



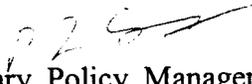
# United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY  
POLICY, MANAGEMENT AND BUDGET  
Washington, D.C. 20240

**MAR 25 2004**

## MEMORANDUM

TO: Heads of Bureaus  
Chief Financial Officers  
Departmental Offices

FROM: P. Lynn Scarlett   
Assistant Secretary, Policy, Management and Budget

SUBJECT: FY 2004 Financial, Performance, and Stewardship Information

The Office of Management and Budget (OMB) has accelerated the due date to complete annual performance and accountability reports to 45 days from the end of the fiscal year effective for 2004 reporting. In FY 2003, through hard work and cooperative efforts Department-wide, the Department's Performance and Accountability Report was completed two months earlier than the FY2002 report and the Department came within two weeks of meeting the November 15 goal. Meeting this deadline is not just the responsibility of finance office staff. To achieve this goal in FY2004, we must work in partnership with all disciplines within Departmental Headquarters and Bureaus, as well as with the auditors.

The preparation of reliable financial and performance information is not a one-time event. Financial, performance and stewardship information must be produced and available to both managers and the auditors throughout the fiscal year to be useful to the Department and Bureau field managers. The availability of this information for management and auditor review during the course of the year enhances the accuracy of the data and is essential to timely completion of the Performance and Accountability Report at year-end. Specifically, the completion of audit procedures at year-end is predicated on the availability of performance, stewardship and other non-financial data on an interim basis.

It is the responsibility of Bureau senior management, including Chief Financial Officers (CFOs) and Planning and GPRA Officers, to ensure all the necessary individuals are actively involved in the process, and that timely and reliable information is produced throughout the year. Accordingly, the Department is expanding the quarter requirements for interim reporting to include non-financial information, such as stewardship, deferred maintenance, and performance information. In addition, interim financial information should include all property transactions, adjustments, estimates of supplies/services received but not paid for, and, elimination of intra-governmental transactions in the accounting records at the end of each quarter (e.g. March 31, June 30 and September 30, 2004).

Estimations are acceptable for deferred maintenance, stewardship, performance, and other data, provided the estimates are based on reasonable assumptions and appropriately documented.

To meet these accelerated dates, managers in all functional areas, including property management, acquisition, performance, budget, annual report preparation, and information technology must be accountable and committed. Bureaus must implement new processes for financial estimates, accruals, and elimination of inter-governmental transactions to achieve the accelerated dates. These processes will rely on timely data from all throughout the bureau.

The critical milestones for completion of interim and final FY 2004 financial, performance and stewardship data are included in Attachment A. In general, interim reporting of financial and supplemental data is due on May 15, 2004, and July 30, 2004, for the second and third quarter, respectively. The year-end trial balance report, that incorporates all known and expected adjustments is due on October 7. In addition, the final year-end bureau report is due at noon local time on Monday, October 18, 2004. Although audit review will be continuing, the report must be final and complete from the Bureau's standpoint on that date, including all internal reviews. Interim performance data is to be prepared on a schedule coordinated with the Office of Planning and Performance Management (see Attachment A).

This year, each bureau Finance Office will be required to complete a Bureau Financial Statement Review Checklist for quarterly financial information. The checklist is currently being updated and will be sent out in a separate memo. The bureaus will submit the checklists to Deputy Assistant Secretary, Budget and Finance. The checklist will be signed by the Bureau Finance Officer and CFO at the end of each quarter and by the Bureau Finance Officer, CFO and Bureau Director at year-end.

These efforts will need your support and leadership. Accurate and timely financial, performance and stewardship information is not just an audit issue; it is a management issue. Deputy Secretary Griles, Deputy Assistant Secretary Hatfield, and I look forward to working with each of you as we achieve the November 15, 2004, reporting deadline.

Attachment

**ATTACHMENT A:  
KEY MILESTONES FOR BUREAUS/DEPARTMENTAL OFFICES**

**Monthly Due Dates**

- Initial load of Financial Data into Hyperion Data Base
  - *5th business day*
- Finalization of Hyperion Data (all adjustments complete):
  - *17<sup>th</sup> calendar day, or previous Friday (this date also applies at 2<sup>nd</sup> and 3<sup>rd</sup> quarter due to requirement of PFM to submit financial statements to OMB)*
- Completion of Financial Statements:
  - *17<sup>th</sup> calendar day, or previous Friday (at quarter end, see dates below)*

**Quarterly and Year-End Due Dates**

- Submission of Consolidated Statements to OMB by PFM:
  - *1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Quarters, due 21 calendar days after Quarter-end,*
  - *Year-end Audited Report due November 15, 2004*
- Bureau Financial and Supplemental Data
  - Year-end Trial Balance, that incorporates all known and expected adjustments
    - *October 7, 2004*
  - Bureau Reports
    - Financial Statements
    - Footnotes
    - Non-financial data, including Deferred Maintenance, Environmental Data and Stewardship Data
    - Verification Checklist
    - Due Dates:
      - *2<sup>nd</sup> Quarter – May 15, 2004*
      - *3<sup>rd</sup> Quarter – July 30, 2004*
      - *Year End – October 18, 2004, noon local time (all data integrated into the complete report)*
- Bureau Management's Discussion and Analysis (subject to negotiation with on-site audit team)
  - Text:
    - *2<sup>nd</sup> Quarter – not due*
    - *3<sup>rd</sup> Quarter – submit full outline*
    - *Year End – October 18, 2004, noon local time (all data integrated into the complete report)*

- Performance Data:
  - *2<sup>nd</sup> Quarter – April 30, 2004, submit 2<sup>nd</sup> Quarter performance data to PPP*
  - *3<sup>rd</sup> Quarter – July 30, 2004, submit 3<sup>rd</sup> Quarter performance data to PPP*
  - *Year End – October 6, 2004, submit final performance information (estimated and actual) to PPP*