

**Forest Service Handbook
National Headquarters - Washington Office
Washington, DC**

**Forest Service Handbook 6509.11k – Service-Wide Finance and Accounting Handbook
Chapter 50 - Accounting**

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Approved by: Antoine L. Dixon, Chief Financial Officer (CFO)

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Responsible Staff:

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Digest: Following is an explanation of the changes throughout the directive by section.

53: Revises entire section. This section addresses financial policy and procedure, for Reimbursable Agreements.

54: Removes obsolete direction.

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53 - Reimbursable Agreements

53.1 - Authority

1. Office of Management and Budget (OMB) Circular A-11: Preparation, Submission & Execution of the Budget. Provides an overview of the budget process. It discusses the basic laws that regulate the budget process and the terms and concepts Federal Agencies need to know to understand the budget process. It also sets forth the apportionment process.
2. General Accounting Office (GAO), Principles of Federal Appropriations Law, 4th ed., 2016. This edition presents a basic reference work covering those areas of law in which the Comptroller General issues decisions, using text discussion with specific legal authorities to illustrate the principles discussed, their application, and exceptions. The advantages of interagency dealings had long been apparent, but widespread use had been discouraged by the “well-established rule that one Government activity may not be reimbursed for services performed for another except to the extent that it is shown that increased costs have been incurred.” A-31040, May 6, 1930
3. Cash Management Improvement Act of 1990 (Pub. L. 101-453). This legislation sets forth provisions to ensure greater efficiency, effectiveness, and equity in the exchange of funds between the Federal Government and the States.
4. Treasury Financial Manual (TFM), Chapter 4000 – Intragovernmental Transaction Applications – Intragovernmental Payment and Collection (IPAC) and Government Invoicing (G-Invoicing). This guidance applies to all Federal agencies that use IPAC to transfer funds for Buy/Sell intragovernmental transactions and conduct Buy/Sell intragovernmental fiduciary activities or other intragovernmental expenditure activities.
5. Treasury Financial Manual (TFM), Chapter 4700, Appendix 10 – Intragovernmental Business Rules. The business rules in this appendix apply to all intragovernmental business, specifically, transactions that entail the exchange of goods and services (reimbursable agreements), transfers between federal entities and general fund transactions.
6. Economy Act (31 U.S.C. 1535). Authorizes an agency or major organizational unit within an agency to place an order with a major organizational unit within the same agency or another agency for goods and services if:
 - a. Amounts are available;
 - b. The head of the ordering agency or unit decides the order is in the best interest of the U.S. Government;

- c. The Agency or unit to fill the order is able to provide or get by contracting the ordered goods or services; and
- d. The head of the Agency decides the goods or services cannot be provided by contract as conveniently or cheaply by a commercial enterprise.

“Payment must be made promptly by check on the written request of the Agency or unit filling the order. Payment may be in advance or on providing the goods or services ordered and must be for any part of the estimated or actual cost as determined by the agency or unit filling the order. A bill submitted or a request for payment is not subject to audit or certification in advance of payment. Proper adjustment of amounts paid in advance must be made as agreed to by the heads of agencies or units on the basis of the actual cost of goods or services provided.”

- 7. Debt Collection Improvement Act of 1996 (Pub. L. 104-134). The Debt Collection Improvement Act of 1996 (DCIA) centralizes the collection of delinquent, nontax Federal debts within Treasury, and requires agencies to refer those debts to Treasury for collection and to report them to credit bureaus. The DCIA also allows agencies to garnish without a court order the wages of non-Federal employees who owe delinquent, nontax Federal debts, and bars delinquent debtors from obtaining Federal loans or loan guarantees until they resolve those debts.
- 8. The 42 Comp. Gen. 376. GAO’s requested opinion on the use of Advances for Collection Agreements. B-150466, January 14, 1963.
- 9. Title 16, United States Code 498, the Cooperative Funds Act of June 30, 1914, as amended. This Act authorizes the Forest Service to accept money received as contributions toward cooperative work in forest investigations or protection, management, and improvement of the National Forest System.
- 10. Forest and Rangeland Renewable Resources Research Act of 1978 (Pub. L. 95-307, 16 USC 1643). This Act authorizes the Forest Service to receive money and other contributions when cooperating with Federal, State, and other governmental agencies, with public or private agencies, institutions, universities, and organizations, and with businesses and individuals in the United States and other countries.
- 11. Granger-Thye Act of April 1950 (Pub. L. 81-478, 16 U.S.C. 572). Section 5 of this Act authorizes the Forest Service to perform work for the benefit of the depositor, for administration, protection, improvement, reforestation, and other kinds of work as the Forest Service is authorized to do on lands of the United States such as on State, county, municipal, or private land within or near national forest land, or for others who occupy or use national forests or other lands administered by the Forest Service.
- 12. National Forest Roads and Trails Act of October 13, 1964 (16 U.S.C. 532-538, Pub. L. 88-657). This Act authorizes Forest Service financing and/or cooperation with other public agencies, private agencies, or individuals for acquisition,

construction, and maintenance of forest development roads within or near national forests.

