

February 25, 2009

VHA FINANCIAL MANAGEMENT ADVISORY COUNCIL

1. PURPOSE: This Veterans Health Administration (VHA) Directive establishes the VHA Financial Management Advisory Council (FMAC) under the oversight of the VHA Chief Financial Officer (CFO).

2. BACKGROUND: Previously the FMAC Charter was contained in VA Directive 4000, and reporting responsibility was to both the Department of Veterans Affairs (VA) CFO and to the VHA CFO. The FMAC was established before the current CFO organizations to provide a direct link between VHA field financial staff and VHA and VA Central Office financial staff. With the development of the CFO organization at both the Department and Administration level, the Department CFO relinquished oversight of FMAC to the VHA CFO.

3. POLICY: It is VHA policy that the FMAC is established to assist the VHA CFO in the development, evaluation, and implementation of VA and VHA policies and initiatives within the financial arena to ensure the timeliness, accuracy, and efficiency of recording financial data; to review records and reports for accuracy and quality; and to maintain sound financial records.

4. ACTION

a. **FMAC.** Serving at the direction of the VHA CFO, the FMAC is responsible for:

(1) Assisting and working with designated staff offices and VHA field fiscal offices in the development and evaluation of financial policies and financial management initiatives.

(2) Serving as liaison with the facility fiscal offices and VHA Central Office in providing feedback to the VHA CFO organization on implementing financial policy or other VHA financial management initiatives.

(3) Improving communication within the VHA financial community.

(4) Serving as liaison in communicating operational issues and recommendations to the VHA CFO for appropriate action.

(5) Conducting quarterly meetings in order to discuss financial management and accounting issues and to plan, develop, and review projects and accomplishments.

(6) Scheduling conference calls each month other than when the quarterly meetings are scheduled.

(7) Maintaining a record of projects and updated assignments, and recording this information as part of the quarterly meeting minutes, which are posted on the VHA CFO (17)

THIS VHA DIRECTIVE EXPIRES FEBRUARY 28, 2014

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website at: <http://vaww.cfo.med.va.gov>. **NOTE:** *This is an internal VA link not available to the public.*

b. **VHA CFO.** The VHA CFO is responsible for ensuring that:

(1) The views and needs of both large and small facilities are fairly represented on the FMAC.

(2) FMAC member appointments, terms of office, and meetings are implemented according to Attachment A.

5. REFERENCES: None.

6. FOLLOW-UP RESPONSIBILITY: VHA CFO (17) is responsible for the contents of this Directive. Questions may be referred to (202) 461-6664.

7. RESCISSIONS: VHA Directive 2004-021 is rescinded. This VHA Directive expires February 28, 2014.

JMichael J. Kussman, MD, MS, MACP
Under Secretary for Health

Attachment

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ATTACHMENT A

VHA FINANCIAL MANAGEMENT ADVISORY COUNCIL (FMAC) PROCEDURES

1. **Membership**

a. The FMAC consists of 12 members. Eleven members are from medical facilities. Normally, there will be no more than one representative from a single Veterans Integrated Service Network (VISN); however, this may be waived on a case-by-case basis. Membership appointments are for 3 years, based on the fiscal year. Appointments are normally constituted in such a way that at least three, but not more than four, members complete their terms each year. *NOTE: The accounting intern, normally a second-year intern selected from those serving internships under one of the FMAC members, serves for 1 fiscal year. The twelfth member is to be a VISN CFO, serving a 3-year term.*

b. The medical facility members are to be chosen on the basis of their individual qualifications, including experience in a wide-range of positions, facilities, and geographic areas. Membership is limited to individuals holding positions of CFO, Assistant Fiscal Officer (AFO), or similar position at a VHA facility. Any personnel action that changes a member's position classification, such as removing the individual from daily financial operations, requires that member to be replaced on the FMAC.

c. To fill upcoming vacancies, the VHA CFO issues a call memorandum to facility Directors through the VISN Directors. Facility Directors submit their nominations, along with a statement of qualifications, to the VISN Directors, who compile nominations for the VISN, and submit up to three facility nominations for CFO or AFO members and a VISN CFO nomination to the VHA CFO, who makes the final selections. Unexpected vacancies are handled on a case-by-case basis and may be filled through an interim nomination call, or through selection of a candidate previously nominated for the current Fiscal Year.

2. **Procedures for FMAC Meetings.** The following procedures govern FMAC meetings:

a. A Chairperson and Secretary for the upcoming fiscal year are elected as the first order of business during the current year fourth quarter meeting.

b. The FMAC Secretary, with the assistance of an accounting intern, maintains minutes of all FMAC meetings and conference calls.

c. First year members are not eligible for appointment to Chairperson or Secretary.

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d. A quorum exists when a simple majority of the members are present. Recommendations to the VHA CFO are passed by a simple majority of the quorum at the FMAC meeting.

e. With the assistance of the FMAC Chairperson, the FMAC meeting agenda is prepared, coordinated, and finalized by the Secretary. Facility or VISN CFOs may submit items of interest or concern to their VISN's FMAC representative for consideration in preparing the agenda. These items are presented to the FMAC Chairperson for inclusion in the agenda.

f. Draft minutes of each FMAC meeting are prepared within 2 weeks of the meeting. Final minutes must be submitted to the VHA CFO within 3 weeks of the meeting.

g. Travel expenses for facility members to attend any face-to-face meeting is funded by the VHA Office of Finance (173). Travel expenses for the VISN CFO member are to be funded by the VISN.