CHAPTER 1

GENERAL OVERVIEW

0101 PURPOSE

010101. This volume establishes policy for the development, operation, evaluation, and reporting of all agency financial systems. The National Aeronautics and Space Administration (NASA) programmatic and institutional communities rely on financial systems for support with budgeting, financial accounting, cash and cost management, and financial reporting activities. This volume consists of the following chapters.

CHAPTER 1 GENERAL OVERVIEW

CHAPTER 2 INTEGRATED FINANCIAL MANAGEMENT SYSTEMS

CHAPTER 3 FINANCIAL INFORMATION

CHAPTER 4 SYSTEM DEVELOPMENT AND CHANGE MANAGEMENT

0102 FINANCIAL MANAGEMENT SYSTEM GOALS

The primary goal for NASA financial systems are to support the OCFO goals specified in the Financial Leadership Plan by providing for:

010201. Complete, reliable, consistent, and timely information that is prepared uniformly and responsive to the financial information needs of NASA management.

010202. Development and reporting of financial information.

010203. Integration of accounting and budgeting data.

010204. Systematic measurement of performance.

0103 INTEGRATED FINANCIAL MANAGEMENT SYSTEM

010301. NASA financial systems should integrate different systems into a common information technology architecture. This means that financial systems will:

A. Share common data through NASA Structure Management (NSM).

B. Perform financial functions and automatically exchange data with other systems.

C. Promote control of resources, information quality, and performance review through uniformity of features and internal system controls providing validation of data throughout the system components.

010302. The objectives for NASA financial systems are to support the objectives of the OCFO Financial Leadership Plan by providing for:

A. Effective financial management tools to support NASA's mission.

B. Accurate transaction processing and reporting.

C. System controls to prevent overspending.

D. Increased financial integrity, risk mitigation, and cost control.

E. Operations reports against financial standards.

010303. In support of the goals described herein, and NASA's FY 2002 initiative to establish a single, integrated suite of financial, project, contract, and human capital tools to support Agency programs, and financial reporting consistent with OMB guidance, all new financial management system implementations, and changes to existing financial systems must be coordinated through the NASA Integrated Enterprise Management Program (IEMP) as described in sub-section 010304.

010304. The Integrated Enterprise Management Program (IEMP) was established to manage the Agency-wide transformation of NASA's business systems and processes from standalone/stovepipe operations to a single Agency-wide integrated solution comprising multiple components that all share a common data infrastructure, thereby providing seamless integration, improved Agency-wide fiscal management capabilities, and more readily available data and information.

0104 AUTHORITY AND REFERENCES

010401. Public Law 101-576, Chief Financial Officers (CFO) Act of 1990 (31 U.S.C. 902). Mandates agency CFO responsibilities for financial management systems.
http://www.gao.gov/new.items/d06242t.pdf.

010402. Public Law 97-255, Federal Managers' Financial Integrity Act (FMFIA) of 1982 (31 U.S.C. 3512). Amends the Accounting and Auditing Act of 1950

requiring ongoing evaluations and reports of the adequacy of the systems of internal accounting and administrative controls for Federal agencies to safeguard against waste, misuse of Agency funds and property.
http://www.whitehouse.gov/omb/financial/fmfia1982.html

010403. Public Law 104-208, Federal Financial Management Improvement Act of 1996 (31 U.S.C. 3512). Section 803 of the Act requires that agencies substantially comply with Federal financial systems requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level.
http://www.whitehouse.gov/omb/financial/ffs_ffmia.html

010404. The Budget and Accounting Procedures Act of 1950 (31 U.S.C. 1112, 1531, 3511-3512, 3524). Requires all agencies to report and maintain standard accounting systems on fiscal, budget, and program information. The Act also provided the groundwork for establishing the Joint Financial Management Improvement Program (JFMIP). JFMIP, now known as the Financial Systems Integration Office (FSIO), publishes requirements for financial systems.
http://64.233.187.104/search?q=cache:sL99lhY73VkJ:www.osec.doc.gov/ofm/acctg/chptr3.pdf+Budget+and+Accounting+Procedures+Act+of+1950&hl=en&gl=us&ct=clnk&cd=1

010405. Office of Federal Financial Management Core Financial System Requirements (OFFM-NO-0106) January 2006. Part of the Federal Financial Management Systems Requirements document series. This document addresses the joint goals of the Chief Financial Officers Council, and the Office of Management and Budget to improve the efficiency and quality of financial management in the Federal Government.
http://www.fsio.gov/fsio/download/systemrequirements/012306_Core_Requirements.pdf

010406. Office of Management and Budget (OMB) Circular A-11, Preparation, Submission and Execution of the Budget. Prescribes the reporting requirements for the management of information resource systems.
http://www.whitehouse.gov/omb/circulars/index.html