13. Surface Transportation Act of 1978 (23 USC 205). This Act authorizes (but does not require) cooperation of States, counties, or other local subdivisions for forest development of roads and trails that shall be used by the Secretary of Agriculture to pay for the costs of construction and maintenance thereof, including roads and trails on experimental and other areas under Forest Service administration.
14. The Reciprocal Fire Protection Act of May 27, 1955 (42 U.S.C. 1856a, Pub. L. 84-46). This Act authorizes the Forest Service to enter into reciprocal agreements with any fire organization maintaining fire protection facilities in the vicinity of national forest lands. Any such agreement may provide for the reimbursement of any party for all or any part of the cost incurred by such party in furnishing fire protection for or on behalf of any other party.
15. Title 42, United States Code, chapter 15A, section 1856d: Reciprocal Fire Protection Agreements. This provision stipulates that, all sums received as reimbursements for costs incurred by any United States Department of Agriculture/Forest Service activity for fire protection rendered pursuant to this legislation, must be credited to the same appropriation or fund from which the expenses were paid or, if the period of availability for obligation for that appropriation has expired, to the appropriation or fund that is currently available to the activity for the same purpose. Amounts so credited will be subject to the same provisions and restrictions as the appropriation or account to which credited.
16. Title 16, United States Code, section 2104 – Forest Health Protection. This legislation sets forth provisions for the Forest Service to enter into agreement or contract with private persons or other public or private entities to perform services to achieve land management goals for the national forests and the public lands that meet local and rural community needs.
17. Foreign Assistance Act of 1961 (Pub. L. 87-195) as amended through Pub. L. 116-6, February 15, 2019. This Act sets provision for agencies to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act.
18. Cooperative, Collection, and Interagency Agreement authorities that are utilized by the Forest Service may be found in Forest Service Handbook - (FSH) 1509.11, ch. 30, 40 and 50, respectively.

53.2 - Objective

Reimbursable work between Federal agencies is a normal part of Government activities that promote effective and efficient operations. Various laws authorize agencies to do work for each

using advances or reimbursements to pay for goods and services. When the Forest Service enters into a Reimbursable Agreement to provide goods and/or services to a Federal or non-Federal partner, the reimbursement may be in the form of an advance payment or a reimbursable collection from a Federal/non-Federal partners for carrying out the identified work. Agreements with other Federal agencies do not require but may provide for advance payments. Agreements with non-Federal agencies must have an advance payment prior to the beginning of work or the appropriate statutory authority must be cited as part of the agreement to indicate why an advance payment is not required. An advance and reimbursement can take place through different types of agreements, such as Collection Agreements, Cooperative Agreements and Interagency Agreements. The objective of this chapter is to provide direction for the accounting of such agreements that call for an advance or reimbursement regardless of the type of agreement.

53.3 - Policy

Planning:

1. The 31 USC 1513 requires agencies to submit apportionment requests for funds that will be available on October 1st as part of the new fiscal year. OMB Circular A-11 sets August 21st as the date apportionments due each year. Apportionment requests are made by Treasury Account for new obligation authority, unobligated balances, and anticipated authority (including anticipated reimbursable authority) for the upcoming fiscal year. These apportionments will be submitted by Strategic Planning Budget and Accountability (SPBA) through USDA's Office of Budget and Program Analysis (OBPA) to OMB. To determine the appropriate amount of anticipated authority to request by Treasury Account, Albuquerque Service Center (ASC), Budget and Finance (B&F) will perform data analysis from previous years and provide it to SPBA who will adjust it for any programmatic input with justification. The amount of anticipated authority requested as part of the August process should be sufficient authority for the entire fiscal year.
2. Throughout the year, the ASC, B&F will continuously monitor reimbursable activity to ensure the actual reimbursable authority does not exceed the anticipated authority on the latest approved apportionment. If additional project funding is needed by ASC, B&F, SPBA will submit reapportionments to OMB through OBPA prior to execution of any new or modified agreements.
3. Anticipated authority on apportionment requests for no-year and prior year multi-year accounts submitted as part of the August 21st process are not impacted by a Continuing Resolution (CR). Current Year's authority will be requested after appropriation bill has been signed.

Execution:

4. All funds allocated, whether appropriated, reimbursable, or offsetting collections must be used solely for the intended purposes and in accordance with the limitations on the use of funds as specified in the agreements and related budget and appropriation documents.

5. There must be adequate anticipated or reimbursable authority apportioned and allotted by SPBA for use before signing any reimbursable agreement. ASC, B&F will confirm that budget authority is available.
6. Obligations for reimbursable agreements must be entered into the core accounting system based on the terms in the agreement.
7. Except for authorized emergency response, units must not incur any obligation or expenditures, including payroll expenses, before the budget authority is obtained, agreement is properly signed and executed, and the shorthand code assignment notification authorizing spending has been issued.
8. Overhead must be assessed on all agreements, where applicable, to ensure full cost recovery by the Agency. See FSH 1909.13, chapter 40 for additional guidance.
9. Signatory officials within the Agency (Line Officers) are prohibited from approaching cooperators with monetary requests (soliciting). The Agency may not use appropriated funds to contract with a firm or to authorize an organization to solicit money from the public on behalf of the agency; however, this does not restrict agency officials from approaching and discussing potential projects with cooperators, where the agency and the cooperator may share mutual interests and may benefit in the same qualitative manner.

Billings, Collections & Close-Out:

10. Billing and collection must take place monthly unless otherwise specified in the agreement. Additional supporting documentation (Time and Attendance Sheets, Work Order, Progress Reports, project accomplishment report, and so forth) are provided if requested by the cooperator within 30 days by Program personnel.
11. Eliminate or mitigate special billing requirements that will delay or prevent automated billings. (FSH 1509.11, ch. 42-Collection Agreements, sec. 42.21). Extra billing requirement costs must be recovered monthly by the performing agency.
12. For reimbursable agreements where collections are not taking place timely as required in the agreement, other available budget authority may be held to ensure adequate cash is available to cover the costs of the work performed until the collections are made. Furthermore, the agreement must be considered for suspension and ultimately terminated.
13. No accounting adjustments must take place to adjust any expenditures incurred prior to the full execution and issuance of shorthand code for an agreement, except for special circumstances, such as correcting errors or in cases of emergency events.
14. When legislation exists, reimbursements for costs incurred from any Department of Agriculture activity must be credited to the same appropriation or fund from which the expenses were paid or, if the period of availability for obligation for that

appropriation has expired, funds must be credited to the appropriation of fund that is currently available to the activity for the same purpose. Such reimbursements (for example, Collections) must be apportioned in the current fiscal year by OMB and allocated by SPBA before they are available for use.

