

October 2000

SEIZED PROPERTY AND FORFEITED ASSETS SYSTEMS REQUIREMENTS

Checklist for Reviewing Systems Under the Federal Financial Management Improvement Act



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Abbreviations

| | |
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| CFO | chief financial officer |
| FASAB | Federal Accounting Standards Advisory Board |
| FFMIA | Federal Financial Management Improvement Act of 1996 |
| GPRA | Government Performance and Results Act of 1993 |
| JFMIP | Joint Financial Management Improvement Program |
| OMB | Office of Management and Budget |
| SFFAS | Statement of Federal Financial Accounting Standards |

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PREFACE

October 2000

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management systems requirements. These requirements are detailed in the Financial Management Systems Requirements series issued by the Joint Financial Management Improvement Program (JFMIP), in Office of Management and Budget (OMB) Circular A-127, *Financial Management Systems*, and OMB's *Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued September 9, 1997. JFMIP intends for the requirements to promote understanding of key financial management systems concepts and requirements, to provide a framework for establishing integrated financial management systems to support program and financial managers, and to describe specific requirements of individual types of financial management systems.

We are issuing this checklist that reflects JFMIP's revised *Seized Property and Forfeited Assets Systems Requirements (December 1999)* to assist (1) agencies in implementing and monitoring their seized property and forfeited systems and (2) managers and auditors in reviewing agency seized property and forfeited assets systems to determine if they substantially comply with FFMIA. This checklist is not required to be used in assessing the seized property and forfeited systems. It is provided as a tool for use by experienced staff. This checklist, the JFMIP source document, and the two previously mentioned OMB documents should be used concurrently. Experienced judgment must be applied in the interpretation and application of this tool to enable a user to consider the impact of the completed checklist on the entire seized property and forfeited systems and whether the systems, as a whole, substantially comply with requirements.

Additional copies of the checklist can be obtained from U.S. General Accounting Office, 700 4th St. NW, Room 1100, Washington, D.C. 20548, or by calling (202) 512-6000, or TDD (202) 512-2537. This checklist replaces GAO's previously issued exposure draft of the *Seized/Forfeited Asset System Checklist (April 2000)* and is available on the Internet on GAO's Home Page (www.gao.gov) under "Other Publications."

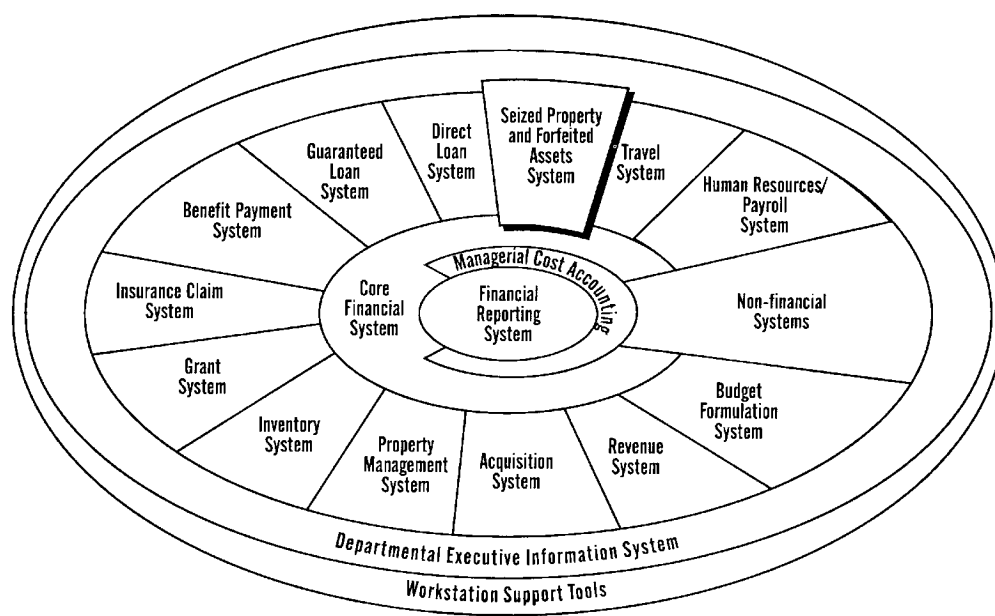
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OVERVIEW

