Forest Service Handbook
Service-Wide - Washington Office
Washington, DC

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

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Approved by: Robert Velasco, Chief Financial Officer

Date approved: November 14, 2024

Responsible Staff: Chief Financial Officer, Financial Policy

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Superseded Document(s): 6509.11k_50-51.1, 6509.11k-91-2, September 03, 1991; 6509.11k_51, 6509.11k-2020-1, September 08, 2020; 6509.11k_52, 6509.11k-2020-2, September 09, 2020; 6509.11k_53, 6509.11k-2021-1, January 11, 2021; 6509.11k_54, 6509.11k-2021-3, October 26, 2021; 6509.11k_55-56.1, 6509.11k-2007-2, May 15, 2007; 6509.11k_56.3-57, 6509.11k-2013-2, May 07, 2013.

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

Chapter 50: Adds a compilation of all sections published as stand-alone outside of chapter 50, bringing those sections back under one chapter 50.

Section 50: Removes obsolete handbooks and replaces outdated organization titles.

Section 51: Replaces outdated organization titles and updates internet links for references.

Section 52: Replaces outdated organization titles and updates internet links for references.

Section 53: Replaces outdated organization titles and updates internet links for references.

Section 54: Replaces outdated organization titles and updates internet links for references.

Section 56.3: Removes obsolete direction on Real Property Accounting. Real property accounting can be found in FSH 6509.19, chapter 20, Real Property, effective 2021.

Section 56.4: Removes obsolete direction on Assessments. Assessment of Accounts Involving Work Performed for Others on Reimbursable Basis to Cover General Administration Expenses has been updated and moved to section 53-Reimbursable. Further information can be found under Forest Service Manual 6500 - Finance and Accounting Chapter 6510 - Appropriations and Funds-section 6512.12-Appropriation Reimbursement.

Section 57: Reserves code for use at a future date.

Section 57, Zero Code: Removes obsolete zero code direction.

Section 57.1: Removes obsolete direction on Obligation Reporting. Obligation reporting can be found in section 52, effective 2020.

Section 57.2: Removes obsolete direction on Conversions of Payments by the National Finance Center (NFC). Payment transactions for payment processes are now recorded in the core accounting system from system-generated interface files.

Section 57.3: Removes obsolete direction on Intra-Regional and Inter-Regional Transfers of Obligations. Intra-regional and inter-regional transfers of obligations are no longer used in this way.

Section 57.7: Removes direction on policy, responsibilities, and definitions for reporting Change Making Imprest Funds from this handbook to FSH 6509.14, chapter 20, Imprest Fund Activities.

Table of Contents

50 - Accounting

This chapter describes periodic reports produced by the National Finance Center (NFC) and the Forest Service, and provides procedural instructions on accounting codes, data input requirements, reference tables, yearend procedures, property accounting, and other special areas where additional accounting information is needed to facilitate management.

In addition to the direction contained in this chapter, you must be familiar with the direction in the following Forest Service Handbooks:

2. FSH 1909.13, Program Development and Budgeting Handbook.

3. FSH 6509.11f, Working Capital Fund Accounting Operations Handbook.

4. FSH 6509.11g, Service-wide Appropriation Use Handbook.

50.1 - Authority

In accordance with the Budget and Accounting Act of September 12, 1950, and subsequent amendments as codified in 31 U.S.C. 3512 and subsequent legislation each agency must establish and maintain systems of accounting and internal controls that provide complete disclosure of the financial results of the activities of the agency using standards provided by the Comptroller General.

50.2 - Objectives

(FSM 6550.2)

50.3 - Policy

(FSM 6503)

50.4 - Responsibility

50.41 - Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for working directly with the National Finance Center (NFC) in defining requirements for accounting data input by Forest Service and reported by NFC.

In addition, the CFO is responsible for issuing a package of instructions for the yearend closeout that contains (1) a schedule of due dates for Forest Service submissions to the NFC, (2) NFC closing dates for their systems, (3) expected dates of NFC-produced yearend reports, and (4) any special instructions needed to facilitate a smooth fiscal year closeout and crossover to the new fiscal year (section 54).

50.42 - Region and Research Station Directors of Budget

The Region and Research Station Directors of Budget shall insure units follow instructions provided by this section as well as advising the Washington Office of changes in field needs that can be met by system modifications. These positions are responsible for accurate, timely reporting of accounts receivables, undeposited cash and unpaid obligations; correction of cumulative out of balance situations as identified on the Cumulative Out of Balance Conditions report (section 51.22e); and posting and maintenance of real property subsidiary ledgers (section 56.3).

51 - Obligations

51.1 - Authority

51.11 - Statutory Authority

1. **Chief Financial Officers (CFO) Act of 1990**. This Act establishes Government-wide financial management policies, requirements, and monitoring for the establishment and operation of financial management systems. It requires the monitoring of resources to effectively operate, maintain, and enhance financial management systems through activities such as reviewing Agency budget requests for financial management systems and operations; reviewing and, where appropriate, recommending to the Director of Office of Management and Budget (OMB) changes to the budget and Agency legislative proposals to ensure that they are in accordance with OMB's financial management plans. This Act also establishes the Office of Federal Financial Management in OMB to perform these Government-wide financial management responsibilities.

2. **Consolidated Appropriations Act, 2017 (-Public Law 115-31, May 5, 2017)**. This Act requires the Forest Service transition, effective FY 2017, from no-year to multi-year (4 years) funds. The transition to multi-year funds requires the application of the "Bona Fide Need Rule" on Agency use of its multi-year funds, which does not apply to no-year funds.

3. **Departmental Regulation 2230-001, Reviews of Unliquidated Obligations (October 28, 2020)** This Regulation provides procedures for the review, reporting, and certification of unliquidated obligations to properly report obligated balances.

4. **Title 48 CFR 4.804-5, Procedures for Closing out of Contract Files**. This Regulation requires that all contracts disposals and closeouts are completed in compliance with Federal Acquisition Regulation procedures and closeout process of contract files, https://www.acquisition.gov/browsefar**.**

5. **Forest Service Manual (FSM) 1580 (Grants, Cooperative Agreements, and other Agreements**. (August 2020) This manual reflects additional responsibilities for

developing and implementing grants or agreements with signatory officials, certified Grants, and Agreements Specialists, and Program Managers. Additionally, FSM 1580 provides direction on the use of grants, cooperative agreements, and other agreements to carry out the Forest Service mission for public benefit in accordance with applicable laws, regulations, and management policy.

6. **OMB Circular A-11, Preparation, Submission, and Execution of the Budget, including Part 4 and appendix H**. This Circular provides (1) an overview of the budget process, including the basic laws and terms and concepts needed to better understand the budget process, including directions on administration of funds; (2) guidance on how to prepare and submit materials required for OMB and Presidential review of all Agency requests and the formulation of the budget; and (3) describes the requirements of the GPRA (Government Performance Results Act) Modernization Act, 2010, relative to strategic plans, performance plans, and reports. Part 4 provides instructions on Budget Execution and related OMB guidelines. Appendix H provides a checklist for Funds Control Regulations. See FSH 6509.11k chapter 50, Section 52-Administrative Control of Funds.

7. **OMB Circular No. A–123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996**. This circular reflects compliance with the Act and provides a framework for determining compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996, bringing financial systems policy into greater alignment with financial management policy in Circular A-123, with general Information Technology (IT) guidance contained in OMB Circular No. A-130.

8. **OMB Circular No. A–130, Management of Federal Information Resources***.* This circular reflects information technology (IT) that pertains to financial management systems. The Circular establishes the general policy for the planning, budgeting, governance, acquisition, and management of Federal information, personnel, equipment, funds, IT resources, and supporting infrastructure and services. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information (PII).

9. **The Digital Accountability and Transparency Act of 2014 (DATA Act)**. The DATA Act establishes a Government-wide financial data standards and increases the availability, accuracy, and usefulness of Federal spending information. It provides reliable, timely, secure, and consumable financial management data for the purpose of promoting transparency, facilitating better decision making, and improving the development of Government-wide operational efficiency.

10. **The** GAO Green Book - Standards for Internal Control in the Federal Government (September 2014). The Green Book, https://www.gao.gov/assets/gao-14-704g.pdf provides Managers with criteria for designing, implementing, and operating an effective

internal control system. It defines standards through components and principles and explains why they are integral to an Agency's internal control systems. The Green Book clarifies what processes management considers part of internal control. In a mature and highly effective internal control system, internal control may be indistinguishable from day-to-day activities personnel perform. Agencies use the Green Book to help achieve their objectives related to operations, reporting, and compliance

11. **The Supplemental Appropriations Act of 1955 (Title 31, United States Code, section 1108, 1501-1502)**. This Act specifies that an obligation is only enforceable when it is in writing; that the purpose is to avoid inappropriate spending based on oral obligations; and that the balance of an appropriation limited to a definite period is available only for payment of expenses incurred during that period.

12. **Title 2 CFR: 200.343(b) Closeout**. This Regulation determines the closeout process that must take place when all applicable administrative actions and all required work is completed at the end of the POP as specified in the terms and conditions of the Federal award (https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-343.pdf**).**

13. **Title 31, United States Code, Sections 1341-1342, 1349-1351, 1511-1519**. This Title discusses the Anti-deficiency Act (ADA), Section 1101, 1104-1108, and 3324; the Budget and Accounting Act, 1921, as amended, section 1501- 1502; the Supplemental Appropriations Act of 1950, and sections, 1112, 1531, 3511-3512, 3524; and the Budget and Accounting Procedures Act of 1950.

14. **Title 31, United States Code, section 1501- Documentary evidence requirement for Government obligations**. This Title establishes that the agreement amount recorded as an obligation only must be:

    a. Supported by documentary evidence as an agreement between agencies,

    b. In writing, in a way and form, and for a purpose authorized by law; and

    c. Executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought, and service to be provided.

    It also requires one of nine documented events to justify recording an obligation. If an obligation does not meet one of these standards, it should be de-obligated immediately. https://www.gpo.gov/fdsys/pkg/USCODE-2010-title31/html/USCODE-2010-title31-subtitleII-chap15-subchapI-sec1501.htm

15. **DR 2000-1, United States Department of Agriculture - Office of the Chief Financial Officer (USDA-OCFO) Budget Manual of 1991, Chapter 4, Administrative Funds**

Control. This manual establishes the Department's requirement for budgetary administration and reporting, including the Department's system for administrative control of funds.

51.2 - Objective

1. To provide guidance for proper Agency management of obligations, in particular, the recording and reporting of obligations and the review of unliquidated obligations.

2. To provide guidance on certifying the validity of obligated balances, making funds available that otherwise would not be used, reducing the risk of misuse and theft of funds, and improving the U.S. Treasury Department's ability to forecast outlay and borrowing needs.

3. To support centralizing and standardizing budgeting and accounting practices among the Forest Service Regions and program offices as required by the House of Representatives, which states "The Forest Service is directed to improve and better manage its procurement and financial management processes to ensure funds are spent in an appropriate and timely manner…" See Congressional and related documents for Public Law 115-31 chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.congress.gov/115/plaws/publ31/PLAW-115publ31.pdf.

51.3 - Policy

1. Regardless of the nature of the payment--salaries, payments promised under a contract, payments ordered by a court, a Federal Agency, may not make a payment from the United States Treasury unless the funds are made available by Congress. Additionally, OMB must have apportioned the funds to the Agency, and the Director, Strategic Planning, Budget, and Accountability (SPBA), must have likewise made the allocation, before any funds are made available and expended.

2. The Forest Service (including all of its organizations, appropriations, and funds, note that there are no approved exemptions to these control regulations) must adhere to the following applicable statutory requirements for obligations:

    a. Incur obligations only for the purpose for which the appropriation is intended and within the time limits applicable to the appropriation.

    b. Obligate time-limited appropriations only to meet bona fide needs arising in the fiscal year(s) for which the appropriation is available unless specified otherwise by law. All Agency appropriations and funds are subject to the provisions contained therein; any exemptions require OMB approval.

c. Exercise adequate controls to ensure that obligations do not exceed the amount appropriated by statute and are not incurred before the appropriation becomes law unless otherwise provided by law.

d. Promptly record, at least monthly, each obligation within the accounting period in which the obligation event occurs. Record an amount as an obligation only when supported by documentary evidence as prescribed by 31 U.S.C. 1501(a).

e. Record all valid obligations with regard to dollar limitations, purpose, or time restraints.

f. Review quarterly, all unpaid obligations and deobligate all unsubstantiated obligations, and excess funds and ensure that all final invoices are paid before the cancellation of time-limited funds.

g. Record, report, and identify the recovery of funds obligated in prior years, unless otherwise excluded in this chapter, or by law. These funds may be deobligated at any time, but they shall not be available for reuse until they have been formally allotted through the Agency national budgetary process, in particular, SPBA. Maintain documentary evidence (10 years retention) in support of all obligations. See FSH 6209.11, Chapter 40 - File Designations, and Disposition.

h. Ensure that all final invoices are timely received, processed, and paid and that all unpaid obligations are deobligated before the cancellation of time-limited funds. Where no year funds are applicable, review unpaid obligations for dormancy and deobligate if dormant for 12 months or more, and no activity or supporting document exists showing a need for the obligation to remain on the Agency records.

i. As required by OMB Circular A-11, Section 150.2, Obligations from each appropriation or fund account are restricted to the lower of the amount of apportionments made by OMB or the amount available for obligation through allocations. Apportionments are done at the Treasury Appropriation Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region/Station/Area (RSA) and Budget Line Item (BLI) level in the appropriate TAFS and related fund and budget period. Thus, obligations are limited to the amounts allocated at the RSA/BLI level.

j. Application/System controls must be in place to ensure that Agency spending is limited to the amounts allocated in the Agency core accounting system.

k. The Agency core accounting system must record all financial transactions affecting apportionments, reapportionments, allotments, financial plans, program operating plans, complete spending chain (see section 51.5, Definitions) where a Commitment

is the first and minimum accounting and budgetary entry leading to Agency spending, obligations, as well as anticipated and, earned, and collections, including reimbursements or work done, or advances from non-federal or federal entities reimbursements.

l. The Agency core accounting system must be able to generate and reconcile financial reports that display cumulative obligations and expenditures (Funds Status) by appropriations and allotment and cumulative obligations by budget activity and object class.

m. Funds may be obligated up to, but must not exceed, the assigned funding level. An obligation of funds in an amount greater than the amount apportioned by account or appropriation constitutes an ADA violation and must be investigated and reported by the respective business area Director through their respective chain of command, to the CFO, for corrective actions.

n. The procedures for reporting clear violations of the ADA, 1982, as well as violations of other additional Agency imposed fund restrictions must be followed as outlined in the Accounting SOPs.
See https://usfs.app.box.com/v/cfostandardoperatingprocedures/.

o. Review, at least quarterly, all unpaid obligations and deobligate all unsubstantiated or unneeded obligations to release these, and unused or excess funds for other Agency priority needs, as applicable.

3. The Forest Service must adhere to the quarterly review, reporting, and certification requirements for unliquidated obligations, certified by the CFO, and the following:

   a. All prior year unobligated balances must be reviewed monthly to ensure they are still needed and if not, promptly allocated during the period of availability and used to support Agency priorities, at leadership direction.

   b. Appropriate funding authority, budget approval, and availability of funds (funds status) are required prior to entering into any obligation. The Agency core accounting system should be referred to in determining the availability of funds or true fund status, prior to entering into any obligation or assigning budget authority.

   c. Perform quarterly review and certification of all unliquidated obligations, with special emphasis on inactive obligations of 12 months or older; corrective actions must be taken and results certified by the Agency Chief Financial Officer, who will then submit the certifications to the Office of the Chief Financial Officer (OCFO) - Associate Chief Financial Officer for Financial Operations (ACFO-FO) 30 days after the end of the quarter. (See DR2230-001, 10/15/2014). Refer to the Office of

Regulatory and Management Services (FSH 6209.11, chapter 40) for documentation retention requirements.

d. All open obligations 12 months or older, or no longer necessary, must be de-obligated unless there is a documented need by the appropriate fund manager (bona fide purpose) for the obligation to remain open.

e. All obligations incurred for a grant or a cooperative agreement must be liquidated within 90 days after the end of the Period of Performance (POP) unless the awarding Agency authorizes an extension or provide program-specific statutes that specify a different liquidation period. The CFO must be able to determine for best practice if .all Obligations:

   (1) Reflect the total number of grants and cooperative agreement awards and balances, for which closeout has not yet occurred, but for which the POP has elapsed more than 2 fiscal years with zero-dollar balances and undisbursed balances, as well as any undisbursed or zero balances in that award.

   (2) Ensure brief narrative of challenges leading to the delays in grant and agreement closeout and provide planned corrective actions to address these challenges.

   (3) Ensure that the 30 oldest grants and cooperative agreements of the Agency for which closeout has not occurred but for which the POP has expired for more than
   2 fiscal years, provide an explanation of why each award has not been closed out.

   (4) Ensure the DATA Act reporting requirements comply with full transparency of financial data with all required attributes in the Federal spending chain, from the obligation to payment.

4. As required in the new administrative provision of the 2017 Consolidated Appropriation Act, Title III, the Forest Service must report within 30 days after the close of each quarter, through the Office of Budget and Program Analysis, the current and prior year unobligated balances to the House and Senate Committees on Appropriations. The Agency is directed to provide this report for all mandatory and discretionary funds, including receipts and permanent appropriations, as well as funds subject to notification requirements and transfers of unobligated balances.

5. 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/assets/gao-14-704g.pdf), 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 Audit and Assurance to determine whether the SOP needs to be updated, on an annual basis.

51.4 - Responsibility

All Forest Service employees with a role in the management or use of Forest Service funds are expected to uphold the policies in this handbook. Forest Service intends that this Handbook serves as our commitment to proper and accurate accounting, financial management, internal controls, and reporting of Agency obligations and funds.

51.41 - Chief Financial Officer

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

1. Ensure the quality and integrity of the Agency core accounting system and its subsidiary systems have in place, the necessary controls that align with the OMB A-11, administrative control of funds requirements, and FSH 6509.11k, Chapter 52 - Administrative Funds Control.

2. Ensure the Agency adheres to sound financial management policies and practices and has in place updated, within the ORMS required 5-year window, financial management policy and procedures, and applicable internal controls, to help ensure the completeness, quality, and integrity of data in the Agency core accounting system and its subsidiary systems.

3. Review and certify identified and required corrective actions related to unliquidated obligations, from program, procurement, financial, and other applicable staff.

4. Provide quarterly certification to the Department/Associate Chief Financial Officer - Financial Operations (ACFO-FO), of results of the reviews of unliquidated obligations, including grants and cooperative agreements.

5. Ensure proper reporting tools from the Agency core accounting system are timely, accurate, and available Agency-wide.

6. Ensure all known ADA Violations are properly investigated and subsequently reported through USDA, to Congress and the

President. https://www.usda.gov/oig/webdocs/50401-0016-11.pdf, for the specific investigation and reporting processes.

7. Ensure subsequent or late fiscal year agreements, to be funded after initial SPBA allocation, must be fully coordinated in advance with SPBA, before signature and execution so required budget authority (reimbursable or spending) is in place in the Agency core financial system.

8. Assure the quality and integrity of the financial data in the Agency core accounting system and its subsidiary systems. It is also the responsibility of the CFO to prescribe policy in accordance with accounting standards issued by Federal Accounting Standards Advisory Board (FASAB).

9. Ensure the Agency core accounting system and any subsidiary, feeder systems to the core accounting system, and/or mixed financial systems and workplan, provide complete, reliable, consistent, and timely information, and complies with applicable Federal and Department accounting principles, standards and requirements, and internal controls. The financial workplan specifies the appropriate amount of financing needed for the current or pending fiscal year, as well as for each respective future fiscal year under the agreement.

10. Ensure proper funds control and reporting of Agency fund management violations.

11. Review the results of the potential ADA violations after having completed the proper investigation and analysis of excessive obligation or spending incidents, to determine whether an ADA occurred and if reporting action is necessary. Such action may include recommendations to the Chief with requirements for dealing with ADA violations. The responsible party may be subject to penalties if it is determined that the assigned funding level amount was exceeded, either intentionally or through negligence.

51.42 - Deputy Chiefs, CFO, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors

It is the responsibility of the Deputy Chiefs, CFO, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors, (Responsibilities may be delegated as needed to the following, for example, Budget Officers, Contracting Officers, Program Managers, and obligating officials) to:

1. Ensure efficient and productive business operations in order to meet the Agency's mission.

2. Agreements to be funded after initial SPBA funding distribution must be fully coordinated in advance with CFO and SPBA, before signature and execution so required

budget authority (reimbursable or spending) are in place in the Agency core accounting system.

3. Initiate agreements or contracts only by working with the appropriate personnel, ((Budget Officers, Office of Procurement and Property Services (PPS), Office of Grants and Agreements (OGA), Budget and Finance (CFO-B&F), and so forth)) to do so. Agreements entered into must have required budgetary authority in sync with Agency funds availability as documented in the Agency core accounting system before work begins or expenditure takes place. Additionally, advances from non-federal entities must be obtained for work to be performed on their behalf, by use of Forest Service resources, except when addressing life, property, or national emergency needs of the immediate nature. In these cases, work may be performed on a reimbursable basis so danger, harm, or further damages are minimized.

4. Ensure ADA Violations are properly investigated by an employee and reported to the immediate supervisor or any Supervisor in the upward chain, to the CFO. See Accounting SOPs for the specific investigation and reporting processes.

5. Ensure proper reporting tools, such as the status of funds reports from the Agency core accounting system, are utilized to determine the real-time or accurate level of funding availability, prior to obligating Agency funds.

6. Verify that the source(s) and amount of funds used is available and appropriate for the goods and services to be procured. The bona fide need rule must be considered for all time-limited funding.

7. Work with SPBA and CFO-B&F to monitor funds monthly to prevent overspending; request additional funding as needed and in advance, through your budget staff to SPBA. Additional Funds sought must be allocated by SPBA and recorded in the Agency core accounting system or other official Agency budget tools before they are considered available for use. Develop and provide mandatory Agency reporting under the DATA Act; notify the CFO of any areas of concern or need to facilitate this required reporting.

8. Ensure obligations are reviewed monthly to determine if obligated balances are no longer valid or needed, and liquidate to free up funds for other Agency priorities.

9. Monitor and ensure that performance under all obligating instruments is properly described in the statement of work, and that performance is monitored and fully accomplished under the instrument.

    a. Ensure compliance with this policy for the monthly review, quarterly certification, and corrective action of unliquidated obligations.

b. Ensure timely action is taken by the appropriate staff to adjust and deobligate identified unliquidated obligation balances, especially for any dormant obligations, to release unused funds.

c. Coordinate and assist in timely closeout procedures of all contracts, grants, and agreements, especially if dormant for over 12 months.

d. Retain all obligations and related documents for audit purposes, as required by the National Archives and Records Administration (NARA) record retention criteria, and further outlined in Agency directive. All documentation must be retained for audit purposes, in accordance with Forest Service record retention direction FSH 6209.11, chapter 40, section 42, File Designations and Retention Periods.

51.43 - Director of Procurement and Property Services and Director of Office of Grants and Agreements

It is the responsibility of the Director of Procurement and Property Services and Director of Office of Grants and Agreements or their delegate to:

1. Ensure proper reporting tools, from the Agency core accounting system, are utilized to determine the level of funding availability prior to finalizing Agency agreements or procurement instruments which would obligate Agency funds.

2. Require program managers to verify that the source(s) and amount of funds to be used are available beforehand and appropriate for the goods and services procured. The bona fide need rule must be considered for all time-limited funding.

3. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO-B&F, and local budget offices to validate funds availability. Also, each instrument, as required under the Federal Acquisition Regulation (FAR) and/or related Office of Management and Budget (OMB) circulars, applicable to acquisition management rules and regulations for the applicable instrument, must ensure that sufficient funds are available for obligation, and appropriate timely billing and collection terms, proper fund source, and expiration date, before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO-B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

4. Ensure that all contract disposals and closeouts are completed in compliance with FAR closeout processes (48 CFR 4.804-5).

5. Ensure all grant and agreement closeouts are completed in compliance with appropriate FAR and/or OMB regulations (Refer to FSH 1509.11, chapter 10).

6. Monitor and review closeout dates for contracts and grants and agreements, and perform the necessary closeout activities.

7. Provide advice and training to field units to facilitate full compliance with acquisition direction.

8. Validate proper classification of instruments (Grants, Contracts, and Agreements) to determine Severability, Non-Severability, and also the amount of funds needed annually to satisfy the itemized instrument.

9. Ensure that POP is being interpreted similarly between contracts and grants and agreements.

10. Ensure that all obligations are monitored and liquidated before the period of availability and the Treasury Account Symbol (TAS) is canceled for multi-year funds.

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

It is the responsibility of the Director of Strategic Planning Budget and Accountability (SPBA) or their delegate to:

1. Adhere to Congressional directions in Agency annual appropriations and provide clarity to the Agency to facilitate full understanding and compliance. Congress may use appropriation act provisions to impose preconditions on a program's use of the funds being appropriated. The preconditions on use often effectuate Congressional oversight of the program. Consult with the Office of General Counsel to help provide provisions clarity of authority and intent.

2. Prepare requests for, and obtain approval of apportionments and reapportionments from OMB, per enacted legislation. Also, obtain approval of the apportionment schedule based on language in the enacted bill.

3. Upon receipt of OMB's approved apportionment, and Treasury's related warrants, immediately process and record into the Agency core accounting system, before any expenditure of such funds, the following:

    a. Apportionment levels as directed and required by OMB for the Agency to expend funds to accomplish its mission; and

    b. Agency apportionment in accordance with Agency administrative control of funds level, which is established at the Region/Station/Area Budget Line Item (BLI) level.

4. Provide appropriation and apportionment instructions to CFO-B&F for immediate recording of available funds in the Agency core accounting system.

5. Respond timely to Agency requests for additional budget resources, including any transfer, reprogramming of funds, and/or any other supplemental budgetary request.

6. Issue the Annual Program Direction that indicates apportionment, Congressional Direction, and/or Agency priorities.

7. Coordinate with Regions, CFO-B&F, and program staff to ensure that amounts allocated do not exceed apportionments, especially during periods of Continuing Resolutions (CRs).

8. Identify and validate available prior year fund balances and promptly allocate within apportioned amounts, based on leadership direction.

9. Manage the allocation and allotment processes and participate in, at a minimum, monthly fund status reviews; including working with the CFO organization to ensure timely and accurate funds available status in the Agency core accounting system, and/or other CFO authorized Agency-wide budget tool.

10. Establishing SPBA internal controls or SOPs to ensure compliance with this directive.

51.44a - Budget Line Officers

It is the responsibility of Budget Line Officers to:

1. Provide requested budgetary data, based on historical fund expenditure information contained in the Agency core accounting system, to support your unit and Agency budgetary needs, to Director of SPBA, as requested by SPBA. This is to help the Agency make proper budgetary requests to OMB so Congress may appropriate necessary funds to carry out Agency programs.