15. Administrative and financial close-out of collection and reimbursable agreement must take place within 180 days after the final payment is made or received. In addition, closeout should not occur if the Agency has incurred actual costs that have not yet been paid. See FSH 1509.11, chapter 10-Grants & Agreements Administration (section 16-Procedures for de-obligation and/or close-out of instruments) for additional guidance.

Other:

16. All Agreements are subject to Anti-deficiency violations. (See FSH 6509.11k, ch. 52-Administrative Control of Funds) Forest Service employees are prohibited from:
 - a. Making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law (31 U.S.C. §1341(a)(1)(A)).
 - b. Involving the Government in any obligation to pay money before funds have been appropriated for that purpose, unless otherwise allowed by law (31 U.S.C. § 1341(a) (1)(B)).
 - c. Accepting voluntary services for the United States, or employing personal services not authorized by law, except in cases of emergency involving the safety of human life or the protection of property. As used in this section, the term “emergencies involving the safety of human life or the protection of property” does not include ongoing, regular functions of Government, the suspension of which would not imminently threaten the safety of human life or the protection of property. (31 U.S.C. § 1342).
- (1) Making obligations or expenditures in excess of an apportionment or reapportionment, or in excess of the amount permitted by agency regulations (31 U.S.C. § 1517(a). Please refer to FSH 6509.11k_52 for the Agency’s Administrative Control of Funds policy.
- (2) When a reimbursable agreement with another Federal account is accompanied by a cash advance, a disbursement may be made to pay obligations associated with that advance. However, when there is authorization to incur obligations against customer orders from other Federal accounts without an advance, the order establishes obligational authority only and you may not disburse the account into a negative position (see section Appendix A-11–145.2)

17. Specific Standard Operating Procedures (SOP) direction required by this directive for day to day activities of staff area business processes can be found at <https://usfs.app.box.com/v/cfostandardoperatingprocedures/>. These SOPs provide a description of process steps and required key control activities in accordance with the GAO Green Book, (<https://www.gao.gov/greenbook/overview>) to include controls to separate incompatible duties and responsibilities.

If further details for execution are required, the appropriate staff area Director will issue a supplemental SOP in concert and consistent with USDA and Forest Service policy.

A risk assessment will be conducted by the CFO to determine whether the SOP needs to be updated, on an annual basis.

53.4 - Responsibility

53.41 - Chief Financial Officer (CFO)

It is the responsibility of the Chief Financial Officer (CFO) to:

1. Ensure the Agency adheres to financial management policies, practices, updated financial management policy and procedures, and to ensure the completeness, quality, and integrity of data in the Agency's core accounting system and its subsidiary systems.
2. Ensure the Agency core accounting system timely and accurately records OMB apportioned funds to the Forest Service and subsequent allocation of funds throughout the agency even under a continuing resolution, in particular, to reflect continued status of agency funds availability.

53.42 - Albuquerque Service Center (ASC), Director of Budget and Finance (B&F)

It is the responsibility of the Albuquerque Service Center, Director of Budget and Finance to:

1. Coordinate or work with the Director of Financial Management Systems to design and incorporate strengthened internal controls into the access, modification and use of shorthand codes.
2. Provide guidance, related to day-to-day accounting and budget processes, to field units to facilitate full compliance with this directive.
3. Process reimbursable transactions in agency core accounting system, in accordance with required accounting and budget standards such as the Federal Accounting Standards Advisory Board (FASAB), the Office of Management and Budget (OMB) Circular A-11 and related agency directions.
4. Issue shorthand code in active status for the reimbursable agreement with validation from SPBA that adequate budget authority is available.

5. Create Sales Orders in the Agency's core accounting systems based on the executed agreement; the severability of agreement as provided by Program Staff after SPBA review.
6. Record approved apportionment of anticipated authority into the agency core accounting system before any spending occurs after coordination with SPBA (during regular Appropriations and CRs).
7. Issue Bills for Collection as stated in the agreement with the supporting transaction registers to cooperators.
8. Ensure timely action on all billings, related receivables, subsequent collections of funds due, write-offs or mitigations, offsets, and/or cancellations are promptly recorded and managed in the Agency's core accounting system and/or related subsystems, with the appropriate proprietary and budgetary accounting accomplished in accordance with Treasury, FASAB, and OMB guidance, supplemented by agency and Department directions.
9. Ensure coordination with Program Managers and Grants & Agreements (G&A) in the financial administration and close-out of reimbursable agreements.
 - a. Monitor and review close-out dates for agreements. Some necessary close-out procedures may include the assurance that all administrative actions and all required work have been completed by program managers and financial obligations have been satisfied.
 - b. Monitor monthly and close-out sales order and agreement monthly in agency core accounting system for projects that have been fully completed and all cost account for and also upon receipt of FS-6500-243 from G&A. Apply all necessary close-out statuses in Natural Resource Manager (NRM), as necessary.
 - c. Closeout must occur within a reasonable timeframe after the final payment is made or received and upon receipt of FS-6500-243 from G&A. In addition, closeout should not occur if the agency has incurred actual costs that have not yet been paid.
10. Work with RIM to ensure proper reports are available to the Program personnel which allows them to review the status of funds for reimbursable agreements activity from the agency core accounting system.

53.43 - Director of Financial Policy

It is the responsibility of the Director of Financial Policy to:

1. Issue and update agency Financial Management policies and procedures in accordance with statutory authorities and related federal rules, regulations and guidelines, including Departmental guidance.

2. Formulate best practices or business solutions to help ensure agency financial processes are in line with standards and regulations.
3. Interpret the guidance and standards in the directive to the Regions, Stations and/or program areas as needed.

53.44 - Director of Financial Reporting & Reconciliation (FR&R)

It is the responsibility of the Director of Financial Reporting & Reconciliation to:

1. Ensure complete reconciliation of agency trading partners.
2. Validate all GTAS Edit checks related to Reimbursable Agreements and consult with appropriate staff including SPBA for any failed edits.
3. Advise SPBA of any accounting adjustments that have to be made to pass GTAS budgetary edits.