010407. OMB Circular A-123, Management's Responsibility for Internal Control. In conjunction with OMB Circulars A-127 and A-130, Circular A-123 prescribes management responsibility for internal controls including those for information systems.
http://www.whitehouse.gov/omb/circulars/index.html

010408. OMB Circular A-127, Financial Management Systems. Prescribes policies and standards for executive departments and agencies to follow in developing, operating, evaluating, and reporting on financial systems.
http://www.whitehouse.gov/omb/circulars/index.html

010409. OMB Circular A-130, Management of Federal Information Resources. Prescribes policies for the management of information resources systems.
http://www.whitehouse.gov/omb/circulars/index.html

010410. NASA Financial Management Requirements (FMR), Volume 9 Internal Management Controls. Contains high level NASA requirements for financial systems internal controls.
http://www.nasa.gov/offices/ocfo/references/ocfo_fmr_detail.html

010411. NASA Policy Directive (NPD) 2830.1, NASA Enterprise Architecture. Establishes the policy and responsibilities for NASA's Enterprise Architecture (EA).
http://nodis3.gsfc.nasa.gov/

0105 DEFINITIONS

010501. Business Function. A business function is the purpose which the business or a component of an organization is created to perform.

010502. Business Process. A business process is a collection of activities that takes one or more types of input and creates an output that is of value to the customer.

010503. Business Process Owner. The business process owner is responsible for conducting the business that a financial management system supports. A key business process owner understands, in detail, activities, stakeholder requirements, performance needs, work requirements, and other business processes related to a business function for which they are responsible. A business process owner is a decision maker for the use and management of a system, which supports a business function for which they are responsible.

010504. Business Warehouse. The Business Warehouse is a web-based reporting tool that enables Agency-wide data analysis from the Agency core financial system and other business applications.

010505. Core Financial System. The Core Financial System consists of the processes necessary to maintain the financial system in a manner that is consistent with established financial management laws, regulations, and policy. This function sets the framework for all other core financial system functions. The core financial systems shall comprise the integral component of NASA systems architecture for the business processes of the CFO. Development of the core financial system shall be along the lines of functions as specified below:

A. General Ledger Management is the central function of the core financial system. The general ledger is the highest level of summarization and must maintain account balances by the accounting classification elements established in the core financial system management function. It systematizes the accounting business function for the CFO.

B. Funds Management is the function to ensure that NASA does not obligate or disburse funds in excess of those apportioned or allotted. It systematizes the budget execution business function for the CFO.

C. Payment Management is the function that provides appropriate control over all payments made by or on behalf of the Agency for the Payment Business process.

D. Receivable Management is the function that supports activities for recognizing and recording debts due to the government, performing follow-up actions to collect on these debts, and recording Agency cash receipts.

E. Cost Management is the function that measures the total cost and revenue of NASA programs and their various elements, activities, and outputs.

F. Reporting provides financial information for many uses. NASA uses financial reports to help manage programs, prepare and monitor budgets, provide a basis for decision making, and meet requirements for internal and external reporting requirements.

G. NASA financial systems architecture must comply with the FFMSR. Refer to Appendix A for these requirements. Financial business needs are the prime consideration for including modules in NASA's financial system architecture. Modules are not limited to those in Appendix A.

010506. Feeder System. A feeder system is an independent information system that transmits data to another system via an interface.

010507. Financial Management System. Financial Systems and the financial portions of mixed systems necessary to support financial management, including manual or automated processes, procedures, controls, hardware, software and support personnel. Financial systems include an information system, consisting of one or more applications, that is used for (A) collecting, processing, maintaining, transmitting or reporting data about financial events; (B) supporting financial or budgeting activities; (C) accumulating and reporting cost information, or (D) supporting the preparation of financial statements.

010508. Financial System. A system that supports the financial functions required to track financial events, provide financial information significant to the financial management of the Agency, or is utilized for the preparation of financial statements.

010509. Information System. As defined by OMB A-127, the organized collection, processing, transmission, and dissemination of information in accordance with defined procedures, whether automated or manual. Information systems include non-financial, financial, and mixed systems.

010510. Integrated System. A system in which separate programs perform separate functions with communication and data-passing between functional programs performing standardized I/O routines and a common data-base. Such systems allow flexibility in addition/revision/deletion of various processing functions without disrupting the entire system.

010511. Mixed System. A system that contain both non-financial and financial data.

0106 ROLES AND RESONSIBILITIES

010601. Chief Financial Officer (CFO). OMB and Congress chartered the CFO with broad responsibilities for financial systems, making the CFO the key decision maker for managing and implementing changes to these systems. The NASA CFO is responsible to:

A. Ensure the planning, design, implementation, operation, evaluation, and reporting of financial systems are performed in accordance with FMFIA requirements, the Chief Financial Officers Act of 1990, OMB Circular A-127, and other associated OMB directives and legislative pronouncements.