2. Manage or monitor annual allocations of funds, monthly, at a minimum, to ensure positive fund status exists and expenditures are in accordance with and do not exceed the fund allocations provided by SPBA, in the Agency core accounting system.

3. Ensure with Program staff, at a minimum, quarterly, to ensure requests for additional or supplemental funds, change in the POP, or need for reprogramming of funds, are timely and done through the Director, SPBA, coordination, and approval, which must occur in advance of any expenditures that may cause your initial allocation to be exceeded, leading to potential ADA violations.

4. Ensure any obligation of unit’s funds do not exceed allocated funds authorized for such expenditure and available in the Agency core accounting system, at the time of planned expenditure of the fund in question and monitor the funds to ensuring all allocations

have been obligated before the TAS expires and all obligations have been liquidated before the TAS cancels.

5. Ensure reimbursable agreements where the Forest Service is the performing Agency, doing work for and on behalf of another federal or non-federal entity, National and local budget authority amounts requested and approved are consistent, validated, and supported by the existing funds available, in the Agency core accounting system.

6. Ensure the required payment of advances, and request for appropriate spending authority is obtained when reimbursable work is being considered for non-federal entities and Forest Service is the performing Agency, in accordance with OMB A-11. This requirement to receive advances does not apply to Collection Agreements, where our partners are contributing funds to help accomplish Agency or mutual benefit work, as opposed to hiring the Forest Service to perform work on their behalf (Reimbursable Agreement). The Collection Agreement is to document the contributor's intent to partially or fully fund Forest Service work, though the partner may receive some benefit in doing so.

7. Establish and maintain effective systems of controls for managing funds in accordance with the amounts allocated, including the commitment of funds and the certification of funds availability for each transaction, prior to obligation, in accordance with approved funding for programs/projects.

8. Ensure agreements to be funded after initial SPBA funds distribution are fully coordinated in advance with SPBA, before signature and execution so required budget authority (reimbursable or spending) is in place in the Agency core accounting system.

9. Ensure budgetary and related accounting reports are reconciled to source documents, errors are identified and reported to the Director, Financial Management Systems, and corrective actions are taken to update the Agency core accounting system, at a minimum, quarterly.

10. Ensure with CFO-B&F, in determining the job codes Program Managers may use for a proposed agreement, only after obtaining and verifying the availability of budget authority with both local and national budget staff. This is to provide the opportunity to ensure local budget fund status information is consistent and validated with the national or Agency budget fund status before job codes are issued and obligated and Agency expenditure occurs.

11. Ensure the job code has sufficient funds to cover the proposed obligation to the recipient/cooperator, that is, sufficient funds are available for the proposed expenditures/project.

12. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO-B&F, and local budget offices to validate funds availability. Also, work with PPS and OGA or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, reflect the inclusion of "funds available" clause. Timely billing and collection terms must reflect proper fund source and expiration date before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO-B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

51.44b - Program Managers

It is the responsibility of Program Managers to:

1. Ensure when negotiating reimbursable agreements where the Forest Service is the performing Agency, doing work for and on behalf of another federal or non-federal entity, that national and local budget authority requested are consistent, validated, supported by the existing funds available, in the Agency core accounting system.

2. Ensure and negotiate the required payment of advances when reimbursable work is being considered for non-federal entities and Forest Service is the performing Agency, in accordance with OMB A-11 direction. This requirement to receive advances does not apply to Collection Agreements, where our partners are contributing funds to help accomplish Agency or mutual benefit work. The Collection Agreement is to document the contributor's intent to partially or fully fund Forest Service work, though the partner may receive some benefit in doing so.

3. Provide oversight of all program management activities and operations, including maintaining status of project execution of existing and new awards, monthly review of program expenses, project closure status, remaining fund balances, and other project status. This will assure timely obligations and disbursements of funds necessary to conduct program activities, in addition to timely closeout of the project and allow for de-obligation of remaining funds no longer needed. See 6509.11k, section 53, Reimbursable.

4. Ensure that performance and expected results under the instrument are properly described in the narratives and required funding for work to be accomplished is reflected in the financial plan and/or operating plan.

5. Ensure the financial plan identifies the appropriate amount of financing needed for the current or pending fiscal year, as well as for each respective future fiscal year under the agreement.

6. Coordinate with the appropriate local or unit Budget Officer and SPBA, to ensure that the proposed Forest Service funds are available for the type of project, or identify the use of incoming funds with the budget official, and obtain spending authority from SPBA, while verifying that the funds are proper for the POP and purpose.

7. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO-B&F and local budget offices to validate funds availability. Also, work with PPS and OGA or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, reflect the inclusion of "funds available" clause. Timely billing and collection terms must reflect proper fund source and expiration date before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

51.44c - Employees

It is the responsibility of all employees to:

1. Ensure that funds are available before creating an obligation in the Agency core accounting system or authorized subsystem. This is required for all official expenditures so we do not violate any ADA provisions.

2. Refrain from involving the government in a contract, or obligation for the payment of money, before an appropriation is made, unless authorized by law.

3. Report via management chain of command, or directly to the CFO, in cases where there are employee concerns or any instances of potential ADA or improper use and expenditure of government funds.

4. Monitor fund status monthly to prevent overspending, any employee responsible for managing funds must request and obtain approved additional funding, as needed, in advance of any related expenditure.

5. Verify with the budget staff, including funds availability in the Agency core accounting system, that the source(s) and amount of funds to be used are available and appropriate for the goods and services to be procured. The bona fide need rule must be considered for all time-limited funding.

51.44d - Washington Office Directors, Regional Foresters, Station Directors, Institute Directors, Forest Supervisors, and District Rangers

It is the responsibility of the Washington Office Directors, Regional Foresters, and Station Directors, Institute Directors, Forest Supervisors, District Rangers or organizational equivalents to:

1. Manage funds and related program activities within their respective units, consistent with Agency and federal financial management policies.

2. Ensure program funds are available and budgetary authority in place and properly authorized before work begins or expenditure of government funds take place.

3. Generate annual financial plans showing expected financing resources needed by Forest Service for each fiscal year, throughout the life of the agreement, contract, or grant.

4. Ensure non-emergency (imminent danger to life, property, and national security) related agreements, where the Forest Service is performing work on behalf of another non-federal entity, require the collection of advances before work begins and Forest Service funds are obligated. Additionally, the advances or collections obtained must also secure the proper budgetary authority approval from SPBA, also before work begins and Agency funds are obligated on others' behalf. This requirement for advances should also be pursued to finance non-salary related expenses under federal to federal work agreements (Inter-Agency Agreements or Reimbursable agreements), to alleviate the unnecessary use of Forest Service appropriated funds. Advances are not required if work is to be performed for another entity due to imminent danger to life, property, and national security; these could be addressed under a reimbursable agreement where collections are due after Agency appropriated funds have been expended (expenses) to address the emergency. Additionally, advances are not required under the Cooperative Funds Act, where our partners are simply donating or contributing funds to help the Agency accomplish its work, normally under mutual benefit applicable agreements (Collection Agreements).

5. Work diligently to ensure billings and collections are occurring monthly at a minimum, to ensure all monies owed to the Forest Service are collected and immediately applied against Agency accounts pending reimbursement or Agency deposits.

6. Commit funds by Officials, only to acquire goods, supplies, and services that meet the bona fide needs of the period for which Congress appropriated funds, or to replace stock used during that period. Where no-year funds may be applicable, the reasonable and necessary doctrine must be applied to prevent waste and abuse of government funds. The bona fide need rule does not apply to no-year funds, but all federal funds must be managed on a need and propriety basis.

7. Not be entered into within 45 days of the end of the fiscal year, Agency procurement of goods or services, especially by way of agreements or contracts, unless of an emergency nature, where impact to life, property, and/or national security is imminent. This is to prevent inappropriate or unnecessary year-end obligation and spending of funds or requests for budget authority when the Agency is readying for year-end closeout and timely reconciliation and reporting on Agency funds and programs.

8. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO-B&F, and local budget offices to validate funds availability. Also, work with PPS and OGA or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, must ensure that sufficient funds are available for obligation, and appropriate timely billing and collection terms, proper fund source, and expiration date, before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO-B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

9. Ensure that spending is within the performance period and does not exceed amounts negotiated in reimbursable agreements.

10. Facilitate timely closeout by ensuring field units request RACA closeout action via form FS 6500-243, Reimbursable or Advance Collection Agreement (RACA) Closeout Request/Notification Form, or Agency automated system Closeout Request within 60 days after the expiration date or other condition signifying project end.

11. Ensure compliance with the DATA Act reporting requirements for full transparency of financial data with all required and establish Government-wide data standards for any Federal funds made available to or expended by the Agency.

51.45 - Director of Financial Management Systems

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

1. Establish reliable and technology-sound core accounting system elements and related tools that allow for accurate and timely accounting and related reporting, as well as ensure incorporation of a robust system of automated internal controls to prevent, detect, and report on weaknesses in the core accounting system. This is to allow for a complete recording of all obligations and the subsequent monitoring and oversight of outstanding obligation balances.

2. Ensure that application controls are in place in the Agency core accounting system to prevent spending over the amount and fund level allocated. Effective FY 2019, these fund controls will be established at the Region/Station/Area BLI Level.

3. Ensure that the Agency core accounting system record all properly authorized and valid financial transactions affecting apportionments, reapportionments, allotments, sub-allotments, financial plans, program operating plans, obligations, expenditures, as well as anticipated or earned collections, and reimbursements.

4. Ensure the Agency core accounting system generate and reconciles with its internal systems financial reports that display cumulative expenditures by appropriations and allotment and cumulative expenditures by budget activity and object class.

5. Ensure the Agency core accounting system provides real-time (or at a minimum monthly) Funds Status Report, with actual fund balance notices to the related business area managers affected.

6. Establish internal controls to ensure Agency compliance with financial management policies regarding obligation activities.

51.46 - Director of Budget and Finance

It is the responsibility of the Director of Budget and Finance (CFO-B&F) to:

1. Record all financial transactions affecting apportionments, reapportionments, allotments, complete spending chain (see definition section) where a recorded Obligation is the first and minimum accounting and budgetary entry leading to Agency spending. Develop documentation of obligations, as well as anticipated and earned collections, including reimbursements when work is done, or advances provided from non-federal or other federal entities.

2. Record the Agency approved apportionments and allocations in the Agency core accounting system timely, based only on guidance provided by SPBA.

3. Perform accurate and timely accounting and related reporting of applicable commitments as part of the first step in the spending chain, to allow for a complete recording of all subsequent obligations and the subsequent monitoring and oversight of outstanding obligation balances. The amount to be recorded as a commitment is the estimated procurement cost outlined in the commitment document. The date the commitment document is signed by an authorized official determines the accounting period in which the commitment is to be recorded in the general ledger.

4. Ensure all business events and financial events resulting in a commitment and/or obligation must cite the proper funding source, including the Job Code, TAS, and Fund,

for example, and must be recorded in the Agency core accounting system, in accordance with the United States Standard General Ledger (USSGL) and USDA guidance for the Agency core accounting system.

5. Ensure accounting recording of obligations are immediate upon receipt of properly authorized and completed documents to help maintain as real-time Agency fund status. Additionally, this timely and complete recording of all obligations is required to help prevent spending over the amount obligated, and fund level allocated. Effective FY 2019 and going forward, these fund level controls will be established at the Region/Station/Area BLI Level.

6. Ensure the Agency core accounting system is populated with proper and timely accounting, in accordance with Treasury posting logic (USSGL) and entries to help facilitate and reconcile quality financial data and reports, relative to Agency obligations and expenditures.

7. Ensure accounting and reporting are completed in the Agency core accounting system to display cumulative obligations and expenditures (Funds Status) by appropriations and allotment, and by budget activity and object class, at a minimum, monthly.

8. Ensure Job Codes or accounting transactions are processed to allow program expenses to be executed in the Agency accounting system only upon validation of available funds, approved and appropriate budget authority in place, and monies in line with applicable annual financial plans.

9. Ensure advances and reimbursements are timely collected and accounted for in the Agency core accounting system to reduce risk and unnecessary reliance on Agency appropriated funds.

10. Establish internal controls to ensure Agency procurement instruments, such as agreements and contracts, in particular, have attached the proper budget approval with appropriate budget authority, showing Agency funds available to accomplish the planned work, before issuing CFO required accounting, such as the Job Code, TAS, and Fund information, for example. Redirect such instruments for proper budgetary approval and authority and do not record in Agency financial systems unless properly executed, thereby becoming valid.

11. Monitor and follow up with program, Grants and Agreement and/or procurement personnel, SPBA, and CFO-B&F to determine if unliquidated obligations are still valid and facilitate the deobligation and release of unused or unneeded funds, as necessary. All related documentation must be retained in accordance with ORMS record retention criteria for audit purposes in particular.

12. Ensure all prior year accounting adjustment requests and adjustments, critical to the accuracy of the Agency's financial data, are reviewed for accuracy and concurrence. These requests must be approved and submitted for action, by the applicable WO Deputy Area, Regions, Stations, Area, and Institute budget officers or to the Job Corps National Field Office.

13. Conduct reviews and monitor that corrective actions related to unliquidated obligations, inactive for at least 12 months, are performed at a minimum, quarterly.

14. Ensure increasing obligations or adjustment(s) correcting an erroneously reported prior-year deobligation must be made in accordance with applicable requirements to comply with OMB Circular A-11.

15. Ensure staff training occurs at a minimum annually on Agency financial management policy and procedures, and in particular, full understanding and use of CFO established Standard Operating Procedures as primary guidance for employees assigned to perform Agency budget and finance duties.

51.47 - Director of Financial Policy

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

1. Issue Forest Service Financial Management policies and procedures, under the CFO's purview, that comply with applicable statutory authorities and established best practices, including policies regarding Obligations and Unliquidated Obligation (ULO).

2. Review Forest Service Financial Management Directives under the CFO's purview, to make current, at minimum every 5 years, and take necessary steps to update the directive to be in line with current laws, regulations, organizational responsibilities, best practice solutions, and other items required to update the content and format of the Agency directive(s).

51.48 - Director of Audit and Assurance

It is the responsibility of the Director of Audit and Assurance (CFO-A&A) to:

1. Perform periodic or necessary internal reviews to ensure that Forest Service application of public funds adheres to the terms of the pertinent authorization and appropriation acts, as well as any other relevant statutory provisions.

2. Review and ensure that obligations policies and procedures are implemented and followed, through periodic or directed Agency reviews.

3. Perform ongoing or required tests and measurements to ensure Agency internal control systems are in place and they comply with the GAO Green Book requirements regarding:

    a. Control Environment,

    b. Risk Assessment,

    c. Control Activities,

    d. Information and Communication, and

    e. Monitoring.

4. Ensure management controls are in place and are implemented by Agency program staff, in accordance with the GAO Green book https://www.gao.gov/assets/gao-14-704g.pdf).

    a. Ensure and assess Agency program Enterprise Risk Management of funds and protocols for Agency review of funds control.

    b. Ensure established fraud, waste, and abuse standards for incorporation into Agency program reviews.

    c. Establish protocols to assist program staff in the development of corrective action plans to remediate control weaknesses over funds control.

5. Ensure established Federal USDA-OCFO and GAO reporting requirements for internal control weaknesses, to allow for upward and corporate reporting by Agency staff, at any level, to leadership on funds control weaknesses and needed corrective actions.

51.49 - Director of Financial Reporting and Reconciliation

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

1. Compile and deliver financial reports in compliance to FASAB, OMB, Treasury, and Data Act standards and to identify to the Director, Financial Policy, posting models, not in compliance, and/or new or updated posting models needed.

2. Develop and provide mandatory Agency reporting under the DATA Act; notify the CFO of any areas of concern or need to facilitate this required reporting. Ensure DATA Act requirements for reporting on obligations are timely, complete, and meaningful to help provide transparency of Agency spending to the public, USDA, Congress, and Treasury.

3. Ensure monthly (except for Period 1) financial reports to Treasury and quarterly Agency financial reporting to USDA as part of consolidated financial statement process, are timely, accurate, reliable, complete, and meaningful.

51.5 - Definitions

Accountable Officer. Any Government officer or employee who by reason of their employment is responsible for or has custody of government funds. B-288163, June 4, 2002; 62 Comp. Gen. 476, 479 (1983); 59 Comp. Gen. 113, 114 (1979); B-257068, Oct. 22, 1994; B-188894, Sept. 29, 1977. Accountable officers encompass such officials as certifying officers, disbursing officers, collecting officers, and other employees who by virtue of their employment have custody of government funds. This applies to Program Managers, Supervisors, or those authorizing the expenditure of Government funds.

Agency Core Accounting System. The Agency develops and maintains an integrated Agency accounting and financial management system, including financial reporting and internal controls, which:

1. Complies with applicable accounting principles, standards, and requirements, and internal control standards;

2. Complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

3. Complies with any other requirements applicable to such systems; and

4. Provides for:

    a. Complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of Agency management;

    b. Development and reporting of cost information;

    c. Integration of accounting and budgeting information; and

    d. Systematic measurement of performance.

The Agency core accounting system also comprises of the various transactions involved in authorizing, recording, classifying, and reporting financial data. The Agency core accounting system captures transactions when they are authorized, processes the data, and issues financial statements and reports. See FSM 6595.11, Agency Core Accounting System.

Allocation. An Allocation is often used within the Agency to indicate a further delegation of obligational authority.

Allotments. Authority delegated by the head or other authorized employee of an Agency to Agency employees to incur obligations within a specified amount pursuant to OMB apportionment or reapportionment or other statutory authority making funds available for obligation.

Allowances. Allowances and allocations are subdivisions of suballotments.

Apportionment. A plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Appropriation Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes other limitations, as appropriate) for specified periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an Agency into allotments, suballotments, and allocations.

Appropriation. A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Appropriation Clause. The Appropriations Clause has been described as “the most important single curb in the Constitution on Presidential power.” It means that “no money can be paid out of the Treasury unless it has been appropriated by an act of Congress.” Cincinnati Soap Co. v. The United States, 301 U.S. 308, 321 (1937). See also B-300192, Nov. 13, 2002.

Bona Fide Need Rule. The rule mandates and provides that an appropriation limited to an obligation for a definite period may be obligated (the fiscal year's appropriations only be obligated to meet a legitimate or bona fide need arising in, or sometimes before the fiscal year for which the appropriation was made) only to meet a legitimate need arising during the availability of the appropriation and does not apply to no-year funds. https://www.gao.gov/assets/670/668991.pdf

The Agency charges an obligation to the appropriation current when it is first incurred, even though the payment may be made in a subsequent fiscal year.

Budget Authority. The authority provided by law to incur financial obligations that will result in outlays. Most laws provide budget authority in the form of appropriations, but some laws provide budget authority in the form of contract authority, borrowing authority, or spending authority from offsetting collections.

Budget Officer or Unit Designee. The person responsible for ensuring the source(s) and amount of funds is available and appropriate.

Certifying Officer. A Government officer or employee whose job is or includes certifying vouchers or invoices. A certifying officer's liability is established by 31 U.S.C. § 3528. Certifying officers are responsible for the legality of proposed payments and are liable for the amount of illegal or improper payments resulting from their certifications.

Closeout. Closeout of a Federal Grant Award in which the awarding Agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes action as described in 2 CFR 200.343, the Closeout process. https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200

Commitment. An administrative reservation of allotted funds, or other funds, in anticipation of Agency obligation.

De-obligation. The cancellation, downward adjustment, or deletion of a previously recorded obligation. Such adjustments may be attributable to the cancellation of a project or contract, price revisions, corrections of amounts previously recorded, or differences between obligations previously recorded and payments made.

Discretionary Spending. Budgetary resources (except those provided to fund mandatory spending programs) provided in appropriations acts.

Expenditure Transactions. For accounting and reporting purposes, transactions between appropriation and fund accounts which represent payments, repayments, or receipts for goods or services furnished or to be furnished. Where the transaction benefits the transferring account, expenditure transactions are recorded as obligations/outlays of the transferring accounts and as offsetting collections of the receiving accounts.

Expenditures. For provisions of the ADA, 1982 (31 U.S.C. 1513-1514), and the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622 (I)), a term that has the same definition as outlay (see section 51.5).

Grant. An instrument awarded by the Forest Service to transfer money to the applicant in order to accomplish public support or stimulation. Forest Service personnel, or their representatives, do not have substantial involvement with the recipient during the performance of the agreement. The recipient performs the project or activity without Forest Service collaboration or participation.

Mandatory spending. Mandatory or direct spending includes spending on entitlement programs and certain other payments to people, businesses, and State and Local Governments.

Mandatory spending is generally governed by statutory criteria; it is not normally set by annual appropriation acts.

Multi-year Budget Authority. The language for a specific appropriation of budget authority in an appropriations act or the authorization of the appropriation may make all or some portion of the amount available for obligation for a specified period over one fiscal year.

Non-Severable Services. 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.

Obligating Official. The Forest Service employee authorized to enter into a formal agreement with an outside entity.

Obligation. A legally binding agreement that will result in outlays, immediately or in the future. When an order, a signed contract, awarding a grant, purchasing a service, or taking other actions that require the Government to make payments to the public or from one Government account to another, an obligation is incurred. It is a violation of the ADA (31 U.S.C. 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made unless authorized by law. It is a violation of the ADA to incur an obligation in an amount greater than the amount available in the Treasury account that is available. This means that the account must have budget authority sufficient to cover the total of such obligations at the time the obligation is incurred. Also, the obligation you incur must conform to other applicable provisions of law, and you must be able to support the amounts reported by the documentary evidence required by 31 U.S.C. 1501.

Offsetting collections. These are 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. Usually, they are authorized to be spent on the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government and intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.

Offsetting receipts. These are payments to the Government that is credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to

receipts. Usually, they are deducted at the level of the Agency and subfunction, but in some cases, they are deducted at the level of the government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and intragovernmental transactions with other Government accounts.

Outlay. The amount of funds that are expended for the operation of the program, project, or activities of the funds and the acquisition of assets.

Period of Performance (POP). The POP is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding Agency or pass-through entity must include start and end dates of the POP in the Federal award (see 200.210 Information contained in a Federal award paragraph (5) and 200.331, Requirements for pass-through entities, paragraph (a)(1)(iv)). (2 CFR - 200.77 - POP).

Program Direction. The Forest Service program direction contains the operating direction and guidance for fiscal year spending. The direction and guidance incorporate the Agency's mission priorities, such as those in the strategic plan, annual performance plans, and fiscal year budget justification. It also incorporates congressional direction and intent contained in the fiscal year appropriation acts and accompanying congressional reports. Strategic Planning, Budget, and Accountability (SPBA) develops program direction to provide maximum flexibility and clarity of the Agency budget to Line Officers in achieving the goals of the Forest Service.

Program Manager. Forest Service employees with program management responsibilities, including the initiation and monitoring of an obligating instrument. Additionally, employees with knowledge of performance, completion of work, payment approval, and closeout actions.

Program, Project, or Activity (PPA). Programmatic detail of the appropriation account as shown in the Program and Financing Schedule in the President's Budget *Appendix* or as provided in the House, Senate, and conference reports accompanying the appropriation act.

Reapportionments. Reapportionments are made when changes need to be made to the previously approved apportionment for the current year. For example, reapportionment requests should be made when approved apportionments are no longer appropriate or applicable because amounts available for obligation have increased or unforeseen events have occurred. Refer to Section 120.48 and 120.49 of OMB Circular A-11 for additional reapportionment requirements.

Reimbursable obligation. An obligation financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account.

Reprogramming. Movement of funds within an appropriation account, from one budget activity, program, or project to another, for purposes other than those outlined in the budget justifications and expressed as Congressional intent in the Appropriations Bill reports. Reprogramming guidelines are specified in Committee reports and allow for notification of the Subcommittees in advance of reprogramming. Unless OMB provides a specific exemption, OMB approval is required for reprogramming requests.

Severable Services. Severable services are routine and performed regularly. 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 POP, as long as the basic contract, option, or order does not exceed one year.

Spending Authority from Offsetting Collections. Type of budget authority payments and repayments authorized by law to be credited to an appropriation or fund account. Payments and repayments consist of reimbursements, advances, refunds, and other income. Amounts are recorded as either estimated reimbursements or anticipated collections. This authority permits obligations and outlays to be financed by offsetting collections. Allows a federal Agency to use its appropriated funds to initially perform work for others and then bill the partner subsequently, to collect the amounts owed to reimburse the appropriated funds used. It also provides the Agency with the ability to bill another federal or non-federal source for work performed in accordance with signed agreements.

Supplemental Appropriation. Provides additional budget authority. These are additional funds to an appropriation while the fiscal year is already in progress, and are generally used for needs that were not anticipated, for example, in emergencies like disasters, or national security. They are requested by the Agency and approved by OMB as supplemental appropriation bills.

Transfer. Shifting of funds between appropriation accounts to cover shortfalls or unforeseen events.

Undelivered Order. An obligation for goods that have not been received or services that have not been performed.

Unliquidated Obligation. The balance remaining from the amount of orders placed; contracts or other binding agreements awarded; or services rendered after making any payments or processing deobligations. Unliquidated obligations consist of undelivered orders and accounts payable.

51.6 - Administrative Funds Control

Administrative Funds Control restricts both obligations and expenditures to assure that apportioned funds are not overspent, and that an employee responsible for creating an obligation or expenditure that exceeds an available fund is held responsible for such action. Funds control also restrict obligations and expenditures from each appropriation or fund account to the lower of the amount apportioned by OMB, or the amount available for obligation or expenditure in the appropriation or fund account. As stated earlier, Apportionments are done at the Treasury Appropriation Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region/Station/Area (RSA) and Budget Line Item (BLI) in the appropriate TAFS and related fund and budget period. Thus, obligations and expenditures are limited to the amounts allocated at the RSA/BLI level. For more details, see FSH 6509.11k, chapter 50, section 52, Administrative Control of Funds.

51.7 - Spending Chain

The Agency core accounting system supports the execution of the Agency's budget and is critical to the fund control process. The ideal spending chain starts with commitments. When possible, a commitment should be established in the Agency core accounting system as the first step in the spending process, using established requisition documents based on the type of business activity. After funds are committed, an appropriate obligation must be entered into the Agency core accounting system as part of the required fund control processes. Prior to an obligation being entered, funds must be available for the intended purpose. For Apportionment, Allotment and Suballotments see FSH 6509.11k, section 52.6, and section 52.7 in this handbook.

51.71 - Availability of Funds

Funds must be available prior to any commitment or obligation for the procurement of goods and services of any type and before any work begins. The Agency core accounting system must provide the appropriate fund status warnings and controls to ensure that fund limitation is not exceeded. Extensions to the POP on the contract will be adjusted by a modification if the obligation is still open and the original POP has expired.