53.44a - Resource Information Manager (RIM)

It is the responsibility of the Resource Information Manager to:

Work with ASC, B&F, Reimbursable and Advance Collection Agreements Branch (RACA) to ensure proper reports are available to the Program personnel which allows them to review the status of funds for reimbursable agreements activity from the agency core accounting system.

53.45 - Director of Grants and Agreements (G&A)

It is the responsibility of the Director of G&A to:

1. Review that agreement instruments contain the proper fund availability clause, financial plans, as well as the appropriate billing and collection terms to ensure agency funds are effectively and immediately collected and managed.
 - a. Billing terms must be identified. Special billing requirements that are part of the agreements should be approved before the agreement is signed.
 - b. Financial Plans must be included indicating the full amount of estimated spending each fiscal year and over the life of the agreement.
 - c. Eliminate or mitigate special billing requirements that will delay or prevent automated billings. Ensure special billing requirements that prohibit the Agency from issuing and subsequently collecting on those bills in a timely way are negotiated beforehand and clearly stated in the terms and conditions section of the agreement before the agreement is signed and fully executed. (FSH 1509.11, ch. 40-Collection Agreements)

- d. Special billing requirements including those with billing and collections that are less frequent than monthly, and that delay or prevent automated billings will require justification and approval by the Director of Budget and Finance, Albuquerque Service Center, prior to signing the agreement and the issuance of shorthand code.
2. Review and Process agreements to ensure compliance with statutory requirements and applicable G&A policy:
 - a. Assign Agreement # and enter required administrative G&A official file and information in Natural Resource Manager (NRM) record.
 - b. Ensure overhead is addressed to ensure cost recovery where applicable. Include a statement in each agreement to clearly identify overhead assessment and/or waiver (based on an exception noted in FSH 1909.13, ch._40)
 - c. Transmit fully executed agreements and modifications through the NRM to B&F using the Reimbursement and Advance Agreement (RACA) transmittal form FS-6500-205.
3. Work with Program Managers to determine if the type of agreements are for severable or non-severable services. This information should be communicated to Program Managers and ASC, B&F to ensure sales order amount can be recorded in the Agency core accounting system.
4. Maintain the agreement execution file including all documentation leading up to the fully signed agreement and any subsequent activity conducted by the local field unit.
5. Ensure that all agreement closeout processes are completed. Closeout agreement in NRM after proper statuses have been applied in NRM by ASC, B&F.
6. Ensure coordination with Program Managers and ASC, B&F in the financial administration and close-out of reimbursable agreements.
7. Assist Program Managers with partner negotiations on disputed charges.

53.46 - Director of Strategic Planning, Budget and Accountability (SPBA)

It is the responsibility of the Director of SPBA to:

1. Prepare a formal request for the Agency's Anticipated Authority to OMB through OPBA. Amount used will be based on the ASC, B&F analysis described in section 53.46 #6 and programmatic input with justification that may change future anticipated needs.

2. Approve and provide allotment of Anticipated Authority and collaborate with regional contacts for any additional requests of Anticipated Authority that need to be made.
3. Provide direction to ASC, B&F on apportionment of anticipated authority to be recorded in the Agency core accounting system during regular apportionment.
4. Develop and communicate annual guidance on how the Agency will use the anticipated authority in the multi-year and no-year Treasury Accounts the use of anticipated authority.
5. Perform prior year data analysis to use as the basis for the amount of anticipated authority requested on apportionments and for determining the distribution of anticipated authority to the Regions, Stations, and Washington Office.

53.46a - Regional/Station Budget Officers

It is the responsibility of the Regional Budget Officials to:

1. Ensure that sufficient anticipated authority is available for all intended agreements before they are signed, and work begins.
2. Establish internal controls to ensure spending on reimbursement agreements does not take place prior to full execution of the agreement and the issuance of the shorthand code.
3. Provide to SPBA for the annual request for Anticipated Authority to be made to OBPA through OMB.

53.46b - Program Managers

It is the responsibility of agency Program Managers to:

1. Provide input using the proper chain of command for the annual request for Anticipated Authority to be made to OBPA through OMB.
2. Ensure that reimbursable agreements that are entered into are within the anticipated authority allocated to the Agency.
3. Establish criteria to be used to determine whether the acceptance of contributions of money from the public or an organization would adversely affect the ability of agency officials or employees from carrying out a duty or program of the officer (s) or employee (s) in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program officer (s), or employee (s) of the Agency.
4. Except for authorized emergency response, ensure that no obligation or expenditures, including payroll expenses, are incurred before the budget authority is obtained, agreement is properly signed and executed, and the shorthand code that

provides funding is issued by ASC, B&F to ensure tracking of agreement expenses and subsequent billing and collection.

5. Ensure that agreements negotiated to include special billing requirements do not prohibit the timely collection of funds.
6. Communicate to employees the appropriate shorthand code to charge when performing fieldwork.
7. For multi-year agreements, determine whether an agreement is severable or non-severable and consult with G&A for clarification on severability. This information must also be provided to ASC, B&F for Sales Order creation.
8. Monitor activity on agreement and make an assessment when all administrative requirements of the agreement have been fulfilled before the agreement can be closed out. Then initiate request to G&A for close-out in NRM and provide completed RACA closeout notification form, FS-6500-243 to ASC, B&F.
9. Negotiate with cooperator for any disputed charges and provide all supporting documentation for agreements to the cooperators when requested by the cooperators within 30 days of request.

53.47 - Director of Financial Management Systems

It is the responsibility of the Director of Financial Management Systems to:

1. Monitor the effectiveness of internal controls in the core accounting system to ensure reimbursable activities are properly posted.
2. Provide financial system availability for formation, administration, and close-out of agreements.
3. Ensure that the Agency's core accounting system, records all authorized and valid financial transactions affecting apportionments, reapportionments, allocations or allotments, financial plans, obligations, expenditures, as well as anticipated, earned, and collected reimbursements.
4. Ensure that the Agency's core accounting system is able and does generate and reconcile financial reports that display cumulative obligations and expenditures by appropriations and allocations by budget activity and object class.

