

## SECTION 52—INFORMATION ON FINANCIAL MANAGEMENT

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Ex-52	Report on Resources for Financial Management Activities

## Summary of Changes

Eliminates duplication of requirements in section 53.8 (sections [52.5](#) and [52.6](#)).

Combines in-house and contractor costs (sections [52.5](#) and [52.6](#)).

Updates definition of budget formulation and budget execution (section [52.6](#)).

**52.1 What are the general reporting requirements?**

Agencies are required to provide two reports on financial management and one on grants management:

- Financial management operations and initiatives, including agency financial management systems plans (to be submitted in each agency's annual Performance and Accountability Report (PAR)), described in section [52.4\(a\)](#);
- Report on resources for financial management activities ([exhibit 52](#)); and
- Agency compliance with grants management policies and practices, described in section [52.4\(b\)](#), now a part of the exhibit 52 submission.

**52.2 What reporting requirements are addressed?**

For the 24 agencies covered by the Chief Financial Officers (CFO) Act of 1990, the materials required in this section address the following requirements:

- [OMB Circular A-127](#), Financial Management Systems: Requires each agency to prepare and maintain financial management system plans.
- The Federal Financial Management Improvement Act of 1996 (FFMIA): Requires each agency head to determine substantial compliance with the Act. When the agency head determines that the agency's financial management systems do not comply with FFMIA, the Act requires the agency to submit a remediation plan to bring the agency's financial management systems into substantial compliance with FFMIA. Guidance in this section outlines the information that must be provided regarding the remediation plan.

- CFO Act: Requires each agency CFO to prepare a financial management plan.

### **52.3 Who must report financial and grant management information?**

*CFO Act agencies.* All CFO Act agencies must submit the materials prescribed in section 52.4(a) in their PARs. The CFO Act assigns to the CFO the responsibility for preparing and revising the agency's financial management plans and developing the agency's financial management budget. Additionally, the information is used in reviewing the budget submissions of agencies.

*Non-CFO Act agencies.* Non-CFO Act agencies must include in their budget submission a brief summary of their financial management plans to ensure sound financial management practices. An agency should include this information in its PAR if it publishes one.

### **52.4 What materials are required?**

#### **(a) *Financial management.***

The following information, synopsized from more specific plans held by the agency, should be described in each agency's annual PAR (PARs are discussed in [OMB Circular A-136](#)). A discussion of an agency's financial management strategy should unite into a coherent purposeful theme all aspects of financial and budget management, including material weaknesses, information systems, and performance measurement. (If any of the information requested in this section is also required by OMB Circular A-136, agencies may combine responses to avoid duplication of effort). This description should align with the agency's mission and programs, address the President's Management Agenda, and include, at a minimum:

#### *Goals and strategies*

- Briefly discuss the agency's financial management systems strategy and how it will achieve the goals of the President's Management Agenda for improving financial and budget management government-wide. Include information on the status of financial management activities and systems (see below) to provide a context for the agency's plans and resources request.

#### *Financial management systems framework*

- Present an overview of the agency's current and future financial management systems framework (including the future migration to a Financial Management Line of Business Shared Service Provider), emphasizing plans for achieving an integrated systems infrastructure; describe core financial management systems and financial and mixed systems critical to effective agency-wide financial management, financial reporting, or financial control (see section [53.3](#)).
- Include in the overview a synopsis of critical projects currently underway, or planned, to achieve the target framework. Identify FFMIA remediation activities planned and underway, describing target dates and offices responsible for bringing systems into substantial compliance with FFMIA.
- Compile an inventory of baseline financial management and mixed systems, including an assessment of major problems. (Inventory information will be submitted separately. Guidance and instructions for the systems inventory update will be available on the Internet; a separate memorandum will be distributed to Deputy CFOs advising them of the location and posting date.)

(b) *Grants management.*

The following information about grants should be provided with each agency's Exhibit 52 submission:

- The agency costs relating to its grants management function for FY 2006, FY 2007 and for the Budget Year (use the Grants section on exhibit 52). Include the salaries of agency Grants Management Officials, agency Grants Specialists, agency Grants Policy Officials, and other related costs, excluding grants systems expenditures, which are reported on [exhibit 53](#).

**52.5 What is the report on resources for financial management activities (exhibit 52)?**

The report captures information on estimated and actual obligations for the activities of financial management, budget formulation, budget execution, financial statement audits, and grants management. It also collects the full-time equivalent (FTE) employment data for non-grants activities. For each category, agencies are to report their estimated FY 2009 obligations and actual obligations for FY 2006 and FY 2007. This information is used for Congressional reporting, agency oversight, and budget review.

