

**FISH AND WILDLIFE SERVICE  
FINANCE**

**Finance**

**Part 260 Financial Management**

**Chapter 2 Financial Management Systems**

**260 FW 2**

**2.1 What is the purpose of this policy?** This chapter establishes Servicewide policies and responsibilities relating to financial management systems.

**2.2 To whom does this chapter apply?** All organizations within the Service are subject to the provisions of this policy.

**2.3 What authorities govern financial management systems?**

**A. Office of Management and Budget (OMB) Circular A-127** prescribes policies and standards in developing, operating, evaluating, and reporting on financial management systems.

**B. OMB Circular A-130** prescribes policies for the management of information resources systems.

**C. OMB Circular A-11** prescribes the reporting requirements for the management of information resources systems.

**D. Public Law 97-255, Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512)**, amends the Accounting and Auditing Act of 1950 to require Federal agencies to establish internal accounting and administrative controls to prevent waste or misuse of agency funds or property and assure the accountability of assets.

**E. Public Law 104-208, Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512)**. Section 803 of the Act requires that agencies must comply substantially with Federal financial management systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.

**F. The Budget and Accounting Procedures Act of 1950 (31 U.S.C. 1112, 1531, 3511-3512, 3524)** requires all agencies to report and maintain standard accounting systems on fiscal, budget, and program information. The Act also provided the groundwork for establishing the Joint Financial Management Improvement Program (JFMIP). JFMIP publishes the requirements for financial management systems.

**G. 341 DM 1** provides Departmental policies and assigns responsibility relating to financial management systems.

**2.4 What definitions are applicable to financial management planning?**

**A. Information System.** As defined by OMB A-127, the organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non-financial, financial, and mixed systems.

**B. Financial Management System.** The financial systems and the financial portions of mixed systems that support financial management.

**C. Non-Financial System.** An information system that supports non-financial functions of the Federal Government. Any financial data included in the system are insignificant to agency financial management and/or not required for financial management.

**D. Financial System.** System that supports the financial functions required to track financial events, provide financial information significant to the financial management of the Service, and required for the preparation of financial statements.

**E. Mixed System.** Systems that contain both non-financial and financial information.

**F. Core Financial System.** The portion of the financial management system that contains the key functions, such as the general ledger and reporting functions. For the Service, the Federal Financial System (FFS) is considered the core financial system. The core financial system receives data and is supported by other financial and mixed systems, such as grant, travel, payroll, property, etc.

**2.5 What is the Service's policy on financial management systems?** Our policy is to develop and maintain a coordinated and unified suite of financial and mixed systems to meet the financial management needs of the Service. Unified means that the financial data, included in the core and mixed systems, is defined in accordance with definitions established by external standard setting agencies such as OMB, Treasury, and GAO.

**A.** We will, in a cost-effective manner, establish and maintain a single, integrated financial management system. A single, integrated financial management system does not necessarily mean that we have one software application covering all financial management system needs. Rather, a single integrated financial management system means a unified set of financial systems and the financial portion of the mixed system to accurately account and report on our financial status.

**B.** Our financial management systems must meet Federal accounting and reporting standards. You must develop and maintain mixed and financial systems in a manner that maintains unified data and facilitates electronic transfer of data into FFS, the core accounting system.

**C.** We will establish internal controls over financial management systems and ensure they are in place. The internal controls need to include the user, as well as the

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system. An example of a user control is timely notification to the system manager that an employee is leaving the Service and the employee's password access to the system will be terminated.

**D.** System owners and managers must comply with system security requirements as described in OMB Circular A-130. As a result, system owners and managers need to incorporate security into the architecture of their information systems to ensure that security supports the Service's operations. The manager must achieve adequate security proportional with the level of risk and magnitude of harm. See 270 FW 7.

**E.** We will monitor outside organizations that process transactions, such as grants, for us. These transactions, processed by the outside organization, affect our financial statements. Therefore, responsible Service managers must request the outside organization to provide assurances that its internal controls are operating effectively. Generally, the outside organization can provide its customers an annual audit report detailing an independent public accountant's review of its internal controls.

**2.6 What are the responsibilities associated with financial management systems?**

**A.** The **Director** has overall responsibility for ensuring that our financial management systems comply with Federal policies and standards.

**B.** The **Service Chief Financial Officer (CFO)** ensures that our current and proposed financial management systems meet standards set in OMB A-127 and by JFMIP. Further, the CFO ensures information on each applicable Service system is maintained on the Department's inventory of financial management systems.

**C.** The **Service Chief Information Officer (CIO)** provides advice on the design, development, security, and implementation of financial management systems.

**D.** **Chief, Division of Financial Management (DFM)** disseminates Federal and Departmental policy and provides guidance to Service personnel on financial management system requirements. Advises on Federal and JFMIP accounting requirements for financial management systems.

**E.** The **Assistant Directors and Regional Directors (AD or RD)** will:

**(1)** Ensure that user controls over financial management systems are implemented and in place.

**(2)** If they are a system manager over Service or Region specific financial and mixed systems, be responsible for

ensuring that their current or proposed system is established, maintained, reviewed, improved, and reported on in accordance with OMB Circular A-127.

**(3)** Monitor organizations, outside of the Service, that process their transactions on behalf of the Service.

**2.7 What are the reporting requirements for the financial management systems?**

**A.** As part of OMB Circular A-127, we must report to the Department our inventory of current and proposed financial management systems. OMB and the Department will provide annual instructions to the Service on the required information to report. The Division of Financial Management will contact program divisions and Regional Offices to obtain the information and forward it to the Department. Generally, the required information will be requested annually in August.

**B.** As part of OMB Circular A-11, Exhibit 52, we must report to the Department on resources for financial management activities. The Service must report budget authority and full-time equivalent (FTE) employment data for financial management activities, including financial management systems. The Division of Financial Management will contact program divisions and Regional Offices to collect this information. Generally, the required information will be requested annually in October.

**C.** As part of OMB Circular A-11, Exhibit 53, we must report amounts related to our Information Technology (IT) Investment Portfolio that includes investments in financial management systems. The Division of Information Technology Management (ITM) will collect the information and report it to the Department. The financial management system information provided for Exhibit 52 must be consistent with information provided for Exhibit 53. Generally, the required information will be requested annually in October.

**D.** As part of OMB Circular A-11, Exhibit 300B, we must report capital planning. The capital planning report must include planned spending of a financial management system in excess of \$500,000 (see 270 FW 2). ITM will collect the information and report it to the Department. Generally, the required information will be requested annually in June.