53.48 - Regional Foresters, Station Directors, Forest Products Laboratory Director, International Institute of Tropical Forestry Director and Forest Supervisors

It is the responsibility of the Washington Office, Deputy Chiefs, Regional Foresters, Station Directors, Forest Products Laboratory Director, International Institute of Tropical Forestry Director, and Forest Supervisors to:

1. Provide input to SPBA on the annual request for Anticipated Authority to be made to OBPA through OMB.
2. Ensure that funds are available before entering or executing any agreement and all appropriate documents are properly signed by all required parties to the agreement.
3. Except for authorized emergency response, ensure that no obligation or expenditures, including payroll expenses, are incurred before the budget authority is obtained, agreement is properly signed and executed, and the shorthand code that provides funding is issued by ASC, B&F to ensure tracking of agreement expenses and subsequent billing and collection.
4. Establish criteria to be used to determine whether the acceptance of contributions of money from the public or an organization would adversely affect the ability of agency officials or employees from carrying out a duty or program of the officer (s) or employee (s) in a fair and objective manner or would compromise, or appear to compromise, the integrity of the program, officer (s), or employee (s) of the Agency.
5. Ensure signatory officials, Program Managers, and field specialists are prohibited from approaching cooperators with monetary requests. Federal statute authorizes the National Forest Foundation to solicit and accept donations on behalf of the Agency. The Agency may not use appropriated funds to contract with a firm or to authorize an organization to solicit money from the public on behalf of the Agency.
6. Ensure-special billing requirements that prohibit the Agency from issuing and subsequently collecting on those bills on time, should not be included in the terms and conditions of agreements. If there is a legitimate business reason for special billing requirements this must be approved by the ASC Director prior to signing any agreement and cooperators must understand that the Agency must recoup all costs associated with producing any special billings.
7. Ensure contributions of money from the public or organizations are not based or conditioned upon actual, or the appearance of, endorsement of organizations, entity, products, or activities of an organization.
8. Implement internal controls to ensure compliance with the guidelines given in this directive.
9. Negotiate with cooperator for any disputed charges and ensure all supporting documentation for agreements to the cooperators when requested by the cooperators within 30 days of request.

53.5 - Definitions

Anticipated Authority. Also known as Spending Authority from Offsetting Collections or Reimbursable Authority.

Apportionment. An OMB-approved plan to use budgetary resources. It typically limits the obligations you may incur, including the total dollar amount of reimbursable agreements that may be entered into by an agency for a fiscal year. An apportionment is legally binding, and obligations and expenditures (disbursements) that exceed an apportionment are a violation of, and are subject to reporting under, the Antideficiency Act (31 U.S.C.1517(a)(1), (b)).

Appropriations. Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law. (31 U.S. C. 1301)

Budget Authority. This authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include appropriations, borrowing authority, contract authority, and spending authority from offsetting collection

Budgetary Resources. Budgetary resources are amounts available to an agency to incur obligations in a given fiscal year. These resources may include new budget authority and unobligated balances of budget authority provided in previous years.

Closeout. Closeout occurs when a contract has met all the terms of a contract and all administrative actions have been completed, all disputes settled, and final payment has been made. This includes those administrative actions that are contractually required.

Collections. Money collected by the Government. This is recorded in one of two ways:

1. Governmental Receipts, and
2. Offsets to Budget Authority and Outlays (classified as either offsetting collections or offsetting receipts) Offsetting collections and receipts result from:
 - a. Business-like transactions with the public (includes voluntary collections from the public in exchange for goods or services, reimbursement for damages, and gifts of money to the Government),
 - b. Intragovernmental Transactions (collections from other Federal government accounts), and
3. Offsetting governmental transactions (collections from the public that are governmental in nature).

Collection Agreement. The instrument used for the acceptance of money by the Forest Service from a non-Federal party to carry out a purpose authorized by law.

Continuing Resolution (CR). Joint resolutions that provide continuing appropriations for a fiscal year. CRs are enacted when the Congress has not yet passed new appropriations bills and a program's appropriations are about to or have expired, or when the President has vetoed congressionally passed appropriations bills. Because of the nature of CRs, you

should operate at a minimal level until after your regular fiscal year appropriations is enacted.

Cooperative Agreement. Please refer to FSH 1509.11, chapter_30_Cooperative Law Enforcement, Forest Road, and Fire Protection Agreement and FSH 1509.11, chapter 70_Partnership Agreements.

Deobligation. The process of removing unneeded funds from an obligating instrument. This step is typically done upon completion of activities when unliquidated obligations might have become excessive or might no longer be needed for the original purpose.

Indirect costs. Expenses associated with general operations but not attributable to a specific program or output. Indirect costs are incurred as part of general management and administrative support of the organization. These costs may include support for the unit's agreements program; budget and finance support; contracting and procurement support; oversight; and all other indirect support for associated employees including space, utilities, telephone, telecommunications, personnel, services, and so forth.

Interagency Agreements. Please refer to FSH 1509.11, ch. 50_Interagency Agreements.

Monetary Collections. These are collections that have fixed amounts in terms of units of currency by agreement or otherwise. Examples of monetary collections include cash, check, or electronic forms of payment.

Natural Resource Manager (NRM). System of database tools for managing Agency data across the Forest Service. NRM applications provide tools for most of the Agency's natural resource business areas.

Non-severable Services. A service is non-severable if the service produces a single or unified outcome, product, or report that cannot be subdivided for separate performance in different fiscal years.

Offsetting Collections (some are known as Reimbursable). Payments to the Government that by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts.

Offsetting Receipts. Collections that are offset against gross outlays and budget authority but are not authorized to be credited to expenditure accounts and are credited to receipt accounts. Unlike offsetting collections that are credited to the expenditure accounts, offsetting receipts deposited in receipt accounts are offset at the agency and sub-function levels.

