Chapter 9500

Revised Federal Financial Management System Requirements for Fiscal Reporting

This chapter notifies agencies of the revised Federal Financial Management System Requirements.

Section 9510—Authority

For agencies subject to the Chief Financial Officers Act of 1990 (CFO Act), this Treasury Financial Manual (TFM) chapter provides guidance for using these requirements when determining compliance with the Federal Financial Management Improvement Act of 1996 (FFMIA).

Section 9520—Background

One purpose of FFMIA was to provide for the establishment of uniform financial systems, standards, and reporting. In support of this purpose, the Financial Systems Integration Office (FSIO), previously the Joint Financial Management Improvement Program (JFMIP), developed and issued core financial system requirements and administered a software certification program to evaluate financial system software for compliance with the requirements. Activities to implement FFMIA became increasingly burdensome over time and offered limited flexibility to reduce the cost, risk, and complexity of financial system modernizations. To remedy these issues, the Office of Management and Budget (OMB) assigned the Department of the Treasury (Treasury) the responsibility of developing and maintaining a revised set of financial management system requirements.

Section 9530—Requirements

Appendix 1 below contains the revised Federal Financial Management System Requirements that Treasury updated, in consultation with federal departments and agencies and other financial management stakeholders. The updated requirements are revised to:

- focus on business outcomes rather than technology,
- be neutral to how an agency achieves the financial management business outcomes (e.g., software, shared services),
- emphasize financial management outcomes unique to the federal government (e.g., funds control), and
- apply to both administrative systems and programmatic systems that support financial management business outcomes (that is, “mixed systems”).

Agencies should use the Federal Financial Management System Requirements in the pre-acquisition, acquisition, and implementation of new financial management solutions (manual or automated). In addition,
agencies should use the Federal Financial Management System Requirements in accordance with Appendix D (Compliance with the Federal Financial Management Improvement Act of 1996) to OMB Circular A-123 (Management’s Responsibility for Enterprise Risk Management and Internal Control). Appendix D is a new appendix to Circular A-123 and contains an outcome-based approach to assess FFMIA compliance through a series of financial management goals that are common to all agencies.

Appendix 1: Federal Financial Management System Requirements

Supplemental Information: As managing partner for the Financial Management Line of Business (FMLoB), Treasury’s Office of Financial Innovation and Transformation has developed a set of FM Standard References, which include the Federal Financial Management System Requirements and other documents, to guide agencies in improving the cost, quality, and performance of federal financial activities and solutions (Financial Management Standards).

Contact

Direct questions regarding this chapter to:

Department of the Treasury
Bureau of the Fiscal Service
Financial Innovation and Transformation
Attn: Adam Goldberg
3201 Pennsy Drive, Building E
Landover, MD 20785
Telephone: 202-874-5734
Email: adam.goldberg@fiscal.treasury.gov