The Federal Financial Management Improvement Act (FFMIA) of 1996 requires, among other things, that agencies implement and maintain financial management systems that substantially comply with federal financial management systems requirements. These system requirements are detailed in the Financial Management Systems Requirements series issued by the Joint Financial Management Improvement Program (JFMIP)¹ and Office of Management and Budget (OMB) Circular A-127, *Financial Management Systems*. JFMIP requirements documents identify (1) a framework for financial management systems, (2) core financial systems requirements, and (3) 16 other financial and mixed systems supporting agency operations, not all of which are applicable to all agencies. Figure 1 is the JFMIP model that illustrates how these systems interrelate in an agency's overall systems architecture.

Figure 1: Agency Systems Architecture



Source: JFMIP *Seized Property and Forfeited Assets Systems Requirements (December 1999)*.

¹JFMIP is a joint cooperative undertaking of OMB, the General Accounting Office, the Department of the Treasury, and the Office of Personnel Management, working in cooperation with each other and with operating agencies to improve financial management practices throughout the government. The program was initiated in 1948 by the Secretary of the Treasury, the Director of the Bureau of the Budget (now OMB), and the Comptroller General and was given statutory authorization in the Budget and Accounting Procedures Act of 1950. The Civil Service Commission, now the Office of Personnel Management (OPM), joined JFMIP in 1966.

To date, JFMIP has issued the framework and systems requirements for the core financial system and 8 of the 16 systems identified in the architecture. (See figure 1.)²

We are issuing this checklist that reflects JFMIP's revised *Seized Property and Forfeited Assets Systems Requirements* (December 1999) to assist (1) agencies in implementing and monitoring their seized property and forfeited assets systems and (2) managers and auditors in reviewing agency seized property and forfeited assets systems to determine if they are in substantial compliance with FFMLA. This checklist is not required to be used in assessing the seized property and forfeited assets systems. It is provided as a tool for use by experienced staff. This checklist, the JFMIP source document, OMB Circular A-127, *Financial Management Systems*, and OMB's *Implementation Guidance for the Federal Financial Management Improvement Act (FFMLA) of 1996*, issued September 9, 1997 should be used concurrently. Experienced judgment must be applied in the interpretation and application of this tool to enable users to consider the impact of the completed checklist on their entire seized property and forfeited assets systems and whether the systems, as a whole, substantially comply with requirements.

Authoritative Guidance

OMB Circular A-127 and OMB's implementation guidance provide the basis for assessing compliance with the FFMLA requirements for agencies to implement and maintain financial management systems that comply substantially with federal requirements. The implementation guidance identifies various criteria that an agency must meet to substantially comply with these requirements. One of the criteria listed in the OMB guidance is the JFMIP systems requirements series.

The source of all the questions in this checklist is the *JFMIP Seized Property and Forfeited Assets Systems Requirements (JFMIP-SR-99-14, December 1999)*. This JFMIP document is an update of the March 1993 *JFMIP Seized/Forfeited Assets System Requirements* document. This update incorporates legislative changes and federal accounting standards, including Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards Standard Number 3, *Accounting for Inventory and Other Related Property* (SFFAS No. 3). The new requirements document has been expanded to include new sections on property seized for purposes other than forfeiture and the corresponding system requirements. These requirements cover any property, regardless of value, seized by the federal government as well as assets forfeited to the federal government as a consequence of a law enforcement action or property abandonment proceedings. The checklist is based on the existing published JFMIP standards. Changes in laws, regulations, and standards and practices since the standards were issued are not included in the checklist.