Availability of funds must be ensured for:

1. Contracts, purchase orders, and the related, when the request for goods or services must be processed in the Agency approved acquisition system(s), which incorporates the approval of the designated budget-approving officer. https://www.dm.usda.gov/procurement/policy/index.htm

2. Grants and agreements, when the Program Manager in the Agency processes the request in the approved acquisition system(s), which incorporates the approval of the

budget-approving officer. See FSH 1509.11, chapter 20, for the processing of grants and agreements.

Any exemption to processing contracts or orders outside of the Agency approved acquisition system(s) must be authorized by the Directors of PPS, OGA,CFO-B&F, and SPBA; in doing so, the necessary controls for the alternate acquisition means utilized, must include the same commitment and obligation criteria for adequate funds control, accounting and reporting under the DATA Act, and Agency financial statement reporting.

51.72 - Commitments

A commitment is an administrative reservation of allotted funds, or other funds, in anticipation of the Agency obligation. For example, when the Agency authorized Acquisition system(s) processing of a procurement request is approved by the Budget Officer, a commitment document must be recorded in the Agency core accounting system. This is done to begin the fund management process related to the spending chain so that a transaction can be tracked from ordering of the goods and services to the final payment of goods and services, as required by the DATA Act.

Commitments must be reviewed and de-committed or obligated, before the end of the fiscal year. Field Budget Officers shall regularly review commitments during the year and advise the CFO-B&F of needed status, by completing the appropriate Agency commitment and obligation requests, or completing the de-commitment in the appropriate interface system. De-committing funds release budget authority that may be then used for other planned activities.

Commitments are valid only during the fiscal year in which they are executed. If funds are not obligated by the end of the fiscal year, the current year’s commitment is canceled and a new commitment of funds must be made in the new fiscal year.

51.73 - Recording Obligations

Obligation creates a legally binding agreement that will result in outlays, immediately or in the future. Obligations may occur under the following business events but are not limited to purchase orders, grants and agreements, inter-Agency agreements, reimbursable agreements, contracts, and other miscellaneous obligations.

An amount must be recorded as an obligation when supported by documentary evidence of the criteria as laid out in 31 USC 1501 (Documentary evidence requirement for Government Obligations). The requirement of appropriations law is to record amounts as obligations only for intended and legal purposes. Under no circumstances will reserves or estimates be recorded or reported as an obligation to cover a possible unknown or contingent obligation. Commitment transactions normally precede all obligations in the spending chain process and set aside funds

for future obligations and subsequent expenditure. Obligations must be recorded before any expenditures are incurred.

51.8 - Reviewing Obligations

To review and manage obligations properly, the following guidelines must be applied:

1. Application of the Bona Fide Need Rule. The Bona Fide Need rule requires that the obligation entered into by the government meet a need for the fiscal year that is current when the obligation is entered into and not a need of the future year. The Agency charges an obligation to the appropriation current when it is first incurred even though the payment may be made in a subsequent fiscal year.

2. Units must complete the appropriate Agency approved commitment and obligation request document and required supporting documentation for submission to the CFO-B&F. At month-end, all obligations for the current month must be recorded immediately. For example, if an obligation is received the morning of the last day of the month every attempt must be made to record that obligation before the close of business, that day.

3. Grants and Agreement and contract documentation files must support the proper POP and related obligations and payments made against the respective instrument.

4. Obligations must be recorded appropriately as either undelivered or delivered to ensure the correct general ledger account is posted. If an obligation listed on the undelivered report is known to be delivered, the Program Manager shall process a receipt confirmation as soon as possible, and contact the trading partner to obtain an invoice.

5. Existing obligations must be immediately deobligated when they have no legal basis or were not properly authorized and supported or funded. An obligation must be deobligated accordingly when orders for goods and services are canceled, or a final invoice is received, and the disbursement is less than the original obligation.

6. Units must maintain obligation documents for all obligations recorded in the Agency core accounting systems as long as the obligation is valid, and for audit purposes.

7. At a minimum, a quarterly review of payment data entered into the Agency's core accounting system must occur to ensure data integrity and that supporting documentation is maintained. Also, to ensure the payment is applied to the proper obligation.

51.81a - Compliance with the Bona Fide Need Rule

Budget and accounting officials must comply with the bona fide need rule. The Bona-File Need Rule as defined by Title 31 of the U.S. Code, Section 1502, states that:

1. "The balance of an appropriation or fund limited for an 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 and obligated consistent with section 1501 of this title. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law."

2. "A provision of law requiring that the balance of an appropriation or fund be returned to the general fund of the Treasury at the end of a definite period does not affect the status of lawsuits or rights of action involving the right to an amount payable from the balance".

The Bona Fide Needs Rule: "A fiscal year appropriation may be obligated only to meet a legitimate, or bona fide, need arising in, or in some cases arising prior to but continuing to exist in, the fiscal year for which the appropriation was made." (Red Book, 3rd Edition, page 5-11). The rule emphasizes the need and time to obligate, charging to the correct fiscal year and the circumstances for determining the period of time to obligate funds.

The bona fide need rule, severability determination, and obligations of time-limited appropriations are presented in GAO Principles of Federal Appropriations Law. Available time-limited funds include both:

1. Time-limited funds appropriated and apportioned in the current year, and

2. Carry-over balances, from the prior year, time-limited appropriations, apportioned, and reapportioned in the current year.

51.81b - Non-Severable Requirements

Non-severable services represent a single undertaking that cannot be separated into components but must be performed as a single task to meet the need of the government. 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 current appropriation when the contract was signed. For non-severable services, the Agency 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.

51.81c - Severable Requirements

The Agency may obligate time-limited funds only to cover the severable requirements (as determined by the Contracting Officer) that will be performed in the period during which the time-limited funds may be obligated. Each of the separate components of the severable requirements must be funded only with the time-limited funds applicable to the period in which the need for the component arises.

There is one partial exception to this basic rule for the funding of severable requirements. The Federal Acquisition Streamlining Act (41 U.S.C. § 3902) provides that an Agency may enter into a contract, option, or order for severable services that cross fiscal years and fund it (with all of its components) with funds of the current fiscal year, provided that the POP of the contract, option, or order does not exceed twelve months. The partial exception applies to one-year funds; and to multiple year funds in the last year of their availability for obligation (before the last year of a multi-year appropriation, there is no need for an exception to obligate funds across fiscal years during the normal period of availability).

Services are considered severable if they can be separated into components that independently provide value to meet the Agency's needs. Thus, the Agency 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.

51.81d - Multi-Year vs No Year Funding

The bona fide need rule prohibits the Forest Service from obligating funds that are appropriated for the needs of a time-limited period (single-year or multi-year) to meet the needs of subsequent periods unless the obligation is authorized by a more specific statutory authority such as the Federal Acquisition Streamlining Act of 1994 (FASA). The bona fide needs rule applies to multiyear appropriations and single-year appropriations; it does not apply to no-year appropriations. (43 Comp. Gen. 657, 661 (1964))

51.81e - Multi-Year Funding Lifecycle

As a result of the Consolidated Appropriations Act of 2017, most of the Agency discretionary accounts have transitioned from no-year funds to multi-year funds, with four years of availability. A few of the accounts that transitioned to multi-year include, State and Private Forestry, National Forest Systems, and Capital Improvement and Maintenance. The life cycle of multi-year funding is described below:

1. **Funds Unexpired Phase (Four-Years Availability):** The first phase of the multi-year funding is the Unexpired Phase. This is the phase where the Agency has four-years to allocate or allot funds, incur obligations, and disburse existing obligations.

2. **Funds Expired Phase (Five-Years Availability)**: The second phase of the multi-year funding is the Expired Phase. This is the phase where the Agency funds are legally expired and the Agency is prohibited unless stipulated in law from incurring any new obligations or commitments. However, the Agency is only permitted to disburse existing obligations and make upward adjustments where appropriate.

3. **Funds Canceled Phase**: This is the final phase of the multi-year funding. In accordance with 31 U.S.C. § 1555) an appropriation account available for obligation for an indefinite or timed period shall be closed, and any remaining balance (whether obligated or unobligated) in that account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose, if:

    a. The head of the Agency concerned or the President determines that the purposes for which the appropriation was made have been carried out;

    b. No disbursement has been made against the appropriation for two consecutive fiscal years. (31 U.S.C. § 1555); and

    c. Written confirmation is provided that the remaining funds or TAS account are no longer needed as the purposes for which funds were intended are no longer necessary or have been completed and any outstanding claims have all be accounted for.

51.81f - Agreements with Other Federal Agencies

When other Federal agencies provide services or materials to the Forest Service under an inter-Agency agreement authorized by the Economy Act, the budget official must deobligate any time-limited funds that have not been obligated by the performing Agency before the expiration of the funds. The deobligation is a control to ensure that expired funds are not improperly obligated by the performing Agency. These expired funds are not available for new obligations.

51.81g - Replacement Contracts

The rules for replacement contract applies in situations when:

1. The Forest Service must replace original contracts due to termination, and

2. The funding provided for the initial contract has expired and thus is not available for new obligations.

The replacement contract rules may apply when a contract is terminated because of:

1. Default by the contractor or pursuant to a court order, or

2. Determination by a contracting officer that the award was improper due to explicit evidence the award was erroneous. The replacement contract rules may also apply when a determination is documented with the appropriate finding of fact or law, or by other competent authority (Board of Contract Appeals, Government Accountability Office, or contracting officer) that the contract award was improper.

Under the replacement contract rules, the funds obligated under the original contract may be available for the purpose of engaging another contractor to complete the unfinished work, notwithstanding the fact that their original period of obligational availability has expired. In order for funds to remain available beyond expiration for a replacement contract, four conditions must be met:

1. The original contract was made in good faith;

2. A *bona fide* need for the work, supplies, or services must have existed when the original contract was executed, and it must continue to exist up to the award of the replacement contract;

3. The replacement contract must not exceed the size and scope of the original contract. If it does, it is a new obligation and must be charged to funds currently available for obligation at the time the replacement contract is entered into; and

4. The replacement contract must be awarded without undue delay, within a reasonable time after termination of the original contract.

Additional information can be found in chapter 5 of the GAO Principles of Federal Appropriations Law.

51.81h - Adjustment(s) Increasing an Obligation after the Expiration of the Appropriation (Upward Adjustments)

Budget Officers shall record and report these increases only as valid upward adjustments in accordance with requirements set in FSH 6509.11k, chapter 52, Administrative Control of Funds.

51.81i - Adjustment(s) Decreasing an Obligation after the Expiration of the Appropriation (Deobligations of Expired Funds)

Budget Officers shall record and report these downward adjustments in accordance with requirements set in FSH 6509.11k, section 52, Administrative Control of Funds.

Deobligated, expired funds are not legally available for incurring new obligations, but they may be used to cover other valid upward adjustments within the original appropriation or fund in the expired account. This process should be coordinated with both CFO-B&F and SPBA.

Deobligated, expired funds are not legally available for incurring obligations on new or successor contracts. New or successor contracts must be obligated using current unexpired appropriation(s) that are available for incurring new obligations at the time the contracts are awarded.

51.81j - Adjustments to Obligations

Obligations must be recorded promptly, adjustments to increase or decrease obligations must be recorded when events or justifiable conditions warrant such actions. Program budget and accounting officials have a mutual responsibility to ensure the following minimum requirements are considered or met to adjust obligations:

1. **Modifications of Agreements**. When contract modifications involve changes in amounts for any reason, including corrections of estimates, required obligation adjustments shall be recorded promptly upon approval of the contract modification.

2. **Termination of Contracts and Agreements**. When a contract or agreement is terminated in whole or in part for the convenience of the Agency, decrease the pertinent obligation to an amount sufficient to meet the settlement costs under the termination. Do not decrease the obligation below the amount estimated by the contracting officer, which is determined by the best evidence available of the amount due as a result of such termination. The deobligation must be supported by contract modification or formal termination agreement, except in the cases of deobligation of small purchase and delivery orders. For such contracts and agreements, the contracting officer (in coordination with SPBA) may use the appropriate approved form, in lieu of a contract modification, to indicate that remaining funds are not needed for further payment and should be deobligated. For the purpose of this exception, small purchase and delivery orders shall be limited to the Federal Acquisition Regulation Simplified Acquisition Threshold.

3. **Special Requirements for Increasing Obligations**. Increasing obligations or adjustment(s) correcting an erroneously reported prior-year deobligation must be made in coordination with the Director of SPBA.

4. **Special Requirements for Decreasing Obligations (Deobligations)**. To ensure compliance with OMB Circular A-11, changes in obligations incurred in prior years must not be netted against current obligations. When conditions change and funds are no longer needed on a particular contract, in whole or in part, the funds are removed from the contract (deobligated). If the original unpaid obligation occurred in a prior fiscal year, these deobligations should be recorded and reported as a downward adjustment to prior-year unpaid obligations (prior-year deobligation) and are not available for obligation only if expired. Prior-year deobligations within unexpired accounts that are

subject to apportionment require reapportionment by the OMB before being reissued (issuance of a new allotment) by the Director of SPBA for future obligation.

51.81k - Reapportionments

Reapportionment is a revision of a previous apportionment of budgetary resources for an appropriation or fund account. The Agency is required to submit requests for reapportionment to OMB by the Director of SPBA, as soon as a change becomes necessary. Reapportionments are mostly due to changes in amounts available, program requirements, cost factors, or de-obligations/re-obligations above specific levels (OMB Circular A-11, 120).

The following exceptions do not need to be recorded and reported as prior-year deobligations and do not require reapportionment:

1. **Administrative changes**. This includes corrections to erroneous transactions, administrative adjustments to reflect a change in the Agency core accounting system, and accounting adjustments that do not reduce the funding available to the contractor for a particular work scope. Administrative changes to existing obligations do not constitute prior-year deobligations. Thus, such administrative changes to prior year obligations should not be recorded as prior-year deobligations in the Agency core accounting system. Generally, a transaction is considered an administrative change if it does not;

   a. Decrease the total dollar amount obligated;

   b. Change vendor information (except as provided elsewhere in this policy);

   c. Change the fund code; or

   d. Reduce the funds available for the work scope specified by the contract or the work authorization.

2. **Replacement contracts**. Expired funds may be used for replacement contracts under limited circumstances. Because they are expired, such funds cannot be reapportioned. When replacement contracts are permitted, the funds deobligated from the vendor that was unable to complete the work scope should be marked as current year obligations. This allows the funds to be re-obligated on the replacement contract.

51.81l - Reprogramming/Transfers

The Director of SPBA must prepare a letter, with supporting documentation, to the House and Senate Appropriations Committees informing Congress of Forest Service intent to reprogram or transfer funds as required by the general provisions in the annual appropriation act. Only under

emergency conditions will consideration be given to requests forwarded during the last quarter of the fiscal year, indicating the necessity of moving funds within, and between, accounts.

51.81m - Quarterly Certification and Review of Unliquidated Obligations

The CFO is required to submit to USDA-OCFO a quarterly certification of the review of the unliquidated obligations. All reviews are to be done by Program Officials, certified by the appropriate Regional Foresters and must provide to CFO-B&F for review, compilation, and submission to the CFO for certification.

In accomplishing the ULOs reviews, program and procurement personnel must consider the following, if applicable:

1. The period of fund availability;
2. The POP or delivery date;
3. The completeness and accuracy of information provided by contract, or grant recipients;
4. Whether the funds have been expended consistently with the percentage of completion;
5. Whether remaining funds are sufficient to complete the order in accordance with specifications or whether funds are no longer needed;
6. Justifications for amendments to funding levels;
7. Supplemental funding for agreements or grants, and so forth;
8. Reasons for lack of activity, such as litigation or delay in contract closeout;
9. Any provisions of the agreement or contract that may permit or prohibit deobligation or reprogramming; and
10. Any other relevant factors, when making a determination

The review should disclose unliquidated obligations:

1. That do not have a legal basis, or are not properly authorized and supported by appropriate documentation;
2. Which have been completed for 12 months or more and have not been closed out; and
3. Under which no future expenditures are expected.

4. Under which delinquent payment exists, and additional research is needed to determine why the invoice has not been processed; and

5. That have accounting errors because of duplicated entry or incorrect amounts.

Obligations must be reviewed, closed-out, and de-obligation must occur on an ongoing basis as determination(s) are made that obligation(s) can be adjusted or canceled. Once a determination is made that an unliquidated obligation is no longer valid, program personnel must notify the appropriate budget personnel, in writing, within 5 days after the determination is made to process a deobligation. The budget staff must notify SPBA and CFO-B&F of potential funds to be or are in the process of being deobligated. CFO-B&F or appropriate program official must cancel or adjust the unliquidated obligations in the Agency core financial system, within 15 days after receipt of the written notification. All documentation must be retained (for 10 years) for audit purposes. See FSH 6209.11, chapter 40, File Designation and Disposition.

51.82 - Closeout of Obligations and Reapportionment

Monthly accounts maintenance must be performed for all agreements, contracts, procurements, or other accounting transactions related to prior period adjustment requests. Also, a monthly review is required to assure proper and timely accounting transactions occur, within the appropriate fund purpose, and established criteria is followed (for appropriate direction see FSM 1580, Grants, Cooperative Agreements and Other Agreements, FSH 1509.11, Grants and Cooperative Agreements, section 16, and 48 CFR 4.804-5).

Once the fiscal year has closed, the Agency reports to Congress through the OMB reporting systems and through its financial statements by U.S. Treasury Account Symbol, its unobligated balances, for each Treasury Appropriation Fund Symbols (TAFS). These funds are requested from OMB through the annual reapportionment process. If OMB approves the reapportionment in the next fiscal year, the unobligated balance brought forward will provide the Agency with the total of prior-year budget authority available. Activity recorded in prior fiscal years consists of deobligation of invalid open items, recording of upward and downward adjustments to open obligations per the bona fide needs rule, ratification, and recording of missed obligations and disbursements to liquidate recorded open items. Multi-year/No-year funds TAFS with unexpired budgetary resources available for an obligation must be apportioned every fiscal year, unless specifically exempt by OMB Circular A-11, Section 120.5 (TAFS exempt from apportionment).

52 - Administrative Control of Funds

52.1 - Authority

52.11 - Statutory Authority

1. **Chief Financial Officers (CFO) Act of 1990**. This Act establishes Government-wide financial management policies, requirements, and monitoring for the establishment and operation of financial management systems. It requires the monitoring of resources to effectively operate, maintain, and enhance financial management systems through activities such as reviewing Agency budget requests for financial management systems and operations; reviewing and, where appropriate, recommending to the Director of Office of Management and Budget (OMB) changes to the budget and Agency legislative proposals to ensure that they are in accordance with OMB's financial management plans. This Act also establishes the Office of Federal Financial Management in OMB to perform these Government-wide financial management responsibilities.

2. **Consolidated Appropriations Act, 2017 (Public Law 115-31, May 5, 2017)**. This Act sets the overall fiscal year (FY) 2017 spending limits by Agency or program and authorizations directing how Federal funds should or should not be used. It also requires the Forest Service transition, effective FY 2017, from no-year to multi-year (4 years) funds. The transition to multi-year funds requires the application of the "Bona Fide Need Rule" on Agency use of its multi-year funds; this rule does not apply to no-year funds.

3. **Title 48 CFR 4.804-5, Procedures for Closing out Contract Files**. This Regulation requires that all contract disposals and closeouts are completed in compliance with Federal Acquisition Regulation procedures and closeout process for contract files. https://www.govinfo.gov/app/details/CFR-2011-title48-vol1/CFR-2011-title48-vol1-sec4-804-5.

4. **Forest Service Manual (FSM) 1580 (Grants, Cooperative Agreement, and Other Agreements**. This manual reflects additional responsibilities for developing and implementing grants or agreements with signatory officials, certified Grants, and Agreements Specialists, and Program Managers. In addition, FSM 1580 provides clear direction on the use of grants, cooperative agreements, and other agreements to carry out the Forest Service mission for public benefit in accordance with applicable laws, regulations, and management policy.

5. **Agriculture Acquisition Regulation (48 CFR, chapter 4, parts 401-453**. This regulation prescribes policies and procedures to implement and supplement the Federal Acquisition Regulation (FAR) as the primary and uniform regulation for use by all Federal Executive agencies in the acquisition of supplies and services with appropriated funds.

6. **Subpart 32.7--Contract Funding**. This subpart:

   a. Describes basic requirements for contract funding and

   b. Prescribes procedures for using limitation of cost or limitation of funds clauses. Detailed acquisition funding requirements are contained in Agency fiscal regulations.

   Basically, no officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Antideficiency Act, (ADA), 31 U.S.C. 1341), unless otherwise authorized by law. Before executing any contract, the contracting officer shall:

   a. Obtain written assurance from responsible fiscal authority that adequate funds are available or

   b. Expressly condition the contract upon availability of funds in accordance with 32.703-2.

7. **OMB Circular A-11, Preparation, Submission, and Execution of the Budget, including Part 4 and appendix H**. This Circular provides:

   a. An overview of the budget process, including the basic laws and terms and concepts needed to better understand the budget process, including directions on administration of funds;

   b. Guidance on how to prepare and submit materials required for OMB and Presidential review of all Agency requests and the formulation of the budget; and

   c. Describes the requirements of the Government Performance Results and Modernization Act, 2010, relative to strategic plans, performance plans, and reports. Part 4 provides instructions on Budget Execution and related OMB guidelines. appendix H provides a checklist for Funds Control Regulations.

8. **OMB Circular No. A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996**. This circular provides for the establishment of uniform financial system, standards, and reporting.

9. **OMB Circular No. A-130, Management of Federal Information Resources***.* This circular provides general policy for the planning, budgeting, governance, acquisition, and management of Federal information resources. It also includes appendices outlining Agency responsibilities for managing information, supporting the use of electronic transactions, and protecting Federal information resources. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information.

10. **The Digital Accountability and Transparency Act of 2014 (DATA Act)**. The DATA Act establishes a Government-wide financial data standard and increases the availability, accuracy, and usefulness of Federal spending information. It provides reliable, timely, secure, and consumable financial management data for the purpose of promoting transparency, facilitating better decision making, and improving the development of Government-wide operational efficiency.

11. **The Government Accountability Office (GAO) Green Book - Standards for Internal Control in the Federal Government (September 2014)**. The Green Book provides managers with criteria for designing, implementing, and operating an effective internal control system. It defines standards through components and principles and explains why they are integral to an Agency's internal control systems. The Green Book clarifies what processes management considers part of internal control. In a mature and highly effective internal control system, internal control may be indistinguishable from day-to-day activities personnel perform. Agencies use the Green Book to help achieve their objectives related to operations, reporting, and compliance, (https://www.gao.gov/assets/gao-14-704g.pdf).

12. **Title 2 CFR: 200.343(b) Closeout**. This Regulation determines the closeout process that must take place when all applicable administrative actions and all required work is completed at the end of the period of performance as specified in the terms and conditions of the Federal award, (https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-343.pdf).

13. **Title 31, United States Code, Sections 1341-1342, 1349-1351, 1511-1519**. This Title discusses the ADA, Section 1101, 1104-1108, and 3324; the Budget and Accounting Act, 1921, as amended, section 1501-1502; the Supplemental Appropriations Act of 1950, and sections, 1112, 1531, 3511-3512, 3524; and the Budget and Accounting Procedures Act of 1950.

14. **DR 2000-1 United States Department of Agriculture, Office of the Chief Financial Officer (USDA-OCFO), Budget Manual of 1991, Chapter 4 - Administrative Funds Control**. This manual describes the Department's requirement for budgetary administration and reporting, including the Department's system for administrative control of funds.

15. **Program Management Improvement Accountability Act (PMIAA), 2016**. The Act establishes Program Management Improvement Officers (PMIOs) throughout the Federal government. The Act aims to improve program and project management (P/PM) practices within the Federal Government, requires Government-wide standards and policies for program management, and establishes a new interagency council to improve P/PM practices among agencies. It also requires the establishment of

Government-wide P/PM standards, policies, and guidelines for P/PM for agencies (Public L. 114-264)(M-18-19).

52.2 - Objectives

1. To provide guidance on certifying the validity of fund, making funds available that otherwise would not be used, reducing the risk of misuse and theft of funds, and improving the U.S. Treasury Department's ability to forecast outlay and borrowing needs.

2. To support centralizing and standardizing budgeting and accounting practices among the Forest Service Regions and program offices as required by the House of Representatives (H.R.) 244 Consolidated Appropriations Act 2017; Division G-Department of the Interior, Environment and Related Agencies; Title III, Related Agencies; and Title IV General Provisions, section 415. The Forest Service is directed to improve and better manage its procurement and financial management processes to ensure funds are spent in an appropriate and timely manner.

3. To establish policy with regard to the Forest Service's administrative control of funds and budget execution as required by OMB Circular A-11, Preparation, Submission, and Execution of the Budget, Appendix H, Checklist for Funds Control Regulations.

52.3 - Policy

1. The Forest Service, including all organizations, appropriations, and funds must adhere to the following administrative control of funds. Note that there are no approved exemptions to these control regulations. See below:

    a. As required by OMB Circular A-11, Section 150.2, expenditures from each appropriation or fund account are restricted to the lower of the amount of apportionments made by OMB or the amount available for expenditure through allocations. Apportionments are done at the Treasury Account Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region and Station, Budget Line Item (BLI) in the appropriate TAFS and related fund and budget period. Thus, expenditures are limited to the amounts allocated at the Agency Region and Station BLI level.

    b. Application/System controls must be in place to ensure that spending is limited to the amounts allocated in the Agency core accounting system.

    c. The Agency core accounting system must record all financial transactions affecting, for example, apportionments, reapportionments, allotments, financial plans, program operating plans, obligations, expenditures, receipts, as well as, anticipated, earned, and collected reimbursements.

d. Appropriate funding authority, budget approval, and availability of funds (funds status) are required prior to entering into any obligation.

e. The Agency core accounting system must be able to generate and reconcile financial reports that display cumulative expenditures (Funds Status) by appropriations and allotment and cumulative expenditures by budget activity and object class.

f. The Head of the Agency must be able to identify the person responsible for any obligation or expenditure exceeding the amount available in the appropriation or fund account (ADA violation), the OMB apportionment or reapportionment, the allotment made by the Agency, any statutory limitations, and any other administrative subdivision of funds made by the Agency.

g. The procedures for reporting violations of the ADA, 1982, as well as violations of other additional Agency imposed fund restrictions must be followed as outlined in the Accounting Procedures.

h. Ongoing reviews of Agency administrative control of funds must occur annually by Chief Financial Officer (CFO) Budget and Finance (CFO-B&F) and Chief Financial Officer-Audit and Assurance (CFO-A&A), at a minimum, to help identify compliance with these policies, and to identify needed improvements and corrective actions to address internal review findings.

2. Compliance with the DATA Act reporting requirements must ensure full transparency of financial data with all required and established Government-wide data standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds and also for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately in the Federal spending chain from the commitment to payment.

