

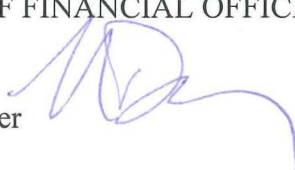


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

January 17, 2014

OFFICE OF FEDERAL
FINANCIAL MANAGEMENT

MEMORANDUM FOR AGENCY CHIEF FINANCIAL OFFICERS

FROM: Norman Dong 
Interim Controller

SUBJECT: Streamlining Federal Financial Management Reporting Requirements

Federal agencies submit financial management information and data to the Office of Management and Budget (OMB) to ensure compliance with legislative requirements, increase government transparency, and track agency financial management performance. Given the agency resources necessary to meet these reporting requirements, it is critical that OMB ensure the right balance between the benefits derived from data collected and the burden such reporting puts on agency resources. In recent months, OMB has been working closely with the Chief Financial Officers Council (CFOC) to examine the utility of specific reporting requirements relative to the associated burden. Through this process, OMB has determined that the following reporting obligations can be eliminated or refined without impact to operations, oversight, or performance.

- 1. Reduction in OMB Quarterly Financial Statement Reporting:** Per OMB Circular No. A-136, agencies must submit interim financial statements at the end of each of the first three quarters of the fiscal year to OMB. Recognizing the additional burden associated with quarterly financial statement reporting, beyond what is required for formal closing activities, OMB will be limiting the requirement to send quarterly financial statements to OMB only to the third quarter. While agencies must still execute their quarterly close, effective immediately, agencies are no longer required to send limited financial statements to OMB for the first and second quarters.
- 2. Elimination of Agencies OMB Annual Debt Report:** OMB Memorandum 04-10 established a requirement for agencies to report annually on internal standards and policies regarding compromising, writing-down, forgiving, or discharging debt. Since the memorandum's release, OMB has worked closely with the CFOC and the Department of the Treasury to develop a new Treasury Report on Receivables (TROR) dashboard that presents information on agencies receivables, delinquent debt, write-offs, discharged debt, and other metrics that impact the government's non-tax debt portfolio. The new TROR dashboard depicts information more comprehensively than the annual report required by OMB Memorandum 04-10. As a result, OMB is eliminating the annual reporting requirement effective immediately. However, agencies must continue to fulfill their existing responsibilities under the Debt Collection Act of 1982, as amended by the Debt Collection Improvement Act of 1996, and OMB Circular No. A-129.

3. *Amendments to Reporting Guidelines for Reporting Costs of Government Activities Related to the BP Deepwater Horizon Oil Spill: Memorandum No. M-10-29* (M-10-29), published after consultation with the Department of Justice (DOJ), the U.S. Coast Guard (USCG), and other relevant agencies, directed agencies to collect and document costs of Government activities related to the BP Deepwater Horizon Oil Spill (Oil Spill). Management Procedures Memorandum No. 2010-35 (MPM-10-35) was issued as a follow-up memorandum to obtain the information that agencies collected pursuant to M-10-29. This information will be used in support of the efforts of the United States to recover Oil Spill costs. Memorandum No. M-11-09 (M-11-09) directed agencies to submit some additional cost categories to OMB. Management Procedures Memorandum No. 2012-03 (MPM-12-03) changed the requirements for future quarterly cost reports by limiting the number of CFO Act agencies required to submit reports.

This supplemental guidance changes the requirements for future quarterly cost reports by raising the threshold for costs that must be reported. CFO Act agencies must now submit quarterly reports only for any individual cost item that exceeds \$1 million for a particular quarter. This higher threshold reduces burden on agencies and standardizes the requirements across all agencies while still collecting needed information. These requirements will be effective starting with First Quarter FY2014 reporting. At the same time, DOJ will take responsibility from OMB for overseeing the collection of these costs through the existing Financial Management Community website. OMB will still provide future guidance, as necessary, in conjunction with DOJ.

Agencies should continue to follow the guidance on the identification and documentation of costs outlined in M-10-29, MPM-10-35, M-11-09, and MPM-12-03. Agencies should also continue to preserve all documentation supporting reported costs until instructed otherwise. In addition, agencies should ensure that institutional knowledge regarding the costs is passed down in the event someone with knowledge leaves their position or the agency. This guidance, like M-10-29, MPM-10-35, M-11-09, and MPM-12-03, does **not** seek information about costs that are the subject of a Pollution Removal Funding Authorization (PRFA) or Military Interdepartmental Purchase Request (MIPR) approval by the Federal On-Scene Coordinator.

To build on these efforts, OMB will continue to work with the CFOC to review existing reporting requirements and identify adjustments that can result in greater value for taxpayers and the Federal government. Many changes to reporting requirements require coordination, and at times approval, from additional stakeholders outside OMB. OMB is working with these stakeholders to conduct a holistic review of agency reporting obligations to explore the potential for other reductions or adjustments, where feasible, and will communicate any future changes as they become formalized. Please contact Regina Kearney (rkearney@omb.eop.gov) or Mike Wetklow (mwetklow@omb.eop.gov) in OMB's Office of Federal Financial Management with any questions regarding this Memorandum.