²Thus far, the series includes the (1) *Framework for Federal Financial Management Systems*, (2) *Core Financial System Requirements*, (3) *Inventory System Requirements*, (4) *Seized Property and Forfeited Assets System Requirements*, (5) *Direct Loan System Requirements*, (6) *Guaranteed Loan System Requirements*, (7) *Travel System Requirements*, (8) *Human Resources & Payroll Systems Requirements*, (9) *System Requirements for Managerial Cost Accounting*, and (10) *Grant Financial System Requirements*. In early 1998, JFMIP decided to initiate projects to update system requirements documents that were not current with regulations and legislation. JFMIP also planned to initiate projects to complete the remaining systems requirements.

The revised JFMIP document segregates functional requirements into two general categories—mandatory and value added. The mandatory requirements describe what the system must do and consist of the minimum acceptable functionality necessary to establish a system or are based on federal laws and regulations. Mandatory requirements are those against which agency heads evaluate their systems to determine substantial compliance with system requirements under FFMIA. These requirements apply to existing systems in operation and new systems planned or under development. The checklist uses “(M)” immediately following the question to indicate that it is mandatory for the system to do that.

The value-added requirements describe features or characteristics and may consist of any combination of the following: (1) using state-of-the-art technology, (2) employing the preferred or best business practices, or (3) meeting the special management needs of an individual agency. Value-added, optional, and other similar terminology may be used to describe this category of requirements. Agencies should consider value-added features when judging systems options. The need for these value-added features in agency systems is left to the discretion of each agency head. The checklist uses “(V)” immediately following the question to indicate that the item is value added rather than mandatory.

How to Use This Checklist

OMB’s 1997 implementation guidance provides chief financial officers (CFO) and inspectors general with a means for determining whether their agencies’ financial management systems substantially comply with federal financial management systems requirements. The annual reporting required pursuant to section 4 of the Federal Managers’ Financial Integrity Act (FMFIA) of 1982 is one of the means to assist agencies in the determination of substantial compliance. Agencies can also use this checklist as a tool to help determine compliance with federal financial management systems requirements.³

Filling out this checklist will allow agencies to systematically determine whether specific systems requirements are being met. In determining substantial compliance, agencies should assess the results of the completed checklist on the seized property and forfeited assets systems requirements taken as a whole.

The checklist contains three columns with the first citing the question followed by either “(M)” for mandatory requirements or “(V)” for value added. Use the second column to answer each question “yes,” “no,” or “na.” Use the third column to explain your answer. A “yes” answer should indicate that the agency’s seized property and forfeited assets systems provide for the capability described in the question. For each “yes” answer, the third column should contain a brief description of how the seized property and forfeited assets systems satisfy that capability and should also refer to a source that explains or shows the capability.

A “no” answer indicates that the capability does not exist. For a “no” answer, the third column should provide an explanation and, where applicable, a reference to any related

³In addition, the CFO Council has charged the Financial Systems Committee with developing implementation guidance for performing FFMIA and other compliance reviews. The CFO Council and JFMIP plan to jointly issue the guidance.

supporting documentation (e.g., the agency is working on modifying or implementing its seized property and forfeited assets systems to have the capability available in subsequent years; management believes the capability is not cost effective and will not enhance the seized property and forfeited assets systems' ability to manage operations). Cost-benefit studies, or other reasoning, that supports a "no" answer should be identified in the explanation column. If there are no cost-benefit studies or other support, a full explanation should be provided.

"No" answers should not be viewed individually or taken out of context. Rather, "no" answers should be assessed as to their impact on the overall seized property and forfeited assets systems and the extent to which the "no" answers inhibit the entire seized property and forfeited assets systems from being substantially compliant.

Certain questions within the checklist may not be applicable to the agency. Answer such nonapplicable question(s) with "na" and provide an appropriate explanation in the third column.

SEIZED PROPERTY AND FORFEITED ASSETS SYSTEMS REQUIREMENTS

JFMIP's *Seized Property and Forfeited Assets Systems Requirements* defines mandatory and value-added functional requirements for the following seized property and forfeited assets elements that are described below: (1) seizure activities, (2) custody activities, (3) forfeiture activities, (4) disposition activities, (5) reporting and other requirements, (6) general systems requirements, (7) interfacing systems, (8) system administration, (9) records retention, and (10) other general systems issues.

