



***Retirement and Insurance Service
Financial Management Letter***

Number: F-00-08

Date : November 15, 2000

***SUBJECT: FISCAL YEAR 2000 CONFIRMATION OF INTRAGOVERNMENTAL
ACCOUNT BALANCES***

We would like to bring to your attention the availability of the FY 2000 *Intragovernmental Fiduciary Transaction Accounting Guide*. It is important that you carefully review the section of the Guide pertaining to the reconciliation of your intragovernmental account balances with OPM because there are a few changes this year of which you need to be aware; these are summarized below. You can download the Guide from the Financial Management Service (FMS) website at www.fms.treas.gov/cfs/dev; select the "Federal Intragovernmental Accounting Policies and Procedures Guide" for the full text.

By *November 17, 2000*, we will provide you with our Benefit Program Revenue (5400G) and Employment Benefit Contributions Receivable (1320G) balances via a Financial Management Letter. Our balances in these accounts will also be available on our website as well as FMS's. We will require that you report your corresponding balances in Benefit Expense (6400G) and Employer Contributions and Payroll Taxes Payable (2213G) to us on your Confirmation of Intragovernmental Account Balances no later than *December 15, 2000*. The "Confirmation" has been extensively revised for 2000 and we have attached a copy of it, for your convenience; please ensure you use the revised FY 2000 version.

Our 5400G balance for the Retirement Program will include amounts in addition to employer contributions to the Civil Service Retirement System and the Federal Employees Retirement System, principally the Voluntary Separation Incentive Payment (VSIP) contributions we received from you during FY 2000. Please ensure that VSIP-related expense is reflected on the correct Confirmation lines [7b, 8b, and 9b]. As we will be recording a VSIP-related receivable based on your reporting on line 8b, please

*Civil Service
Retirement
System*

*Federal Employees
Group Life
Insurance*

*Federal Employees
Health Benefits
Program*

*Federal Employees
Retirement
System*

take extra time to ensure that the amount reported accurately reflects the amount you owe us for this purpose.

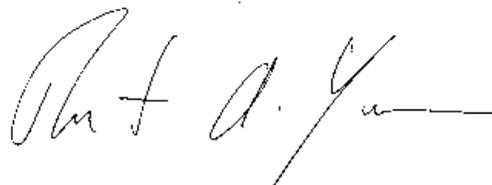
You also need to be aware of a change for FY 2000 to the SGL account for amounts due OPM for contributions to the Retirement, Health Benefits and Life Insurance Programs. For FY 2000, you must use account 2213G - *Employer Contributions and Payroll Taxes Payable* - to reflect your September 30, 2000 balance for employer contributions owed to the benefit programs. You will continue to use account 2210G to report your September 30, 1999 balance.

Please also disclose on an attachment to your Confirmation, the amount by which your balance in account 6400G has been affected by your capitalization policies for construction projects. In previous years, some agencies have capitalized certain benefit costs for employees working on construction projects by recording the following entry:

1720G Construction-in-Progress
6400G.24 Benefit Expense

Although perhaps acceptable from an accounting standpoint, this practice creates differences when reconciling your balance in account 6400G to ours in 5400G. Please consider instead a credit to account 6600 -- Applied Overhead. For 2002, the SGL Issues Resolution Committee is proposing a new account 6610 - Applied Direct Cost.

If you have any questions about this letter, we would prefer that you email us at finance@opm.gov. You may of course call us on 202-606-0606.

A handwritten signature in black ink, appearing to read "Robert A. Yuran", with a horizontal line extending to the right.

Robert A. Yuran, Chief
Financial Policy Staff
Retirement and Insurance Service

Attachment