

Data on Financial Management Activities

Summary of Changes

- Agencies are no longer required to submit a separate report on financial management systems (formerly exhibit 40B). A new reporting format (exhibit 42) is required for both financial management systems and other information technology systems (see section 42).
- The report on resources for financial management activities (exhibit 40) requires data to be reported in millions of dollars (section 40.2).

40.1. General.

Section 205 of the Chief Financial Officers Act of 1990 makes the agency Chief Financial Officer (CFO) responsible for the preparation and revision of the agency's financial management plan, and for development of the agency's financial management budget. Building on this statutory requirement, OMB issued guidance (OMB memorandum M-96-24) that requires agency CFOs to approve agency plans, budget formulation, and legislation affecting financial management resources at both the agency and agency-component levels.

Information on funding levels for financial management activities is required for oversight and review of agency resources devoted to these activities and to assist OMB in preparing the Government-wide five-year financial management plan required by the CFOs Act. This information, which represents inputs to the financial management function, will be reviewed in connection with other information submitted by agencies describing their performance in the financial management function (see section 15.4) and will be discussed with agencies.

For these purposes, agencies are required to provide information on resources for financial management activities (see section 40.2). The data will be entered directly into the MAX system through a special MAX application designed to collect this financial management information. This data collection will be separate from, and in advance of, data entered for other MAX schedules supporting the *Budget Appendix* (e.g., MAX schedules P, O, etc.).

For other reporting requirements on financial management systems, see sections 15.4 and 42.

40.2. Report on resources for financial management activities.

(a) Materials required.—Each agency covered by the CFOs Act is required to report budget authority and full-time equivalent (FTE) employment data for CY and BY for each of the following categories of financial management activities:

- asset management;
- accounting and reporting;
- audits of financial statements; and
- financial management systems.

In addition, in-house and contract data are required on audits of financial statements.

Resources for both the CFO organization and other agency components involved in financial management activities should be included, without separate identification.

Data on financial management activities (exhibit 40) will be submitted electronically via the MAX system no later than October 16th. The report should be reviewed by the agency CFO before submission to OMB. Agencies are required to update the data, as necessary, to reflect final budget decisions after those decisions are made. Revised submissions are due no later than January 29th.

(b) Definitions of data to be reported.—Budget authority in *millions of dollars* and FTE employment data will be reported for the entries described below. Resource estimates for financial management systems should be consistent with information technology data submitted in exhibit 42. Resource information not based on other requirements of this Circular or on other easily-identifiable information should represent the agency's best estimate of salaries, contracts, or other major expenses to be reported. Allocation of overhead expenses is not required.

Entry	Description
100x Asset management	The first three digits of the line number will identify the financial management activities to be reported; the fourth digit distinguishes FTE (line xxx1) from budget authority (line xxx2) data. Include resources for administrative expenses for credit programs consistent with the levels reported for credit program accounts under credit reform (i.e., amounts requested as a separate appropriation for administrative expenses in credit program accounts); resources devoted to debt collection for non-credit receivables; resources devoted to cash management; and resources devoted to property and inventory management and control.
200x Accounting and reporting	Include resources for processing, recording, and reporting of revenues, receipts, appropriations, apportionments, allotments, obligations, outlays, expenditures, assets, liabilities, and other financial transactions; reconciliation of asset and liability accounts, such as accounts or loans receivable, with subsidiary records and with external data, such as Treasury cash records; funds control; and preparation of financial statements.
300x Audits of financial statements	Include resources for performing audits of financial statements, with separate identification for contract and in-house costs, as detailed in exhibit 40. Do not include resources for preparation of financial statements.
400x Financial management systems	Include resources for financial management systems, which consist of financial systems and financial portions of mixed systems necessary to support financial management. (See definitions of financial management systems in section 42.2.) Data reported should be consistent with information reported for the financial management mission area (on line 01-3xx3) in exhibit 42.
500x Subtotal	Include the sum of corresponding amounts reported on lines 100x through 400x.
600x Adjustments (-)	Include adjustments to eliminate doublecounting (a minus entry). For example, costs for a loan system reported under the "asset management" category may also be reported under the "financial management systems" category. A list of the adjustments should be prepared, reviewed by the agency CFO, and provided as hard copy to OMB.
700x Total, net	Equals the total of corresponding amounts on lines 500x and 600x.
8102 Audits of financial statements, contract costs	Include resources for contracts to perform audits of agency-component financial statements. <i>Report budget authority only.</i>
820x Audits of financial statements, in-house costs	Include resources to perform audits of agency-component financial statements in-house.
9102 Organization-wide financial statements, contract costs	Include resources for contracts to perform organization-wide audits of financial statements. <i>Report budget authority only.</i>
920x Organization-wide financial statements, in-house costs	Include resources for performing organization-wide audits of financial statements in-house.
940x Total, all reporting entities	For total FTE (line 9401), report the sum of lines 8201 and 9201. This total must be equal to line 3001. For total budget authority (line 9402), report the sum of lines 8102, 8202, 9102, and 9202. This total must equal line 3002.
9998 Agency contact	Include the name of the individual responsible for answering questions about the information provided.
9999 Telephone number	Include telephone number of agency contact.

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Report on Resources for Financial Management Activities

		CY	BY	
DEPARTMENT OF GOVERNMENT (in millions of dollars)				
Report on Resources for Financial Management Activities				
Asset Management				
1001	No. of FTE	40	40	
1002	Budget Authority	2,480	2,600	
Accounting and Reporting				
2001	No. of FTE	250	250	Amounts reported for financial management systems on line 4002 must be consistent with totals for the financial management mission area (on line 01-3xx3) in exhibit 42.
2002	Budget Authority	15,500	16,120	
Audits of Financial Statements				
3001	No. of FTE	35	35	If any adjustments are reported on lines 6001-6002, a list describing them should be provided as hard copy.
3002	Budget Authority	2,250	2,290	
Financial Management Systems				
4001	No. of FTE	728	731	Report agency-component level audits only.
4002	Budget Authority	87,016	96,456	
Subtotal				
5001	No. of FTE	1,053	1,056	Do not include preparation costs on these lines.
5002	Budget Authority	107,246	117,466	
Adjustments				
6001	No. of FTE	-20	-30	Total, all reporting entities, should equal the corresponding entries for audits of financial statements reported above (lines 3001-3002).
6002	Budget Authority	-1,000	-1,800	
Total, net				
7001	No. of FTE	1,033	1,026	
7002	Budget Authority	106,246	115,666	
Audits of Financial Statements				
Contract				
8102	Budget Authority	—	—	
In-house costs				
8201	No. of FTE	20	20	
8202	Budget Authority	1,000	1,040	
Org-wide Financial Statements				
Contract				
9102	Budget Authority	500	500	
In-house costs				
9201	No. of FTE	15	15	
9202	Budget Authority	750	750	
Total, all reporting entities				
9401	No. of FTE	35	35	
9402	Budget Authority	2,250	2,290	
9998	Agency Contact	R. W. Rogers		
9999	Telephone Number	(202) 696-4712		