



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

OCT 24 2018

The Honorable Ken Calvert  
Chairman  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
2007 Rayburn House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for the Committee's support of the U.S. Department of Agriculture (USDA) Forest Service's efforts to improve its budget execution. This letter transmits the Agency response to the requirements in two House Reports and H.R. 1625, Consolidated Appropriations Act, 2018. First, House Report 115-765 directed the USDA Forest Service to provide to the Committee on Appropriations a summary of implementation activities for the Government Accountability Office (GAO) Report "Forest Service: Improvements Needed in Internal Control over Budget Execution Process" (GAO-18-56). House Report 115-238 directs the Forest Service to submit the estimated cost, staffing, and time requirements for developing and implementing an administrative control of funds system. Lastly, H.R. 1625 instructs the Forest Service to submit a proposed system of administrative control of funds for its accounts through the Office of Budget and Program Analysis (OBPA) to the Office of Management and Budget (OMB).

The Agency recognizes the importance of improving its budget execution process and is expeditiously addressing the recommendations included in the GAO report. This includes coordinating with budget, finance, and program staff to implement a comprehensive enterprise-wide system level of controls, revising policy and procedural guides, initiating standardized templates, and monitoring directives to ensure they remain current. The Agency is also piloting a new control initiative to lower the Availability Controls in the agency core accounting system to prevent spending when there is insufficient funding at the Budget/Fund level. Full implementation is expected by the end of the first quarter in fiscal year 2019.

The Forest Service's proposed system of administrative control of funds for its accounts was incorporated into a directive revision in December 2017 (FSH 6509.11k Chapter 52-Obligations and administrative Control of Funds). The Agency submitted the revised directive to OMB through OBPA on July 30, 2018. The Agency also provided a presentation on the updated budgetary and administrative controls direction to Agency budget officers and related officials, and emphasized the agency-wide application of all Agency directives published at the national level.

The Honorable Ken Calvert  
Page 2

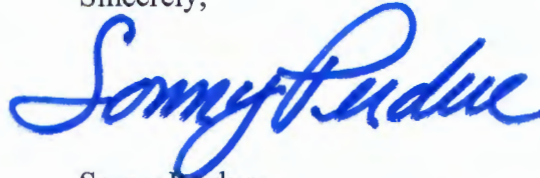
The Forest Service is working with GAO to ensure plans and implementation actions are in line with auditor recommendations and to meet Greenbook standards. The Agency has received feedback from GAO and is making additional updates and improvements to policies and procedures to strengthen and add consistency to internal controls. These policy and operating procedure updates are in progress and estimated to be completed in February 2019.

The Forest Service determined that developing and implementing an administrative control of funds system will involve mostly writer/editors and reviewers (partial salary of at least 15 staff members), approximately 732 hours, and cost \$50,000 to \$60,000 based on the current action plan. The Agency may hire a business process or training contractor to facilitate this effort.

In compliance with Public Law 111-88, this letter will be posted to <https://www.fs.fed.us/about-agency/budget-performance> after 45 days.

If you have any questions, please have a member of your staff contact the Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Ranking Member Betty McCollum.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" and last name "Perdue" clearly distinguishable.

Sonny Perdue  
Secretary



**United States Department of Agriculture**

Office of the Secretary  
Washington, D.C. 20250

**OCT 24 2018**

The Honorable Betty McCollum  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
U.S. House of Representatives  
1016 Longworth House Office Building  
Washington, D.C. 20515

Dear Ranking Member McCollum:

Thank you for the Committee's support of the U.S. Department of Agriculture (USDA) Forest Service's efforts to improve its budget execution. This letter transmits the Agency response to the requirements in two House Reports and H.R. 1625, Consolidated Appropriations Act, 2018. First, House Report 115-765 directed the USDA Forest Service to provide to the Committee on Appropriations a summary of implementation activities for the Government Accountability Office (GAO) Report "Forest Service: Improvements Needed in Internal Control over Budget Execution Process" (GAO-18-56). House Report 115-238 directs the Forest Service to submit the estimated cost, staffing, and time requirements for developing and implementing an administrative control of funds system. Lastly, H.R. 1625 instructs the Forest Service to submit a proposed system of administrative control of funds for its accounts through the Office of Budget and Program Analysis (OBPA) to the Office of Management and Budget (OMB).