   See: https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf

3. 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) 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.

52.4 - Responsibility

52.41 - Chief Financial Officer

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

1. Ensure the quality and integrity of the Agency core accounting system and its subsidiary systems have in place, the necessary controls that align with the administrative control of funds.

2. Ensure the Agency adheres to sound financial management policies and practices and has in place updated financial management policy and procedures, and applicable internal controls, to help ensure the completeness, quality, and integrity of data in the Agency's core accounting system and its subsidiary systems.

3. Review and certify corrective actions related to expenditures from program, procurement, financial, and other applicable staff.

4. Ensure proper reporting tools from the Agency core accounting system are timely, accurate, and available Agency-wide.

5. Ensure all known ADA Violations are properly investigated and subsequently reported through USDA, to Congress and the President.

6. Ensure all supplemental agreements within the Forest Service be funded after initial Strategic Planning, Budget, and Accountability (SPBA) funding distribution which must be fully coordinated in advance with SPBA, before signature and execution, so required budget authority (reimbursable or spending) is in place in the Agency core accounting system.

52.42 - Deputy Chiefs, Chief Financial Officer, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors

It is the responsibility of the Deputy Chiefs, Chief Financial Officer, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors (responsibilities may be delegated as needed to the following, for example, Budget Officers, Contracting Officers, Program Managers, and obligating officials) to:

1. Ensure efficient and productive business operations in order to meet the Agency's mission.

2. Ensure agreements to be funded after initial SPBA funding distribution are fully coordinated in advance with CFO and SPBA, before signature and execution so required budget authority (reimbursable or spending) are in place in the Agency core accounting system.

3. Initiate agreements or contracts only while working with the appropriate personnel (Budget Officers, PPS, OGA, Budget and Finance (CFO-B&F), and so forth) to do so.

4. Ensure ADA Violations are properly investigated by any employee and reported to the immediate Supervisor or any Supervisor in the upward chain, to the CFO. See Accounting SOPs for the specific investigation and reporting processes.

5. Ensure proper reporting tools from the Agency core accounting system, are utilized to determine real-time and accurate level of funding availability, prior to obligating Agency funds.

6. Verify that the source(s) and amount of funds used is available and appropriate for the goods and services procured. The bona fide need rule must be considered for all time-limited funding.

7. Work with SPBA and CFO-B&F to monitor funds monthly to prevent overspending; request additional funding, as needed, and in advance, through your budget staff to SPBA. Additional Funds sought must be allocated by SPBA and recorded in the Agency core accounting system or other official Agency budget tools before they are considered available for use.

8. Appoint a single Mission Area Senior Program Manager (MASPM) to be responsible and held accountable for the success of all acquisition programs within the Mission Area. The MASPM will also be accountable for assuring the Mission Area complies with PMIAA and M-18-19 requirements. The MASPM should report directly to the mission area Chief Operating Officer as the Mission Area Senior Contracting Official (MASCO) currently does.

9. Develop an Acquisition Programs and Requirements (APR) document according to the standard format and send to the Department Under Secretary for review and approval of the APR.

10. Ensure the APR addresses all non-Advisory and Assistance services acquisition requirements that equal or exceeds $250,000. The APR narrative should demonstrate and describe the process for managing spending on service contracts, including the process for developing and approving of requirements. A separate section will include the Advisory and Assistance Services (AAS) and non-AAS below $250,000.

11. Ensure that all service contracting requirements that exceed $250,000 in total contract value be reviewed and approved by a member of the Senior Executive Service (SES) prior to issuing a requisition to the Contracting Officer.

52.43 - Director of Procurement and Property Services and Director of Office of Grants and Agreements

It is the responsibility of the Director of Procurement and Property Services and Director of Office of Grants and Agreements or its delegate to:

1. Ensure proper reporting tools, from the Agency core accounting system, are utilized to determine the level of funding availability prior to finalizing Agency agreements or procurement instruments which would obligate Agency funds.

2. Verify that the source(s) and amount of funds to be used are available beforehand and appropriate for the goods and services procured. The bona fide need rule must be considered for all time-limited funding.

3. Ensure that instruments for Grants, Agreements, Procurement, and/or Contracts, for example, contain the proper fund's availability clause, annual financial plans, job code or related accounting, as well as the appropriate billing and/or collection terms to ensure Agency funds are effectively managed.

4. Ensure that all contracts disposals and closeouts are completed in compliance with Federal Acquisition Regulation closeout processes (48 CFR 4.804-5). See FSH 6509.11k, section 54, Accounting and Reporting.

5. Ensure all grants and agreements closeouts are completed in compliance with appropriate regulations (refer to FSH 1509.11, chapter 10).

6. Monitor and review closeout dates for contracts and grants and agreements, and perform the necessary closeout activities.

7. Provide advice and training to field units to facilitate full compliance with acquisition direction. See FSH 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.

8. Validate proper classification of instruments (Grants, Contracts, and Agreements) to determine Severability, Non-Severability, and also the amount of funds needed annually to satisfy the itemized instrument.

9. Regularly review commitments during the year and de-commit when necessary, by completing the appropriate Agency commitment and obligation requests or completing the de-commitment in the appropriate interface system. De-committing funds release

budget authority for other planned activities and all remaining commitments in the Agency core accounting system must be canceled and removed by the end of each fiscal year.

52.44 - Director of Strategic Planning, Budget, and Accountability

It is the responsibility of the Director of Strategic Planning Budget and Accountability (SPBA) or their delegate to:

1. Adhere to Congressional directions in Agency annual appropriations and provide clarity to the Agency to facilitate full understanding and compliance. Congress may use appropriation act provisions to impose preconditions on a program's use of the funds being appropriated. The preconditions on use often effectuate Congressional oversight of the program. Consult with the Office of General Counsel to help provide provisions clarity of authority and intent.

2. Prepare requests for, and obtain approval of apportionments and reapportionments from OMB, per enacted legislation. Also, obtain approval of the apportionment schedule based on language in the enacted bill.

3. Immediately process and record into the Agency core accounting system, before any expenditure of such funds, upon receipt of OMB's approved apportionment, and Treasury's related warrants. Also, apply the following:

   a. Apportionment levels as directed and required by OMB for the Agency to expend funds to accomplish its mission; and

   b. Agency allocations in accordance with Agency administrative control of funds level, which is established at the Region/Station/Area Budget Line Item (BLI) level.

4. Provide appropriation and allocation instructions to CFO-B&F for immediate recording of available funds in the Agency core accounting system.

5. Respond timely to Agency requests for additional budget resources, including any transfer, reprogramming of funds, and/or any other supplemental budgetary request.

6. Issue the Annual Program Direction that indicates allocations, Congressional Direction, and/or Agency priorities.

7. Coordinate with regions, CFO-B&F, and program staff to ensure that amounts allocated do not exceed apportionments, especially during periods of Continuing Resolutions (CRs).

8. Identify and validate available prior year fund balances and promptly allocate within apportioned amounts, based on leadership direction.

9. Manage the allocation and allotment processes and participate in, at a minimum, monthly fund status reviews; including working with the CFO organization to ensure timely and accurate funds available status in the Agency core accounting system, and other CFO authorized Agency-wide budget tool.

10. Establish SPBA internal controls or SOPs to ensure compliance with this directive.

11. Ensure full coordination with PPS, OGA, CFO-B&F, and Program staff to manage available funding needs, including obtaining additional spending authority, necessary reprogramming and approvals, in properly executing Agency agreements, contracts, grants, and so forth.

52.44a - Budget Line Officers

It is the responsibility of Budget Line Officers to:

1. Establish and maintain effective systems of controls for managing funds in accordance with the amounts allocated, including the commitment of funds and the certification of funds availability for each transaction, prior to obligation, in accordance with approved funding for programs/projects.

2. Ensure that instruments for Grants, Agreements, Procurement, and/or Contracts, for example, are fully coordinated with SPBA, CFO-B&F, and PPS and OGA staff before instruments are in place or obligations made. In addition, the instruments should contain the proper fund's availability clause, proper job code, and related accounting, as well as the appropriate billing and collection terms to ensure Agency funds are effectively managed. See FSH 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.

3. Ensure agreements to be funded after initial SPBA funds distribution are fully coordinated in advance with SPBA, before signature and execution so required budget authority (reimbursable or spending) is in place in the Agency core accounting system.

4. Ensure accounting reports are reconciled to source documents, errors are identified, and corrective actions are taken to update the Agency core accounting system, at a minimum, quarterly.

5. Determine which job codes Program Managers may use for a proposed agreement after obtaining and verifying the availability of budget authority with both local and national budget staff. This is to provide the opportunity to ensure local budget fund status information is consistent and validated with the national or agency budget fund status.

6. Ensure the job code has sufficient funds to cover the proposed obligation to the recipient/cooperator, that is, sufficient funds are available for the proposed expenditures/project before work or expenditure of Agency funds occur.

7. Regularly review commitments during the year and de-commit when necessary, by completing the appropriate Agency commitment and obligation requests or completing the de-commitment in the appropriate interface system. De-committing funds release budget authority for other planned activities and all remaining commitments in the Agency core accounting systems must be canceled and removed by the end of each fiscal year.

52.44b - Program Managers

It is the responsibility of Program Managers to:

1. Provide oversight of all program management activities and operations, including maintaining status of project execution of existing and new awards, monthly review of program expenses, project closure status, remaining fund balances, and other project status. This will assure timely obligations and disbursements of funds necessary to conduct program activities, in addition to timely closeout of the project and allow for de-obligation of remaining funds no longer needed. See 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.

2. Ensure that performance and expected results under the instrument is properly described in the narratives and required funding for work to be accomplished is reflected in the Agency's regional or unit workplan, the financial and/or operating workplan.

3. Ensure the financial workplan specifies the appropriate amount of financing needed for the current or pending fiscal year, as well as, for each respective future fiscal year under the agreement.

4. Coordinate with the appropriate local or unit Budget Officer and SPBA, to ensure that the proposed Forest Service funds are available for the type of project, or alternatively identify the use of incoming funds with the budget official, and obtain spending authority from SPBA, while verifying that the funds are proper for the period of performance and purpose.

5. Ensure that instruments for Grants, Agreements, Procurement and/or Contracts, for example, are fully coordinated and contains signatures, the proper fund's availability clause, annual financial plans, proper job code, and related accounting, as well as the appropriate billing and collection terms to ensure Agency funds are effectively managed.

6. Ensure the Program Management Improvement Accountability Act (PMIAA), which establishes Program Management Integration Offices (PMIOs) throughout the Federal Government, is implemented. The PMIOs will implement program management policies established by the Agency and develop strategies to enhance the role of program management and managers within the department.

52.44c - Employees

It is the responsibility of all Employees to:

1. Ensure that funds are available before creating an expenditure in the Agency core accounting system or authorized subsystem. This is required for all official expenditures so we do not violate any ADA provisions.

2. Refrain from involving the government in a contract, for the payment of money, before Agency funds have been allotted, and job code issued unless authorized by law.

3. Report via management chain of command, or directly to the CFO, in cases where there are employee(s) concerns or any instances of potential ADA or improper use and expenditure of Government funds.

52.45 - Director of Financial Management Systems

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

1. Establish the core accounting system elements and related tools that allow for accurate and timely accounting and related reports, as well as a system of automated internal controls. This is to allow for complete recording of all expenditures and the subsequent monitoring and oversight of outstanding balances.

2. Ensure that application controls are in place in the Agency core accounting system to prevent spending in excess of the amount and fund level allocated. Effective FY 2019, these fund controls will be established at the Region and Station BLI Level.

3. Ensure the Agency core accounting system record all properly authorized and valid financial transactions affecting apportionments, reapportionments, financial plans, program operating plans, expenditures, as well as, anticipated, earned, and collected reimbursements.

4. Ensure the Agency core accounting system generate and reconciles with its internal systems financial reports that display cumulative expenditures by appropriations and allotment and cumulative expenditures by budget activity and object class.

5. Ensure the Agency core accounting system provides monthly (at a minimum) low fund balance notices to the related business area managers affected. This will require the Agency to immediately post accounting transactions.

6. Ensure the Agency core accounting and related subsystems capture and provide full and accurate spending data to facilitate required DATA Act reporting.

52.46 - Director of Budget and Finance

It is the responsibility of the Director of Budget and Finance to:

1. Record the apportionments and allocations in the Agency core accounting system timely, based only on guidance provided by SPBA (See section 52.44).

2. Monitor and follow up with program, Grants and Agreement and/or procurement personnel, SPBA, to determine if unliquidated obligations are still valid, and deobligate and release unused funds, as necessary. All documentation must be retained for audit purposes. See FSH 6209.11, Records Management, chapter 40, File Designations and Disposition.

3. Conduct reviews and monitor that corrective actions related to unliquidated obligations inactive for at least 12 months are performed.

4. Ensure full coordination with PPS, OGA, SPBA, and Program staff to manage available funding needs, including providing job codes to program staff.

5. Ensure immediate billings and collections activities to pursue all debts owed to the Forest Service and the Federal government. This will facilitate and allows for proper Agency access to, and eventual obligation of available funds.

6. Ensure immediate and accurate accounting of Agency funds, to include transfers, reprogramming, collections and expenditures, accruals, obligations, authorized adjustments, for example, to ensure the Agency core accounting system retains and provides up to date and accurate fund status, including accurate low fund balance indications.

7. Ensure all prior year accounting adjustment requests and adjustments critical to the accuracy of the Agency's financial data, approved and submitted by the Regions and Stations, and budget officers or to the Job Corps National Field Office are reviewed for accuracy and concurrence. This is to ensure data provided by Regions and Stations are accurate.

52.47 - Director of Financial Policy

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

1. Issue Forest Service Financial Management policies and procedures in accordance with statutory authorities and related Federal rules, regulations, and guidelines, including USDA directions.

2. Establish policies for the administrative control of Agency funds.

3. Review and make current the CFO responsible directive(s), at a minimum every 5 years, and take necessary steps to update the directive to be in line with current laws, regulations, organizational responsibilities, best practice solutions, and other items required to update the content and format of the Agency directive(s).

4. Formulate best practices or business solutions to help ensure Agency business processes are in line with the Green Book, OMB A-123 guidelines, and FASAB and Treasury accounting standards while incorporating Agency organization, system, and resource constraints.

52.48 - Director of Audit and Assurance

It is the responsibility of the Director of Audit and Assurance to:

1. Review and ensure that administrative funds control policies and procedures are implemented and followed to report to the CFO Agency areas of concerns or needed improvement.

2. Report to CFO on periodic or required tests and measurements of agency business processes, to ensure agency internal control systems are in place and they comply with the GAO Green Book https://www.gao.gov/assets/gao-14-704g.pdf requirements regarding:

    a. Control Environment,

    b. Risk Assessment,

    c. Control Activities,

    d. Information and Communication, and

    e. Monitoring.

3. Ensure management controls are in place and are implemented by agency program staff, in accordance with the GAO Green book https://www.gao.gov/assets/gao-14-704g.pdf.

    a. Ensure and assess agency program Enterprise Risk Management of funds and protocols for agency review of funds control.

    b. Ensure established fraud, waste, and abuse standards for incorporation into Agency program reviews.

    c. Establish protocols to assist program staff in the development of corrective action plans to remediate control weaknesses over funds control.

4. Ensure established Federal USDA-OCFO and GAO reporting requirements for internal control weaknesses, to allow for upward and corporate reporting by agency staff, at any level, to leadership on funds control weaknesses and needed corrective actions.

5. Assess risk potential and implement controls in accordance with the GAO green book https://www.gao.gov/assets/gao-14-704g.pdf.

52.49 - Director of Financial Reporting and Reconciliation

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

1. Perform recurring reconciliation and analysis of agency accounting data to provide support to SPBA and CFO-B&F with their facilitation of management decisions on the status of funds, comparative trends and analyses to support budgetary and accounting decisions, and to provide variance analyses to support internal control review and assessments on proper accounting and use of agency funds.

2. Develop and provide mandatory agency reporting under the DATA Act; notify the CFO of any areas of concern or need to facilitate this required reporting.

3. Perform necessary and approved accounting adjustments in accordance with sound business and accounting standards, including those required for financial reporting to USDA and Treasury.

4. Ensure monthly (except for Period 1) financial reports to Treasury and quarterly Agency financial reporting to USDA, as part of the consolidated financial statement process, are timely, accurate, reliable, complete, and meaningful.

52.5 - Definitions

Accountable Officer. Any Government officer or employee who by reason of his or her employment is responsible for or has custody of government funds. B-288163, June 4, 2002; 62 Comp. Gen. 476, 479 (1983); 59 Comp. Gen. 113, 114 (1979); B-257068, Oct. 22, 1994; B-188894, Sept. 29, 1977. Accountable officers encompass such officials as certifying officers, disbursing officers, collecting officers, and other employees who by virtue of their employment have custody of government funds. This also applies to Program Managers, Supervisors, or those authorizing the expenditure of government funds.

Administrative Control of Funds. Legally required procedures which:

1. Restrict obligations against each appropriation or fund to the amount of the apportionments, allotments, or resources available involving such funds; and

2. Enable the head of the Agency to fix the responsibility for the creation of an obligation in excess of these levels. A system of administrative control of funds is required under 31 U.S.C. 1514.

Agency Core Accounting System. The Agency develops and maintains an integrated Agency accounting and financial management system, including financial reporting and internal controls, which:

1. Complies with applicable accounting principles, standards, and requirements, and internal control standards;

2. Complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;

3. Complies with any other requirements applicable to such systems; and

4. Provides for:

    a. Complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of Agency management;

    b. The development and reporting of cost information;

    c. The integration of accounting and budgeting information; and

    d. The systematic measurement of performance. See:

The Agency core accounting system is comprised of various transactions involved in authorizing, recording, classifying, and reporting financial data. The Agency core accounting system will be

updated when transactions are authorized, and processed for an accurate issuance of financial statements and reporting See FSM 6590, section 6595.11, Agency Core Accounting System.

Allocation. An Allocation is often used within the Agency to indicate a further delegation of obligational authority.

Allotments. Authority delegated within the Agency to an authorized employee or business area (SPBA) to provide funds to the division and make allowance for incurring obligations within a specified amount pursuant to OMB apportionment or reapportionment or other statutory authority making funds available for obligation.

Antideficiency Act (ADA). Consists of provisions of law that were passed by Congress to prevent departments and agencies from spending their entire appropriations during the first few months of the year. Salaries are discretionary funds, which are not normally obligated. The Act prohibits any other Federal employee from:

1. Entering into contracts that exceed the enacted appropriations for the year.

2. Purchasing services and merchandise before appropriations are enacted. The Act:

    a. Requires that OMB apportion the appropriations, that is, approve a plan that spreads out spending over the fiscal period for which the funds were made available.

    b. Requires, subject to the approval of OMB, the head of each executive Agency to prescribe by regulation a system of administrative control of funds (31 U.S.C. 1514(a)).

    c. Restricts deficiency apportionments to amounts approved by the Agency heads only for "extraordinary emergency or unusual circumstances."

    d. Establishes penalties for ADA violations. Violations are obligations or expenditures in excess of the lower of the amount in the affected account, the amount apportioned, or any administrative subdivision of funds specified in your Agency's fund control regulations as being subject to the ADA.

    e. Requires the Agency head to report any ADA violations to the President, through the OMB Director; the Congress; and the Comptroller General.

Apportionment. A plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Appropriation Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes

other limitations, as appropriate) for specified periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an Agency into allotments, and allocations.

Appropriation. A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Audit. A review of:

1. The operating, administrative, and financial activities of an Agency for conformance with all legal and administrative requirements and conformance with the principles of economy, efficiency, and effectiveness, or

2. Selected claims, cost proposals, grants, loans or similar agreements entered into by an agency for conformance with the principles of economy, efficiency, and effectiveness.

Bona Fide Need Rule. Mandates and provides that an appropriation limited to obligation for a definite period may be obligated (the fiscal year's appropriations only be obligated to meet a legitimate or bona fide need arising in, or sometimes before the fiscal year for which the appropriation was made) only to meet a legitimate need arising during the availability of the appropriation and does not apply to no-year funds. https://www.gao.gov/assets/670/668991.pdf

Budget Authority. The authority provided by law to incur financial obligations that will result in outlays. Most laws provide budget authority in the form of appropriations, but some laws provide budget authority in the form of spending authority from offsetting collections.

Budget Execution. The process by which the financial resources made available to an Agency are directed and controlled toward achieving the purposes and objectives for which budgets were approved.

Budget Formulation. The process by which the resources necessary to accomplish goals and objectives are determined and justified to decision-makers (the Secretary, the President, and the Congress). As the amount of available resources is determined, goals and objectives may have to be revised.

Budget Justification. A narrative and tabular description of goals and objectives and the costs of achieving them which is submitted to decision-makers and their staffs.

Budget Officer or Unit Designee. The person responsible for ensuring the source(s) and amount of funds is available and appropriate.

Certifying Officer. A Government officer or employee whose job is or includes certifying vouchers or invoices. A certifying officer's liability is established by 31 U.S.C. § 3528. Certifying officers are responsible for the legality of proposed payments and are liable for the amount of illegal or improper payments resulting from their certifications.

Circular A-11. The basic OMB instructions on the preparation, submission, and execution of the budget. The Circular may be found online at, https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf.

Closeout. Closeout of a Federal Grant Award in which the awarding Agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes action as described in 2 CFR 200.343, the Closeout process. https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200.

Commitment. An administrative reservation of allotted funds, or other funds, in anticipation of Agency obligation.

Continuing resolution (CR). Legislation enacted by the Congress and signed into law by the President, to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate at which the Agency may incur obligations, based on the rate of the prior year, the President's Budget request, or an appropriations bill passed by either or both Houses of the Congress.

Cooperative Agreement. An instrument awarded by the Forest Service to transfer funds, to or from the applicant in order to accomplish public support or stimulation. Forest Service personnel, or their representatives, shall have substantial involvement in carrying out the activities specified in the agreement. The Forest Service should limit the amount of Federal involvement to the minimum consistent with program requirements.

Deficiency Apportionment. An apportionment by OMB indicating the need for supplemental budget authority. The head of an executive branch Agency may request a deficiency apportionment if:

1. A new law is enacted requiring unanticipated expenditures beyond administrative control, or

2. An emergency arises involving the safety of human life or the protection of property. Approval for requests for such an apportionment does not authorize agencies to exceed available resources within an account.

Discretionary Spending. Budgetary resources (except those provided to fund mandatory spending programs) provided in appropriations acts.

Expenditures. With respect to provisions of the ADA, 1982 (31 U.S.C. 1513-1514) and the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622 (I)), a term that has the same definition as outlay (see Outlay).

Fiscal Year (FY). Any yearly accounting period. The fiscal year for the Federal Government begins on October 1 and ends on September 30. The Federal fiscal year is designated by the calendar year in which it ends.

Liability. Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed, and amounts received but not yet earned. Current liabilities include all amounts owed based on invoices or other evidence of receipt of goods and services, other amounts owed for the purchase of goods and services even if not "due and payable," and deferred income (received but not earned). Long-term and unfunded liabilities include bonded debt and notes payable of the funds authorized to borrow in the market, and liabilities for which it is a Government-wide practice to obtain appropriations and recognize the obligations at a later time (such as, accrued annual leave in the case of appropriation accounts).

Multi-year Budget Authority. The language for a specific appropriation of budget authority in an appropriations act or the authorization of the appropriation may make all or some portion of the amount available for obligation for a specified period of time in excess of one fiscal year.

Non-Severable Services. 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.

Offsetting Collections. These are 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. Usually, they are authorized to be spent on the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.

Offsetting Receipts. Ensures payments to the Government that is credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts. Usually, they are deducted at the level of the Agency and subfunction, but in some cases, they

are deducted at the level of the government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and intragovernmental transactions with other Government accounts.

Outlay. The amount of funds that are expended for the operation of the program, project, or activities of the funds and the acquisition of assets.

Program Direction. The Forest Service program direction contains the operating direction and guidance for fiscal year spending. The annual direction and guidance incorporate the Agency's mission priorities, such as those in the strategic plan, annual performance plans, and fiscal year budget justification. It also incorporates congressional direction and intent contained in the fiscal year appropriation acts and accompanying congressional reports. SPBA develops the program direction to provide maximum flexibility and clarity of the Agency budget to Line Officers in achieving the goals of the Forest Service.

Program Manager. Forest Service employees with program management responsibilities, including the initiation and monitoring of an obligating instrument. Additionally, employees with knowledge of performance, completion of work, payment approval, and closeout actions.

Project. A temporary endeavor to create a unique product or service with a start date, a completion date, and a defined scope. Projects are executed in a manner to improve the efficient and effective implementation of program.

Project Management. The coordinated application of general and specialized knowledge, skills, expertise, and practices to a project to achieve its stated goals and outcomes.

Reapportionments. Reapportionments are made when changes need to be made to the previously approved apportionment for the current year. For example, reapportionment requests should be made when approved apportionments are no longer appropriate or applicable because amounts available for obligation have increased or unforeseen events have occurred. Refer to Section 120.48 and 120.49 of OMB Circular A-11 for additional reapportionment requirements.

Reappropriation. Congressional action to restore the obligational availability, whether for the same or different purposes, of all or part of the unobligated portion of budget authority in an expired account. Obligational availability in a current account may also be extended by a subsequent appropriations act.

Reprogramming. Movement of funds within an appropriation account, from one budget activity, program, or project to another, for purposes other than those outlined in the budget justifications and expressed as Congressional intent in the Appropriations Bill reports. Reprogramming guidelines are specified in Committee reports and allow for notification of the Subcommittees in advance of reprogramming. Unless OMB provides a specific exemption, OMB approval is required for reprogramming requests.

Severable Services. Severable services are routine and performed regularly. 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 year.

Spending Authority from Offsetting Collections. Type of budget authority that permits obligations and outlays to be financed by offsetting collections. Allows a Federal Agency to use its appropriated funds to initially perform work for others and then bill the partner subsequently, to collect the amounts owed to reimburse the appropriated funds used. It also provides the Agency with the ability to bill another Federal or non-Federal source for work performed in accordance with signed agreements.

Statutory authority. Type of budget authority that permits obligations to be incurred in advance of appropriations or in anticipation of receipts to be credited to a revolving fund or other account. (By definition, contract authority is unfounded and must subsequently be funded by an appropriation to liquidate obligations incurred under the contracting authority or by the collection and use of receipts).

Supplemental Appropriation. Provides additional budget authority to funds in appropriations that have already been divided into the fiscal budget of the Agency. These are additional funds to an appropriation while the fiscal year is already in progress, and are generally used for needs that were not anticipated, in emergencies like recession, disaster, or defense. They are requested by the Agency and approved by the OMB as appropriation bills.