Agencies have the option of describing in footnotes the context and reasons for any budget request. Agencies must explain, however, in footnotes to the exhibit, any significant line item changes between the current year amount and the budget request. A significant change is defined as any increase that exceeds the percent increase determined by OMB guidance for the agency as a whole.

Additionally, agencies that are being serviced by a Shared Service Provider (SSP) need to identify their provider in a footnote to the exhibit. If an agency is also a Federal SSP, then it must disclose all customers in a footnote.

**52.6 What are the line descriptions and codes for exhibit 52?**

Report actual obligations for FY 2006 and FY 2007, and estimated obligations for FY 2009, in millions of dollars and FTE employment data for the entries described below. Information should represent the agency's best estimate of salaries, contracts, or other major expenses; it excludes systems expenditures to be reported on exhibit 53. Allocation of overhead expenses is not required.

**REPORT ON RESOURCES FOR FINANCIAL MANAGEMENT ACTIVITIES**

Entry		Description
Line code		
2001	No. of FTEs for financial management	Number of government employee FTEs for the activities described in Codes 2002, 2004, and 2006.
2002	Financial management	<p>Amount of actual or estimated obligations incurred for: processing, recording, and reporting of revenues, receipts, disbursements, expenditures, assets, liabilities, and other financial transactions; reconciliation of asset and liability accounts, such as accounts or loans receivable, with subsidiary records and with external data, such as Treasury cash records; and preparing financial statements.</p> <p>Include the salaries of government employees and contractors performing the activities.</p> <p>Exclude budget formulation and budget execution activities.</p>

Entry	Description
2004 Budget formulation	Amount of actual or estimated obligations incurred for determining priorities for future spending and to develop an itemized forecast of future funding and expenditures during a targeted period of time. This includes the collection and use of performance information to assess the effectiveness of programs and develop budget priorities.  Include the salaries of government employees and contractors performing the activities.
2006 Budget execution	Amount of actual or estimated obligations incurred for the legal and managerial uses of budgetary resources to achieve results that comply with the enacted budget and Administration policy. Budget execution activities include but are not limited to: apportionments, allotments, commitments, reprogramming actions, incurring obligations, and funds control. See <a href="#">Part IV</a> for a comprehensive list of budget execution activities.  Include the salaries of government employees and contractors performing the activities.
3001 No. of FTEs for audit of financial statements	Number of government FTEs for activities described in Code 3002.
3002 Audit of financial statements	Amount of actual or estimated obligations incurred for performing audits of financial statements. Do not include costs of preparing financial statements.  Include the salaries of government employees and contractors performing the activities.
5000 Grants management resources	The agency costs relating to its grants management function for all fiscal years indicated. Include the salaries of agency Grants Management Officials, agency Grants Specialists, agency Grants Policy Officials, and other related costs.
9998 Agency contact	Include a point of contact for the above information.
9999 Telephone number	Include telephone number of agency contact.

### 52.7 How do I submit exhibit 52 and when is it due?

[Exhibit 52](#) is due on January 14, 2008. It should be approved by the agency CFO before submission to OMB. Use the formatted spreadsheet provided at the Chief Financial Officer's website, <http://www.cfoc.gov>.

Send the completed exhibit 52 spreadsheet to [exhibit52@omb.eop.gov](mailto:exhibit52@omb.eop.gov). Before sending the completed spreadsheet, verify that the subject line has the three-digit OMB agency code (see [Appendix C](#)) and the full agency name. Update the data on exhibit 52, if necessary, to reflect final budget decisions. Call 202–395–3650 for addition information.

## Report on Resources for Financial Management Activities—Dept of Govt

<b>Total Resources for Financial Management</b> (in millions of dollars)		<b>PY-1</b> 2006	<b>PY</b> 2007	<b>BY</b> 2009
<b>Financial Management - Costs</b>				
2002	Financial management.....	50.00	50.00	50.00
2004	Budget formulation.....		25.00	
2006	Budget execution.....	10.00		
	Total obligations/budgetary resources.....	60.00	75.00	50.00
<b>Audit of Financial Statements - Costs</b>				
3002	Audit of financial statements.....	0.00	0.00	0.00
	Total obligations/budgetary resources.....	0.00	0.00	0.00
<b>Total Resources</b>		60.00	75.00	50.00
5000	<b>Grants Management Resources</b>	50.00	55.00	60.00
<b>Financial Management - FTEs</b>				
2001	No. of FTEs for financial management.....	7.00	8.00	9.00
<b>Audit of Financial Statements - FTEs</b>				
3001	No. of FTEs for audit of financial statements.....		5.00	
<b>Total FTEs</b>		7.00	13.00	9.00
9998	Agency contact.....	K.W. Stenfeld		
9999	Telephone number.....	(202) 697-5715		

Report actual obligations for PY-1 (06) and PY (07) and estimated obligations for BY (09).