Overhead assessment. The term is used to describe the amount collected from a Federal or non-Federal partner to recover Forest Service, or its units, indirect costs associated with a work agreement undertaken.

Period of Availability. The period of time for which appropriations are available for obligation. If funds are not obligated during their period of availability, then the funds expire and are generally unavailable for new obligations.

Reimbursable Agreement. An authorizing instrument executed under a statutory authority allowing for the reimbursement of appropriated funds from an external entity for work performed by the Agency in cooperation with or on behalf of the cooperator. Funds could be provided in advance of work or after work has been performed, or a combination of both.

Reimbursable Fund. Reimbursable funds are recorded in the Agency's core accounting system within xxEX series and are specially designated within a treasury symbol to accommodate reimbursable activity (Fund Category "R"). Use of appropriate posting logic facilitates proper recognition of reimbursable activity in the general ledger and on financial statements.

Sequestration. The cancellation of budgetary resources for budget enforcement purposes.

Severable Services. A service is severable if it can be separated into components that independently meet a need of the Government. The services are continuing and recurring in nature.

Signatory Officials. Line Officers or other officials authorized to enter into agreement with Federal and non-Federal partners.

Special Billing Requirements. These are requirements that place undue burden on the Agency from achieving full collection and accounting of agency monies due. Some examples include withholding of collections due to the Forest Service until matching cost requirements are met, collections from third party prior to providing those funds to the Forest Service, retention requirements on Forest Service billed amounts, and such.

Spending Authority from Offsetting Collections (also known as Reimbursable Authority). Budget authority that is usually provided by permanent law, permits the agency to credit offsetting collections to an expenditure account.

Standard General Ledger (SGL). A chart of accounts to support consistent recording of financial events as well as the preparation of external reports required by law. Listing of all asset, liability, owners' equity, revenue, expense and budgetary accounts used by the Federal Government to record accounting transactions.

Supporting Documentation. Includes Project Completion Reports; Time sheets to support salaries and wages being charged Support of Benefit Rates; Invoices/receipts to support contracted services and supplies purchased.

53.6 - Reimbursable Agreements

53.61 - Reimbursable Agreements with different entities

A reimbursable agreement is an agreement between parties where the performing entity agrees to provide the resources and perform services on behalf of the paying entity. In the process, reimbursable obligations are incurred by the performing entity and charged to appropriated funds, and after collections have been received, the appropriated funds are reimbursed within the same fiscal year. The paying entity pays for the resources and services provided on its behalf by the performing entity. Costs are borne initially by the performing entity, and subsequently, those costs are forwarded to the paying entity for reimbursement, in accordance with the terms of the agreement.

Agencies can perform reimbursable work for the public or other Federal agencies with appropriate statutory authority. The types of laws that allow the use of advances or reimbursements in return for providing others with goods and services are:

1. Laws that establish revolving funds, including franchise funds and working capital funds;
2. Provisions in appropriations or substantive laws that allow agencies to use the amounts they collect;
3. The Economy Act (31.U.S.C. 1535). (FSH 1509.11, ch. 50)
4. Service First Authority (FSH 1509.11, ch. 50)

A revolving fund is used when a law establishes the revolving funds and authorizes the Agency to credit payments to the revolving fund that performs the work. Revolving funds operate on a reimbursable basis when working capital (undisbursed cash) is available. Otherwise, advance payments must accompany orders. An agency may not disburse revolving funds into a negative cash position in anticipation of Federal or non-Federal reimbursements because of the Antideficiency Act.

Typically, most reimbursable agreements with other Federal agencies that the Forest Service enters into utilizing the Economy Act or the Service First Authority. (See FSH 1509.11, ch. 50 for negotiating, reviewing and executing interagency agreements). The Economy Act authorizes the head of an agency or major organizational unit within an agency to place an order with a major organizational unit within the same agency or another Federal agency for goods or services provided that:

1. The ordering agency has enough money to pay for the order;
2. The head of the ordering agency or unit decides the order is in the best interest of the United States Government;

3. The Agency or unit to fill the order is able to provide or get by contract, the ordered goods or services;
4. The head of the ordering agency decides that the ordered goods or services cannot be provided by;
5. Contract as conveniently or cheaply by a commercial enterprise; and
6. Transactions authorized by the Economy Act are limited by the statutory requirement that the amount obligated by the ordering appropriation is required to be de-obligated to the extent that the Agency or unit filling the order has not incurred obligations before the end of the period of availability of the ordering appropriation.

53.62 - Anticipated Apportionment Request

Each fiscal year in August, ASC, B&F will use the previous 3 fiscal years' actual reimbursable amounts (or other more accurate analysis deemed appropriate by ASC, B&F) to determine the amount of baseline anticipated authority for SPBA to use in the Agency's request from OMB for the upcoming fiscal year. SPBA will adjust this amount for any programmatic input.

Region and Station Budget Directors and Officers are responsible for compiling the programmatic input for their particular unit(s). They should work as in cooperation with their units and Program Managers to compare their anticipated Program of Work to the amount provided by SPBA and inform SPBA of any adjustments (whether upward or downward) that need to be made to the Anticipated Authority request. They should only request the anticipated authority needed for upcoming fiscal year (For additional guidance on the authority needed for single or multi-year projects, see sec. 53.64). SPBA reviews and consolidates this information and requests the anticipated authority from OMB through OBPA.

OMB must approve and provide apportionment of anticipated authority prior to any work being performed or incurring any costs on a reimbursable agreement. Once approved by OMB, SPBA will coordinate with ASC, B&F to allocate anticipated budget authority at the Agency level.