52.6 - Apportionments

Apportionment is an OMB approved plan to use budgetary resources appropriated by Congress. 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 ADA. Apportionments may include estimated amounts of "anticipated" budgetary resources that are the result of laws already enacted, so as to reduce routine reapportionments of such amounts as they become available. These are located at the Standard Form 132, Apportionment and Reapportionment Schedule.

Refer to the Accounting SOP for detailed procedures on requesting apportionments, supplemental, reprogramming, and any transfers between accounts. https://usfs.app.box.com/v/cfostandardoperatingprocedures/

For general guidance covering apportionment action such as Supplemental, Reprogramming, and transfer between accounts, see FSH 1909.13, chapter 30.

52.61 - Allotments

The functions and purpose of allotments are to distribute apportioned funds to employees who are authorized to incur obligations within a specified amount and time pursuant to an appropriation or other statutory provision. Agency Staff needs to realize that, requesting an apportionment should always be the first step in increasing budgetary resources; however, an allotment must be made to reflect the increase in the budgetary resources once the apportionment is approved by OMB. Allotments are subject to the provisions of the ADA.

Unit allotments may be viewed on the SPBA's SharePoint site, with access provided by the Director of SPBA; do so as needed by accessing the link below:

https://usdagcc.sharepoint.com/sites/fs-spba-wobudget

52.62 - Allotment Procedures

Per OMB Circular No. A-11, Administrative Control of Funds, appendix H, allotments, and must be established at the highest practical level, and each operating unit must be financed from no more than one subdivision for each appropriation or fund, as established by the ADA. Allotments are made at the Region and Station BLI level. Once the apportionment is approved by OMB, the Director of SPBA directs the input of allotments and notifies CFO-B&. CFO-B&F then inputs the related budget, contract, and spending authority at the allotted levels into the Agency core accounting system making it available for obligations. Business Areas are notified of the amounts made available for obligation. Any changes made to the allotment structure must be approved by the CFO and SPBA and communicated Agency-wide.

The development and maintenance of a system for fund control shall include the formal allotment of funds as a means for establishing, within appropriation limitations established by Congress and funds apportioned by OMB, the amounts available for obligation and outlay. The allotment system shall be established and maintained in such a manner as to assure compliance with all limitations, including those of the Anti-deficiency Act provisions. The Agency should adhere to the following allotment procedures.

1. Allotments must be made using formal documents, in writing, addressed to specific units or officials of the Agency. Electronic transmissions may be used, provided adequate internal controls (including separate access controls for signatures) are present.

2. The documentation for allotments must identify.

    a. Amount available;

    b. Funding source (for example, appropriations, reimbursements);

    c. Time period of availability;

    d. The position title of the official responsible; and

    e. Justification for changes in allotments (in all the cases, changes in allotments will be created after OMB approves the reapportionment, which reflects such a change.)

52.63 - Allotment Restrictions

The following restrictions must be adhered in making allotments:

1. The sum of allotment amounts issued will not exceed the apportionment amount.

2. The amounts of allotments will be fixed and will be changed only when an apportionment was approved by OMB and was authorized by the authority who initially issued the allotment.

3. Congressional restrictions contained in appropriation acts will be enforced.

52.7 - Spending Chain

The Agency core accounting system supports the execution of the Agency's budget and is critical to the fund control process. The ideal spending chain starts with commitments. When possible, a commitment should be established in the Agency core accounting system as the first step in the spending process, using established requisition documents based on the type of business activity. After funds are committed (reserved), an appropriate obligation must be entered into the Agency core accounting system as part of the next step in the spending chain and required fund control processes. Prior to any commitment or obligation being entered into the Agency core accounting system, funds must be available for the intended purpose.

52.71 - Availability of Funds

Funds must be available prior to any commitment or obligation for procurement of goods and services of any type and before any work begins. The Agency core accounting system must provide the appropriate fund status warnings and controls to ensure that fund limitation is not exceeded.

Availability of funds must be ensured for:

1. Contracts, purchase orders, task orders, and so forth, when requesting goods or services. Contracts, purchase orders, task orders, and so forth must be processed in the Agency approved acquisition system(s) and must incorporate the approval of the designated budget-approving officer.

2. Grants and agreements, when the Program Manager in the Agency processes the request in the approved acquisition system(s), which incorporates the approval of the budget-approving officer. See FSH 1509.11, chapter 20, for the processing of grants and agreements.

Any exemption to processing contracts or orders outside of the Agency approved acquisition system(s) must be authorized by the Directors of PPS, OGA, CFO-B&F, and SPBA; in doing so, the necessary controls for the alternate acquisition means utilized must include the same commitment and obligation criteria for adequate funds control, accounting and reporting under the DATA Act, and Agency financial statement reporting.

52.72 - Commitments

A commitment is an administrative reservation of allotted funds, or other funds, in anticipation of the Agency obligation. For example, when the Agency authorized Acquisition system(s) processing of a procurement request is approved by the Budget Officer, a commitment document must be recorded in the Agency's core accounting system. This is done to begin the fund management process related to the spending chain so that a transaction can be tracked from fund reservation and ordering of the goods and services to their final payment of goods and services, as required by the DATA Act.

Commitments must be reviewed and de-committed or obligated, before the end of each fiscal year for both no-year and multi-year funds.

52.73 - Obligations

See FSH 6509.11k, section 51, Obligations for all procedures regarding the Obligation of Funds.

52.74 - Antideficiency Act (ADA) Violations

See the Objective and Policy Section of this directive and the CFO Standard Operating Procedures website for more information.

52.8 - Administrative Funds Control

Management is responsible for funds control and may restrict both obligations and expenditures to assure that apportioned funds are not overspent, and that an employee

responsible for creating an obligation or expenditure that exceeds an available fund is held responsible for such action. Funds control also restrict obligations and expenditures from each appropriation or fund account to the lower of the amount apportioned by OMB, or expenditure in the appropriation or fund account. The latest amount approved by OMB represents the amount of obligations. As stated earlier, apportionments are done at the Treasury Account Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region and Station Budget Line Item (BLI) in the appropriate TAFS and related fund and budget period. Thus, obligations and expenditures are limited to the amounts allocated at the Region and Station BLI level. An obligation of funds in an amount greater than the amount allocated by account or appropriation constitutes an ADA violation.

To ensure Agency-wide implementation of required funds control, and as required in OMB A-11, Appendix H, Administrative Funds Control, specific content requirements are documented and outlined as follows:

1. **Statement of Purpose**. See the Objectives and Policy Sections of this directive and CFO Standard Operating Procedures website for more information.

2. **Authority**. See Authorities section of this directive.

3. **Scope**. All appropriations and funds are subject to the provisions contained in this Directive. Any exemptions must be approved by the OMB, through the CFO. There are no approved exemptions to the fund's regulations and/or requirements stated in this chapter.

4. **Definitions, terminology, and concepts**. See Definitions section.

5. **Responsibility and Functions of Individuals**. See Responsibilities section 52.3, and CFO Standard Operating Procedures website for more information.

6. **Actions prohibited**. Per part of the ADA, Title 31 U.S.C sections 1341, 1342, and 1517(a), an officer or the employee of the United States Government may not:

   a. Make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.

   b. Involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.

   c. Make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

d. Involve the Federal Government in a contract, agreement, or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

e. Accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. 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 or as authorized by law.

7. **Penalties**. Any officer or employee of the Forest Service who violates the ADA prohibitions of 31 U.S.C. 1341(a), 1342, or 1517(a) will be subject to appropriate administrative discipline, criminal penalties, and other discipline:

   a. **Administrative Discipline**. Administrative discipline may consist of:

      (1) Letter of reprimand or censure for the official personnel record of the officer or employee.

      (2) Unsatisfactory performance rating.

      (3) Transfer to another position.

      (4) Suspension from duty without pay, and/or

      (5) Removal from office.

   b. **Criminal Penalties**. As provided in 31 U.S.C. 1350 and 1519, any officer or employee of the Forest Service who knowingly and willfully violates the ADA prohibitions shall be fined not more than $5,000, imprisoned for not more than two years, or both.

8. **Reporting Violations**. See CFO Standard Operating Procedures website for more information.

9. **Accounting Support for Funds Control Systems**. See Policy and Responsibilities section of this directive. See sections 52.3 and 52.4, respectively.

10. **Apportionment Procedures**. See section 52.6 of this Handbook.

11. **Treatment of Anticipated Budgetary Resources Already Enacted into Law**. See section 52.6 of this directive.

12. **Handling Deficiencies in Apportionments**. The Antideficiency Act (31 U.S.C. 1515) permits apportionments to be made on such a deficient rate basis that indicates the need for the Congress to enact supplemental budget authority only when:

    a. Laws enacted. Submission to the Congress of the estimates for an appropriation that requires an expenditure beyond administrative control.

    b. Emergencies arise involving:

        (1) The safety of human life,

        (2) The protection of property, or

        (3) The immediate welfare of individuals in cases where an appropriation that would allow the United States to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.

52.9 - Reporting and Monitoring Outlays

The purpose of outlay reporting and monitoring is to reduce the Government's interest costs. Reliable outlay estimates enable Treasury to borrow only amounts needed to finance Government activities.

Outlays are payments to liquidate an obligation (other than the repayment to the Treasury of debt principal and are a measure of Government spending (section 20.6 of OMB Circular A-11).

52.91 - General Outlay Reporting Requirement

The Agency must report updated monthly outlay plans. The Agency should base estimates on the most realistic estimates. Use the President’s Budget and Mid-Session Review (MSR) estimates as a base, but update those estimates to reflect subsequent Congressional or administrative actions, including both completed actions and those that are almost certain to be completed.

A procedure is in place to monitor the prior year balances outlays which will accurately disburse the end of year unexpired unobligated balances and the end of year of the unpaid obligations.

52.92 - Monthly Outlay Plan (MOP) and Mid-Session Review (MSR)

The Agency is required to prepare and submit a MOP to OMB for the current and budget year. OMB has implemented a web-based system called MAX Monthly Outlay Plans Exercise (MOP) for collecting monthly outlay plan information, which can be found at, https://portal.max.gov/home/sa/userHome.

This historical database of outlay plan information improves outlay forecasting abilities within the Agency and government-wide. The database should be updated with the actual outlays reported in the monthly treasury statement and also should provide better estimated outlays of the rest of the fiscal year and budget year. The Agency is required to explain any discrepancies between the MOP data, President's Budget data (MAX DE) and Mid-Session Review (MSR).

The Agency is required to prepare and submit a mid-session review (MSR) to OMB which updates the Administration's estimates for outlays, receipts, and the deficit for economic, legislative, policy and other changes that have occurred since the President's Budget was released.

52.93 - Reporting Requirement for Large Outlays

To improve Treasury's ability to manage the Government's daily cash position and to make more informed financing decisions, the Agency financial officers or Chief Financial Officers are required to provide advance notice of all large deposits and withdrawals. "Large transaction" refers to a single payment or deposit or a group of payments or deposits of $50 million or more of a similar nature that occurs, typically, on one day. The Agency must identify large cash and non-cash payment and deposit transactions (see TFM, volume 1, part 6, chapter 8500). Large transactions may be recurring, such as, monthly, quarterly, semi-annual, or annual. Cash transactions result in a decrease or increase in Treasury's operating cash balance. Non-cash transactions are typically transfers between general fund and trust fund, deposit fund. The amount of advance notice varies from two to five business days or more prior to the transaction date, depending on the size of the transaction. CASH TRACK Web (CTW) is currently the predominant mechanism for reporting large transactions to Treasury. Additionally, projections of all non-recurring transactions more than $1 billion that have a high probability of occurrence beyond the five-day window must be sent to Treasury's Office of the Fiscal Assistant Secretary, Office of Fiscal Projections as soon as such amounts are identified.

52.94 - Treasury and OMB Role Related to Agency Outlays

OMB and Treasury review Agency outlay plans for reasonableness in the light of experience, consistency with the President's policies and objectives, enacted appropriations and other legislation, and other factors. When circumstances warrant, OMB and/or Treasury may require agencies to make revisions to their outlay plans.

53 - Reimbursable Agreements

53.1 - Authority

1. **Office of Management and Budget (OMB) Circular A-11: Preparation, Submission and 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, chapter 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, CFO-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 CFO-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 CFO-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. CFO-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 and 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, chapter 42-Collection Agreements, section 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 and 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, chapter 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 f or 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/assets/gao-14-704g.pdf) 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 - Director of Budget and Finance (CFO-B&F)

It is the responsibility of the 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 and 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 and Reconciliation

It is the responsibility of the Director of Financial Reporting and 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 CFO-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 Office of Grants and Agreements (OGA)

It is the responsibility of the Director of OGA 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, chapter 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, chapter_40)

    c. Transmit fully executed agreements and modifications through the NRM to CFO-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 CFO-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 CFO

6. B&F.

7. Ensure coordination with Program Managers and CFO-B&F in the financial administration and close-out of reimbursable agreements.

8. 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 CFO-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 CFO 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 CFO-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 CFO-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 CFO-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 CFO-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 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, chapter 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 assets, 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, chapter 50)

4. Service First Authority (FSH 1509.11, chapter 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, chapter 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, CFO-B&F will use the previous 3 fiscal years' actual reimbursable amounts (or other more accurate analysis deemed appropriate by CFO-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 section 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 CFO-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 CFO-B&F and Regions, Stations, and Washington Office units if OMB limits anticipated reimbursable authority during the CR.

53.64 - Multi-Year Funding and 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 and contracts, obligation rules depend on whether an agreement or 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 tis 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 section 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

CFO-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.

CFO-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 CFO-B&F using the RACA closeout notification form, FS-6500-243 for the close-out request.

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

CFO-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.

CFO-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 *(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)*
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 *(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)*

53.8 - Exhibit 01 - Continued

Economy Act Activities Between Federal Entities In Different TAFS

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 and 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 and Multi-Year TAFS	Use Existing Annual or Multi-Year TAFS

54 - General Accounting and Reporting

54.1 - Authority

1. **Digital Accountability and Transparency Act (DATA) of 2014 (Pub. L. 113-101**). This authority sets forth provisions for disclosing direct Federal agency expenditures and linking Federal contracts, loans, and grant spending information to programs of Federal agencies to enable taxpayers and policymakers to track Federal spending more effectively. The act also requires the establishment of government-wide data standards for financial data and provides consistent, reliable, and searchable government-wide spending data that is displayed accurately for taxpayers and policymakers on www.usaspending.gov or successor system that displays the data. The Act seeks to hold Federal agencies accountable for the financial data they report to the repository.

2. **Office of Management and Budget (OMB) Memorandum M-15-12**. Increasing Transparency of Federal Spending by Making Federal Spending Data Accessible, Searchable, and Reliable. This Memorandum guides Federal agencies on current reporting requirements pursuant to the Federal Funding Accountability and Transparency Act (FFATA) as well as new requirements that agencies must employ pursuant to the DATA Act). This Memorandum includes guidance issued by the OMB and the Department of the Treasury under section 4(c) of FFATA, as amended. The memorandum seeks to provide guidance to agencies to improve the effectiveness of the Federal Government's resources through increased transparency and use of Federal spending data. By making Federal spending data more accessible, searchable, and reliable, and joining this information with other third-party data sources, Federal agencies and taxpayers have an opportunity to better understand the impact of Federal funds and improve the lives of the American public.

3. **Adjustments between appropriations (31 U.S.C 1534 and 1535)**. This authority stipulates that an appropriation available to an agency may be charged at any time during a fiscal year for the benefit of another appropriation available to the Agency to pay costs when amounts are available in both the appropriation to be charged and the appropriation to be benefited; and subject to limitations applicable to the appropriations.

4. **Agency agreements (31 U.S.C 1535)**. This authority stipulates that the head of an agency or major organizational unit within an agency may place an order with a major organizational unit within the same agency or another agency for goods or services if amounts are available; the head of the ordering agency or unit decides the order is in the best interest of the United States Government; the Agency or unit to fill the order can provide or get by contracting the ordered goods or services, and the head of the Agency decides ordered goods or services cannot be provided by contract as conveniently or cheaply by a commercial enterprise.

5. **Civil monetary penalties** (**42 U.S.C. 1320a - 7a)**. This provision authorizes the Office of Inspector General (OIG) to impose civil monetary penalties, and sometimes exclusion for a wide variety of conduct and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties may range from $2,000 to $100,000 for each violation, depending on the specific misconduct involved. The monetary sanctions imposed generally far exceed the damages sustained by the Government. The OIG must only prove liability by a "preponderance of the evidence" rather than the more demanding "beyond a reasonable doubt" standard required in criminal actions.

6. **Chief Financial Officers (CFO) Act of 1990, (31 U.S.C. § 902 (enacted in the CFO Act of 1990)**. This Act requires CFO to review on a biennial basis fee, royalties, rents, and other charges imposed by the Agency for services and things of value it provides and to make recommendations on revising those charges. It also establishes government-wide financial management policies, requirements, and monitoring for the establishment and operation of financial management systems. The Act requires the development and maintenance of integrated accounting and financial management systems, directing, managing, and providing policy guidance and oversight of all agency financial management personnel, activities, and operations. Approving and managing financial management systems design and enhancement projects, developing budgets for financial management operations and improvements; overseeing the recruitment, selection, and training of personnel to carry out agency financial management functions as well as implementing agency asset management system. This Act also establishes the Office of Federal Financial Management (OFFM) in the Office of Management and Budget (OMB) to perform similar government-wide financial management responsibilities.

7. **Consolidated Appropriations Act, 2017 (Public Law 115-31, May 5, 2017)**. This Act sets the overall fiscal year 2017 spending limits by agency or program and authorizations directing how Federal funds should or should not be used. It also requires the Forest Service transition, effective FY 2017, from no-year to multi-year (4 years) funds. The transition to multi-year funds requires the application of the “Bona Fide Need Rule” on agency use of its multi-year funds; this rule does not apply to no-year funds.

8. **OMB Circular A-25 - User Charges**. This Circular establishes Federal policy regarding fees assessed for government services and sale or use of government goods or resources. It provides information on the scope and types of activities subject to user charges and on the basis upon which user charges are to be set. It also provides guidance for agency implementation of charges and the disposition of collections.

9. **OMB Circular A-11 § 20.7 (g)**. This Circular defines a user charge as a fee, charge, or assessment the Government levies on a class of the public directly benefiting from, or subject to regulation by, a government program or activity. This section also provides a

helpful list of inclusions and exclusions, for comparison. For additional guidance and perspective, see the GAO report, "Federal User Fees - A Design Guide," issued in May 2008 and available on the GAO website at http://www.gao.gov/assets/210/203357.pdf.

10. **OMB Circular A-11, Preparation, Submission, and Execution of the Budget, including Part 4 and appendix H**. This Circular provides the following:

    a. An overview of the budget process, including the basic laws and terms and concepts needed to better understand the budget process, including directions on the administration of funds;

    b. Guidance on how to prepare and submit materials required for OMB and Presidential review of all agency requests and the formulation of the budget; and

    c. Describes the requirements of the GPRA (Government Performance Results Act) Modernization Act, 2010, relative to strategic plans, performance plans, and reports. Part 4 provides instructions on Budget Execution and related OMB guidelines. Appendix H provides a checklist for Funds Control Regulations.

11. **Office of Management and Budget (OMB) Circular No. A-123, Management's Responsibility for Internal Control and Enterprise Risk Management - Memorandum (M-16-X)**. The Heads of Executive Departments and Agencies: The goal of this revised Circular is to modernize efforts to implement the Federal Managers' Financial Integrity Act (FMFIA) of 1982 to evolve existing internal control framework to be more value-added and provide for stronger risk management to improve mission delivery. This shifts the focus to also emphasize program reviews from the singular focus on financial reporting.

12. **Departmental Regulations (DR-1110-2, June 17, 2013) - Management's Responsibility for Internal Control**. This DR provides a Department-wide policy designed to improve the accountability and effectiveness of agency programs and operations. The policy intends to ensure that programs are managed with integrity, and that program operations comply with applicable laws and regulations.

13. **OMB Circular No. A–130, Management of Federal Information Resources***.* This circular reflects information technology (IT) that pertains to financial management systems. The Circular establishes the general policy for the planning, budgeting, governance, acquisition, and management of Federal information, personnel, equipment, funds, IT resources, and supporting infrastructure and services. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information (PII).

14. **Federal Account Symbols and Titles (FAST) Book - Agency Identifier Codes**. This Treasury FAST Book sets forth guidelines for government-wide use of treasury account symbols, such as expenditure/receipt accounts, authorities that established the accounts and how they accounts can be used. The FAST Book may be accessed via this link: https://fiscal.treasury.gov/files/fast-book/fastbook-march-2021.pdf

15. **The** GAO Green Book - Standards for Internal Control in the Federal Government (September 2014). **The Green Book** provides Managers with criteria for designing, implementing, and operating an effective internal control system. It defines standards through components and principles and explains why they are integral to an agency's internal control systems. The Green Book clarifies what processes management considers part of internal control. In a mature and highly effective internal control system, internal control may be indistinguishable from day-to-day activities personnel perform. Agencies use the Green Book to help achieve their objectives related to operations, reporting, and compliance https://www.gao.gov/assets/gao-14-704g.pdf).

16. **Title 2 CFR 200.343(b), Closeout**. This Regulation determines the closeout process that must take place when all applicable administrative actions and all required work is completed at the end of the period of performance as specified in the terms and conditions of the Federal award (https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-343.pdf).

17. **Title 48 CFR 4.804-5, Procedures for Closing out of Contract Files**. This Regulation requires that all contracts disposals and closeouts are completed in compliance with Federal Acquisition Regulation procedures and closeout process of contract files.

18. **Departmental Regulation (DR), 2130-008, October 24, 2016 - Changes in Significant Accounting Estimates**. This DR requires agencies to request approval, in writing, from the USDA Chief Financial Officer (CFO) for significant changes in accounting estimates when the effect of the change is more than 10% and $100 million in the financial statements.

19. **Treasury Financial Manual (TFM), Chapter 4700: Agency Reporting Requirements for the Financial Report of the United States Government**. This TFM prescribes how agencies provide data for the financial report of the Federal government using the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) It also includes the Bureau of the Fiscal Service (Fiscal Service) Closing Package methodology, the Federal Intragovernmental Transactions process, and requirements for submitting pre-closing GTAS Adjusted Trial-Balance (ATB). However, the TFM does not include all reporting requirements for GTAS.

20. **Closing of Appropriation Accounts Available for Indefinite Periods (31 U.S.C. 1555)**. This provision mandates that an appropriation account available for obligation for an

indefinite period must be closed, and any remaining balance (whether obligated or unobligated) in that account will be canceled and thereafter shall not be available for obligation or expenditure for any purpose, if:

a. The head of the Agency concerned or the President determines that the purposes for which the appropriation was made have been carried out; and

b. No disbursement has been made against the appropriation for two consecutive fiscal years.

21. **Debt Collection Improvement Act of 1996 (Pub. L. 104-134).** This statute sets forth provisions for the Federal Government to move toward its goal of increased electronic commerce and improved cash and debt collection management. The goal of this statue is to maximize collections of delinquent debts owed to the Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools to minimize the costs of debt collection by consolidating related functions and activities and utilizing inter-agency teams.

22. **Federal Accounting Standards Advisory Board (FASAB) Handbook of Federal Accounting Standards and Other Pronouncement, as Amended - June 30, 2020**. This Handbook compiles and codifies documents produced by the FASAB. It is designed to meet the needs of users for an authoritative reference to concepts, standards, interpretations, technical bulletins, technical releases, and other issuances. It contains extensive cross-referencing and indexing. https://files.fasab.gov/pdffiles/2020_fasab_handbook.pdf

23. **United States Standard General Ledger (USSGL) Bulletin No. 2021-17 (March 2019**). This Treasury guidance provides a uniform chart of accounts and technical guidance for standardizing Federal agency accounting. It sets forth official publication of policies, procedures, and instructions concerning general ledger accounting and financial management in the Federal Government, intends to promote the Government's financial integrity and operational efficiency.

24. **Office of Management and Budget (OMB), Circular A-136 (Financial Reporting Requirements)**. This Circular establishes a central point of reference for all Federal financial reporting guidance for Executive Branch departments, agencies, and entities required to submit audited financial statements, interim financial statements, and Performance and Accountability Reports (PARs) or Agency Financial Report (AFR) under the Chief Financial Officers (CFO) Act of 1990 and the Accountability of Tax Dollars Act (ATDA) of 2002.

25. **Treasury Central Accounting Reporting System (CARS**). The CAR*S* handles accountin*g* and reporting for all Federal agencies. The CARS is the electronic system of record for

the Government's financial data which provides streamlined agency reporting and supports Government-wide standardization. Along with Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) and Intra-Governmental Payment and Collection (IPAC), CARS is a system that falls under Government-wide Accounting (GWA).

26. **Treasury Financial Manual (TFM), Chapter 2000 - Depositing Domestic Checks and Cash Received in Over the Counter Collections**. This Treasury Manual Guides Federal agencies regarding government collections and deposits of funds such as frequency, deposit reporting and so forth.

27. **FASAB- Technical Bulletin 2020-1, Loss Allowance for Intragovernmental Receivables**. This Technical Bulletin clarifies that recognition of losses, provided in paragraphs 40-52 of SFFAS 1, applies to both intragovernmental receivables and receivables from non-Federal sources. It also addresses the changes to the methodology for calculating the allowance for uncollectible accounts, to include Federal accounts receivables.

28. **Departmental Regulation (DR), 2100-003-01, August 01, 2005**. This regulation establishes departmentwide policy for the biennial review of fees and other charges in accordance with Office of Management and Budget (OMB) Circular No. A-25, "User Charges." These policies and procedures are applicable to all Department of Agriculture (USDA) agencies, corporations, and mission areas (agencies). OMB Circular No. A-25 establishes Federal policy regarding fees assessed for Government services and for sale or use of Government goods or resources. The objectives of this policy are to:

    a. Ensure that each service, sale, or use of Government goods or resources by an agency to specific recipients be self-sustaining,

    b. Promote efficient allocation of the Nation's resources by establishing charges for special benefits provided to the recipient that are at least as great as the costs to the Government of providing the special benefits, and

    c. Allow the private sector to compete with the Government without disadvantage in supplying comparable services, resources, or goods, where appropriate.

29. **Office of Management and Budget (OMB) M-17-04 - Guidance for DATA Act Implementation**. This regulation requires that the Senior Accountable Official (SAO) assures, on a quarterly basis, that alignment among all files within the complete DATA Act submission is valid and reliable, including the linkages across all data in files A-F. OMB M-17-04 further states that when there are legitimate differences between the files, the SAO should provide an explanation for any misalignment.

Office of Management and Budget (OMB) M-18-16 - Appendix A to OMB Circular No. A-123, Management of Reporting and Data. This guidance pursuant to OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control (OMB Circular No. A-123), requires agencies to manage risk in relation to achievement of reporting objectives. This updated version of Appendix A, Management of Reporting and Data Integrity Risk, conforms to OMB Circular No. A-123.