1. Seizure activities. When certain civil and criminal laws or regulations are violated, enforcement agencies have the authority to seize the property. All federal government seizures of private property must be made in accordance with applicable laws and regulations and must be specifically authorized. This initial authorization is the cornerstone of all subsequent activity. (The checklist questions for this area are drawn from p. 15 of the JFMIP source document.)
2. Custody activities. Organizations that have custody of seized property and forfeited assets must have adequate policies and procedures to ensure that all property and assets are properly received, recorded, valued, maintained, and controlled throughout the legal process underlying the seizure. (The checklist questions for this area are drawn from p. 16 of the JFMIP source document.)
3. Forfeiture activities. As a consequence of certain legal proceedings, title to property, real or personal, is transferred to the United States. (The checklist questions for this area are drawn from p. 17 of the JFMIP source document.)
4. Disposition activities. A key component of effective property seizure and asset forfeiture processes is disposing of the property in an orderly fashion after determining that disposition is appropriate. If asset disposition is perceived to be unfair or inefficient, the effectiveness of the entire process could be called into question. In some cases, the property may be returned to an entity outside of the federal government as a result of the law enforcement action. It is particularly important to account for all costs, revenues, and proceeds from disposition. (The checklist questions for this area are drawn from p. 18 of the JFMIP source document.)
5. Reporting and other requirements. All seized property and asset forfeiture systems must be able to support management's objectives for efficiency and quality in order to ensure compliance with Government Performance and Results Act (GPRA) of 1993 requirements. They must fully disclose the financial results of the program. (The checklist questions for this area are drawn from p. 19 of the JFMIP source document.)
6. General systems requirements. This section covers general requirements not found in other sections. (The checklist questions for this area are drawn from p. 20 of the JFMIP source document.)

7. Interfacing systems. Agency financial management systems fall into four categories: core financial systems, other and mixed systems (including inventory systems), shared systems, and departmental executive information systems (systems that provide management information to all levels of managers). These systems must be linked together electronically to be effective and efficient. (The checklist questions for this area are drawn from p. 21 of the JFMIP source document.)
8. System administration. System administration provides centralized control over a seized property and forfeited assets system. (The checklist questions for this area are drawn from p. 22 of the JFMIP source document.)
9. Records retention. Federal government records may be destroyed only with proper approval. (The checklist questions for this area are drawn from p. 23 of the JFMIP source document.)
10. Other general systems issues. This section covers other general requirements not found in other sections. (The checklist questions for this area are drawn from p. 24 of the JFMIP source document.)

The checklist questions follow the JFMIP source document. It should be noted that not all questions will apply in all situations and, as with the use of any checklist, professional judgment should be exercised. Using the JFMIP source document and its "Appendix B: Glossary," which defines terms used, along with OMB Circular A-127, *Financial Management Systems*, and OMB *Implementation Guidance for the Federal Financial Management Improvement Act (FFMIA) of 1996*, issued September 9, 1997, will help ensure that the user is cognizant of the background information necessary to fully understand the questions.

