forestry (IITF) Director, Forest Products Laboratory Director, Center Directors and Washington Office Directors

It is the responsibility of regional foresters, forest supervisors, station directors, Area Director, International Institute of Tropical Forestry (IITF) Director, Forest Products Laboratory Director, Center Directors, and Washington Office Directors to:

1. Refer any field financial management policy and accounting standards issues or concerns to the Director for Financial Policy for research, resolution, or response, where additional clarification is necessary.
2. Ensure internal controls are in place to adhere to this policy.
3. Ensure that members of their staff who have budgetary and residual financial duties are in compliance with this direction.

20.5 – Definitions

Allocation. The amount of obligational authority transferred from one agency, bureau, or account that is set aside in a transfer appropriation account, to carry out the purpose of the parent appropriation or fund.

Allotment. An authorization within an agency (either from the agency head or some other authorized individual), to lower levels of the organization, to incur obligations or make expenditures within a specified amount. Allotments are made in accordance with the general apportionment requirements as stated in [OMB Circular A-11](#). Allotments must be made within the limitations established as a part of recording the apportionment in the Forest Service Core Financial System, in order to comply with the Anti-Deficiency Act, which prohibits incurring any obligation or making any expenditure in excess of an apportionment or reapportionment.

Apportionment. A distribution made by Office of Management and Budget (OMB) of amounts available for obligation in an appropriation fund account, into amounts available for specified time periods, program, activities, projects, objects, or any combinations that may be incurred. An apportionment may be further subdivided by an agency into allotments, suballotments, and allocations.

Appropriation. A provision of law (not necessarily an appropriation act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Budget Authority. The authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriation, borrowing authority, contract authority, and spending authority from offsetting collections.

Budget Execution. Includes funds control and provides features to record, distribute, and control budget authority and spending in accordance with the provisions of OMB Circular A-11, Part 4, Instructions on Budget Execution. Budget execution provides the ability to track the effects of financial events on the sources and uses of budgetary resources authorized by the President and the Congress. Its primary purpose is to ensure that spending does not exceed funds appropriated or authorized.

Carryover. Prior year unobligated balances of Treasury accounts that have not expired at the end of the fiscal year and may be available to the agency. Available carryover balances will not be known until the Financial Statements are closed and final. The unexpended balance in each fund code is brought forward from previous fiscal year's record into current year's records.

Commitment. A commitment is an administrative reservation of funds that have not yet been obligated. Agencies use commitment accounts for the internal control of budgetary resources and to help prevent unauthorized use of available resources.

Financial Management Systems. Financial and mixed systems necessary to support financial management, including manual or automated processes, procedures, controls, hardware, software and support personnel. Financial systems include an information system, comprised of one or more applications, which is used for:

1. Collecting, processing, maintaining, and transmitting or reporting data about financial events;
2. Supporting financial or budgeting activities;
3. Accumulating and reporting cost information; or
4. Supporting the preparation of financial statements.

Foundation Financial Information System (FFIS). The Forest Service's integrated core financial system. This system comprises the various transactions involved in authorizing, recording, classifying, and reporting financial data such as financing sources and gains, expenses, losses and transfers, assets, liabilities, and equity. FFIS captures transactions when they are authorized, processes the data, and issues reports. The FFIS is also used to record and report disbursements, collections, and cost accounting functions.

Obligation. An obligation represents the amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payment during the same or a future period. An obligated balance equals the cumulative amount of budget authority that has been obligated but not yet outlayed, also known as unpaid obligations net of accounts receivable and unfilled customer orders. Budgetary resources must be available before obligations can be incurred legally. It is legally binding on the part of the government to make payment once the goods or services are provided. It is sound financial policy for an entity to obligate funds whenever it orders goods or services. Although entities may face practical difficulties obligating services,

such as travel or ordering of goods, in advance of performance of delivery, such action avoids the possibility (at the end of a quarter or fiscal year) that available funds are exhausted and not available, thereby creating a potential for anti-deficiency violations.

Program Direction. The Forest Service program direction contains the operating direction and guidance for fiscal year spending. The direction and guidance incorporates the Agency's mission priorities, such as those in the strategic plan, annual performance plans, and fiscal year budget justification. It also incorporates congressional direction and intent contained in the fiscal year appropriation acts and accompanying congressional reports. The Washington Office SPBA develops the program direction to provide maximum flexibility and clarity of the agency budget to line officers in achieving the goals of the Forest Service.

Reapportionments. Reapportionments are requested when changes need to be made to the previously approved apportionment. Reapportionments may be required for any of the following:

1. Newly obligational authority when unobligated carryover for the same appropriation was previously apportioned.
2. Supplemental appropriations.
3. Appropriation transfers.
4. Release of deferrals or denial of proposed rescissions.

