

## FINANCIAL MANAGEMENT LINE OF BUSINESS INTEGRATION AND MANAGEMENT

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### I. Purpose

This Directive implements the statutory and delegated authorities and responsibilities of the Department's Chief Financial Officer (CFO), including authority and responsibility for leading and integrating financial management activities throughout the Department and establishing all Department-wide financial management policy.

### II. Scope

- A. This Directive applies throughout DHS.
- B. DHS Management Directive 0005, "Financial Management Line of Business Integration and Management," is hereby canceled.
- C. Nothing in this directive impedes the statutory authority of the United States Secret Service under 18 United States (U.S.C.) §§ 3056 and 3056A.

### III. Authorities

- A. DHS Delegation Number 01000, Delegation For Financial Activities
- B. DHS Delegation Number 0215, Delegation of Authority/Succession to the Office of the Chief Financial Officer
- C. 6 U.S.C. § 342, "Chief Financial Officer"
- D. 31 U.S.C. §§ 901–903, "Agency Chief Financial Officers"
- E. Pub. L. 107-296, *Homeland Security Act of 2002*

### IV. Responsibilities

#### A. The Chief Financial Officer:

- 1. Advises and assists the Secretary, Deputy Secretary, and Component heads in carrying out DHS's responsibilities for all financial management activities relating to the programs and operation of the Department, including, but not limited to, financial management impact of and on DHS policy and mission accomplishment.

2. Establishes DHS-wide financial policies and business practices.
3. Oversees and integrates all financial management activities relating to the programs and operations of DHS.
4. Oversees and directs the Department's budget, appropriations, expenditure of funds, accounting, internal controls, financial assistance, and finance.
5. Directs, manages, and provides policy and oversight of DHS financial management personnel, activities, and operations.
6. Conducts annual organizational performance planning and identification and tracking of program performance measures relating to the responsibilities of the Department.
7. Directs and oversees DHS financial management system modernization, including reporting and internal controls. Supports Department-wide consolidation and integration of core management systems and processes.
8. Sets DHS financial statement and internal controls over financial reporting audit strategy and leads audit readiness efforts.
9. Develops and implements Department-wide, end-to-end business processes and implements a Government-wide accounting structure.
10. Prepares and transmits the DHS Annual Financial Report and annual performance and accountability reports on behalf of the Secretary.
11. Oversees the planning, programming, budgeting and execution process in coordination with the Office of Policy, the Management Directorate, and the rest of the DHS Components.
12. Controls and manages development, justification, and defense of the Department's annual Future Year Homeland Security Plan (FYHSP) and the President's budget request.
13. Monitors the execution of DHS funds in relation to the budget.
14. Reviews every two years the fees, royalties, rents, and other charges imposed by DHS for providing services and things of value and recommends changes based on the cost of those provisions.
15. Establishes and chairs a DHS CFO Council.
16. Oversees administration of the Working Capital Fund. The Deputy CFO chairs the Working Capital Fund Governance Board.
17. Leads Department-wide program review and evaluation activities.
18. Analyzes workforce requirements for financial management personnel to

make staffing and resource level recommendations.

19. In collaboration with the relevant Component Head, and except as otherwise provided by law, the CFO retains approval authority over DHS-wide hiring of Component senior financial officers (SFOs) and other positions within the financial management line of business above GS-15 or equivalent, or as set forth in implementing instructions. The CFO participates in the hiring and selection processes, and has approval authority for written performance objectives and annual performance evaluations.

a. For hiring and selection activities, Components:

i. Submit the qualification standards, including knowledge, skills, and abilities or competencies needed for senior positions, to the CFO for review and approval;

iii. Invite the CFO or their designee to participate in the interview process of the best qualified list of candidates;

iv. Secure CFO approval prior to extending a job offer.

b. For performance evaluations, Components:

i. Submit for consideration and input proposed performance objectives/standards and performance plans prior to finalization with the affected employee;

ii. Secure CFO approval with proposed performance evaluations/appraisals, bonus or award recommendations, pay adjustments, and/or other forms of commendation prior to final issuance;

iii. Confer with the CFO to resolve any substantive performance issues.

**B. Component Heads:**

1. Recognize their shared, related, and interdependent responsibility to collaborate and deliver effective, efficient financial management services throughout the Department and to ensure the continued delivery of those services in the event of national emergencies and disasters.

2. Work together to achieve organizational and systems alignment to foster greater efficiency and clarity.

3. Ensure financial management is performed effectively and efficiently in support of mission and public accountability goals.