Seized Property and Forfeited Assets Systems Requirements

| Seizure activities | Yes/no/na | Explanation |
|---|------------------|--------------------|
| 1. Are all federal government seizures of private property made in accordance with applicable laws and regulations, and are they specifically authorized? (M) | | |
| 2. Does the seized property system provide a unique identifier for the property that will facilitate tracking through seizure, holding, and disposition? (M) | | |
| 3. Does the seized property system provide for the timely recording of the date of seizure, the type of property, the location where it was seized, the storage location, owner(s) if known, and any other entity involved in the seizure? (M) | | |
| 4. Does the seized property system provide for the timely and accurate recording of the originally assigned value and any subsequent updates to the valuation? (M) | | |
| 5. Does the seized property system provide for the timely recording of any mortgage and claim liabilities against each asset seized for forfeiture or Internal Revenue Code enforcement? (M) | | |
| 6. Does the seized property system provide the capability to obtain current information on the processing status of any seized property in the database with the use of an automated query mechanism? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Seizure activities | Yes/no/ na | Explanation |
|---|-----------------------|--------------------|
| 7. Does the seized property system provide the information necessary to enable routine verification of the legal authority for the seizure, including the ability to verify that the agency seizure or forfeiture criteria have been observed? (M) | | |
| 8. Does the seized property system allow for the correction, amendment, and cancellation of the seizure authorization for the property under seizure and provide reports to responsible program officials on this activity? (M) | | |
| 9. Does the seized property system provide the information necessary to allow for the prompt payment of properly authorized and billed services? (M) | | |
| 10. Does the seized property system interact with the core financial system to accomplish the task described in the prior question? (M) | | |
| 11. Does the seized property system allocate and record all appropriate costs of the seizure on a basis consistent with the type of property and the nature of the seizure? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Custody activities | Yes/no/na | Explanation |
|---|------------------|--------------------|
| 1. Does the organization having custody of seized property and forfeited assets have adequate policies and procedures to ensure that all seized property and forfeited assets are properly received, recorded, valued, maintained, and controlled throughout the legal process underlying the seizure? (M) | | |
| 2. Does the custody system component have the capability to capture, record, and maintain accurate information on the current legal status, geographic location, responsible custodian, and current recorded value of seized property and forfeited assets in custody? (M) | | |
| 3. Does the custody system component have the capability to provide a record documenting that advertising and the issuance of notice of property seized have been accomplished, if required? (M) | | |
| 4. Does the custody system component have the capability to provide information to enable seized cash to be deposited promptly into cash holding accounts, if required? (M) | | |
| 5. Does the custody system component have the capability to track and promptly record the deposit of revenue generated by seized businesses and cash on a basis consistent with the nature of the property? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Custody activities | Yes/no/ na | Explanation |
|---|-----------------------|--------------------|
| 6. Does the custody system component have the capability to segregate forfeited assets from property in a seized or detained status? (M) | | |
| 7. Does the custody system component have the capability to allocate and record all appropriate costs and revenues on a basis consistent with the type of property and the nature of the custodial action? (M) | | |
| 8. Does the custody system component have the capability to record and account for all theft, loss, and damage expenses by identification number? (M) | | |
| 9. Does the custody system component have the capability to provide accurate and timely reconciliations between the seizing agency's seizure records and property records of custodians being used to maintain, store, and dispose of seized property? (M) | | |
| 10. Does the custody system component have the capability to provide information to allow the independent verification that each item of seized property or each forfeited asset is in the physical or constructive custody of the government and that the recorded quantity, legal status, geographic location, and value are accurate? (M) | | |
| 11. Does the custody system component have the capability to provide information to allow | | |

Seized Property and Forfeited Assets Systems Requirements

| Custody activities | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| an independent verification that all billed contractor or vendor services were actually performed? (M) | | |
| 12. Does the custody system component have the capability to record and track cost bonds, as appropriate? (M) | | |
| 13. Does the custody system component have the capability to provide information to pay promptly all contractors or vendors performing maintenance or management services and to interact with the core financial system to accomplish this task? (M) | | |
| 14. Does the custody system component have the capability to record the forfeiture, as appropriate? (M) | | |
| 15. Does the custody system component have the capability to record information on the legal authority for forfeiture, as appropriate? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Forfeiture activities | Yes/no/na | Explanation |
|---|------------------|--------------------|
| 1. Does the abandoned property and forfeited assets system provide a unique identifier for the property that will facilitate tracking through seizure, holding, and disposition? (M) | | |
| 2. Does the abandoned property and forfeited assets system provide for the timely recording of the date of seizure, the type of property, the location where it was seized, the storage location, owner(s) if known, and any other entity involved in the seizure? (M) | | |
| 3. Does the abandoned property and forfeited assets system provide for the timely and accurate recording of the originally assigned value and any subsequent updates to the valuation? (M) | | |
| 4. Does the abandoned property and forfeited assets system provide for the timely recording of any mortgage and claim liabilities against each asset seized for forfeiture? (M) | | |
| 5. Does the abandoned property and forfeited assets system provide the capability to obtain current information on the processing status of any abandoned property or forfeited assets in the database by use of an automated query mechanism? (M) | | |
| 6. Does the abandoned property and forfeited assets system provide the information | | |

