

Reclamation Manual

Directives and Standards

SUPPLEMENT TO THE DEPARTMENT OF THE INTERIOR DEPARTMENTAL ACCOUNTING MANUAL

FILE: 01 INTRODUCTION

20 Policy Development and Maintenance

Subject(A): Finance and Accounting Policy Development and Maintenance Process

Purpose: Establishes the collaborative process to be used to develop and update finance and accounting policy and the formats.

Authority: Department of Interior, Departmental Accounting Manual, Chapter 1-20; Reclamation Manual (RM), *Reclamation Directives Management System*, RCD 03-01; and the Bureau of Reclamation Chief Financial Officer (CFO) Audits Project Team Recommendations (July 27, 2001).

Contact: Finance and Accounting Division (FAD), General Accounting and Technical Analysis Group (GATAG), by calling (303) 445-3430.

1. **Background.** The last 10 years have seen an increased emphasis placed upon improving financial accountability for Federal Departments and Bureaus. In response to this demand, significant Congressional legislation has been passed and the Federal Accounting Standards Advisory Board (FASAB) was created to develop accounting policy for Federal Governmental entities. There is a hierarchy of generally accepted accounting principles (GAAP). It is outlined in OMB Bulletin 01-09, *Form and Content of Agency Financial Statements*, Section 1.2. Reclamation will address finance and accounting policy to clarify, enhance, or refine Departmental or other Federal policies as they relate to Reclamation specific financial requirements. Reclamation will use the process and formats discussed below to develop and publish finance and accounting policy.
2. **Policy Development Process.**
 - A. A collaborative team approach will be used to prioritize, research, and develop finance and accounting policy. Representatives from GATAG, other FAD groups, and the regional finance community will comprise the teams. When the subject matter is program related, Reclamation program representatives will be consulted or incorporated into the policy development effort. When appropriate, Department of Interior (DOI), DOI Bureaus, Treasury, and other external entities may be contacted as resource references.

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- B. Finance and accounting issues will be researched and policy developed or updated if Reclamation specific guidance is required. Refer to RM, *Roles and Responsibilities for Reclamation Finance and Accounting Policy*, FIN 01-10. The level of regional involvement in this process will depend upon the complexity, scope, and urgency of an issue and the availability of regional personnel and expertise. When the circumstances and subject matter warrant, a formal team may be established and an issue or discussion paper developed for regional and FAD management review, recommendation, and final policy treatment determination. Not all issues researched will result in the development of formal Reclamation policy. If it is determined that Reclamation specific finance and accounting policy is needed, priorities will be established, duties will be assigned, and due dates will be set.
3. **Development of RM Supplements.** Most finance and accounting policy will be issued as a supplement to the RM Supplements, Finance (FIN) series. It is Reclamation's policy to reference other authoritative sources rather than to incorporate complete citations. An RM Supplement generally will not contain detailed procedural directions.
4. **Development of Reclamation Accounting Policy Memoranda (RAP).**
- A. RAP memoranda policy documents can be issued, in addition to an RM, FIN Supplement, to provide Reclamation finance and accounting policy or procedural guidance. A unique sequential numbering system by fiscal year will be used to ensure that all RAP memorandums are clearly identified. All RAP memorandums will be developed by GATAG. Whenever time and circumstances allow, a RAP memorandum will be submitted for regional comment and review before being finalized. GATAG and Regional Finance Officers (RFO) will distribute RAP memorandums as directed in RM, FIN 01-10(A)3. RAP memoranda may be used in the following applications:
- A need for quick direction
 - Detailed procedural instructions
 - Request for exception from current policy
 - Direction which may change frequently
 - Direction which is not Reclamation wide (e.g., Region-specific)
- B. As with any policy issue, the finance community may request to have RAP policy revisited under the collaborative policy development process after it has been issued.
5. **Development of Other Policy Documents.** Generally, document types other than RM Supplements or RAPs will be used when policy is being clarified or when providing detailed procedural information such as how to perform certain operations or how to implement policy. Documents types may include, but are not limited to memoranda, handbooks, or guidebooks.

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6. Format.

A. The standardized format of RM, FIN Supplements will closely resemble the format of the RM Directives and Standards and will identify, to the extent practical, the following information:

- Subject
- Purpose
- Authority (reference to *primary* higher-level authority)
- Contact
- Responsibilities, Delegations of Authority (when applicable), instructions, etc.
- Related references (additional information sources)
- Appendixes (when applicable)
- Effective date

B. Other finance and accounting policy documents, including RAP memoranda, handbooks, and guidebooks will follow the general format identified above for RM Supplements when appropriate and as needed.

7. **Quality Assurance Review.** All finance and accounting policy documents will be reviewed by an independent party in FAD or from the regional finance community to ensure that all substantive content and references are correct. Detailed records will be maintained for all research references and supporting documentation to provide the basis for the quality assurance review. Support documentation is to be retained in accordance with filing and archiving requirements set forth in the *Bureau of Reclamation Information Management Handbook*.
8. **Review Period.** Each draft RM, FIN Supplement and most other finance and accounting policy documents will have at least a 30-day review and comment period. GATAG and RFO will distribute draft finance and accounting policy documents as directed in RM, FIN 01-10(A), paragraph 2 to ensure adequate review. At the end of the review period, a collaborative meeting will be set to discuss recommended changes and to finalize each policy document. RAP memoranda will be subjected to a review period as circumstances allow.
9. **Policy Access.** All new RM, FIN Supplements will be part of the RM Directives System and will be posted to the Reclamation internet website. All finance and accounting policy documents will be posted to the FAD intranet site under Financial Management, Policy. RAPs will be indexed by both subject and ID number.
10. **Policy Maintenance.** GATAG will review the RM, FIN Supplements, RAP memorandums, and other finance and accounting policy documents biennially. The same process used for policy prioritization, research, development, and distribution will be

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followed for any significant revisions. The revision of a RAP memorandum will result in the issuance of a new RAP memorandum with a current identification number and a reference to the superseded RAP memorandum. An official notification process will be used for new or revised RAP memorandums and for those that are canceled or replaced by an RM, FIN Supplement. Notification of changes to other policy documents, such as handbooks or guidebooks, will be done through the appropriate official communication process.

11. Related References.

- RM, *Roles and Responsibilities for Reclamation Finance and Accounting Policy*, FIN 01-10
- OMB Bulletin 01-09, *Form and Content of Agency Financial Statements*, Section 1.2.