Unobligated Balances. Balances of budgetary resources that have not yet been obligated. Unobligated balances expire (cease to be available for obligation) for: 1-year accounts at the end of the fiscal year; multiple year accounts at the end of the period specified; no-year accounts only when they are rescinded by law, purpose is accomplished, or when disbursements against the appropriation have not been made for 2 full consecutive years.

WorkPlan. The agency project work planning, tracking, and reporting system. It is a standardized tool to be used by all organizational levels which support development and required execution of a unit's fiscal year program of work.

20.6 – References

Additional direction on financial management and financial management systems may be found in FSM 6520 – Financial Management. Detailed policies for specific financial management topics are included in other chapters of FSM 1900, Planning and FSM 6500, Finance and Accounting. Procedures on implementing these policies are described in FSH 1909.13, Program Development and Budgeting Handbook, and FSH 6509.11k, Service-wide Finance and Accounting Handbook.

In addition to the direction contained in this handbook, be familiar with direction in the following Forest Service Manual and Handbooks:

1. FSM 1930, Program Development and Budgeting.
2. FSM 6500, Finance and Accounting.
3. FSM 6520, Financial Management.
4. FSM 6550, Accounting.
5. FSH 1909.13, Program Development and Budgeting Handbook.
6. FSM 1400, Controls.
7. FSM 1420, Government Accountability Office Audit
8. FSM 1430, Office of Inspector General Audits
9. FSH 6509.11g, Servicewide Appropriations Use Handbook.

21 – Budgetary Controls, Resources and Authority

21.1 – Budgetary Controls

The formalized system of financial management controls used by the Forest Service is described in FSH 1909.13, Program Development and Budgeting Handbook. The Financial Foundation Information System (FFIS) records, controls, and reports the financial management activities of the Forest Service, in particular, as they relate to budgetary resources, allotments, and allocations. The Forest Service’s Budgetary controls are described in the annual [Program Direction](#).

1. The Forest Service uses the program WorkPlan to internally prepare and control budget execution. The system provides functionality that:
 - a. Supports field requirements to plan and manage work at the program and project level.
 - b. Provides managerial information on planned work aggregated through the various levels of the Forest Service.
 - c. Provides the ability to link with external systems so that correlations can be made between various work planning and related data. These correlations are to be used for tracking project costs, and for other purposes.
 - d. Provide reports in various formats for use at all levels of the Forest Service.
2. The planning module of the WorkPlan system allows unit-level personnel (whether they are project, program, or budget and finance managers) to input and manage planned work at the project level. This process revolves around:

- a. Creating a project.
- b. Identifying resources (that is personnel, equipment, supplies, and so forth) which will be applied to the project.
- c. Identifying the funding sources which will finance the project.
- d. Identifying planned outputs or accomplishments of the project.

21.2 – Apportionment and Reapportionment

Form SF-132, Apportionment and Reapportionment is submitted by the Forest Service through the Department of Agriculture, to the Office of Management and Budget (OMB), to establish total budgetary resources available to the Forest Service and rate of obligations allowable for each specified period. Form SF-132 is also used to record:

1. Appropriations exempt from apportionment control, and
2. Limitations within main head appropriations for the purpose of establishing all budgetary resources and their rate of obligations for specified periods into the overall accounting system.

Information regarding instructions for completing form SF-132 may be found at OMB's website at http://www.whitehouse.gov/omb/circulars/a11/current_year/s121.pdf.

21.3 – Changes in Inter, Intra-Department Budget Authority

Transfers of budget authority show the amount that is actually transferred to or from a fund account. Transfers must be authorized by law. Transfers are processed by preparing a [Standard Form 1151 \(SF-1151\), Nonexpenditure Transfer Authorization](#). The SF-1151 is used to transfer Inter-Department budget authority to, or from, an appropriation. These forms are prepared and approved by the agency requesting withdrawal of funds from an appropriation.

21.4 – Changes in Accounting Center Budgetary Authority

Requests for changes in accounting center budgetary authority and allocations of budgetary resources are initially made and approved through WorkPlan. Once the requests have been processed, approval forms generated through WorkPlan are then submitted to the Albuquerque Center, Budget and Finance (ASC-B&F) to officially make those changes in the agency's core financial accounting system, FFIS. WorkPlan is used to notify regional foresters, station directors, Area Director, International Institute of Tropical Forestry (IITF) Director, Forest Products Laboratory Director, Job Corps Center Directors and Washington Office Directors of approved allocation of budgetary resources.

22 – Financial Statements

The United States Code, Title 31, Sections 3515 and 9106 require agencies to report annually to Congress, on their financial status and any other information needed to fairly present their

financial position and results of operations. To meet these reporting requirements, the Forest Service must submit its Agency Financial Report in accordance with generally accepted accounting principles, and [OMB Circular A-136](#).

