



Treasury Financial Manual

Bulletin No. 2022-07



To: Heads of government departments, agencies, and others concerned

Subject: Classification, Transactions, and Accountability (CTA) for CARS Reporters

1. Purpose

This bulletin discusses policies and procedures for how entities perform reclasses.

2. Authority

In accordance with 31 U.S.C. 3513, the Secretary of the Treasury must prepare reports to inform the President, Congress, and the public on the financial operations of the U.S. Government. The head of each executive agency must provide reports and information on the financial conditions and operations of the agency that the Secretary of the Treasury requires. Therefore, Treasury requires that agencies reconcile their FBWT accounts on a regular and recurring basis to ensure the integrity and accuracy of their internal and government-wide financial report data.

3. Background

Fiscal Service is significantly restructuring how CARS reporter entities perform CTA transactions in the Central Accounting and Reporting System (CARS). During the Fiscal Year 2018 Schedules of the General Fund audit, the Government Accountability Office (GAO) identified multiple scenarios that could occur within the CARS reclassification process that would arbitrarily increase or decrease certain line items on the Schedules of the General Fund. Further research by Fiscal Service confirmed that these scenarios and many others existed within current entity reporting. The lack of traceability within reclassification transactions is a direct contributor to the disclaimer of opinion we currently receive from GAO on this audit.

4. Change in Accounting and Reporting of CTA

In response to these issues, Fiscal Service initiated a substantial outreach effort with agencies to identify the drivers behind reclassifications, assess and categorize transactional activity reported by the agency, work with agencies on how they perform reclassifications, gain a better understanding of agency reconciliations, and develop guidelines and guiding principles for future CARS enhancements to support traceable reconciliations. Fiscal Service has attempted to contact every agency who performs reclassifications to discuss their current methodology. We have asked these agencies to complete a reclassification template, which allows us to perform an assessment of the entity's feasibility to report traceable reclassifications. If you perform reclassification and have not been contacted please contact Milissia Morris - milissia.morris@fiscal.treasury.gov or Joe Deem - joseph.deem@fiscal.treasury.gov as soon as possible.

Results of the research performed to date:

- Where possible, agencies should strive to eliminate the need to perform reclassifications. While this is not feasible in many scenarios, Fiscal Service is willing to partner with agencies to explore opportunities to report accurate accounting at the establishment of the source system transactions.
- While virtually all agencies perform some sort of reconciliation with CARS, many do not perform a reconciliation at a level that is detailed enough. Most agencies balance at the Treasury Account Symbol (TAS) level. Few balances are at a level granular enough to identify the specific transactions that are causing them to be out of balance. This type of reconciliation is needed to accurately identify the TASs and BETCs that are creating these conditions.
- There are agencies who can identify which Classification Transactions and Accountability (CTA) transactions tie to source systems (CIR, PIR, IPAC, TDO Payments) and those that do not (inter-agency transfers, intra-agency transfer, and non-cash transactions).
- Agencies by and large, can tie their CTA reclassification transactions to the associated source transactions. However, Fiscal Service does recognize that for some agencies this does require substantial effort outside of their current procedures.

To remediate the GAO finding articulated above, Fiscal Service is using outreach results to drive requirements for a rebuild of the CARS reclassification module. Highlights of this effort include:

- Transactions that tie to source system activity will need to be segregated from transactions that do not tie to source system transactions. Transactions that tie to source system (PIR, CIR, IPAC, TDO Payments) will need to be reported separately from those that do not (transfer and non-cash activity; A new acronym, "TanC" has been established to identify this activity).
 - Separate online screens and mass transaction reporting capability will be provided for Transfer and non-Cash activity.

- Activity that does tie to source system reporting will need to be reported on new online screens that will require reporters to tie their reclassification reversals to the originating source transactions, by selecting the source transaction to be reversed and subsequently restated. A new mass transaction reporting capability will also be provided for this activity. CARS will now refer to this activity as "Reclassifications".
 - The traditional "browse and load" method of mass transaction upload will be replaced with a system-to-system interface module, using an Application Program Interface (API). Specifications will be provided by Fiscal Service.
- New functionality in CARS will NOT support string reporting. Agencies will be required to enter a component TAS with a BETC for each transaction. If you currently report in string format, please prepare to convert to component as soon as possible. Contact Fiscal Service for assistance.
 - Implementation will be a phased approach with TanC development expected to be completed prior to Reclassifications. The current CTA reporting screens and tools will be available in addition to the new processes during a "co-existence" period. However, Treasury is targeting 9/30/2024 to no longer support legacy versions of the CTA functionality in CARS.
 - As we transition agencies over to the new CARS Reclassification and TanC screens, entity CTA access will be removed.

5. Federal Entity Reconciliation and Reporting Assessment

Fiscal Service is requesting all agencies who perform CARS reclassifications evaluate their cash reconciliation process. While Fiscal Service can make the necessary adjustments in CARS to support traceable reclassifications, it is incumbent on agencies to reconcile their cash balances with CARS at a level granular enough to support these changes. To that end, Fiscal Service is willing to work with agencies to assist with retooling agency's cash reconciliations. This will be key in making the new CARS Reclassification reporting usable, and in turn remediating GAO's finding.

6. Key Dates

For more information on this initiative, please visit the [Central Accounting Reporting System - Reference & Guidance website](#). This website is Fiscal Service's central hub for the Reclassification project. This site contains more detailed information about the project, helpful tools to assist in agency conversions, key dates, and contact information. Fiscal Service will be continually updating information on this site throughout the duration of the project.

Key Dates:

03/31/2022	Complete development work for online TanC
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	transactions
07/01/2022	Transition ALCs with online TanC activity to the newly developed TanC module in CARS
12/31/2022	Complete development and deployment work for reclassifications (both online and API)
1/31/2023	Initiate cut over to new CTA reclassification for all full CARS Reporters
10/1/2023	Complete cut over to new CTA reclassification for all full CARS Reporters

7. Effective Date

This bulletin is effective immediately.

8. Inquiries and Assistance

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