53.63 - Continuing Resolutions (CR)

CR's do not appropriate specific sums of money. Rather, they provide "formulas" for calculating the amounts available for continuing programs at minimal levels. This formula is applied by OMB in apportioning funds under the CR. Once the CR is enacted, OMB usually issues a bulletin to automatically apportion funds available under the CR. SPBA, upon OMB direction will issue the level of spending under a CR. SPBA will provide specific CR guidance to the ASC, B&F and Regions, Stations, and Washington Office units if OMB limits anticipated reimbursable authority during the CR.

53.64 - Multi-Year Funding & Bona Fide Need

The Forest Service receives multi-year (4 years) and no-year appropriations from Congress each fiscal year. Multiple year appropriations are available for obligation for a definite period in excess of one fiscal year. The period of availability dictates how long the funds are available for obligation.

The life of time-limited appropriation is separated into 3 phases:

1. Current: An appropriation that is available for incurring new obligations.
2. Expired: An appropriation that is no longer available to incur new obligations but is available for disbursement. This phase lasts 5 years after the period of availability has expired. During this phase, agencies disburse against obligated balances and adjust obligated up and down to reflect revised actuals
3. Canceled: After the last expired year, the account is closed and balances are canceled, the authority is no longer available for any purpose. An appropriation whose account is closed and is no longer available for obligation or expenditure for any purpose.

The Bona Fide Needs rule also must be applied to all time-limited funds. The Bona-Fide Needs Rule as defined by Title 31 of the U.S. Code, Section 1502, states that the “The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability...” It requires that the obligation be entered by the government meet a need arising during the period of availability. For service agreements/contracts, obligation rules depend on whether an agreement/contract is severable or non-severable:

1. Severable services are routine and performed on a regular basis. Services are considered severable if they can be separated into components that independently provide value to meet the agency’s needs. Thus, agencies may use funds to enter into a contract that crosses fiscal years and that obligates funds of the fiscal year in which the contract was awarded for the entire period of performance, as long as the basic contract, option, or order does not exceed one fiscal year.
2. Non-severable services represent a single undertaking that cannot feasibly be separated into components but must be performed as a single task to meet the need of the government. Therefore, the Agency does not receive the benefit until all the services are performed or the entire project is carried to completion, thus, contracts for the entire services are charged to the appropriation current when the contract was made. For non-severable services, agencies may obligate funds using current appropriation to cover the services to be performed under the full contract, even the portion of the services that will be performed during or beyond the appropriation. The entire non-severable contract is considered a bona-fide need of the fiscal year in which the Agency entered into the contract.

Multi-Year Funding does not limit the agreements to period of availability (or performance). An agreement can extend beyond the period of availability if the obligation is made during the period of availability. Again, the severability of the agreement must be reviewed prior to determine how funds will be obligated.

In an agreement where the obligation authority for that treasury symbol is expiring, funds must be obligated prior to end of that fiscal year.

53.65 - Advances Requirements for Reimbursable Agreements with Federal and Non-Federal Entities

Reimbursable agreements with non-Federal entities require advance of funds to execute the work and should not be fulfilled under a reimbursable agreement utilizing agency appropriated funds unless reimbursement is necessary to protect life and property or authorized by statutory authority, or law.

Reimbursable agreements with other Federal entities are subject to business rules for inter-governmental transactions as stipulated in Treasury Financial Manual (TFM), Chapter 4700 appendix 10. The business rules in this appendix apply to all intragovernmental business, specifically, transactions that entail the exchange of goods and services (reimbursable agreements), transfers between Federal entities and general fund transactions. Reimbursable agreements with Federal entities may require an advance if there is business need for it. The Economy Act authorizes two types of payments, advance and reimbursement.

53.66 - Execution of Reimbursable Agreements

Prior to signing (execution) of any reimbursable agreement, steps must be taken as described in the responsibility section of this directive. It may be a violation of the Anti-Deficiency Act if expenses are incurred in a different fund prior to the responsibility section outline above. There will not be any accounting adjustments processed to adjust expenses from a previously charged shorthand code to the shorthand code issued after the execution of the agreement. (See sec. 53.3- of this handbook)

53.67 - Agreement with other Federal Entities

When entering into reimbursable agreements with other Federal agencies, the period of availability of the ordering agency must be considered prior to carrying out the work. Forest Service may be limited in the Treasury Appropriation Fund Symbol (TAFS) that can be used for reimbursable work and may have to request a specific TAFS be created for particular reimbursable activity. When the performing and ordering agency accounts have different periods of availability, the performing account may need to establish new TAFS. (See Appendix A-11-Section 130.9 and refer to 53.8 - Exhibit 01 below for specific scenarios.

53.68 - Billings and Collection on Reimbursable Agreements

ASC, B&F will issue bills to the requesting entity for reimbursable agreements as stipulated in the agreement. This is to ensure that the appropriated funds, which are initially used to perform the related work on the agreement are reimbursed to the appropriate account. Those appropriated funds can then further be used to implement Forest Service mission-related projects.

ASC, B&F will use the expenses recorded under the appropriate shorthand code in the agency core accounting system to determine the amount to be billed for the agreement and issue the bill for the agreement. Program Managers shall also be fully aware of the expenses incurred and be ready to provide additional supporting documentation, if requested by the cooperator within 30 days of the issuance of the bill. If a unit has failed to provide documentation as required by terms and conditions of the agreement, the Forest Service has not met its part of the reimbursable agreement.

The Agency is required to aggressively pursue collection action on all debts arising out of the agency activities, such as debts arising out of agreements with cooperators must implement effective collection strategies to ensure all debts are collected in a timely manner. In order to comply with the Debt Collection Improvement Act of 1996 (DCIA), as amended by the Digital Accountability and Transparency Act of 2014, Forest Service must turn over all delinquent debt exceeding 120 days to Treasury. After transfer, Treasury takes appropriate action to service, collect, compromise, or suspend or terminate collection action on the debt (commonly referred to as “Cross-Servicing”).

Collections during the expired phase are offsets to the Budget Authority. However, that Budget Authority is not available since funding has expired. If the multi-year Treasury account has expired, then the collection is not considered new Budget Authority and may not be used. The collection may only be used to pay old bills until the authority is canceled.