In addition, the Forest Service produces a series of financial statements on a quarterly basis to summarize the activity and associated financial position of the agency. The four principal statements are as follows:

1. Balance Sheet
2. Statement of Net Cost
3. Statement of Changes in Net Position
4. Statement of Budgetary Resources

In producing these statements, the Forest Service must provide relevant, reliable, timely, and accurate financial information related to Forest Service activities.

23 – Financial Management Systems

Financial management systems are applications that include both manual and automated systems for program and administrative coordination of the agency's financial events. Financial management applications are used to collect, record, classify, analyze, and report data for financial decision making. These applications process, control, and account for financial transactions and resources, and are used for auditing, formulating and executing budgets, and for generating financial management and accounting information, leading to decision making in support of agency missions. Forest Service financial management systems must:

1. Support the agency's financial and program management and decision making capabilities.
2. Track the agency's financial events.
3. Provide financial information significant to the financial management of the Forest Service, and/or required for the preparation of its financial statements.
4. Provide accurate, complete, timely, internally consistent, and readily accessible financial information, in the most cost efficient manner.
5. Forest Service financial management systems must comply with:
 - a. Applicable accounting principles, standards and related requirements as defined by the Office of Management and Budget (OMB), General Accountability Office, and the Department of Treasury.

- b. Internal control standards as defined in OMB Circulars A-127 and A-130 and the Department's Financial Standards Manual and Directives and/or successor documents.
- c. Operating policies and related requirements prescribed by OMB, and the Department of the Treasury.
- d. USDA financial management systems, policies, criteria, and requirements.

The design of the Forest Service core financial management systems must:

- 1. Reflect an agencywide financial information crosswalk and/or classification structure that is consistent with the USDA and U.S. Government Standard General Ledger (SGL).
- 2. Provide for tracking of specific program expenditures.
- 3. Cover financial and related information.
- 4. Support agency budget, accounting, and financial management decision making, and reporting processes by providing consistent information for:
 - a. Budget formulation,
 - b. Budget execution,
 - c. Programmatic and financial management decision making,
 - d. Performance measurement, and
 - e. Financial statement and other management report preparation.

Forest Service financial management systems collectively must comply with the following requirements:

- 1. Agencywide Financial Information Classification Structure. The design of the financial management systems shall reflect an agencywide financial information classification structure that is consistent with the USDA and U.S. Government Standard General Ledger.
- 2. Integrated Financial Management Systems. Financial management systems must provide interrelationships between software, hardware, personnel, procedures, controls, and data contained within the systems and shall have common data elements, common transaction processing, consistent internal controls, and efficient transaction entry.
- 3. Application of the U.S. Government Standard General Ledger (SGL) at the Transaction Level. Financial events shall be recorded throughout the financial management system applying the requirements of the SGL at the transaction level. This

requires data transactions and related financial reports to be consistent with the SGL, and supporting transaction detail for SGL accounts are readily available.

4. Federal Accounting Standards. Financial management systems must maintain accounting data to permit reporting in accordance with accounting standards recommended by the Federal Accounting Standards Advisory Board (FASAB), OMB, General Accountability Office, and Department of Treasury.
5. Financial Reporting. The agency financial management system must be able to provide financial information in a timely and useful fashion to: support management's fiduciary role; support the legal, regulatory and other special management requirements of the Forest Service, support budget formulation and execution functions, support fiscal management of program delivery and program and strategic decision making, comply with external and internal reporting requirements, and monitor the financial management system to ensure the integrity of financial data.
6. Budget Reporting. Forest Service financial management systems shall enable the agency to prepare, execute and report on the agency's budget in accordance with OMB Circular A-11.
7. Functional Requirements. Ensure that functional requirements comply with, Office of Management and Budget (OMB), Department of Treasury, and other regulatory requirements.
8. Computer Security Act of 1987 Requirements. Ensure implementation of security control requirements.
9. Documentation. Ensure financial systems and processing instructions are clearly documented, in hard copy or electronically in accordance with federal regulatory standards, or other applicable requirements.
10. Internal Controls. Ensure financial systems are OMB Circular A-123 compliant.
11. Training and User Support. Adequate training and appropriate user support shall be provided to the users of financial management systems.
12. Maintenance. On-going maintenance of financial management systems shall be performed to enable the systems to operate in an effective and efficient manner.

Other information regarding Forest Service financial system requirements may be found at FSM 6521, Financial Management Systems. Information on "System Efficiency" may be found at FSM 6522.5.

A list of "Agency Approved Financial Management and Mixed Systems" may be found at FSM 6524, Exhibit 20.