4. Support and enforce CFO-defined functional excellence tenets.

5. Support and implement the annual goals established in collaboration with the CFO.
6. Collaborate with the CFO in recruiting and hiring Component SFOs and other SES-level positions within the financial management line of business.
7. Incorporate CFO input into Component SFO performance appraisals, bonus or award recommendations, pay adjustments, and other forms of commendation. Confer with the CFO to resolve any performance issues.
8. Ensure the Component SFO is organizationally placed at a senior level to advise senior leaders on issues with resource implications and is included in the strategic leadership team in the Component.
9. Advise and collaborate with the CFO, the Under Secretary for Management, and the Deputy Secretary, as appropriate, on any Component reorganization or restructuring plans that would result in functional realignments of the Component SFO outside of the line of business, and with the CFO on any action that would reduce stature or level of the Component SFO within the line of business.
10. Collaborate with the CFO, through the Component SFOs, to support the availability of resources for all DHS-wide CFO initiatives.
11. Seek the CFO's input in financial management matters.

C. **Component Senior Financial Officers:**

1. Provide effective financial management in support of Component mission, goals, and objectives.
2. Comply with and implement DHS financial management policies and procedures established by the CFO. Ensure compliance with applicable financial laws, regulations, and authorities.
3. Serve as requested on the CFO Council.

D. The **DHS CFO Council:**

1. Advises the CFO on all DHS financial management matters.
2. Sets the strategic agenda for Council activities, including identifying common interests or needs and setting goals and performance measures. Manages priorities to best capitalize on financial management resources.

## V. Policy and Requirements

- A. ***Function of the CFO.*** The CFO heads the foundational DHS organization through which all Department-wide financial management activities and services are overseen, defined, and measured.

B. **Authority and Accountability for Integration.** The CFO, through the DHS CFO Council, designs, directs, and oversees the integration of financial management across the Department to improve mission-support quality and efficiency. Component heads, Component SFOs, and the CFO share accountability to the Secretary for successful planning and implementation of functional integration and for adhering to this Directive.

C. **Authority to Establish Financial Management Policy.** The CFO establishes all Department-wide financial management policy, including guidance for program and budget formulation, budget execution, financial management, accounting and reporting, internal controls, financial systems, appropriation-related congressional reporting, management of working capital funds, and other related functions. The DHS Financial Management Policy Manual (FMPM) is the authoritative source for all Department-wide financial management policies as well as policy on travel, conferences, financial assistance, and the Government Charge Card Program (see Appendix B).

1. Policies incorporate the principles, standards, and related requirements of the Comptroller General, Office of Management and Budget, Department of the Treasury, and other regulatory guidance.

2. Other related functions, as delegated, include travel and credit card programs, travel, collection of conference fees from non-Federal attendees, payment of travel expenses by a non-Federal source, performance planning and measurement, waiver of claims against employees, and financial assistance management and administration.

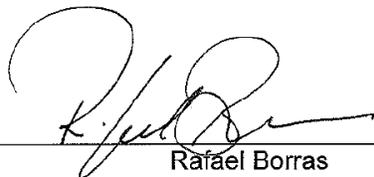
3. Further financial assistance–related authorities are addressed in DHS Directive 128-01.

D. The CFO has access to all records, reports, audits, reviews, documents, papers, recommendations, and other materials that are the property of DHS or are available to DHS, and relate to programs and operations for which the CFO has responsibilities under 31 U.S.C. § 902.

E. The CFO may request such information or assistance from Federal, State, local or tribal government entities as may be necessary for carrying out the duties and responsibilities provided by 31 U.S.C. § 902.

## VI. Questions

Address any questions or concerns regarding this Directive to the CFO.



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Rafael Borrás  
Under Secretary for Management

2/6/14

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Date

## Appendix A. Glossary

- A. **Chief Financial Officer (CFO)**: The line of business chief who exercises leadership and authority over financial management policy, programs, processes, and systems for the entire DHS enterprise. The CFO reports directly to the Secretary regarding all financial management matters.
- B. **Chief Financial Officer's Council (CFO Council)**: The advisory body that assists the CFO in evaluating and determining the best course of action for financial management functions. The CFO Council is chaired by the CFO.
- C. **Financial Management**: Planning, directing, monitoring, organizing, and controlling the financial activities and resources of DHS. Financial management activities include program analysis and evaluation, budget formulation and execution, accounting and financial reporting, internal controls, financial systems, oversight and negotiation of reimbursable agreements, appropriation-related congressional reporting, management of working capital funds, and other related functions. For the purpose of the Directive and this Instruction, "other related functions" include bank card programs, travel, and financial assistance management and administration.
- D. **Functional Integration**: A transformation process that enhances efficient and effective use of resources by establishing unified policies and business processes, the use of shared or centralized services and standards, and automated solutions. Functional integration is a structured cooperation and collaboration among DHS Components and line of business chiefs to achieve functional excellence in support of the DHS mission and objectives. This is accomplished by decreasing fragmentation and duplication, providing enhanced integrated services, and increasing efficiency and quality of management lines of business.
- E. **Line of Business Chief**: Officers within the Management Directorate with a set of one or more highly related services (administrative, financial, human resources, information technology, procurement, and security), which include the Chief Administrative Officer, Chief Financial Officer, Chief Human Capital Officer, Chief Information Officer, Chief Procurement Officer, and Chief Security Officer.
- F. **Component Senior Financial Officers (SFOs)**: Individuals designated as the senior financial management official within each of the following Components, regardless of position title.
1. Operational Components:
    - a. Citizenship and Immigration Services, United States (USCIS).
    - b. Coast Guard, United States (USCG).
    - c. Customs and Border Protection, United States (CBP).
    - d. Federal Emergency Management Agency (FEMA).