Seized Property and Forfeited Assets Systems Requirements

| Forfeiture activities | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| necessary to enable routine verification of the legal authority for the seizure? (M) | | |
| 7. If the answer to the above question is yes, does the information include the ability to verify that the agency seizure or forfeiture criteria have been observed? (M) | | |
| 8. Does the abandoned property and forfeited assets system provide the information necessary for prompt payment of properly authorized and billed services and interact with the core financial system to accomplish this task? (M) | | |
| 9. Does the abandoned property and forfeited assets system support the recording and capture of all appropriate costs of the forfeiture process on a basis consistent with the type of property? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Disposition activities | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| 1. Does the asset disposition system component have the capability to record each disposition, including the unique identifier of the property or asset, type of property or asset, type of disposition, the individuals responsible for authorizing and executing the actions, the value at time of disposition or the gross proceeds generated from the disposition, and to whom the asset or property was released or transferred? (M) | | |
| 2. Does the asset disposition system component have the capability to accurately record a partial distribution of an asset? (M) | | |
| 3. Does the asset disposition system component have the capability to record all appropriate costs and revenues on a basis consistent with the type of property and the nature of the disposal action? (M) | | |
| 4. Does the asset disposition system component have the capability to verify that proper authorization exists for all dispositions? (M) | | |
| 5. Does the asset disposition system component have the capability to record and account accurately for all distributions of excess revenues over expenses? (M) | | |
| 6. Does the asset disposition system component have the | | |

Seized Property and Forfeited Assets Systems Requirements

| Disposition activities | Yes/no/ na | Explanation |
|---|-----------------------|--------------------|
| capability to provide a complete accounting for both the applicable central fund balances and any related deposit fund balance? (M) | | |
| 7. Does the asset disposition system component have the capability to provide an audit trail for assets distributed to other entities? (M) | | |
| 8. Does the asset disposition system component have the capability to record the deposit into the applicable account of all proceeds from the sale of forfeited or abandoned assets? (M) | | |
| 9. Does the asset disposition system component have the capability to record transfers of cash from the applicable deposit fund to the applicable central fund account? (M) | | |
| 10. Does the asset disposition system component have the capability to support the payment of contractors, innocent owners, or approved claimants? (M) | | |
| 11. Does the asset disposition system component have the capability to flag low-value and time-sensitive assets to ensure their timely recording and liquidation? (V) | | |
| 12. Does the asset disposition system component have the capability to periodically test asset disposition transactions to | | |

Seized Property and Forfeited Assets Systems Requirements

| Disposition activities | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| ensure that the process is not being victimized by insider ⁴ transactions? (V) | | |
| 13. Does the asset disposition system component have the capability to ensure that all billed contractor services were actually performed? (V) | | |

⁴Most federal agencies have specific prohibitions or outright bans on certain employees and contractors (1) participating in the disposal of property and (2) subsequently acquiring that property.

Seized Property and Forfeited Assets Systems Requirements

| Reporting and other requirements | Yes/no/na | Explanation |
|---|------------------|--------------------|
| 1. Are the seized property and asset forfeiture systems able to support management’s objectives for efficiency and quality in order to ensure compliance with GPRA requirements? (M) | | |
| 2. Are the seized property and asset forfeiture systems able to fully disclose the financial results of the program? (M) | | |
| 3. Are the seized property and asset forfeiture systems able to support performance measures that management can use to assess the efficiency and quality of the financial management process? (M) | | |
| 4. Are the seized property and asset forfeiture systems able to support performance measurement for specific program components, such as property disposal? (M) | | |
| 5. Is management able to assess performance from a variety of perspectives, including programwide or agencywide levels? (V) | | |
| 6. Do the seized property and asset forfeiture systems provide reports for accounting and payment history purposes that are adapted to meet agency needs? (M) | | |
| 7. Efficiency and quality performance indicators may include the periodic calculation of the time elapsed for each | | |

