

May 20, 2004

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 a Department Handbook 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 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 VHA FMAC is established to assist the VHA CFO in implementing 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.** The FMAC serves at the direction of the VHA CFO. The duties and responsibilities of the FMAC are to:

- (1) Assist in the development and evaluation of financial policy.
- (2) Coordinate and assist in the implementation of financial policy and other financial management initiatives, working with designated staff offices and VHA fiscal offices.
- (3) Serve 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.
- (4) Improve communication within the VHA financial community.
- (5) Serve as liaison in communicating operational issues and recommendations to the VHA CFO for appropriate action.
- (6) Prepare draft minutes of each FMAC meeting within 2 weeks of the meeting.
- (7) Maintain a record of projects and updated assignments, publish this data in the first month of each quarter, and provide it to the VHA CFO and the VHA financial community.

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(8) Meet periodically, as determined by the VHA CFO. Although the VHA CFO organization coordinates the meeting and provides logistical support, to the extent possible, FMAC business is completed through telephone conference calls. *NOTE: VHA Office of Finance (17) funds travel and per diem, as necessary.*

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 members' appointments and terms of office are determined as follows:

(a) FMAC consists of eleven members. Ten members are to be from medical facilities and are to be appointed to serve a 3-year term, based on the fiscal year. Appointments are to be constituted in such a way that at least three, but not more than four, members complete their terms each year. The eleventh member is to be a Network CFO appointed by the VHA CFO. The length of the appointment of the Network CFO is to be 3 years, based on the fiscal year.

(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 Chief Fiscal Officer, Assistant Chief Fiscal Officer, or similar position at a VHA facility. *NOTE: Any personnel action that would change a member's position classification, such as removing the individual from daily financial operations, requires that person's replacement on the FMAC.*

(c) To fill upcoming vacancies, the VHA CFO issues a call memorandum to facility Directors through the Network Directors. Facility Directors submit their nominations, along with a statement of qualifications, to the Network Directors, who compile nominations for the Network and submit up to three nominations to the VHA CFO. The VHA CFO makes the final selection. *NOTE: Unexpected vacancies are handled on a case-by-case basis.*

(3) The FMAC Chairperson serves on the VHA CFO Council.

(4) The following procedures govern FMAC meetings:

(a) A Chairperson and Secretary are to be elected as the first order of business in the new fiscal year.

(b) The FMAC Secretary maintains minutes of all FMAC meetings (conference calls).

(c) 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.

(5) With the assistance of the FMAC Chairperson, the FMAC meeting agenda is prepared, coordinated, and finalized.

***NOTE:** Any Fiscal Service Chief may submit items of interest or concern to the Network FMAC member for consideration in preparing the agenda. These items are presented to the FMAC Chairperson for submission to the VHA CFO, or designee, for inclusion in the agenda.*

5. REFERENCES: None.

6. FOLLOW-UP RESPONSIBILITY: VHA CFO (17) is responsible for the contents of this Directive. Questions may be referred to 202-273-8340.

7. RESCISSIONS: None. This VHA Directive expires May 31, 2009.

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