54.2 - Objective

To provide service-wide guidance for accounting and reporting of agency business operations.

54.3 - Policy

1. All Treasury Account Symbol (TAS) with no activity or disbursement for two consecutive fiscal years (31 U.S.C, 1555) must be researched to determine if the TAS should be closed out or canceled. Any remaining balance on the account shall be transferred to the appropriate Treasury Miscellaneous Receipt account in accordance with the enabling legislation.

2. Establish procedures to bill and collect amounts owed to the Agency as quickly and as efficiently as possible. Prepare invoices for goods or services to those outside the Federal Government upon advice that goods and services have been shipped or services are rendered. Ensure each invoice is prepared within seven business days or in accordance with the terms of the agreements.

3. Make monthly, quarterly, and year-end reconciliation of all agency accounts to ensure full, accurate, and timely recording and reporting of accounting operations.

4. Maintain sufficient supporting documentation to justify transactions recorded in the Agency core accounting system. All transactions including adjustments are subject to an internal and external review.

5. Require all non-Federal applicants to make payment in advance of, or simultaneously with, the rendering of goods or services unless appropriations and authority are provided in advance to allow reimbursable services.

6. Set user fees as rates rather than fixed dollar amounts, when possible, to adjust for changes in costs to the Government or changes in market prices of the goods, resources, or services provided.

7. Unless a statute provides otherwise, user charge collections must be credited to the general fund of the Treasury as miscellaneous receipts, as required by 31 U.S.C. 3302.

8. Establish a uniform schedule of charges for like products or services, such as, maps and charts. Price schedules will be set for each similar group of products or services rather than setting prices on an individual item basis. As a general rule, user fees must be based on the full costs associated with producing goods or services. However, in certain instances when there is substantial competitive demand for a good or service, or in instances when it is necessary to achieve a balance in the demand and supply of such goods or services, user fees need not be limited to the recovery of the full cost. In such instances, net revenues may be obtained.

9. As a normal rule, legislative proposals that permit fees to be credited to accounts should also be consistent with the full-cost recovery guidelines contained in OMB Circular A-25. Any fees in excess of full-cost recovery must if possible, be returned to the depositor or credited to the general fund of the Treasury as miscellaneous receipts.

10. Review user charges for agency programs biennially, to include:

    a. Assurance that existing charges are adjusted to reflect unanticipated changes in costs or market values; and

    b. A review of all other agency programs to determine whether fees should be assessed for Government services or the user of Government goods or services.

11. Coordinate service-wide review of management controls and financial systems to ensure that effective management/internal controls are in place and units are held accountable for compliance with applicable laws and management policy.

12. Establish a systematic methodology for measuring and analyzing allowance for doubtful accounts.

13. Assign a unique Federal Award Identification Number for agency financial assistance awards and report agency financial assistance award data monthly on USASpending.gov in accordance with DATA Act provisions.

14. Annually, report appropriations account summary-level data including obligations and outlays by appropriations account, object class, and program activity to USASpending.gov and link them to award-level data.

15. Report all Financial Assistance Awards above the Micro-Purchase Threshold ($25,000 or greater) on a Bi-Weekly Cycle to USASpending.gov.

16. Specific Standard Operating Procedures (SOP) direction required by this directive or day to day activities of staff area business processes will be maintained and updated within the respective business areas of responsibility. Updated SOPs 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/assets/gao-14-704g.pdf include controls to separate incompatible duties and responsibilities.

Any SOP or supplemental direction created must reference the related FSM or FSH directive(s) and be signed and approved by the appropriate staff, and must also outline the key control activities expected of that program/functional area in accordance with the GAO Green Book: (https://www.gao.gov/assets/gao-14-704g.pdf).

Annually, a risk assessment is conducted by CFO leadership to determine which SOPs/supplements need to be updated with the identified updates taking place during the fiscal year by the applicable program area.
See https://usfs.box.com/v/cfostandardoperatingprocedures for CFO established supplements or SOPs under this directive.

17. Review and approve routine and non-routine accounting adjustments in the core accounting system.

54.4 - Responsibility

54.41 - Chief Financial Officer (CFO)

The CFO is responsible for ensuring that the Agency adheres to sound financial management policies and practices by working with staff to improve the quality, completeness, and integrity of financial data in the Agency core accounting system.

54.42 - Director of Budget and Finance (B&F)

The Director of CFO-B&F is responsible for:

1. Approving all routine and non-routing accounting adjustments in the core accounting system.
2. Submitting the Things of Value report created by NFS, to United States Department of Agriculture, Office of the Chief Financial Officer, (USDA-OCFO) by due date.
3. Developing a systematic methodology for measuring and analyzing accounts receivable allowance for doubtful accounts.
4. Establishing procedures to bill and collect amounts owed to the Agency as quickly and as efficiently as possible.
5. Coordinating with units when there is a need for issuing dunning notices to vendors/cooperators when invoices or payments are past due.

6. Submitting the Treasury Report on Receivable (TROR) quarterly to Treasury via the Debt Management Information System portal after the CFO's approval/signature.

7. Submitting to Treasury through the OCFO agency's written justification for the temporary use of suspense account F3875 and/or F3885, annually.

8. Working with the Director of Financial Reporting and Reconciliation to transfer any remaining balance on the closed or canceled Treasury Account Symbol to Treasury Miscellaneous Receipt in accordance with the enabling legislation.

9. Ensuring quality information or data is entered into the Agency core accounting system.

10. Providing monitoring and analysis of the Agency File C error report. Collaborates with Financial Reporting and Reconciliation (FR&R) and USDA Transparency and Accountability Reporting Division (TARD) on solving reporting errors.

11. Researching File C error transactional data, coordinates with other CFO-B&F branches, and Procurement and Property Services (PPS) to obtain proper Procurement Instrument Identifier (PIID). Correct PIIDs are then uploaded into Financial Management Modernization Initiative (FMMI)to clear the error report.

12. Monitoring and providing analysis for the monthly NDA (NON-DATA ACT) report by working with other CFO-B&F branches to ensure only non-reportable transactions are using this designation in the primary financial system. Identifies and corrects any reportable transactions on this report by uploading the proper PIID/FAIN.

13. Working with PPS Government Purchase Card (GPC) oversight branch to obtain PIIDs for purchase card errors on the File C error report.

14. Reviewing audit samples for DATA Act sampling and coordinate result with other CFO-B&F branches as needed.

15. Reviewing and updating the quarterly assurance statement for Audit &Assurance to provide to the SAO for quarterly certification, as needed.

16. Participating in Data Act meetings with other CFO directorates, PPS, and the Department as needed to stay informed of latest DATA Act information.

17. Creating and developing standard operation procedures related to the DATA Act role of CFO-B&F, as needed.

18. Performing manual FPDS entries for fire payments that occur outside the Integrated Acquisition System (IAS)to keep the file C report in sync with the D1 file for procurement

awards. Entries are based off the monthly reports received from PPS. Financial Management Systems (FMS)

19. Establishing all accounting master data elements within the Agency core accounting system, FMMI and monitor all Forest Service financial applications transmitting data to the FMMI and ensure that all financial activity is recorded timely.

20. Modifying Forest Service financial applications as needed to meet DATA Act requirements by defining requirements, as well as testing all system change requests to mitigate adverse impacts.

21. Assisting other staff areas as needed in identifying and resolving any systemic issues resulting in errors or inaccurate data.

54.43 - Director of Financial Policy

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

1. Issue service-wide accounting policies timely and in accordance with statutory authorities and standards.

2. Review the annual Asbestos Cleanup cost estimates from the Director of Engineering for completion and accuracy and forward to the OCFO/Department for the year-end consolidated financial statements reporting; under the Environmental and Disposal Liabilities Note. Agencies are required to recognize and measure asbestos-related cleanup costs, such as friable and non-friable asbestos-related cleanup costs.

3. Coordinate with the Director of Financial Reporting and Reconciliation (FR&R) to assist in interpreting or determining the posting logic or receipt account to transfer the remaining balance on the closed out TAS to Treasury Miscellaneous Receipts. The determination of the appropriate posting logic or receipt account shall be based on the enabling legislation.

4. Coordinate with the National Forest System (NFS)for any unprocessed activity documents on Things of Value and identified errors are corrected and the accurate documents is process in the Agency's core accounting system.

54.44 - Director of Audit and Assurance (A&A)

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

1. Provide oversight for established corrective action plans to address any control weaknesses over accounting operations.

2. Provide an overall review of controls on a three-year rotation basis or as necessary per the annual risk assessments.

3. Review for accuracy and completeness the biennial review of Things of Value.

4. Determine on evaluation of programs for potential charges related to Things of Value was completed.

5. Review and ensure the CFO Biennial Review of Charges for Things of Value report is in compliance with the circular and the departmental directive.

6. Testing the Forest Service internal controls to provide assurance that the internal controls are accurate, timely, and complete.

7. Perform control test procedures for various required testing elements pertaining to File A, File B, File C, File D1 and File D2 of DATA Act Reporting, per OMB Circular A-123, appendix A and OMB M-15-12.

8. Review DATA Act A-123 audit samples each audit year and report any audit findings to the CFO, OCFO and Forest Service stakeholders.

9. Coordinate with Forest Service stakeholders to create corrective action plans to address any audit findings.

10. Participate in DATA Act and/or Department meetings (as needed) and report DATA Act error reports and work with Department stakeholders on resolution of errors, as needed

11. Provide the CFO information regarding USDA Component Agency Data Act Reporting Assurance.

12. Report and brief the SAO on a quarterly basis, on the USDA Component Agency Data Act Reporting Assurance Statement and submit the Assurance to the Department.

13. Assist with DATA Act special projects, sub-teams, clean-up efforts, and so forth (on an as-needed basis).

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

It is the responsibility of the Director of SPBA to:

1. Coordinate with the Director of FR&R to identify and closeout/cancel Treasury Account Symbols (TAS) that have been inactive for two consecutive fiscal years;

2. Notify and seek approval from the Director of the Office of Budget and Program Analysis (OBPA) via a letter with all the trial balance and other supporting documentation of the closeout TAS.

3. Submit baseline program levels and discretionary, mandatory, and governmental receipts proposal to OMB for consideration as part of the budget formulation process. Also, work with OMB to determine the effect of proposals on budget authority, collections, and outlays based on the Administration's economic and technical assumptions.

54.45a - Deputy Chiefs, Regional Foresters, National Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors

It is the responsibility of the Deputy Chiefs, Regional Foresters, National Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors (responsibilities may be delegated as needed to the following, for example, Budget Officers, Contracting Officers, Program Managers, and obligating officials) to:

1. Ensure efficient and productive business operations in order to meet the Agency's mission.

2. Ensure that administrative funds control policies and procedures are implemented and followed.

3. Initiate agreement or contract while working with the appropriate personnel (Budget Officers, Budget, and Finance (CFO-B&F), and so forth).

4. Verify that the source(s) and amount of funds used is available and appropriate for the goods and services procured.

5. Work with SPBA and CFO-B&F to monitor funds monthly to prevent overspending.

6. Ensure that obligations are reviewed monthly and that obligated balances are valid.

7. Monitor and ensure that performance under all obligating instruments are properly described in the statement of work, and that performance is monitored and fully accomplished under the instrument.

8. Work with CFO-B&F to ensure compliance with the policy and documentation requirements for the monthly review, quarterly certification, and corrective action of unliquidated obligations.

9. Work with the appropriate staff to ensure timely action is taken to adjust and deobligate identified unliquidated obligation balances. For any dormant obligations, work with CFO-B&F, OGA and PPS to deobligate and free up unused funds.

10. Consolidate units' quarterly certification of open obligation reports and forward to the Region, Station and Area budget officer or the DABC.

11. Coordinate and assist in closeout procedures of all contract and grants and agreements.

12. Ensure that administrative funds control policies and procedures are implemented and followed.

13. Prepare the primary analysis for the Things of Value report.

54.46 - Director of Financial Systems

The Director of Financial Systems is responsible for:

1. Establishing agency core accounting system elements that allow for accurate accounting adjustments and reporting to internal and external entities.

2. Ensuring the Agency's core accounting system supports a fund control system and meets requirements of OMB Circular A-11, A-123, A-136 and A-25.

54.47 - Director of Financial Reporting and Reconciliation (FR&R)

It is the responsibility of the Director of FR&R to:

1. Coordinate with the Director of SPBA to identify and closeout Treasury Account Symbols that have been inactive for two consecutive fiscal years.

2. Coordinate with the Director of Budget and Finance to transfer any remaining balance on the closed or canceled Treasury Account Symbol to Treasury Miscellaneous Receipt in accordance with the enabling legislation.

3. Coordinate with the Director of Financial Policy to assist in interpreting or determining the posting logic or receipt account to transfer the remaining balance on all canceled/closed TAS.

4. Reconcile and resolve trading partner/intra-governmental transaction differences throughout all reporting periods (quarterly and annually).

5. Develop the certification statement for final CFO approval of consolidated submissions, and final submission to the Treasury Broker.

6. Provide on a quarterly basis, reasonable assurance that Forest Service's internal controls support the reliability and validity of the Agency account-level and award-level data reported to USASpending.gov, as required by OMB M-17-04. As the SAO, relies on agency-wide validations as controls to ensure the data is complete, timely and that valid linkages exist between the files when certifying and submission to the CFO for approval.

7. Schedules and participates in DATA Act POC and/or Department meetings, as needed.

8. Assist with the distribution, facilitation, review, and consolidation of Department DATA Act data calls/deliverables.

9. Assist Office of Grants and Agreements (OG&A) with the preparation of the DATA Act D2 Grants and Agreements File from source documents and/or systems to include: compiling reportable files, validating data, identifying incorrect data/working with stakeholders to correct data, tracking issues, assisting with issue resolution, preparing certification form, and so forth.

10. Monitor DATA Act Error reports and communicating and/or providing the errors to process owners for further research and resolution. Also coordinate with Department stakeholders on resolution of errors, on as-needed basis.

11. Provide summary of Data Act errors and known issues to the Audit &Assurance for the quarterly SAO certification

12. Assist with the coordination of DATA Act audit samples, distribute to applicable Forest Service stakeholders, and assist with the review and preparation of responses, as needed.

13. Assist with DATA Act special projects, sub-teams, clean-up efforts, and so forth (on as-needed basis).

14. Validate monthly, the Government-wide Treasury Account Symbol (GTAS) data with the Agency trial balance to ensure the Disaster Emergency Fund Codes (DEFC) codes are reflected accurately. Any changes to DEFC codes will be provided to the Department for updating.

15. Reviews and updates the quarterly assurance statement for Audit and Assurance for quarterly certification, as needed.

54.48 - Washington Office, Director of Engineering

It is the responsibility of the Director of Engineering to provide:

1. Annual Asbestos Cleanup cost estimate for real property to the Director of Financial Policy for review and onward submission to the OCFO/Department. The data provided, will form part of the year-end consolidated financial statements under the Environmental and Disposal Liabilities Note. Agencies are required to recognize and measure asbestos-related cleanup costs, such as friable and non-friable asbestos-related cleanup costs; and

2. The Asbestos Cleanup cost using the total square footage of real property expected to contain asbestos times a cost factor based on historical actual cleanup costs, adjusted for inflation, including any other identifiable costs, such as, survey cost and so forth.

54.48a - Washington Office, Director of Grants and Agreements

It is the responsibility of the Director of Grants and Agreements to:

1. Award grants and agreements in accordance with law, regulation, and policy.

2. Generate Excel files bi-weekly from Forest Service's Grants &Agreements Management source system called National Resource Manager (NRM).

3. Research, reconcile and resolves items, where there is possibility of error on prior submission of D2 file.

4. Document any unresolvable reconciliation items in preparation for bi-weekly submission.

5. Provide the DATA Act D2 file to a designated list of USDA and Agency recipients.

6. Ensure system enhancements are incorporated for data collection as reporting requirements change.

7. Review and update the quarterly assurance statement for Audit and Assurance to provide to the SAO and CFO approval for quarterly certification, as needed.

8. Create and develop standard operation procedures related to the DATA Act role of OG&A, as needed.

54.48b - Washington Office, Procurement and Property Services (PPS)

It is the responsibility of the Procurement and Property Services to:

1. Award contracts in accordance with law, regulation, and policy.

2. Ensure contract awards that meet reporting thresholds are accurately reported to FPDS-NG in accordance with FAR 4.6 and numbered with an appropriate PIID number in accordance with FAR 4.16 and agency guidance.

3. Ensure IAS Agency Lead and IAS records are numbered correctly and automatically interface to FMMI with PIID at the time of obligation and research any errors reported by FR&R.

4. Ensure Government Purchase Card (GPC) Oversight Branch and cardholders enter the PIID into the appropriate field in Access Online (AXOL). When submission of final approval by the approving official, the PIID will interface with FMMI (starting May 2021). GPC Oversight will ensure all data errors are resolved.

5. Coordinate with Incident Procurement Modernization (IPM) Team to move incident related transactions into IAS to ensure actions are reported using automated interfaces. IPM will ensure processes are in place to address legacy transactions are manually reported.

6. Review and update the quarterly assurance statement for Audit and Assurance to provide to the SAO for quarterly certification, as needed.

7. Create and develop standard operation procedures related to the DATA Act role of PPS, as needed.

54.5 - Definitions

Allowance for Doubtful Accounts. The allowance for doubtful accounts is used to anticipate the amount of accounts receivable that may or will not be collected. The United States Generally Accepted Accounting Principles (GAAP) states that the conditions under which receivables exist usually involve some degree of uncertainty about their collectability, in which case a contingency exists. The loss from uncollectible receivables needs to be reflected in the Agency’s financial statements to present a fair depiction of management responsibility for agency financial statements.

Asbestos Liability. This records asbestos-related cleanup costs; recognition of a liability and related expense for those costs that are both probable and reasonably estimable; and disclosure of information related to friable and non-friable asbestos-related cleanup costs that are probable but not reasonably estimable in the financial statements. Over time, researchers realized that when asbestos materials are disturbed or damaged, asbestos fibers can be released into the air and cause dangerous exposure. When people accidentally inhale or ingest the microscopic fibers, the mineral can eventually lead to serious health problems, like mesothelioma and asbestosis. Asbestos-containing materials fall into two broad categories: friable and non-friable asbestos.

Biennial Review of Things of Value. These are items in a form of products or services and/or other charges that the Agency offers for sale or offers free of charge to the public. The cost or fees for these items must be reviewed every two-years and reported to the Department/OCFO to ensure the fees are self-sustaining and to promote efficient allocation of agency's resources by establishing charges for special benefits provided to recipients that are at least as great as the costs to the Agency.

Budget Scoring. Is the process of estimating the change in Government spending and collections resulting from enacted or proposed legislation, compared to what would happen in the absence of that legislation? These estimates are prepared both to inform policymakers of the budgetary effects of proposed legislation and to inform congressional and statutory budget enforcement procedures. Scoring occurs typically during budget formulation, the consideration of proposed legislation, and after a law has been enacted.

Change in Significant Accounting Estimates. When accounting for agency business operations, there will be times when an estimate must be used. In some cases, those estimates prove to be incorrect, in which case a change in accounting estimate is warranted. A change in estimate is needed when there is a change that affects the carrying amount of an existing asset or liability or changes the subsequent accounting for existing or future assets or liabilities. Changes in accounting estimates are a normal and expected part of the ongoing process of reviewing the current status and future benefits and obligations related to assets and liabilities. A change in estimate arises from the appearance of new information that changes the existing situation. In other words, there can be no change in the accounting estimate without new accounting information.

Civil Monetary Penalty. A fine issued in a civil court penalizing a violator of Federal statute. Violators usually profit from an illegal or unethical activity. The penalty is typically equal to the gains made from the illegal or unethical activity. These penalties must be recorded or deposited as miscellaneous receipts to Treasury, as these funds are generally not available to the Agency unless otherwise specified by law.

Congressional Budget Office (CBO). The Congress created CBO to give the Congress a stronger role in budget matters. CBO was established under the Congressional Budget Act of 1974 to provide objective, nonpartisan information that would support the budget process. CBO's mission is to help Congress make an effective budget and economic policy.

Debt Referral. A situation that usually occur as a result of an agency requesting Treasury's assumption of collection actions after the Agency's repeated but failed attempts to collect unpaid or delinquent debts. Delinquent debt referrals to Treasury apply to all agency and Federal collections due, including those debts by various private sector entities and Federal agencies, to collect the delinquent balance. Debt referrals may include the use of Credit Reporting Agencies, the Credit Alert Interactive Verification Reporting System, the Department of Justice, and other actions deemed appropriate by the Department of the Treasury.

Digital Accountability and Transparency Act (DATA Act). The DATA Act of 2014 is a law that aims to make information on Federal spending or expenditures more easily accessible and transparent to the taxpayer. The Treasury and Office of Management and Budget have issued common standards for financial data provided by all government agencies. The purpose of the statute is to improve the ability of Americans to track and understand how the Government is spending their tax dollars.

Environmental Liability. Environmental liability refers to any liability, contingent or otherwise including any liability for damages, natural resource damage, costs of environmental investigation, remediation or monitoring, administrative oversight, costs, fines, or penalties resulting from or based upon a violation of any Environmental Law or requirement. Environmental liability may also occur as a result of an entity's attempt to discharge or release or threatened discharge of any hazardous materials into the environment. An example is an asbestos liability.

Friable Asbestos. Refer to asbestos-containing materials that can easily be reduced to powder by hand, when dry. These materials are more likely to release measurable levels of asbestos into the airborne environment when disturbed, and generally pose a greater risk to health. Examples of friable asbestos-containing materials include sprayed asbestos fire retardants, thermal lagging, such as pipe insulation, low-density boards, sheet vinyl underlay, or backing, and so forth.

Non-friable or bonded asbestos. Refer to asbestos-containing materials in which the asbestos is firmly bound in the matrix of the material. These materials are unlikely to release measurable levels of asbestos fiber into the airborne environment if they are left undisturbed. Therefore, they generally pose a lower risk to health. Examples of bonded asbestos-containing materials include asbestos cement products (flat and corrugated sheeting used in walls, ceilings, and roofs, molded items such as downpipes), vinyl floor tiles (however removal of the glue can be classed as friable) and so forth.

Non-routine Accounting Adjustments. These are accounting adjustments that are not made frequently (for example, are not made monthly). The adjustments are mostly made at the end of the fiscal year.

PAYGO, or Pay-As-You-Go. Is a budget enforcement mechanism aimed at encouraging fiscally responsible policymaking? In simplest terms, PAYGO forces lawmakers to pay for their priorities. It requires that any new legislation that increases deficits (whether through an increase in mandatory spending or decrease in revenues) must be fully offset by other increases in revenues or decreases in mandatory spending so that the new legislation does not add to the budget deficit.

Posting Logic. Is an approved United States Standard General Ledger (USSGL) account entry. The Agency posting logic must provide a self-balancing set of proprietary and/or budgetary accounts to record, for example, appropriation, apportionment, allotment, allocation,

commitment, obligation, and expenditure processes. The Agency posting logic entries must be driven by debits and credits; the debits should always equal to the credits.

Prior Period Adjustment. An adjustment that occurs when financial statement preparers are required to fix past financial statements that were misstated because of a reporting error. Errors in financial statements may be caused by mathematical mistakes, mistakes in the application of accounting standards such as GAAP and FASAB as well as an oversight or misuse of facts that existed at the time the financial statements were prepared.

Refunds. Although refunds are not ideal for agency business operations, they are however bound to occur in any period of agency business operations. A refund is a business process where the public returns merchandise or items they bought from the Agency in exchange for funds previously paid. Refunds will adjust the actual receipts available to an agency.

Routine Accounting Adjustments. These are accounting adjustments that are made frequently such as monthly or quarterly.

Treasury Report on Receivable (TROR). The Treasury Report on Receivables and Debt Collection Activities are the U.S. Department of Treasury's means of periodically collecting data on the status and condition of the Federal Government's nontax collections and/or department portfolio, in accordance with the requirements of the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996 (DCIA). The report is used by an agency that has debt but is pursuing them through collection actions. The Department of Treasury shares information in the TROR with other government agencies, some private sector organizations, and the public, to help facilitate debt management.

Unclaimed Monies. If the Government owes you money and you do not collect it, then it's unclaimed. Usually, the Government holds unclaimed monies because the owner's whereabouts are unknown.

User Fees. Federal agencies charge user fees to ensure that each service, sale, or use of Government goods and/or resources provided by the Agency to specific recipients or the general public are self-sustaining. User fees or charges are designed to promote efficient allocation of the Nation's resources by establishing charges for special benefits provided to the recipient that are at least as great as costs to the Government of providing the special benefits.

54.6 - Expenditure Transfers

Expenditure transfers represent the shifting of funds between appropriations and involve an outlay. In general, the Agency may not augment its appropriation accounts with transfers from other accounts without specific statutory authority. Expenditure transactions are limited to transactions between two or more different appropriations, funds, or receipt accounts. The shifting of funds applies equally to:

1. Transfers of expenditures from one Federal agency to another;

2. Transfers from one appropriation to another within the same agency; and

3. Transfers to an inter-agency or intra-agency working fund. All transfers between Federal funds (general, special, and non-trust revolving funds) and trust funds are also treated as expenditure transfers.

54.61 - Recording Expenditure Transfers

Record Expenditure Transfers when payment is recorded incorrectly and an adjustment is needed, based on the following:

1. Goods, services, or equipment are ordered between Federal agencies;

2. Specific law or laws mandate payment is to be made by one appropriation on behalf of another appropriation;

3. Payment is between two Federal Funds or between two Trust Funds; and

4. There is an expenditure between USDA agencies, as a result, of a purchase of an asset or the incurrence of a liability.

54.61a - Non-expenditure Transfer (NET)

A NET is a transaction that does not represent payment for goods and services but serves only to adjust amounts available in accounts. NETs do not appear in Treasury publications or budget documents as receipts or expenditures and, therefore, do not affect the budget surplus or deficit. NETs are classified as intragovernmental or intergovernmental transactions.

In addition, NETs are limited to transactions in which both the withdrawal and the credit occur in the same group of accounts. The transactions are not recorded or reported as obligations, expenditures, or reimbursements. They are documented on SF-1151, “Non-expenditure Transfer Authorization,” and processed directly to Treasury without being reported on SF-224, “Statement of Transactions.”

54.62 - Accounting Adjustments

Accounting adjustments are business or accounting transactions that have not yet been included in the accounting records of the Agency as of a specific date. Accounting transactions are done to reconcile and update agency accounting records. Accounting adjustments are made to update the accounts to conform to appropriate standards, policies, and/or guidance. The Director of Budget and Finance must finally approve all routine and non-routine accounting adjustments. In threshold cases and approval of non-routine adjustments, the Director, FR&R

has the authority to sign adjustments with a net G/L effect of $5 million or less. The CFO-B&F Director has the authority to sign adjustments with a net G/L effect up to $10 million. The CFO-B&F, CFO Director, or CFO designee, signs all adjustments with a net G/L effect of more than $10 million.