Seized Property and Forfeited Assets Systems Requirements

| Reporting and other requirements | Yes/no/na | Explanation |
|---|------------------|--------------------|
| <p>seizure to proceed through the asset forfeiture process and a comparison of the time elapsed to established management goals. At a minimum, both the time necessary to complete the entire process and the time intervals between the following key processing steps should be measurable, on a average, for any individual seizure and for each asset type. Do the seized property and asset forfeiture systems have the following features:</p> <ul style="list-style-type: none"> • cash seizure to deposit into holding account, if appropriate? (V) • seizure to noticing? (V) • petition receipt to petition ruling? (V) • seizure to forfeiture? (V) • forfeiture to disposal? (V) • equitable sharing request to sharing decision? (V) • forfeiture to equitable sharing disbursement? (V) • periodic recording of the results of individual contract compliance audits of valuation, custodial, disposition, and maintenance activities? (V) • periodic comparisons between the date that each seizure or forfeiture event is captured in the system and | | |

Seized Property and Forfeited Assets Systems Requirements

| Reporting and other requirements | Yes/no/na | Explanation |
|--|------------------|--------------------|
| <p>the date the event actually occurred and comparisons of results to established management data entry goals? (V)</p> <ul style="list-style-type: none"> • periodic calculation of trends in theft, loss, or damage to seized property or forfeited assets? (V) • record of preliminary estimates of the timing and the financial results (net dollar value realized, the percentage of the currently recorded appraised value realized, and the percentage of value lost) for each forfeited asset? (V) • periodic calculation of trends in the ratio of property management and disposal costs to gross sales proceeds for all assets sold and comparisons of results to established management goals? (V) • periodic calculation of trends in the ratio of gross sales proceeds to appraised or market value of all assets sold by asset type and comparison to established management goals? (V) • periodic assessment of management control structure to ensure, to the extent possible, that seized property and forfeited assets are safeguarded against loss from unauthorized use or disposition and that | | |

Seized Property and Forfeited Assets Systems Requirements

| Reporting and other requirements | Yes/no/na | Explanation |
|---|------------------|--------------------|
| <p>transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements? (V)</p> <ul style="list-style-type: none"> • accumulate performance information on all vendors and contractors (both private and government) that perform custodial or maintenance services? (V) | | |

Seized Property and Forfeited Assets Systems Requirements

| General systems requirements | Yes/no/na | Explanation |
|---|------------------|--------------------|
| 1. The JFMIP <i>Framework for Federal Financial Management Systems</i> contains information on internal controls, systems architecture, software documentation, and other matters related to seized property and forfeited assets systems development, operations, and maintenance. Is supporting documentation maintained throughout the editing and processing activity of the system? (M) | | |
| 2. Is the system able to accept, process, and report on transactions with other internal and external systems? (M) | | |
| 3. Is the system able to record and track these transactions and related information in order to provide the basis for control? (M) | | |
| 4. The requirements for software documentation are listed in the <i>Core Financial System Requirements</i> . The information provided is meant to identify the scope and intent of the documentation requirements rather than to state them definitively. Are the software and documentation maintained under configuration management in order to maintain system integrity and ensure internal controls? (M) | | |
| 5. Are transactions reviewed to make sure that they are processed correctly and that the data produced are reliable after | | |

Seized Property and Forfeited Assets Systems Requirements

| General systems requirements | Yes/no/ na | Explanation |
|---|-----------------------|--------------------|
| the seized property and forfeited asset system is implemented? (V) | | |
| 6. Is the testing conducted with structure test data and with actual production data? (M) | | |
| 7. Are daily, monthly, quarterly, and fiscal year-end reports reviewed prior to dissemination, whenever possible, to ensure that the data have been updated correctly? (V) | | |

