**Joint Financial Management Improvement Program (JFMIP)**

The Budget Accounting and Procedures Act (BAPA) of 1950 authorizes a JFMIP-like organization, but does not explicitly reference by name:

BAPA Sec 111 (f) – “It is the policy of this Congress…that: The Comptroller General of the United States, the Secretary of the Treasury, and the Director of the Bureau of the Budget conduct a continuous program for the improvement of accounting and financial reporting in the Government.”

**Brief History:**

JFMIP was originally entitled the Joint Accounting Improvement Program (JAIP). The following is an excerpt from “Defender of the Public Interest: the General Accounting Office, 1921-1966 (Roger R. Trask):

“….Besides the Operations Steering Committee established by the program in 1956, another standing committee, set up to handle joint matters of financial management and improvement in the [DOD] began work at the same time. In 1959, recognizing that JAIP’s work had broadened from its initial emphasis on improving accounting operations to using accounting information for program decisions, budgeting, reporting, and control, the participating agencies changed its name to the Joint Financial Management Improvement Program (JFMIP)”

**JFMIP Overview (**Source: JFMIP SR 00-4 (October 2000)

JFMIP is a joint undertaking of the U.S. Department of the Treasury, the General Accounting Office, the Office of Management and Budget, and the Office of Personnel Management, working in cooperation with each other and other agencies to improve financial management practices in Government.

The Program was given statutory authorization in the Budget and Accounting Procedures Act of 1950 (31 USC 65 as amended). Leadership and program guidance are provided by the four Principals of the JFMIP - Comptroller General of the United States, Secretary of the Treasury, and the Directors of the Office of Management and Budget, and the Office of Personnel Management. Each Principal designates a representative to serve on the JFMIP Steering Committee, which is responsible for the general direction of the Program.

The Program promotes strategies and guides financial management improvement across Government, reviews and coordinates central agencies’ activities and policy promulgations, and acts as a catalyst and clearinghouse for sharing and disseminating information about good financial management practices. This information sharing is done, through conferences and other educational events, newsletters, meetings with interagency groups and agency personnel.

The overall objectives of the JFMIP are to:

1. Encourage and promote the sharing and exchanging of information concerning good financial policies, practices, and techniques throughout the Government; and
2. Improve financial management throughout the Government, and thereby contribute significantly to the effective and efficient planning and operation of Government programs.

**Attachment:** Lyndon Johnson’s memorandum on the JFMIP.

President Lyndon Johnson’s Memorandum to Agencies re: JFMIP

<http://www.presidency.ucsb.edu/ws/?pid=27614>

*Memorandum for the Heads of Departments and Agencies*

Secretary Fowler, Budget Director Schultze and Comptroller General Staats have just informed me about their plans to accelerate the pace of the Joint Financial Management Improvement Program. They have asked Civil Service Chairman Macy to assist in this worthy undertaking.

I have a strong and continuing interest in the development of business-like financial systems throughout the Federal Government. Such systems are essential to assist in carrying out a basic pledge of this Administration-to get a dollar's value for a dollar spent. We must have financial systems which:

--provide the information our managers need for effective cost control  
--for waging the war on waste,  
--develop cost consciousness in men and women at every level of responsibility in every agency,  
--assure financial integrity in everything the Government does,  
--provide the types of financial data needed to support the planning--programing--budgeting system initiated last August, and  
--enable the Government to apply the best and most efficient management and operating techniques.

I am particularly pleased that the central agencies--representing both the legislative and the executive branches--will spearhead, with your active participation, a renewed joint program in this vital area of direct interest to both the Congress and the President.

The legislative groundwork for this program was laid sixteen years ago. While much progress has been made, much more is necessary if we are to discharge the responsibility placed upon us by the Budget and Accounting Procedures Act of 1950. Accordingly, I request the head of each executive department and agency to take immediate action to:

--Insure that the system of accounting and internal control in his agency meets management needs and conforms to the principles, standards, and related requirements prescribed by the Comptroller General.  
--Work with the Civil Service Commission in developing a more vigorous program for recruiting and developing the professional personnel to design and operate effective financial management systems.  
--Assure that financial reports and cost data provide adequate support for the planning-programing-budgeting system.  
--See that the agency's managers are given the basic tools they need--responsibility centered cost-based operating budgets and financial reports--for setting and achieving maximum cost reduction goals.

The Budget Director will issue more detailed instructions with respect to this program. Your full support is needed. I want every manager--the general manager and the financial manager alike--to feel and respond to your personal demands for the use of highest quality, business-type financial information systems.

I want every manager to think of his part of the total Government in terms of everything he owns, everything he owes and the full cost of doing every job in relation to the products resulting from these costs. I want him to think of minimal costs and cost reduction as profit. And I want him to think in terms of his profit as a result of how he uses all the resources entrusted to him. These goals cannot be fully achieved without sound financial management practices.

With increased assistance by the central agencies, and a positive action program on your part, we can readily achieve what is contemplated in the Budget and Accounting Procedures Act--the utilization of the best business practices in the day-to-day management of our Government.

LYNDON B. JOHNSON