54.62a - Prior Period Adjustment

Prior period adjustments are required to fix past financial statements that were misstated because of reporting errors. Prior period adjustments should be limited to corrections of errors and accounting changes with retroactive effect, including those occasioned by the adoption of new Federal financial accounting standards, and should be recognized and measured under applicable standards. Adjustments should be recognized as a change in cumulative results of operations (rather than as an element of net results of operations for the period). Prior period financial statements should not be restated for prior period adjustments recognized in the current period.

54.62b - Correction of Errors

Errors in financial statements result from mathematical mistakes, mistakes in the application of accounting principles, or oversight or misuse of facts that existed at the time the financial statements were prepared. When errors are discovered after the issuance of financial statements, and if the financial statements would be materially misstated absent correction of the errors, corrections should be made as follows: The Agency financial statements are consolidated with the Department, for detailed agency financial statement process or SOPs, visit: https://usfs.box.com/s/kz3o4xppno74k4k2blydes6s7g5n1u2b for CFO established SOPs:

1. If only the current period statements are presented, then the cumulative effect of correcting the error should be reported as a prior period adjustment. The adjustment should be made to the beginning balance of cumulative results of operations, in the statement of changes in net position;

2. If comparative financial statements are presented, then the error should be corrected in the earliest affected period presented by correcting any individual amounts on the financial statements. If the earliest period presented is not the period in which the error occurred and the cumulative effect is attributable to prior periods, then the cumulative effect should be reported as a prior period adjustment. The adjustment should be made to the beginning balance of cumulative results of operations, in the statement of changes in net position for the earliest period presented; and

3. The nature of an error in previously issued financial statements and the effect of its correction on relevant balances should be disclosed. Financial statements of subsequent periods need not repeat the disclosures.

54.63 - Posting Logic

A posting logic is an approved Treasury related United States Standard General Ledger (USSGL) accounting and budgetary entries, which provides a uniform chart of accounts and technical guidance for standardizing Federal and agency accounting. The Agency posting logic must provide a self-balancing set of proprietary and/or budgetary accounts to record, for example, appropriation, apportionment, allotment, allocation, commitment, obligation, and expenditure processes. The Agency posting logic must be driven by debit and credit normal balance indicators, debits should always equal credits. Additionally, for proprietary accounts, assets should always equal liabilities and net position. The budgetary total and budgetary resources accounts should always equal the total status of budgetary resources accounts.

The Agency must request modification or addition to a posting logic through the OCFO/Department and must be approved by all the CFO Directorate including SPBA and the CFO Resource Information Manager.

54.64 - Changes in Significant Accounting Estimates

The preparation of financial statements requires frequent use of estimates for such items as asset service lives, salvage values, lease residuals, asset impairments, collectability of accounts receivable, warranty costs, pension costs, and so forth. Future conditions and events that affect these estimates cannot be known with certainty. Therefore, changes in estimates will be inevitable as new information and more experience are obtained. Changes in estimates are handled currently and prospectively. The effect of the change in accounting estimate is accounted for in the following scenarios:

1. Period of change if the change affects that period only; or,

2. The period of change and future periods if the change affects both.

An accounting change is one of the three types of modifications that affect an agency's accounting principles and practices or its application of the principles. The three types of accounting changes are:

1. Change in accounting principle from one generally accepted accounting principle to another alternative that is considered preferable;

2. A change in an accounting estimate; and

3. A change in the reporting entity.

54.64a - Justification of an Accounting Change/Estimate

A change in accounting estimate occurs when there are new accounting events, additional experience, subsequent developments, better insight, and improved judgment. Refining previously made accounting estimates is an inherent part of the accounting process. The Agency should request approval, in writing, from the USDA, Office of the Chief Financial Officer (OCFO) for significant changes in accounting estimates when the effect of the change is more than 10% and $100 million in the financial statements. The Agency is required to justify significant changes in accounting estimates.

The justification to the OCFO or the Department should be accompanied by developing a requirement document that contains:

1. An executive summary explaining the reason for the change, including a brief history of the current model and a brief description of the proposed change (DR 2130-008);

2. A section that describes the current process, including an analysis of the functions performed, a review of applicable regulations and guidance to ensure that the proposed model will comply with existing processes, and a review of the model's structure, inputs, and basic calculations; and

3. A section that describes the proposed model or change and its benefits and an explanation of the concept and design features.

The Agency should demonstrate that the new model is more appropriate or is responsive to such changes. Verification and validation analysis is a necessary component of implementing a new or enhanced model.

54.64b - External Reporting

External financial reporting includes financial statements, financial summaries, and related disclosures that are issued to users outside of the reporting entity (agency). The information is typically used by the taxpayer, OMB, Treasury, lawmakers, and other stakeholders. Principal external reports include the following statements or reports; **Note**: These external financial and nonfinancial reports are consolidated at the Department level with other agencies of the Department.

54.64c - Balance Sheet

This statement is prepared to report the financial position of the agency, pursuant to the requirements of 31 U.S.C. 3515(b) . While the balance sheet is prepared from the books and records of the entity in accordance with generally accepted accounting principles for Federal entities and the formats prescribed by the Office of Management and Budget (OMB), the statement is in addition to the financial reports used to monitor and control budgetary

resources, which are prepared from the same books and records. The Balance Sheet - presents, as of a specific time, amounts of future economic benefits owned or managed by the Agency (assets), amounts owed by the Agency (liabilities), and amounts that comprise the difference (net position).

54.64d - Statement of Net Costs

This statement reports separately, components of the net cost of the Agency's operations for the period by a strategic goal. The net cost of operations is the gross cost incurred by the Agency less any exchange revenue earned from its activities.

54.64e - Statement of Changes in Net Position

The Statement of Changes in Net Position identifies all financing sources available to or used by the Agency to support its net cost of operations and the net change in its financial position. The sum of these components, Cumulative Results of Operations and Unexpended Appropriations, equals the Net Position at year-end. The statement reports the change in net position during the reporting period. The statement format is designed to display both components of net position separately to enable the user to better understand the nature of changes to the net position as a whole.

54.64f - Statement of Budgetary Resources

The Statement of Budgetary Resources (SBR) provides information about how budgetary resources were made available as well as their status at the end of the period. Information on the SBR should be reconcilable to the budget execution information reported on the SF-133 Report on Budget Execution and Budgetary Resources to ensure the integrity of the numbers presented on the statement. The SBR should be aggregated to reflect all the activities of the Agency for the year covered by the financial statement. Budget Scoring may be used to estimate the change in government spending and collections as a result of proposed or enacted legislation:

When does scoring occur during the budget process? Scoring occurs typically during budget formulation, the consideration of proposed legislation, and after a law has been enacted.

1. Budget formulation process. As part of the budget formulation process, agencies submit baseline program levels and discretionary, mandatory, and governmental receipt proposals to OMB for consideration. Agencies work with OMB to determine the effect of proposals on budget authority, collections, and outlays based on the Administration's economic and technical assumptions. The scored level of budget authority, collections, and outlays for each approved budget proposal and the baseline for all programs create an overall picture of the President's proposed fiscal path.

2. Congressional process and enactment. During the congressional legislative process, CBO is required by statute to score legislation. Such scoring advises congressional committees on compliance with congressional budget enforcement procedures. During a legislative session, pursuant to statute, OMB updates the Congress on its estimates of the costs of the annual appropriations bills and publishes PAYGO scorecards that include estimates of enacted legislation that affect mandatory spending or governmental receipts. Sequestration is triggered at the end of a legislative session if OMB's scoring of appropriations Acts determines a breach of the discretionary caps has occurred or if OMB's PAYGO scorecard shows a debit in the budget year.

54.64g - Notes to Principal Financial Statements

The notes provide details on the information presented in the financial statements. The notes immediately follow financial statements. For example, Note 1 may disclose Significant Accounting Policies of the Agency, Note 2 may be titled Non-Entity Assets, Note 3 May disclosure Fund Balance with Treasury of the Agency and so forth.

54.64h - Required Supplementary Information (RSI)

The RSI provides deferred maintenance, general information on stewardship land, collection type heritage assets, and the Statement of Budgetary Resources by Major Budget Account for the Agency. A Statement of Custodial Activity, information about social insurance, and risk assumed information would also be included in this section if applicable, per OMB Circular A-136, "Financial Reporting Requirements."

54.65 - Billing and Collection

Agency billing and collections practices emphasize the vital elements of cash management, which are to bill promptly for goods and services provided by the Agency and provide for rapid collection of all amounts due to the Agency or Federal Government. Through these practices, the amount of cash needed to conduct agency or government business is lessened, and the need for Federal borrowing is reduced. Collections from Federal entities should be conducted through non-expenditure transactions whenever possible. These transactions are to be made using the Treasury approved and required collection tool, such as the Intragovernmental Payment and Collection (IPAC) system. Collections, whenever possible, must be accomplished using EFT methods. The Agency must adhere to the following procedures to ensure Federal funds are timely billed and collected:

1. Establish procedures to bill and collect amounts owed to the Agency as quickly and as efficiently as possible, in accordance with Treasury debt management guidelines. These terms and conditions must also be outlined in all agency agreements and related bills and invoices as warranted. Vendor or partner invoices must be prepared for goods or services provided to those outside the Federal Government and ensure each invoice is

prepared within one-working day following the day the Agency is advised that the goods have been shipped or released, or services rendered.

2. In the event the one-day billing rule is not cost-effective, billing must be prepared no later than five working days from the date the amount is recorded as an account receivable. Furthermore, the Agency is required to establish and maintain effective internal control procedures consistent with the Government Accountability Office's (GAO's) and Treasury's requirements. See FSM 1430 for internal control guidelines.

3. The collection and deposit of funds must be made timely, either daily or at a minimum, weekly, in accordance with Treasury Deposit directions and in a way that is most advantageous to the Federal Government, with collection by EFT through the Automated Clearing House (ACH) being the preferred method of receiving funds. Over the counter, transactions are to utilize agency designated collection systems, such as the Point of Sale System (POSS), to maximize the electronic collection opportunities for on-site customers to expedite the Government's timely access to its deposits.

4. A reconciliation of all deposits shall be performed between the Treasury's records and those maintained by the Agency at the close of each month, if not more often. To ensure effective reconciliation, the Agency shall classify transactions to the proper Treasury Account Symbol (TAS) at the time the transaction is executed or the point of origin (for example, when the collections are made); and if it is not immediately known which appropriation or deposit account a particular collection is to be recorded against, that collection may be recorded using the advance withholding account or the unidentified collections account (12X6500).

5. With the advent of Treasury electronic collection and modernization initiative, the use of a lockbox is not the preferred method of collection. Agency efforts must be directed towards the use of electronic collection tools, such as EFT, POSS, CARS and other on-line portals to collect and/or process funds due to the government. However, a lockbox may be permissible if the Agency determines via document analysis that greater efficiency, economy, or reduction in the elapsed time for collections can be achieved by using a lockbox system of collection.

6. Contracts, agreements (including financial assistance agreements), or other formal arrangements under which goods or services (or financial assistance) are provided to an individual or organization outside the Federal Government, will include payment terms and provisions, in accordance with GSA and Treasury, and at a minimum:

    a. Specify payment terms, including when payment will be due. The due date or the manner for determining the due date will be based upon delivery of goods or completion of service.

b. Require that payment be received no later than the due date.

c. Provide for payment by EFT, including sufficient EFT deposit information and/or lockbox collection method information, if deemed effective.

d. Provide for late charges in accordance with OMB and Treasury, such as in the form of interest, penalties, and administrative charges for payments received after the due date.

7. Collections under an invoice are normally required to be made within thirty days from the date of the invoice. This assumes satisfactory completion of the work or service and timely delivery. If the customer contests the adequacy of the work or services and the Agency agrees to correct the defect, the billing date may be extended until satisfactory performance is achieved. If supplies have been delayed in shipment and the organization or customer refuses to make payment until the supplies have been received, the Agency may determine whether an extension is justified. The program staff or unit may advise Budget and Finance Staff when an extension of the normal due date is warranted on any partner or organization billing. In no event will the due date be extended beyond 15 days past the thirty-day criteria mentioned in this paragraph, following receipt of the supplies from an organization or customer.

8. The Agency should generally consider mechanisms in the following order of preference for collection or deposit mechanism or methods:

   a. Pay.gov, including, Automated Clearing House (ACH);

   b. Fedwire Deposit System (FDS) (deposits requiring same-day settlement);

   c. Treasury’s Automated Lockbox Network;

   d. Offset Programs; and

   e. Treasury’s General Account.

54.65a - Accounting for User Fees

Some user-fees are congressionally mandated; however, others are charged based on the cost of producing or providing the service/items. User fees charged by agency program areas such as maps, recreation, and so forth are to be periodically revised to reflect current and full costs, except when such fees are established by statute or through contract negotiations and competitive bids. In those instances when user fees are material, such fees shall be modified on an on-going basis to reflect current costs, including inflationary cost increases to recover the full cost to the Government of providing goods and services. In compliance with the Chief Financial Officer Act and OMB Circular A-25 Revised “ User Charges,” the Agency is required to review

biennially all fees, royalties, rents, and other charges imposed by the agency for goods and services rendered, and other items of value(see DR2100-003 for more details). As part of this review, the Agency shall make recommendations on revising each fee charged to reflect costs incurred by the units for providing services and products to the public or other government (including Federal) agencies.

The Agency should include terms and conditions in multi-year contracts, as appropriate, which allow for adjustments to user fees based on biennial reviews.

54.65b - Accounting for Special Pricing Considerations

In select instances, there are statutory prohibitions against imposing user fees. The Agency must be aware of these prohibitions. In certain other instances, pricing policies have been established by OMB or by other statutory provisions for particular goods or services rendered to the public, including agency employees or State and local government employees. Where an OMB Circular or other statutory provision provides guidance on a specific user charge area, the guidance of that Circular, standard, or statutory provision shall take precedence over the requirements of this section.

Examples of special pricing considerations include:

1. Policies on setting rental rates for government-furnished quarters and facilities occupied by employees are prescribed in OMB Circular A-45, “Rental and Construction of Government Quarters,” as amended;

2. Policies on costs of distributing information products and services are prescribed in OMB Circular A-130, “Management of Federal Information Resources;” and

3. Policies on providing services to State and local governments are prescribed in OMB Circular A-97, “Rules and Regulations Permitting Federal Agencies to Provide Specialized or Technical Services for State and Local Units of Government under Title III of the Intergovernmental Cooperation Act of 1968.” The Agency should be aware that even though other authorities may exist for limiting the imposition of user fees, there may be instances when circumstances or situations surrounding the sale of goods or services require that specific statutory provisions apply rather than this section of the directive.

More specifically, where the field provides custom-tailored information services to specific individuals or groups, full cost recovery is appropriate. For example, if a unit prepares special reports or information in response to an inquiry such as Freedom of Information Act inquiry, costs associated with fulfilling the request would be charged, and the requestor should be informed before the work begins.

54.65c - Accounting for Civil Monetary Penalties

The Civil Monetary Penalty provisions (42 U.S.C. §1320a-7a) authorize the Office of Inspector General (OIG) to impose civil monetary penalties, and sometimes exclusion for a wide variety of conduct and is authorized to seek different amounts of penalties and assessments based on the type of violation at issue. Penalties may range from $2,000 to $100,000 for each violation, depending on the specific misconduct involved. The monetary sanctions imposed generally far exceed the damages sustained by the Government. The OIG must only prove liability by a "preponderance of the evidence" rather than the more demanding "beyond a reasonable doubt" standard required in criminal actions.

Civil monetary penalties are not a result of criminal proceedings but are employed by courts and Federal agencies or OIGs to enforce Federal laws and regulations. Settlement proceeds result from an agreement ending a dispute or lawsuit. The Agency is required by statute to annually adjust for inflation the maximum amount of each civil monetary penalty within its jurisdiction to administer. The inflation adjustment is calculated by multiplying the maximum dollar amount of the civil money penalty for the previous calendar year by the cost-of-living inflation adjustment multiplier provided annually by the Office of Management and Budget and rounding the total to the nearest dollar.

All agency civil monetary penalties and/or settlements proceeds must be deposited as miscellaneous receipts to Treasury, as these funds are generally not available to the Agency unless otherwise specified by law. The Department publishes a chart of civil monetary penalties annually in the performance and accountability report (PAR) to describe the nature of penalty or violation, section or sections of authority violated, date of previous adjustment, date of current adjustment as well as the anticipated current penalty level, in amounts.

54.66 - Receivables

Accounts receivables arise from claims to cash or other assets of other entities. The purpose of managing agency receivable is to provide a general overview of the Agency’s cash management practices and how they comply with applicable laws, regulations, and standards. Effective cash management practices of the Agency may range from financial assistance to closing-out uncollectible debts. The following texts and paragraphs will provide clarification of terms and guidance on how receivables should be recognized, recorded, reconciled, and reported. The paragraphs will also provide guidance on Federal and non-Federal receivables.

1. **Recognition of Receivables**: A receivable should be recognized when a Federal entity establishes a claim to cash or other assets against other entities, either based on legal provisions, such as a payment due date, or goods or services provided. If the exact amount is unknown, a reasonable estimate should be made and recognized in the Agency's core accounting system.

2. **Supporting Records**: General ledger receivable balances must be supported by detailed records of each amount receivable from each customer, including the date recorded, bill number, date billed, and so forth.

3. **Reconciliation of Receivables**: At least quarterly, the receivable subsidiary records shall be reconciled to the general ledger balances. Differences between subsidiary records and general ledger balances will be investigated to determine the cause(s) of the difference. Errors found during the investigation shall be corrected immediately in the Agency's core accounting system.

4. **Federal and Non-Federal Receivables**: Receivables from Federal entities are intragovernmental receivables, and should be reported separately from receivables from non-Federal entities. Intragovernmental receivables are claims of a Federal entity against other Federal entities. Intragovernmental balances and transactions (IGT) or trading partner transactions are a key component in the consolidation of financial information and the overall compilation process of financial reporting. Transactions between and among Federal entities that can generate intragovernmental balances or trading partner balances include:

    a. Services or goods bought/sold, (such as, buy/sell transactions);

    b. Transfers of assets or budget authority.

    c. Transactions with the General Fund of the U.S. Government.

    d. Investments or borrowings with the Treasury; and

    e. Benefits related transactions with the Department of Labor and OPM.

    Throughout the fiscal year, the Agency is required to reconcile and resolve the resulting differences between intragovernmental/trading partner balances and transactions. All differences should be resolved before the final submission of data for financial reporting. Intragovernmental transactions include investments or borrowings with the Treasury (Fiscal Service and the Federal Financing Bank), benefit-related transactions with the DOL and OPM, transfers of budget authority, buy-sell transactions, and transfers of assets between Federal agencies, including the General Fund of the U.S. Government.

5. **Entity Receivables**: Entity receivables are amounts that a Federal entity claims for payment from other Federal or non-Federal entities and that the Federal entity is authorized by law to include in its obligational authority or to offset its expenditures and liabilities upon collections. (An entity may have receivables that, once collected, can be used as offsets to the entity's budget authority and outlays only when authorized by

Congress (offsetting collections). Before receiving the authorization, however, those receivables are classified as non-entity receivables).

6. **Non-Entity Receivables**: Non-entity receivables are amounts that the entity collects on behalf of the U.S. Government or other entities, and the entity is not authorized to spend. Receivables not available to an entity are non-entity assets and should be reported separately in the Agency core accounting systems from receivables available to the entity.

54.66a - Allowance for Doubtful Accounts

Since it is a normal part of business operation that not all receivables are collected, agencies must establish an allowance for doubtful accounts to reduce the gross amount of receivables to its estimated net realizable value. The allowance for doubtful accounts should take into consideration not only the principal amount of potentially uncollectible accounts receivable but also the amount of any related interest, penalties, fines, and administrative fees. The allowance for doubtful accounts is recorded as a credit in the contra USSGL accounts with a debit to USSGL 6720 - Bad Debt Expense. For non-exchange revenue, debit the contra-revenue account. Some of the contra - USSGL accounts are: 1319 - Allowance for Loss on Accounts Receivable, 1367 - Allowance for Loss on Penalties and Fines Receivable - not otherwise classified and 1377 - Allowance for Loss on Administrative Fees Receivable - not otherwise classified and so forth.

With an allowance for doubtful accounts, the accounts receivable more accurately reflect its true economic value. Federal Accounting Standards Advisory Board (FASAB) standards require losses on receivables to be recognized when it is more likely than not that the receivables will not be collected. The language “more likely than not” means more than a 50 percent chance that the full delinquent amount will not be collected. An allowance for doubtful debt will be provided for by reducing gross receivables by the amount of the potential loss to their net realizable value. The allowance for uncollectible amounts should be re-estimated on each annual financial reporting date when information indicates that the latest estimate is no longer accurate.

54.66b - Measuring Allowance for Doubtful Accounts Losses

Losses due to uncollectible amounts must be measured through a systematic and documented methodology. The systematic methodology will be based on analysis of both individual accounts and a group of accounts as a whole, and reviewed at least annually, or when new information requires adjustments to the methodology and allowance amounts.

54.66c - Individual Account Analysis

Individual allowance for doubtful accounts that represent significant amounts shall be individually analyzed to determine the loss allowance. Loss estimation for individual accounts shall be based on:

1. The debtor's ability to pay;

2. Debtor's payment record and willingness to pay; and

3. Probable recovery of amounts from secondary sources, including liens, garnishments, cross collections, and other applicable collection or debt management tools.

54.66d - Group Account Analysis

Group account analysis for allowance doubtful account losses generally cannot be based solely on the results of individual account analysis. In many cases, account information may not be individually available to make a reliable assessment of losses, or the nature of the receivables may not lend itself to individual account analysis. In these cases, potential losses should be assessed on a group basis. To determine the loss allowance on a group basis, receivables must be separated into groups of homogeneous accounts with similar risk characteristics.

The groups shall reflect the following operating environment. For example, accounts receivable may be grouped by:

1. Debtor category (for example, business firms, state and local governments, and/or individuals);

2. Reasons that gave rise to the receivables (for example, tax delinquencies, erroneous benefit payments, trade accounts based on goods and services sold, and/or transfers of defaulted loans to accounts receivable); or

3. Geographic regions (for example, foreign countries and/or domestic regions). Within a group, receivables may be further stratified by risk characteristics; Examples of risk factors are economic stability, payment history, alternative repayment sources, and aging of the receivables; and

4. Statistical estimation by modeling or sampling is one appropriate method for estimating losses on groups of receivables. Statistical estimation should take into consideration factors that are essential for estimating the level of losses, including historical loss experience, recent economic events, current and forecast economic conditions, and/or inherent risks.

54.66e - Debt Referral

A debt is any amount owed to a Federal or State Government entity by a person, organization, or entity other than a Federal agency. A debt becomes delinquent when payment is not made by the due date or the grace period as established in the loan or repayment agreement; or by the due date specified in the initial billing notice. Unless prohibited by contract or statute, agencies should assess three separate and distinct types of late charges on all delinquent debts: Interest, Administrative Costs, and Penalties. Once a debt becomes delinquent, the Agency must issue a demand letter or dunning notice and a due process notice. The demand letter and due process notice can be combined into one letter and provide the debtor as thought this was 30-day billing increments) 60 days to respond. The Debt Collection Improvement Act (DCIA) of 1996 establishes the minimum requirements that must be met on the due process notice. Whenever possible, the Agency should try to fully collect a delinquent debt in one lump sum. Installment and repayment agreements may be used when full payment via a single lump sum is not possible. The terms of any repayment agreement must be stated in writing and should include the pre-authorized debt, acceleration, and rescheduling clauses, and consequences of default, and should last 3 years or less. The three-year period is the required term Treasury allows agencies to grant to debtors that are unable to make a lump sum payment.

The DCIA also requires agency related debt collection activities to be consolidated within the Federal Government, to the extent possible, to minimize the Government’s delinquent debt collection costs. One way that the Government’s delinquent debt collection operations have been consolidated is through the Cross-Servicing program and the Treasury Offset Program operated by the Department of Treasury. Once an agency refers its delinquent debts to the Cross-Servicing or the Treasury Offset Program, Treasury then uses a variety of collection tools to collect the debt. Agencies must also implement collection strategies incorporating the various tools to recover debts.

Per requirements of the DCIA, an agency can refer its debts to Treasury as early as day 61 of the dates noted on the due process notice and must refer all debt delinquent for over 120 days to the Treasury Offset Program or Cross Servicing.

A debt is eligible for referral to Treasury for cross-servicing if the debt is:

1. Past due;

2. Legally enforceable;

3. Owed by an individual or entity (including a state or local government) other than a Federal agency; and

4. Twenty-five dollars ($25) or more (including interest, penalties, and administrative costs).

A debt is not eligible for referral to Treasury for cross-servicing if the debt is:

1. Not past due or legally enforceable;

2. Owed by a debtor who has died;

3. Owed by a debtor who has filed for bankruptcy protection or the debt has been discharged in a bankruptcy proceeding;

4. Owed by a Federal agency;

5. The subject of an administrative appeal, until the appeal, is concluded and the amount of the debt is fixed; or

6. Less than $25 (including interest, penalties, and administrative costs).

An agency is not required to refer a debt to Treasury for cross-servicing if the debt is:

1. Delinquent for 120 days or less (however, an agency may send such debts to Treasury if they are otherwise eligible for referral);

2. In litigation, that is, the debt has either been referred to DOJ for litigation or is the subject of proceedings pending in a court of competent jurisdiction, including bankruptcy and post-judgment matters;

3. In foreclosure, that is, the debt is secured by collateral that is being foreclosed, either through a court proceeding or non-judicially;

4. Scheduled for sale within one year under an asset sales program approved by OMB;

5. At a private collection agency with the approval of Treasury;

6. At a Treasury-designated debt collection center;

7. Expected to be collected from payments issued to the debtor by the creditor agency within three years of the date of delinquency (commonly referred to as “internal offset”);

8. Less than $100 (the $100 referral is when the debt is in litigation and the $25 referral is when the debtor has filed for bankruptcy protection) and the Agency is unable to obtain the debtor’s taxpayer identifying number; or

9. Otherwise exempt from the statutory referral requirement by law or official action of Treasury.

54.66f - Termination of Collection Action, Write-off and Close-out/Cancellation of Indebtedness

An agency has the affirmative responsibility to try to collect all delinquent debts that are owed to the Agency; however, at some point in the collection process it may become evident that the debt is uncollectible, and it may be appropriate to terminate collection action, and/or write-off the debt. An agency fulfills its affirmative responsibility to try to collect delinquent debts by engaging in the collection. Active collection means that the debt is being collected through the use of all appropriate debt collection remedies, including, but not limited to two demand letters, credit bureau reporting, offset, garnishment, litigation, and referral to the Department of the Treasury for collection.