Seized Property and Forfeited Assets Systems Requirements

| Interfacing systems | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| 1. Agency financial management systems fall into four categories: core financial systems, other and mixed systems (including inventory systems), shared systems, and departmental executive information systems (systems to provide management information to all levels of managers). Are these systems linked together electronically in order to be effective and efficient? (M) | | |
| 2. Are summary data transfers provided from agency systems to central systems to permit summaries of management information and agency financial performance information governmentwide? (M) | | |
| 3. Does the interface system's physical design consider the agency's organizational philosophy, the technical capabilities available, and the most appropriate manner to achieve the necessary single, integrated financial management system for the agency? (V) | | |
| 4. Is the system able to process transactions from other external systems and record and track such transactions and related information to provide the basis for central control? (V) | | |
| 5. Is a customized interface provided to properly identify | | |

Seized Property and Forfeited Assets Systems Requirements

| Interfacing systems | Yes/no/ na | Explanation |
|---|-----------------------|--------------------|
| and format the transactions? (V) | | |
| 6. Does the system provide the flexibility to accept data input from multiple media that recognize user agencies' unique data input requirements? (V) | | |
| 7. Does the system provide the capability to customize data input, processing rules, and edit criteria and to give agencies flexibility in defining internal operational procedures and supporting agency requirements? (V) | | |
| 8. Does the system provide the capability, if necessary, to identify and process transactions from other systems that enter and update the standard seized property and forfeited assets system? (V) | | |
| 9. Does the system provide the capability to subject all transactions from interfacing systems to the standard seized property and forfeited assets system edits, validations, and error correction procedures? (V) | | |
| 10. Does the system provide the capability to upload and download data in an interface environment? (V) | | |
| 11. Does the system provide the flexibility to provide multiple-media output reports and recognize user agencies' unique data output requirements? (V) | | |

Seized Property and Forfeited Assets Systems Requirements

| Interfacing systems | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| <p>12. Does the system provide the capability to allow users to customize output for reporting and provide interfaces to other systems necessary to link financial and program results and meet agency requirements for external processing (e.g., general ledger posting, budget reconciliation and execution, cost accumulation)? (V)</p> | | |
| <p>13. Does the system provide the capability to transmit information on the results of seizure transactions and forfeiture transactions to the core financial system requirements itemized in the <i>Core Financial System Requirements</i> for such purposes as generating requests for disbursements, updating the standard general ledger, generating obligation records, generating requests for funds transfer, and updating funds control? (V)</p> | | |

Seized Property and Forfeited Assets Systems Requirements

| System administration | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| 1. Do the systems administration support personnel maintain an adequately skilled work force? (M) | | |
| 2. Do the systems administration support personnel maintain effective financial systems interfaces? (M) | | |
| 3. Do the systems administration support personnel monitor and respond to user needs for information? (M) | | |
| 4. Do the systems administration support personnel support and maintain an effective system of internal controls? (M) | | |
| 5. Do the systems administration support personnel maintain general system information and documentation? (M) | | |
| 6. Do the systems administration support personnel maintain an effective record retention process? (M) | | |
| 7. Do the systems administration support personnel provide the capability to interact directly with other system users and to develop an automated exchange of information, where feasible? (M) | | |
| 8. Do the systems administration support personnel maintain system security? (M) | | |

Seized Property and Forfeited Assets Systems Requirements

| Records retention | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| <p>1. Are all agency-created records destroyed only with the approval of the National Archives and Records Administration (NARA), per 36 CFR Part 1228? For questions regarding the disposition of federal records, contact:</p> <p>National Archives and Records Administration Life Cycle Management Division 7th Street and Pennsylvania Avenue NW Washington, DC 20408. (M)</p> | | |

Seized Property and Forfeited Assets Systems Requirements

| Other general systems issues | Yes/no/ na | Explanation |
|--|-----------------------|--------------------|
| <p>1. Is the system in compliance with the general systems requirements (e.g., data stewardship, systems architecture, systems integration, and internal control) contained in the <i>Framework for Federal Financial Management Systems, Federal Financial Management System Requirements (FFMSR) 0, JFMIP, January 1995? (M)</i></p> <p>The framework document, along with all other JFMIP requirements documents, can be found at www.financenet.gov/financenet/fed/jfmip/jfmip.htm.</p> | | |

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