- e. Immigration and Customs Enforcement, United States (ICE).
  - f. Secret Service, United States (USSS).
  - g. Transportation Security Administration (TSA).
2. Support Components:
- a. Management.
  - b. Domestic Nuclear Detection Office (DNDO).
  - c. Federal Law Enforcement Training Center (FLETC).
  - d. Health Affairs, Office of (OHA).
  - e. Inspector General, Office of (OIG).
  - f. Intelligence and Analysis, Office of (I&A).
  - g. National Protection and Programs Directorate (NPPD).
  - h. Operations Coordination, Office of (OPS).
  - i. Science and Technology Directorate (S&T).

## Appendix B. Financial Management Policy Manual Table of Contents

As of publication of this directive, the [FMPM](#) contains the following policies, also listed as implementing documents within the DHS Directives system. Other topics may be added at the discretion of the CFO.

<b>DHS 252-10-01</b>	<b>Organization</b>
Section 1.1	CFO Organization
Section 1.2	Professional Certifications
<b>DHS 252-10-02</b>	<b>Planning, Programming, Budgeting and Execution</b>
Section 2.1	Planning and Programming
Section 2.2	Budget Formulation
Section 2.3	Congressional Budget Process
Section 2.4	Budget Execution
Section 2.4.1	Security Classification
Section 2.5	Administrative Control of Funds
Section 2.6	Fund Certification and Fund Approval
Section 2.7	Budget Monitoring and Reporting
Section 2.8	Working Capital Fund (WCF)
Section 2.9	Official Reception and Representation Funds
<b>DHS 252-10-03</b>	<b>Financial Management and Accounting</b>
Section 3.1	Property, Plant and Equipment
Section 3.2	Introduction to Bank Card Program
Section 3.2.1	Travel Card Manual
Section 3.2.2	Purchase Card Manual
Section 3.2.3	Fleet Card Manual
Section 3.3	Revenue and Receivables
Section 3.4	Payables and Disbursements
Section 3.4.1	Prompt Payment Discounts
Section 3.5	Other Liabilities
Section 3.5.1	Due Care in Determining Probable and Reasonably Estimable Environmental Liabilities
Section 3.5.2	Recognition and Measurement of Asbestos-Related Cleanup Costs
Section 3.5.3	Leave Liability
Section 3.6	Accruals and Estimates
Section 3.7	Intragovernmental
Section 3.8	Budgetary Accounting
Section 3.9	Cash Management
Section 3.10	Legal Liabilities
Section 3.11	Identifying and Reporting Earmarked Funds
Section 3.12	Obligation of Annual Performance-based Awards
Section 3.13	Non-Tax Debt Collection, Referral & Write-Off
Section 3.14	Waiver of Claims Against Employees for Erroneous Payments

<b>DHS 252-10-04</b>	<b>Financial Reporting</b>
Section 4.1	Preparation of Financial Statements
Section 4.2	Hierarchy of Accounting Standards
Section 4.3	Reconciling Fund Balance with Treasury (FBWT)
Section 4.4	Reporting Requirements for the Financial Report of the US Govt.
Section 4.5	Treasury Report on Receivables
<b>DHS 252-10-05</b>	<b>Performance</b>
Section 5.0	Organizational Performance Management Guide
<b>DHS 252-10-06</b>	<b>Financial Assistance</b>
Section 6.0	Financial Assistance Content Guide and Index
Section 6.1	CFO Authority and Requests for Information
Section 6.2	Pre-Award Financial Assistance Planning
Section 6.3	Pre-Award Review and Funding
Section 6.4	Award Phase
Section 6.5	Post-Award Amendments, Enforcement, and Close-out Actions
Section 6.6	Monitoring and Reporting
<b>DHS 252-10-07</b>	<b>Travel</b>
Section 7.1	General Travel Policy and Approval Authority
Section 7.2	Temporary Duty Travel
Section 7.3	Travel Allowances
Section 7.4	Per Diem Expenses
Section 7.5	Local Travel
Section 7.6	International Travel
Section 7.7	Operational, Military, and Special Travel
Section 7.8	Individually Billed Travel Card
Section 7.9	Claims for Travel Reimbursement
Section 7.10	Conferences
Section 7.10.1	Conference Controls
Section 7.10.2	Conference Controls and Approval
Section 7.11	Payment of Certain Death-Related Expenses
Section 7.12	Payment of Travel Expenses by Non-Federal Sources