53.69 - Close-out of Reimbursable Agreements

The request to close-out an agreement may be initiated by the Program Manager, but Program Managers shall ensure that all deliverables required by the terms and conditions of the agreement are met. Program Managers will then notify G&A that the agreement may be closed. G&A will notify ASC, B&F using the RACA closeout notification form, FS-6500-243 for the close-out request.

ASC, B&F will perform ongoing monitoring of the close-out requests. ASC, B&F will review the requests and determine if the agreement is ready to be closed out in the Agency’s core accounting system. Some items that B&F will review for are to:

1. Ensure expenditures are equal to collections;
2. Determine if there was an over-collection where a refund needs to be issued;
3. Ensure there is no open commitment or obligation on agreement which may indicate that unit may still have additional spending; and

4. Review all general ledger accounts to make sure they are in balance.

ASC, B&F will also close the related Sales Order in the Agency's core accounting system. They will also issue refunds, if applicable. Closeout should occur within a reasonable timeframe after the final payment is made or received. In addition, closeout should not occur if the Agency has incurred actual costs that have not yet been paid.

ASC, B&F will also apply the necessary “close-out” status to the agreement in NRM. Once that status has been applied, G&A will formally close out the agreement in NRM.

53.7 - Collection Agreement Authorities

A collection agreement is an instrument used for the acceptance of money by the Forest Service from a non-federal party to carry out a purpose authorized by law. Such collection arrangements are authorized under specific legislation and allow the Forest Service to receive contributions, conditional donations, or reimbursements from its partners.

Collection Agreements may be entered into under the following authorities (not all-inclusive):

1. Cooperative Funds Act (16 USC 498)
2. Forest Rangeland Renewable Resources Research Act of 1978 (16 USC 1643)
3. Granger-Thye Act (16 USC 572)
4. National Forest Roads and Trails Act (16 USC 532-538)
5. Surface Transportation Act of 1978 (23 USC 205)

The previously mentioned authorities allow the Forest Service to carry out the identified work on a reimbursable basis. If executed under an advance or reimbursable basis, the requirements discussed previously in section 53.6 must be applied to agreements using these authorities:

1. Funding must be available prior to entering into the agreement.
2. Severability must be considered when entering obligations of such agreements into the Agency's core accounting system.
3. Advances are required when working with a non-Federal cooperator except where reimbursement is authorized by statutory authority, or law.
4. There are limitations on these agreements when operating under a CR.
5. Overhead is typically not assessed on Collection Agreements when there is a mutual benefit gained by the cooperator. Please refer to FSH 1909.13, chapter 40 on specific overhead requirements.

6. If Agreement is treated as a reimbursable agreement, account receivable must be documented, and billing must take place to ensure expenditure is fully executed by the Forest Service.
7. Close-out must take place within a reasonable timeframe after the final payment is made or received.

53.8 - Special Billing Requirements

The Collection Authorities listed in section 53.7 allow the Forest Service to cooperate with Federal and non-Federal partners to assist Forest Service to complete mission-related work on the National Forest System Land. The primary responsible party for performing the work is the Forest Service. Federal laws and regulations, specifically ones designed to ensure that the Federal Government is reimbursed (via billing and collection) for the applicable costs must be considered prior to entering into such collection agreements.

53.8 - Exhibit 01

Economy Act Activities Between Federal Entities In Different TAFS

Ordering Agency	Performing Agency	Performing Agency Must USE:
Annual	Annual	Use existing Annual TAFS
Annual	Multi-Year w/different periods of availability than Ordering Agency account. Ending Period is the same for Ordering and Performing Ordering: xx-16/17-xxxx Performing: yy-13/17-yyyy	Use existing Multi-Year TAFS <i>(For agencies where the ordering agency account is a multi-year account, an agency may use an existing multi-year account as long as it does not extend the period of availability beyond the originating ordering agency account's last fiscal year of the unexpired phase)</i>
Annual	Multi-Year w/different periods of availability than Ordering Agency account. Ending Period is different for Ordering and Performing Ordering: xx-17/18-xxxx Performing: yy-16/17-yyyy	Ask Treasury to establish annual TAFS
Annual	No-Year TAFS	Ask Treasury to establish annual TAFS
Multi-Year	Multi-Year with same period of availability as the Ordering Agency account	Use Existing Multi-Year TAFS
Multi-Year	Multi-Year w/different periods of availability than the Ordering Agency account. Ending Period is the same for Ordering and Performing Ordering: xx-16/17-xxxx Performing: yy-13/17-yyyy	Use existing Multi-Year TAFS <i>(For agencies where the ordering agency account is a multi-year account, an agency may use an existing multi-year account as long as it does not extend the period of availability beyond the originating ordering agency account's last fiscal year of the unexpired phase)</i>

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53.8 - Exhibit 01--continued

Ordering Agency	Performing Agency	Performing Agency Must USE:
Multi-Year	Multi-Year w/different periods of availability than the Ordering Agency account. Ending Period is different for Ordering and Performing Ordering: xx-14/16-xxxx Performing: yy-14/15-yyyy	Use existing annual TAFS or ask Treasury to establish annual TAFS
Multi-Year	Multi-Year w/different periods of availability than the Ordering Agency account. Ending Period is different for Ordering and Performing Ordering: xx-14/16-xxxx Performing: yy-14/17-yyyy	Use existing multi-year TAS of performing agency, but agreement has to be obligated by end of fiscal 2016.
Multi-Year	Annual & No-Year TAFS	Use Existing Annual TAFS
Multi-Year	No-Year TAFS	Ask Treasury to establish annual TAFS
No-Year	No-Year TAFS	Use Existing No-Year TAFS must request an advance when using a FS no-year Treasury Symbol
No-Year	Does not have No-Year TAFS but has Annual & Multi-Year TAFS	Use Existing Annual or Multi-Year TAFS