



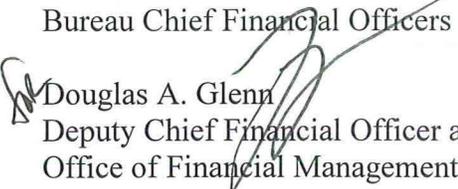
United States Department of the Interior

OFFICE OF THE SECRETARY
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FINANCIAL MANAGEMENT MEMORANDUM 2015 - 027 (Vol. II.B)

To: Bureau Chief Financial Officers

From:  Douglas A. Glenn
Deputy Chief Financial Officer and Director
Office of Financial Management

Subject: Intragovernmental Undelivered Order Accruals

The purpose of this memorandum is to provide guidance to the Department of Interior (DOI) Bureaus on recording intragovernmental Undelivered Order (UDO) accruals. Effective in the third quarter of Fiscal Year (FY) 2015, the estimation of Federal UDO accruals shall be revised as outlined below.

The UDO accrual estimate process is a Bureau responsibility. Bureau offices are expected to document the Federal UDO accrual estimation process as implemented. This estimation process shall result in one of the following courses of action:

1. A general ledger transaction equal to the calculated Federal UDO accrual estimate.

OR

2. Disclosure of the calculated Federal UDO accrual estimate as a Non-Generally Accepted Accounting Principles policy. This disclosure shall include the estimated dollar impact to the financial reporting package submission for the applicable period.

The guidance above is a change to prior year processes that is precipitated by multiple factors.

In FY 2015, DOI discontinued the automated Federal UDO accrual process. This process is no longer viable. Federal trading partner transactions now include new data elements as implemented by the Department of the Treasury (Treasury) in FY 2015 (e.g., Trading Partner Main). The new elements require programming changes to the automated logic. The DOI Financial Statement Guidance Team (FSGT) made the decision to abandon automated Federal UDO accruals due to resource constraints relative to the programming effort.

The FSGT intended to replace the automated process for UDO accruals with entries based on actual Intragovernmental Payment and Collection (IPAC) documentation. The Treasury was working to establish a process for agencies to start sharing intra-agency accrual information through IPAC in early FY 2015. The details of this process were being worked out with a Government-wide tiger team. The Treasury indefinitely put this project on hold.

The Financial Reporting Division within the Office of Financial Management (PFM) is working with agencies to minimize intragovernmental differences between agencies through communication and the sharing of data. The communications have yet to result in tangible methods for sharing consistent and comparable UDO accrual information.

The FSGT has voted and ultimately agreed upon the guidance included in this memorandum. This process will be reviewed annually and updated as necessary.

If you have any questions, please feel free to contact Derrick Washington, Staff Accountant in PFM, at (202) 208-5251 or via e-mail at Derrick_Washington@ios.doi.gov.

cc: Bureau Finance Officers
Finance Officers Partnership
Financial Statement Guidance Team