B. Define requirements for, and maintain an integrated financial management system that complies with the requirements of 31 U.S.C. 902 (a) (3).

C. Serve as the senior Agency official responsible for coordinating the overall NASA effort for assessing, improving, and reporting of financial systems in accordance with OMB Circular A-127, Section 4 of the FMFIA (31 U.S.C. 3512(d)), and other associated OMB directives.

D. Review and approve the design requirements for the development and enhancement of NASA financial systems; monitor and evaluate the implementation of these systems; and determine the degree of conformance with the principles, standards, and related requirements prescribed by the Comptroller General of the United States, and OMB Circular A-34, Financial Accounting Principles and Standards.

E. Function as the business process owner and decision maker for NASA financial systems.

F. Work collaboratively with the Chief Information Officer and the Integrated Enterprise Management Program Director to manage NASA financial system implementation, changes and use.

010602. Chief Information Officer (CIO). The CIO's focus is primarily with the technical aspects of NASA financial systems. OMB and Congress chartered the CIO to provide the leadership, vision, communication, coordination, and innovation necessary to maximize government effectiveness in using information technology. The NASA CIO is the key decision maker for technical judgments concerning financial systems and is responsible to:

A. Ensure the Agency's information resource management strategy for financial information systems is in alignment with the Agency CFO's mission, vision, and strategic goals.

B. Provide sound standards and policies, such as, enterprise architecture and security for financial systems.

C. Ensure strategies align with management practices for developing and operating financial systems.

D. Maintain information security for financial systems.

E. Construct and enforce sound enterprise architecture standards for financial systems.

F. Employ effective financial information system management practices.

G. Ensure effective Agency financial information system investment management practices.

H. Work collaboratively with the CFO, and IEMP to manage NASA financial system implementation, changes and use.

I. Maintain and publish an Agency-wide system inventory and a description of each system including its purpose and points of contact.

010603 . Integrated Enterprise Management Program Director.

A. Design, implement, and operate financial systems in compliance with the Agency's financial management policies, as defined in the NASA FMR.

B. Ensure Agency requirements for financial system designs have been approved through the CFO governance process before proceeding with the development and modification of a financial system (See Chapter 4, 0401 Governance).

C. Ensure timely corrective action is taken regarding instances of nonconformance to IEMP policy.

D. The recommended assignments and functions are found in the Service Level Agreement between IEMP Competency Center and the OCFO, see attachment Appendix C.

010604. IEMP Competency Center (IEMPCC). The IEMPCC is responsible for managing operations that support business systems and processes to improve NASA's fiscal and management accountability. The IEMPCC supports the technology and business process needs of the Agency through the integration of information technology and business process support professionals.

010605. Office of Policy and Business Integration Director. The OPBI Director is responsible to:

A. Develop and issue NASA financial management system policy to provide guidance to headquarters and center personnel.

B. Recommend assignments and functions for OCFO and IEMPCC, which are defined in a Service Level Agreement between the two entities (see Appendix C).

010606. Agency Business Process Lead. The Agency Business Process Lead is responsible to:

A. Develop Agency standards for Financial Business Processes by coordinating the development of associated policies and procedures.

B. Act as an application functional support expert for business process improvements and serve as a primary interface to the IEMPCC Functional Support Lead and the IEMPCC, see attachment Appendix C

C. Assist management officials to ensure all defined roles are staffed.

D. Represent the OCFO and Center Business Process Leads(s) concerning input to changes to Agency business processes.

E. Evaluate and submit Agency-initiated Change Requests.

F. Coordinate maintenance of Agency-level master data.

G. Engage multiple user constituencies (e.g., finance, budget, funds distribution, procurement, and Project Offices) to ensure issues with a business process are identified and resolved.

H. Coordinate testing and acceptance of specified system changes.

I. Coordinate complex business process changes. Refer change management considerations as indicated in the next chapter of this volume, FMR Volume 2, chapter 4.

010607. Agency Reporting Lead. The Agency Reporting Lead is responsible to:

A. Develop agency standards for financial reporting by coordinating the development of associated policies and procedures.

B. Work with the Center Reporting Leads, Business Warehouse Reporting Leads, and IEMPCC as the focal point for Agency-level reporting.

C. Work to develop specific report requirements to meet agency internal and external reporting requirements. Translate requirements and ensure timely delivery of reports.

010608. Center Chief Financial Officer. The Center Chief Financial Officer is responsible to:

A. Ensure Center user controls over financial systems are implemented.

B. Monitor organizations outside of the Agency that process transactions on behalf of the Center to ensure accuracy and completeness of financial data.

C. Make assignments for center operation support for financial systems. The recommended assignments and functions are found in the Service Level Agreement between IEMP Competency Center and the OCFO, see attachment Appendix C.

010609. NASA Shared Services Center (NSSC) Director

The NSSC Director has the same responsibilities as the Center CFO as defined in the previous section (010608).