

**Minimal POA&M to Correct NWCF Activity Level  
Account Balance Inaccuracies**

1. **General Procedures.**

a. Use enclosures (2) or (3), as the FY 2000 "CFO NWCF Material Weakness", as applicable. The next step is to prepare a POA&M that will ensure the controls are established to enforce the DoD FMR required account balance reconciliation process needed to validate the accuracy of the account balances.

b. Paragraphs 2 through 4 below provide the minimum milestones that should be included in the NWCF activity POA&M when the enclosures (2) and (3) planned milestone provides: "Complete a POA&M in conjunction with accounting firm to have accounting firm validate the balance of . . .". Paragraphs 2 through 4 would also apply when the activity has identified inaccurate account balances not identified in enclosures (2) and (3) which they have added to the baseline uncorrected weakness for reporting.

2. **Identify Whether DFAS or the NWCF Activity Maintains GLAs Supporting Records and Source Data.** The following milestones are aimed at ensuring that both the NWCF activity and DFAS have a list to identify whether DFAS or the NWCF activity maintains the general ledger supporting records and source data.

a. **NWCF Activity Maintains GLAs Supporting Subsidiary Records and Source Data.** Provide your supporting DFAS activity performing funds accounting an official list of the NWCF activity maintained supporting subsidiary records. Request them to establish a reconciliation schedule, mutually agreed to by the NWCF activities, to reconcile the subsidiary records with the financial balances. DoD FMR, Volume 6, Chapter 2, paragraph 020204A(1) relates.

b. **DFAS Activity Performing Funds Accounting Maintains GLAs Supporting Subsidiary Records and Source Data.** Provide your supporting DFAS activity performing funds accounting an official list of the general ledgers supporting subsidiary records that are maintained by DFAS and not by the NWCF activity. DoD FMR, Volume 6, Chapter 2, paragraph 020204A(1) relates.

c. DFAS Activity Performing Funds Accounting Maintains GLAs Supporting Records, However, the NWCF Activity Maintains Source Data. Provide your supporting DFAS activity performing funds accounting an official list of the general ledgers supporting subsidiary records that are maintained by DFAS, however, the NWCF activity maintains the source data. DoD FMR, Volume 6, Chapter 2, paragraph 020204A(1) relates.

3. Reconciliation Action When NWCF Activity Maintains Supporting Subsidiary Records and Source Data to the GLAs. The following milestones are aimed at ensuring that the paragraph 020204A reconciliation of the NWCF activity maintained supporting subsidiary records and source data to the DFAS general ledger are being performed.

a. Follow-up to Obtain Reconciliation Schedule. When the NWCF activity maintains the subsidiary records and has not received the reconciliation schedule from DFAS, coordinate with your supporting DFAS activity performing funds accounting to obtain the reconciliation schedule. DoD FMR, Volume 6, Chapter 2, paragraph 020204A(1) relates.

b. Perform the NWCF Portion of the Reconciliation. When the NWCF activity maintains the subsidiary records perform the DON portion of the reconciliation of the subsidiary records and source data to the DFAS general ledger balances in accordance with the DFAS reconciliation schedule. DoD FMR, Volume 6, Chapter 2, paragraphs 020204A and 20204A(1) apply.

c. Perform Periodic Validations of the NWCF Maintained Subsidiary Records Against the Physical Assets. Perform periodic validations to ensure the accuracy of the NWCF maintained subsidiary records against the applicable physical assets (e.g., equipment, supply system inventories, Operating Materials and Supplies (inventory), or real property) or other appropriate confirmations of the source documents. DoD FMR, Volume 6, Chapter 2, paragraphs 020204A(2) and 020204A(2)(a) apply.

d. Perform Periodic Validations of Source Data Supporting NWCF Maintained Subsidiary Records. Perform periodic validations of source data supporting NWCF maintained subsidiary records to ensure the accuracy of the subsidiary records; and integrity and currency of the source data. DoD FMR, Volume 6, Chapter 2, paragraphs 020204A(2) and 020204A(2)(b) apply.

e. Report to NWCF Management Command the Results of the Joint DON and DFAS Reconciliation. Provide your management command quantitative feedback from the joint DON and DFAS reconciliation process of the NWCF activity maintained subsidiary

records and supporting source data. DoD FMR, Volume 6, Chapter 2, paragraphs 020204A, 20204A(1), 020204A(2), 020204A(2)(a), and 020204A(2)(b) relate.

**4. Reconciliation Action When the DFAS Activity Performing Funds Accounting Maintains Supporting Subsidiary Records to GLAs.**

Officially request your supporting DFAS activity performing funds accounting to ensure that all NWCF general ledger balances and other associated financial balances are reconciled, at least on a quarterly basis, with the amounts contained in the supporting records, including original source data. NWCF activity participation will be required in the reconciliation process for the DFAS maintained subsidiary records when the original source documents or transactions that require research to complete the reconciliation are retained by DON activities. DoD FMR, Volume 6, Chapter 2, paragraphs 020204B(1), 020204B(2), 020204B(3), and 020204B(4) apply.

a. Follow-up to Obtain Reconciliation Schedule. Request from your supporting DFAS activity performing funds accounting a copy of the reconciliation schedule of the DFAS maintained subsidiary records and source data to the GLAs.

b. Participation Action When the NWCF Activity Retains the Original Source Data Which Supports the DFAS Maintained Subsidiary Records. NWCF activity participation will be required in the reconciliation process when DFAS maintains the subsidiary records and the NWCF activity retains the original source documents or transactions. When requested by DFAS perform the validation of the NWCF maintained original source documents or transactions which support the subsidiary records maintained by your supporting DFAS activity performing funds accounting. DoD FMR, Volume 6, Chapter 2, paragraph 020204B(3) relates. If the NWCF activity retains the source data for DFAS maintained subsidiary records and DFAS has not requested periodic validation of that source data, the NWCF activity should contact their supporting DFAS activity performing funds accounting and request a reconciliation schedule. This validation is to ensure the accuracy of the subsidiary records; and integrity and currency of the source data.

c. Request DFAS to Provide a Report of the Reconciliation Results. Request your supporting DFAS activity performing funds accounting to provide a report of the quantitative results of the reconciliation of the DFAS maintained subsidiary records and DFAS/NWCF activity supporting source data to the GLAs.

d. Report to NWCF Management Command the Results of DFAS Reconciliation. Provide your NWCF management command quantitative feedback from the DFAS reconciliation process of the

DFAS maintained subsidiary records and DFAS/NWCF activity supporting source data to the GLAs. DoD FMR, Volume 6, Chapter 2, paragraphs 020204B(1), 020204B(2), 020204B(3), and 020204B(4) relate.