The Agency recognizes the importance of improving its budget execution process and is expeditiously addressing the recommendations included in the GAO report. This includes coordinating with budget, finance, and program staff to implement a comprehensive enterprise-wide system level of controls, revising policy and procedural guides, initiating standardized templates, and monitoring directives to ensure they remain current. The Agency is also piloting a new control initiative to lower the Availability Controls in the agency core accounting system to prevent spending when there is insufficient funding at the Budget/Fund level. Full implementation is expected by the end of the first quarter in fiscal year 2019.

The Forest Service's proposed system of administrative control of funds for its accounts was incorporated into a directive revision in December 2017 (FSH 6509.11k Chapter 52-Obligations and administrative Control of Funds). The Agency submitted the revised directive to OMB through OBPA on July 30, 2018. The Agency also provided a presentation on the updated budgetary and administrative controls direction to Agency budget officers and related officials, and emphasized the agency-wide application of all Agency directives published at the national level.

The Honorable Betty McCollum  
Page 2

The Forest Service is working with GAO to ensure plans and implementation actions are in line with auditor recommendations and to meet Greenbook standards. The Agency has received feedback from GAO and is making additional updates and improvements to policies and procedures to strengthen and add consistency to internal controls. These policy and operating procedure updates are in progress and estimated to be completed in February 2019.

The Forest Service determined that developing and implementing an administrative control of funds system will involve mostly writer/editors and reviewers (partial salary of at least 15 staff members), approximately 732 hours, and cost \$50,000 to \$60,000 based on the current action plan. The Agency may hire a business process or training contractor to facilitate this effort.

In compliance with Public Law 111-88, this letter will be posted to <https://www.fs.fed.us/about-agency/budget-performance> after 45 days.

If you have any questions, please have a member of your staff contact the Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Chairman Ken Calvert.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" and last name "Perdue" clearly distinguishable.

Sonny Perdue  
Secretary



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

OCT 24 2018

The Honorable Lisa Murkowski  
Chairwoman  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
United States Senate  
131 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Madam Chairwoman:

Thank you for the Committee's support of the U.S. Department of Agriculture (USDA) Forest Service's efforts to improve its budget execution. This letter transmits the Agency response to the requirements in two House Reports and H.R. 1625, Consolidated Appropriations Act, 2018. First, House Report 115-765 directed the USDA Forest Service to provide to the Committee on Appropriations a summary of implementation activities for the Government Accountability Office (GAO) Report "Forest Service: Improvements Needed in Internal Control over Budget Execution Process" (GAO-18-56). House Report 115-238 directs the Forest Service to submit the estimated cost, staffing, and time requirements for developing and implementing an administrative control of funds system. Lastly, H.R. 1625 instructs the Forest Service to submit a proposed system of administrative control of funds for its accounts through the Office of Budget and Program Analysis (OBPA) to the Office of Management and Budget (OMB).

The Agency recognizes the importance of improving its budget execution process and is expeditiously addressing the recommendations included in the GAO report. This includes coordinating with budget, finance, and program staff to implement a comprehensive enterprise-wide system level of controls, revising policy and procedural guides, initiating standardized templates, and monitoring directives to ensure they remain current. The Agency is also piloting a new control initiative to lower the Availability Controls in the agency core accounting system to prevent spending when there is insufficient funding at the Budget/Fund level. Full implementation is expected by the end of the first quarter in fiscal year 2019.

The Forest Service's proposed system of administrative control of funds for its accounts was incorporated into a directive revision in December 2017 (FSH 6509.11k Chapter 52-Obligations and administrative Control of Funds). The Agency submitted the revised directive to OMB through OBPA on July 30, 2018. The Agency also provided a presentation on the updated budgetary and administrative controls direction to Agency budget officers and related officials, and emphasized the agency-wide application of all Agency directives published at the national level.



