United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

OCT 11 2006

TAKE PRIDE IN AMERICA

FINANCIAL ADMINISTRATION MEMORANDUM 2006 – 015 (II.J)

To: Bureau Assistant Directors, Administration
Chief Executive Officer, National Business Center
Bureau Finance Officers
Director, Office of Acquisition and Property Management

From: Mona S. Williams
Focus Leader, Asset and Debt Management
Office of Financial Management

Subject: Treasury Report on Receivables and Financial Statement Reconciliation

This Financial Administration Memorandum (FAM) serves as an update to FAM 2004-012, dated October 28, 2004. Accordingly, all bureaus are requested to maintain annual (year-end) financial statement reconciliation work papers in support of the certification verification process. The reconciliation ensures that the bureau level financial statements and Treasury Report on Receivables (TROR) are in agreement.

For FY 2006, all areas within Bureaus and Offices with the responsibility for reporting "Receivables due from the Public" on the Treasury Report on Receivables must keep reconciliation work papers readily available in the event supporting documentation is needed to validate certification verification statements. In FY 2007, Bureaus and Offices will be required to submit reconciliation spreadsheets to PFM to support the certification and verification statement.

PFM will work with Bureau financial statement and TROR employees to develop a standard reconciliation spreadsheet. Since the financial statement and TROR processes in most Bureaus are managed by different areas, collaboration between both teams will be critical to the creation of a standard reconciliation report.

The instructions for FY 2006 are included as an attachment to this FAM. Please complete the attached combined certification/verification form and submit along with the preliminary TROR to PFM no later than November 1, 2006. Should you have any questions on this subject, please contact Jonathan House on (202) 219-4096.

Attachment (HTML, PDF)

Prior Financial Administration
Memorandums on this Subject:

No. 2004-012 (II.J.), October 28, 2004 - Active

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE
WASHINGTON, D.C. 20227

September 6, 2006

To: Chief Financial Officers and Chief Credit Management Officials

From: J. Martin Mills
Assistant Commissioner
Debt Management Services

Subject: Combined Certification and Verification of Fiscal Year 2006 "Treasury Report on Receivables"

The Treasury Report on Receivables (TROR) is the Federal Government's primary means for Federal agencies to provide comprehensive information on receivables and delinquent debts due from the public. **As was stated in last year's notification to you, Debt Management Services is requesting that the Departments/Agencies file a combined Certification/Verification form for the TROR to Treasury by Wednesday, November 15, 2006.** We anticipate that this will facilitate the reconciliation of your TROR with your agency financial statements.

The Certification relates to the debt collection information presented in Part 2, Section B, "Debt Eligible for Referral to Treasury for Offset and Cross-Servicing" of the TROR. The Verification requirements are authorized under OMB Circular A-129, Managing Federal Credit Programs. The combined "TROR Certification/Verification Form", with instructions, is enclosed.

If an agency cannot certify and verify the accuracy of its receivables and debt collection information, the Chief Financial Officer or the agency head must provide an explanation, identifying the bureaus or divisions that are unable to validate this information. The instructions for this required Certification and Verification are enclosed. Your agency's submissions may be viewed on-line at **http://fmsapps.treas.gov/apps/dmis**. Please complete the enclosed Certification/Verification form. This form must be signed and returned by November 15, 2006. Please fax it to (202) 874-7494:

Certification/Verification Team/Financial Management Service
Debt Management Services-Agency Support Division (ASD)
Attn: Matt Lorelli

If you have any questions regarding this memorandum, please contact me or Shirley Williams-Jefferson, Acting Director, ASD at (202) 874-6660.

Enclosures

cc: Jim Sturgill, Assistant Commissioner
Governmentwide Accounting

Verification

All 4th quarter (year-end) reports must be **verified** by the submitting Agency/Department's Chief Financial Officer (CFO) or equivalent.

Verification of the Receivables Report means that the report has been reconciled to the agency's Audited Financial Statements to the Federal Agencies Centralized Trial-Balance System (FACTS).

Only one verification at the Agency or Department level is to be submitted. The verification is to be submitted by the Agency/Department CFO or equivalent.

The verification should state that **the information presented in Part I, Section A, Ending Balance line of the "Report on Receivables Due from the Public" was reviewed and is reconciled to the receivable balances in the agency's (a) Form and Content -Audited Financial Statements,** i.e., the Balance Sheet and (b) FACTS. If the report is not reconciled to the Balance Sheet and FACTS, the verification should so state, with an explanation as to why verification is not possible. Agencies should also disclose the audit opinion of the Financial Statements or any issues regarding the pertinent accounts.

FMS acknowledges that there will be differences among the balances reported since the Receivables Report presents the gross book value of receivables as opposed to the net present value presented on the Audited Financial Statements and in FACTS. **Agencies are requested to define these differences and disclose any discrepancies in a separate document to be returned with the signed Certification/Verification.**

Note: Report accrued interest on this report the same as it is reported in FACTS and the financial statements, up to 180 days of delinquency. If interest is accrued on debts over 180 days delinquent and is included in FACTS submissions and on the audited financial statements, report it in the TROR with a footnote.

Include in the TROR all receivables for programs that are administered by the agency. Receivables are reported with the program that first generated the receivables unless there was a transfer by book entry to another entity.

TROR Certification/Verification Form

TREASURY REPORT ON RECEIVABLES DUE FROM THE PUBLIC
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006

I. I have reviewed the information presented in the Treasury Report on Receivables (TROR) submissions for the fiscal year ending September 30, 2006. In my opinion, **all** of the receivables information specifically presented in the TROR is accurate and consistent with the agency accounting systems and the delinquent debt information reported in Part II, Section B is accurate and legally enforceable.

Chief Financial Officer (signature) (or Agency Head)	Date
Chief Financial Officer (printed) (Or Agency Head)	Agency

OR

II. I have reviewed the information presented in the Treasury Report on Receivables (TROR) submissions for the fiscal year ending September 30, 2006. The receivables or delinquent debt information presented in the TROR is not consistent with the agency accounting systems.

Attached is a list identifying the reporting entities and the parts of the form that I am **unable** to certify/verify with an explanation as to why certification is not possible, and a target date for when such certification can be submitted to the Department of the Treasury-Financial Management Service.

TROR Receivables *(Part I, Section A, Line 7)*	$_____
Reconciliation Amount	$_____
Amount Unable to Verify	$_____
Financial Statement Receivables	$_____

Chief Financial Officer (signature) (or Agency Head)	Date
Chief Financial Officer (printed) (Or Agency Head)	Agency

Certification

All 4th quarter (year-end) reports must also be certified by the submitting agency's CFO or equivalent. Certification means that the delinquent debt information reported on the Receivables Report for cross servicing and offset in Part II, Section B, is correct and legally enforceable.

Only one certification at the Agency or Department level is to be submitted. The certification is to be submitted by the Agency/Department Chief Financial Officer or equivalent.

Questions:

Questions concerning the certification/verification process should be directed to:

Financial Management Service
Telephone Number: (202) 874-6660
Fax Number: (202) 874-7494

Only one Certification/Verification form **per Agency or Department** is to be submitted. The Certification/Verification form is submitted separately from the Receivables Report itself.

Due Date

The Certification/Verification form is due to FMS by November 15, 2006

DMIS System Access

To receive access to the DMIS System to view your agency's reports, call (205) 912-6205 and a user ID will be issued.

Where to Send

Once the Certification/Verification form has been completed and signed, please fax it to:

Certification/Verification Team
Financial Management Service
Debt Management Services
Agency Support Division
Attn: Matt Lorelli, Room 436B
Fax: (202) 874-7494