The Honorable Lisa Murkowski  
Page 2

The Forest Service is working with GAO to ensure plans and implementation actions are in line with auditor recommendations and to meet Greenbook standards. The Agency has received feedback from GAO and is making additional updates and improvements to policies and procedures to strengthen and add consistency to internal controls. These policy and operating procedure updates are in progress and estimated to be completed in February 2019.

The Forest Service determined that developing and implementing an administrative control of funds system will involve mostly writer/editors and reviewers (partial salary of at least 15 staff members), approximately 732 hours, and cost \$50,000 to \$60,000 based on the current action plan. The Agency may hire a business process or training contractor to facilitate this effort.

In compliance with Public Law 111-88, this letter will be posted to <https://www.fs.fed.us/about-agency/budget-performance> after 45 days.

If you have any questions, please have a member of your staff contact the Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Ranking Member Tom Udall.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" and last name "Perdue" clearly distinguishable.

Sonny Perdue  
Secretary



United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

**OCT 24 2018**

The Honorable Tom Udall  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
United States Senate  
125 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Ranking Member Udall:

Thank you for the Committee's support of the U.S. Department of Agriculture (USDA) Forest Service's efforts to improve its budget execution. This letter transmits the Agency response to the requirements in two House Reports and H.R. 1625, Consolidated Appropriations Act, 2018. First, House Report 115-765 directed the USDA Forest Service to provide to the Committee on Appropriations a summary of implementation activities for the Government Accountability Office (GAO) Report "Forest Service: Improvements Needed in Internal Control over Budget Execution Process" (GAO-18-56). House Report 115-238 directs the Forest Service to submit the estimated cost, staffing, and time requirements for developing and implementing an administrative control of funds system. Lastly, H.R. 1625 instructs the Forest Service to submit a proposed system of administrative control of funds for its accounts through the Office of Budget and Program Analysis (OBPA) to the Office of Management and Budget (OMB).

The Agency recognizes the importance of improving its budget execution process and is expeditiously addressing the recommendations included in the GAO report. This includes coordinating with budget, finance, and program staff to implement a comprehensive enterprise-wide system level of controls, revising policy and procedural guides, initiating standardized templates, and monitoring directives to ensure they remain current. The Agency is also piloting a new control initiative to lower the Availability Controls in the agency core accounting system to prevent spending when there is insufficient funding at the Budget/Fund level. Full implementation is expected by the end of the first quarter in fiscal year 2019.

The Forest Service's proposed system of administrative control of funds for its accounts was incorporated into a directive revision in December 2017 (FSH 6509.11k Chapter 52-Obligations and administrative Control of Funds). The Agency submitted the revised directive to OMB through OBPA on July 30, 2018. The Agency also provided a presentation on the updated budgetary and administrative controls direction to Agency budget officers and related officials, and emphasized the agency-wide application of all Agency directives published at the national level.

The Honorable Tom Udall  
Page 2

The Forest Service is working with GAO to ensure plans and implementation actions are in line with auditor recommendations and to meet Greenbook standards. The Agency has received feedback from GAO and is making additional updates and improvements to policies and procedures to strengthen and add consistency to internal controls. These policy and operating procedure updates are in progress and estimated to be completed in February 2019.

The Forest Service determined that developing and implementing an administrative control of funds system will involve mostly writer/editors and reviewers (partial salary of at least 15 staff members), approximately 732 hours, and cost \$50,000 to \$60,000 based on the current action plan. The Agency may hire a business process or training contractor to facilitate this effort.

In compliance with Public Law 111-88, this letter will be posted to <https://www.fs.fed.us/about-agency/budget-performance> after 45 days.

If you have any questions, please have a member of your staff contact the Office of Congressional Relations at (202) 720-7095. A similar letter is being sent to Chairwoman Lisa Murkowski.

Sincerely,

A handwritten signature in blue ink that reads "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" and last name "Perdue" clearly distinguishable.

Sonny Perdue  
Secretary