This section will provide accounting actions that result in termination of collection, write-off, classification of currently not collectible (CNC) accounts; pursuit of the collection after write-off/CNC; close-out and discharge of indebtedness:

1. **Termination of Collection Action**: This accounting action occurs when it appears to the Agency that no person or entity liable on the claim has the present or prospective ability to pay a significant amount of the claim, or the cost of collecting the claim is likely to be more than the amount recovered (31 U.S.C, 3711(a)(3)). Termination of collection action is a managerial decision in accordance with 31 U.S.C 3711, as well as the criteria established in the Federal Claims Collection Standards (31 CFR Part 903) because such collection action is not economically worthwhile or is otherwise inappropriate. The Department of Justice concurrence is required for termination of debts over $100,000 unless the Agency has its statutory authority for terminating collection action for debts over $100,000. The termination of collection activity does not preclude the Agency from retaining a record of the debt for purposes of:

    a. Selling the debt, if, in consultation with or at the request of the Agency, the Secretary of the Treasury determines that such a sale is in the best interest of the United States;

    b. Pursuing collection at the subsequent date in the event there is a change in the debtor's status, or a new collection tool becomes available;

    c. Offsetting against future income or assets not available at the time of termination of collection activity; or

    d. Screening future government loan applicants for prior indebtedness.

2. **Suspension of Collection Action**: The Agency may determine that certain circumstances warrant suspending collection rather than terminating. When collection efforts are terminated, the Agency, in effect, decides to defer its attempts to enforce collection for

a period specified in the Agency's collection strategy. Collection action should be suspended only when the Agency has reason to believe that the suspension will enhance the chances of recovery, or, at minimum, will not endanger the recovery of the debt. Such would be the case if the debtor agrees to repay the debt when the debtor's financial condition improves, as would occur if the debtor has been only temporarily laid-off from a permanent job. The Agency should suspend collection action when one or more of the following criteria apply:

a. The Agency cannot locate the debtor at the present time;

b. The debtor's financial condition is expected to improve;

c. The debtor has requested a waiver or administrative review of the debt; and

d. The debtor has filed a petition in bankruptcy;

3. **Write-off**: A write-off is mandatory for delinquent debt over 2 years unless documented and justified to the Office of Management and Budget (OMB) in consultation with Treasury. Once the debt is written off, it must be classified as Currently Not Collectible (CNC) or be closed-out;

4. **CNC**: During the period debts are classified as CNC, agencies should maintain the debt on record in the core accounting system for administrative offset and other collection tools, as described in the *Federal Claims Collection Standards* until

   a. The debt is paid;

   b. The debt is closed out;

   c. All collection actions are legally precluded; or

   d. The debt is sold, whichever occurs first. Cost-effective collection efforts should continue, specifically, if an agency determines that continued collection efforts after mandatory write-off are likely to yield higher returns.

   The collection process continues until the Agency determines it is no longer cost-effective to pursue collection. At that point, the debt should be closed-out.

5. **Close-out**: When an agency closes out debt, the Agency should file a Form 1099C with the Internal Revenue Service (IRS) where required and notify the debtor in accordance with the Internal Revenue Code (26 U.S.C. § 6050P) and IRS regulations. The 1099C reports the uncollectible debt as potential income to the debtor which may be taxable at the debtor's current tax rate. Reporting the discharge of indebtedness to the IRS results in a potential benefit to the Federal Government, because any payments made

to the IRS augment government receipts. Agencies should report closed-out debts on TROR. Agencies generally should stop all collection activity, including the sale of debts, once debts are closed out; and

6. **The pursuit of collection after write-off**: If the Agency receives payment or a one-time payment on a written-off debt, it may restore the amount collected as a receivable at the time of collection or credit the amount to a recovery account; and/or if the payment on a written-off debt is recurring and/or regular, the Agency should restore the total amount of the debt as a receivable in both its General and Subsidiary Ledgers and record each collection as if the debt had never been written-off.

54.66g - Treasury Report on Receivable (TROR)

Federal agencies are required to regularly provide information concerning their non-tax receivables and delinquent debts to Treasury, for inclusion in the TROR, in accordance with provisions in 31 U.S.C. 3719. The TROR is the Treasury's only comprehensive means for periodically collecting data on the status and condition of the Federal Government's non-tax debt portfolio. The information contained in the report is disseminated to Congress, OMB, agency Chief Financial Officers, the Federal Credit Policy Working Group, other officials and representatives of Federal and state organizations, private sector organizations, and the public.

The TROR serves as a management report and not an accounting report which informs Federal decision-makers of the gross book value of debts held by the Federal Government and the actions taken to enforce collection of the Government's receivables. Thus, the debt amounts listed in an agency's receivables report are not necessarily identical to the amounts reported on an agency's financial statements, which are presented in accordance with Credit Reform guidance, for example, using net present value. Agencies are, however, required to reconcile their TROR reporting with the receivables data reported on their financial statements.

54.66h - Content of TROR as a Management Report

TROR is a required management report designed to help the Agency comply with various regulations such as the DATA Act, Debt Collection Improvement Act of 1966, OMB Circular A-129, and so forth. The TROR captures data on agencies:

1. Receivables and collections;

2. Delinquent debt;

3. Debt eligible for Treasury Offset and Cross-servicing;

4. Debt ineligible for Treasury;

5. Debt disposition; and

6. Other important information related to the Agency receivables.

54.66i - Multi-Year Funding Availability/Lifecycle

As a result of the Consolidated Appropriations Act of 2017, most of the Agency discretionary accounts have transitioned from no-year funds to multi-year funds, with four years of availability. A few of the accounts that transitioned to multi-year include, Forest and Rangeland Research, State and Private Forestry, National Forest Systems, and Capital Improvement and Maintenance. The life cycle of multi-year funding is described below:

1. Funds Unexpired Phase (Four-Years Availability): The first phase of the multi-year funding is the Unexpired Phase. This is the phase where the Agency has four-years to allocate or allot funds, incur obligations and disburse existing obligations;

2. Funds Expired Phase (Five-Years Availability): The second phase of the multi-year funding is the Expired Phase. This is the phase where the Agency funds are legally expired and the agency is prohibited unless stimulated in law from incurring any new obligations or commitments. However, the Agency is only permitted to disburse existing obligations and make upward adjustments where appropriate;

3. Funds Canceled Phase: This is the final phase of the multi-year funding. In accordance with 31 U.S.C. §1555) an appropriation account available for obligation for an indefinite or timed period must be closed, and any remaining balance (whether obligated or unobligated) in that account will be canceled and thereafter, will not be available for obligation or expenditure for any purpose, if:

    a. The head of the Agency is concerned, or the President determines that the purposes for which the appropriation was made have been carried out;

    b. No disbursement has been made against the appropriation for two consecutive fiscal years (31 U.S.C. § 555); and

    c. Written confirmation is provided that the remaining funds or TAS account are no longer needed as the purposes for which funds were intended are no longer necessary or have been completed and any outstanding claims have all be accounted for.

54.66j - Identifying TAS Period of Availability

The account symbol designates the period of availability for incurring obligations as follows:

1. Annual appropriations, a single digit indicates the fiscal year of availability for incurring obligations of a one-year appropriation.

2. Multiple-year appropriations, a single digit separated by a slash (/) indicate a multiple-year appropriation for incurring obligations for a definite period over one fiscal year. The digit preceding the slash indicates the first fiscal year of availability, and the digit immediately following the slash indicates the final fiscal year of availability.

3. No-year appropriations. An "X" indicates a no-year appropriation that is available for obligations for an indefinite period.

54.67 - Refunds

Agencies must initiate action to clear balances held in their un-invested trust, and deposit fund accounts for more than one year. These balances represent sums of money held for rightful owners whose whereabouts are unknown.

When the Agency can trace the amount subject to refund as having been erroneously credited to an appropriation account, the refund claim is chargeable to that appropriation whether it has lapsed, current, reimbursable, or non-reimbursable. The Agency may charge account Treasury Account Symbol (TAS) 20X1807 (Refund of Money Erroneously Received and Covered) only when collections are deposited into Treasury as miscellaneous receipts and the amount to be refunded is not properly chargeable to any other appropriation.

Agencies usually make refund payments from various TAS account by preparing and submitting a properly certified Standard Form (SF) 1166 (Voucher and Schedule of Payments) for check issuance to the payee. The authorized certifying officer shall certify payments against the account and validate the accuracy of the claims scheduled for payment.

54.67a - Review of Agency Unclaimed Money Accounts

Each quarter, agencies must:

1. Analyze their un-invested trust, revolving, and deposit fund accounts to determine whether they are holding unclaimed money that may be refunded to the depositor;

2. Return amounts of $25 or more promptly to the depositor without the presentation of a claim;

3. Transfer to TAS account 20X6133, "Payment of Unclaimed Moneys," amounts of $25 or more that have been held for more than one year and are properly refundable but cannot be refunded because the individual's whereabouts are unknown; and

4. Transfer to miscellaneous receipt account TAS-1060, "Forfeitures of Unclaimed Money and Property," unclaimed amounts of less than $25 or amounts of $25 or more that have been held for more than one year.

54.67b - Notification of Unclaimed Money Accounts

Quarterly, the Bureau of the Fiscal Service (Fiscal Service) will post the balance by the Agency for TAS account 20X6133 (Payment of Unclaimed Money) to the Fiscal Service website. Fiscal Service does not maintain subsidiary ledgers. The Agency must maintain subsidiary ledgers and supporting documentation to ensure an accurate balance with Treasury. Agencies have 30 days to respond to Treasury via written notification or email regarding the accuracy of the amounts recorded by Treasury in account 20X6133.

Agencies not responding to Treasury's notification letter after the 30 days will receive a follow-up call. If Treasury still has not received correspondence from agencies 60 days after the initial notification, then Treasury will assume the amounts recorded are accurate. Agencies that dispute Treasury's recorded amount must provide supporting documentation so that Treasury can make appropriate adjustments.

54.68 - Accounting for Environmental Liabilities - Asbestos Reporting

The Department is subject to the Comprehensive Environmental Response, Compensation, and Liability Act, the Clean Water Act, and the Resource Conservation and Recovery Act for cleanup of hazardous waste. The Department is also subject to Asbestos National Emissions Standards for Hazardous Air Pollutants, meaning, the Department is required to disclose in its annual financial statements, under the Environmental and Disposal Liabilities section, the actual cost of asbestos cleanup. The cleanup liability is calculated using the total square footage of real property expected to contain asbestos, times a cost factor based on historical actual cleanup costs, adjusted for inflation, including any other identifiable costs, such as, survey cost.

Recognition and Measurement of Asbestos-Related Cleanup Costs requires an estimate of both friable (easily reduced to powder by hand, releasing fibers into the air/most hazardous), and non-friable (less dangerous, not airborne as fibers are bonded with cement, vinyl and other polymers) asbestos-related cleanup costs; recognition of a liability and related expense for those costs that are both probable and reasonably estimable; and disclosure of information related to friable and non-friable asbestos-related cleanup costs that are probable but not reasonably estimable in the financial statements.

54.69 - Digital Accountability and Transparency Act (DATA Act)

In 2014, the Digital Accountability and Transparency Act (DATA Act) became law as an expansion of the Federal Funding Accountability and Transparency Act (FFATA). The DATA Act expanded upon FFATA’s mandate to increase the transparency of federal spending by disclosing direct agency expenditures and linking federal contract, loan, and grant spending information to federal agency programs.

The DATA Act also established government-wide data standards to improve the accuracy, completeness, and consistency of spending information. The overall objectives are to create greater transparency and to provide the public with spending data that is reliable, easily accessible, and easily understood.

The law also requires that the data be channeled to a central, public database (https://www.usaspending.gov) so that it can be easily accessed and tracked throughout an award's full lifespan.

54.69a - DATA Act Reporting and Sources

In May 2015, OMB issued Memorandum M-15-12, which provided guidance issued by the OMB and the Department of the Treasury under section 4(c) of FFATA, as amended, to provide guidance to agencies: to improve the effectiveness of the Federal Government's resources through increased transparency and use of Federal spending data; by making Federal spending data more accessible, searchable, and reliable, and joining this information with other third-party data sources, Federal agencies and taxpayers have an opportunity to better understand the impact of Federal funds and improve the lives of the American public.

OMB and Department of the Treasury (Treasury) published 57 data definition standards and required federal agencies to report financial data in accordance with these standards for DATA Act reporting, beginning in January 2017. As part of its DATA Act Information Model Schema (DAIMS), the Treasury published Practices and Procedures that required agencies to submit and certify quarter files—files A, B, C, D1, D2, E, and F—to the Treasury's DATA Act Broker (Broker). The file names and the type of data to be contained within each file are as follows:

1. File A: Appropriations Account
2. File B: Object Class and Program Activity
3. File C: Award Financial
4. File D1: Award and Awardee Attributes—Procurement Awards
5. File D2: Award and Awardee Attributes—Financial Assistance Awards
6. File E: Additional Awardee Attributes
7. File F: Sub-Award Attributes

The Federal agency submits files A, B, and C based on data housed within its internal financial system(s). Files A and B contain summary-level financial data and file C contains reportable award-level data. D1 through F contain detailed demographic information for award-level transactions reported in File C. Agencies are responsible for compiling and submitting files A, B,

and C to the Broker, monthly. The Broker generates the remaining files (D1, D2, E, and F) at the time of submission based on data extracted by the Broker from external reporting systems. For file D1, agencies submit procurement award data to the Federal Procurement Data System - Next Generation (FPDS-NG) daily; the Broker extracts this information from FPDS-NG to generate File D1.

Additionally, at least twice a month, agencies submit financial assistance data to the Broker through its Financial Assistance Broker Submission (FABS) component. The Broker then uses this information to generate File D2. For both files D1 and D2, though the Broker generates the files at the time of submission, the Agency is the source of the initial data entry in both FPDS-NG and FABS requirements, such as requiring federal prime awardees to report to FSRS and SAM as part of the terms and conditions of the award.

OMB's Management Procedures Memorandum 2016-03 (M-16-03) states that federal financial assistance awards for specific entities should be submitted twice a month to USAspending.gov. Agencies must use information from their systems to populate the data on USAspending.gov. The criteria further states that the authoritative sources for the data reported in files E and F are the System for Award Management (SAM) and the FFATA Sub-award Reporting System (FSRS), with no additional action required of Federal agencies.

DAIMS Practices and Procedures provide overall instructions for submitting and understanding DATA Act reporting and validation rules to ensure agencies are including appropriate and sufficient data in the appropriate format. Each agency is required to designate an SAO, who is required to certify the seven data files for their agency's financial and award data to be published on USAspending.gov. As part of the certification, the SAO must provide reasonable assurance that its agency's internal controls support the reliability and validity of the account-level and award-level data the agency submitted to the Treasury for publication.

54.69b - Data Quality Plan/Commitment to Accuracy and Completeness

On June 6, 2018, the Office of Management and Budget (OMB) published OMB Memorandum 18-16 entitled, Appendix A to OMB Circular A-123, Management of Reporting and Data Integrity Risk. This memorandum calls for a DATA Act Data Quality Plan (DQP), among other requirements. This document is designed to be a DQP as required by Memo 18-16. As required by the memo, this Forest Service DQP aims to provide management's responsibility to supply quality data that meets reporting objectives for the DATA Act in accordance with OMB Circular A-123, appendix A:

1. Organizational structure and key processes providing internal controls for spending reporting;

2. Testing plan and identification of high-risk reported data, including specific data the Agency determines to be high-risk that are explicitly referenced by the DATA Act; and

3. Process for corrective actions to manage identified risks.

The DQP provides insight into how the Forest Service seeks to address completeness and accuracy of award and financial data reported to the U.S. Department of the Treasury (Treasury). The DQP uses the principles of OMB Circular A-123, appendix A, to highlight the discipline and internal controls of the related information systems that contain spending information, and the related processes that support the data extraction and reporting of spending information from these systems to Treasury's DATA Act Broker.

The DQP is a living document and serves as a reference. New Federal, including United States Department of Agriculture (USDA) and Forest Service requirements will be added to this document as needed.

54.7 - Management Controls

Management controls are to be applied service-wide and staff area policies and procedures are to be used to reasonably ensure that programs achieve their intended results. Additionally, management controls are to ensure resources are used consistent with the Agency mission; programs and resources are protected from waste, fraud, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported, and used for managerial decision-making.

54.71 - Management Controls Review Process

Management Control Review Process consists of:

1. Establishing and updating the Management Control Review Priorities each fiscal year;

2. Providing training to conduct management control reviews, as needed;

3. Assessing the adequacy of management controls by continuous monitoring and periodic evaluations/reviews;

4. Reporting the status of management control reviews and control weakness correction, and reporting results in review reports and Assurance Statements in accordance with Departmental and agency guidelines; and

5. Monitoring corrective actions until they are completed.

54.71a - Testing Management Controls

This is the process of verifying compliance with existing control procedures to determine if the controls are operating as intended. Testing methods include records review, observation, tracing transactions, interviews, and so forth.

54.71b - Reasonable Assurance

Reasonable Assurance is achieved when a unit's reviewers or testers express a satisfactory level of confidence that management controls are in place and are working efficiently and effectively to achieve program objectives, and are safeguarding agency resources, given considerations of costs, benefits, and risks. See FSM 1410 - Management Reviews, for additional guidance on management and entity-level controls.

54.71c - Accrual Accounting

Accrual accounting is the basis for proprietary accounting in the Federal Government. The authority that governs accrual accounting is 31 U.S.C. Sec. 3512 (e). Accrual accounting is utilized when financial transactions are recorded in the period of occurrence, even though the related cash is disbursed or received during another period. The basis of constructive receipt of goods and services is used without waiting for physical delivery to, or acceptance by, the Agency. The accrual method of accounting recognizes the significance and accountable aspects of financial transactions, events, or allocations as they occur. Costs are recognized in the accounts when incurred and revenues are recognized when they are earned. For additional guidance on determining and recording agency accruals, refer to FSH 6509.11m, Zero Code, FSH 6509.11m, chapter 10, and FASAB Statement of Federal Financial Accounting Concepts (SFFAC) 5 - Definitions of Elements and Basics Recognition Criteria for Accrual-Basis Financial Statements.

54.71d - Frequency of Accrual

Agency accrual transactions shall be computed and recorded in the core accounting system, at a minimum, each quarter-end (December 31, March 31, June 30, and September 30). When relevant data is not available for purposes of accrual, the Agency shall record accrual based on sound estimates in the Agency's core accounting system and sequentially adjusted/reversed when actual data is available, normally within 10 business days of the quarter-end accrual.

54.71e - Accrual Documentation

Documents reflecting computation and support for accruals and analysis of the accuracy of accruals will be developed in accordance with agency policy and FASAB's SFFAC 5 and be retained on file for reference and audit purposes as per the Office of Regulations requirements.

54.71f - Accrued Liabilities

In addition to recording as accounts payable the liability for services rendered and goods received, as evidenced by vendors' invoices or other documentation, it is necessary for management purposes to record the assets, expenses, and liabilities for goods and services received and performance rendered, for which no bills have been received or payments made

at the end of the month. Such accruals may be estimated on the basis of available information and previous experience.

When a contractor builds facilities or manufactures goods or equipment to the Agency's specification, the liability to pay for work is incurred as it is performed by the contractors, rather than when deliveries are made.

54.71g - Accrued Accounts Receivables, Unearned/Deferred Revenue, Accrued Revenues

It is necessary for management purposes to record the accrued accounts receivable, unearned/deferred revenue, and accrued revenue for goods and services and performance rendered to others for which:

1. No bills have been submitted or payments received at the end of the quarter, or for amounts due at the time of the event that gives rise to a claim; and

2. Payments were received, but the goods and services and performance have not yet been rendered (Unearned/Deferred Revenue). Such accruals may be estimated based on available information and previous experience. Receivables must be reversed (liquidated) when they are collected or converted into other resources or determined to be uncollectible in whole or in part. Unearned/Deferred Revenue must be reversed (liquidated) when the goods and services and performance have been rendered and recorded as Earned Revenue and the payments collected applied against Accounts Receivable for that Earned Revenue. See FASAB Statement 1, Accounting for Selected Assets and Liabilities (SFFAS No. 1).

54.71h - Standards for Estimating Accruals

In the absence of invoices or other available data, reasonable estimates will be used to accrue the cost of goods or services received before the end of a reporting period. Some of the ways to record accrued expenditures are as follows:

1. Receiving reports showing quantities received and determining whether a given shipment is complete or partial are useful in determining the amount of the accrual when the invoice has not been received;

2. Payroll, travel, and other vouchers received or prepared but not yet paid;

3. Obligation figures may be the best estimate of the amount of the expenditure incurred where an obligation is recorded covering the expenditure, which accrued within an accounting period;

4. A prior accrual or a trend of several previous accrual periods may be appropriate when estimating a current accrual;

5. Quarterly performance reports from grantees may be used to accrue expenditures for grants;

6. Data needed to estimate an accrual may be obtained from project managers or other operating officials, who are familiar with progress under the contract or grant if reports from contractors or grantees are not available or are not feasible; and

7. Sampling and other statistical methods may be used to make accrual estimates in cases where dollar amounts are relatively low but the number of transactions is high. The method used and the reasons for its selection should be documented and kept on records.

54.72 - Intra-governmental Payment and Collection (IPAC) Reporting

The IPAC system's primary purpose is to provide a standardized mechanism for Federal Program Agencies (FPAs) to transfer funds from one agency to another. IPAC is an internet-based collection and payment system that facilitates intragovernmental transactions by transferring funds, with related descriptive data and Treasury Account Symbol/Business Event Type Code (TAS/BETC), from one FPA to another. Transaction data from both FPAs are posted to their respective Central Accounting Reporting System Account Statements. IPAC/s use is limited to transactions between FPAs only; Transactions with commercial vendor payments or State/local government entities cannot be processed through IPAC.

IPAC is the only mechanism used for interagency payments and collections. I PAC facilitates the intragovernmental transfer of funds, with descriptive data from one agency to another. Agencies must use IPAC for all intragovernmental payments/collections. They must discontinue the use of paper checks and must restrict the use of credit cards for payments above the designated threshold; however, Treasury may grant limited exceptions at its discretion for some credit card transactions. Trading partners must abide by the negotiated terms and conditions in the agreement, as follows:

1. The buyer shall initiate an IPAC transaction when it has received goods and services and has accepted and processed payment within the agreed-upon terms and conditions;

2. The seller shall issue a final bill, including final information on agreed-upon terms and conditions, per the billing frequency. If the seller does not issue a final bill per the agreed-upon billing frequency, the buyer should contact the seller immediately to obtain the final bill and close the order. If the seller fails to send a final bill within 30 calendar days, the buyer should follow the dispute resolution process in the agreement;

3. Upon request, the seller shall provide documentation supporting the bill and actual performance consistent with the agreed-upon terms and conditions;

4. The buyer shall not chargeback or reject IPAC transactions that comply with the agreement terms and conditions, without consultation with the business partner;

5. The cutoff for IPAC processing, including chargebacks, must occur no less than three business days before the end of the quarter; and

6. The buyer shall reference the seller's unique identifier as required by Treasury on all IPAC transactions.

54.72a - IPAC Accounting Elements

Treasury requires the IPAC System to exchange accounting and other pertinent information to assist in the reconciliation of funds transferred between FPAs for various interagency transaction types (Buy/Sell, fiduciary, and other miscellaneous payment and collection transactions). The Treasury Shared Accounting Module (SAM) will validate the Sender and Receiver TAS/BETC, along with the Agency Location Codes (ALCs) of each FPA on the transaction. After validation, the transactions are picked up by the Central Accounting Front End System (CAFE) and transmitted to the Treasury required Central Accounting Reporting System (CARS) Account Statements for posting.

54.72b - Advance Payment/Collections

Advances are amounts of money prepaid to a Federal agency for the later receipt of goods, services, or other assets, or as matching funds. When an advance is required, the budgetary resource provided by the order is equal to the cash accompanying the order. The advance, per se, is not available for obligation. If both the order and the advance were available for obligation, budgetary resources would be double-counted.

Under the Economy Act, payment (via expenditure transfer) may be made in advance, or reimbursements may be made. Advances and reimbursements from other Federal agencies appropriations are available for obligation, but not disbursement until received when the ordering appropriation records a valid obligation to cover the order. The Act states that the providing (servicing) agency shall charge the ordering (requesting) agency "based on the actual cost of goods or services provided" as agreed to by the agencies.

Agencies shall deposit advances with orders in the appropriate appropriation/fund or receipt account. However, advances without orders must be deposited as follows:

1. If the advance is from a non-Federal source, deposit the funds in account 6500 (Advance withholding); and

2. If the advance is from a Federal source, deposit the advance in an intragovernmental clearing account (F3885).

54.72c - Business Rules Receipt and Acceptance/Trading Partners

As the seller performs the work necessary to deliver goods and/or services, the buyer and seller must post their related accounting transactions in their respective core accounting systems during the same accounting period according to the USSGL transaction codes.

54.72d - Recording Work in Progress/Trading Partners

Trading partners shall reference the seller's unique identifier on transactions related to the order to assist with determining the appropriate billable amount. As the seller performs on the order and incurs expenses that represent revenue earned, the expense transactions must follow the USSGL transaction codes. The seller shall bill the buyer timely in accordance with negotiated terms to ensure the appropriation is made whole. For non-advances, the buyer will record expense/payable accruals. The seller shall record revenue/receivable accruals per agreed-upon minimum accounting data elements.

54.72e - Accounting/Recording Capitalized Assets

Generally, the rules for determining whether or not an asset is capitalized are based on if the asset will have a useful life that is greater than one year and the cost of the asset is above the established threshold. A property is capitalized when it has an acquisition value of $25,000 or higher. If the buyer is capitalizing the asset, in addition to recording the capitalized asset, the buyer must record the purchase in one of the appropriate memorandum accounts as follows:

1. USSGL account 880200 "Purchases of Property, Plant, and Equipment;"

2. USSGL account 880300 "Purchases of Inventory and Related Property;" and

3. USSGL account 880400 "Purchases of Assets-Other." An offset to USSGL account 880100, "Offsets for Purchases of Assets," is required when using any of the capitalized assets memorandum accounts.

54.72f - Intragovernmental Transactions/Balances

Intragovernmental transactions result from business activities conducted between two Federal government entities, called trading partners. Accounting differences occur in government-wide financial reporting when trading partners record differing amounts for transactions that should eliminate or net to zero. Trading partners shall reconcile and resolve these differences on a routine basis with their trading partners.

54.73 - Central Accounting Reporting System (CARS) Reporting

The Treasury required CARS is the electronic system of record for the government's financial data which provides streamlined agency reporting and supports government-wide

standardization. To guarantee the accuracy of budgetary results in the final Monthly Treasury Statement (MTS), all Central Accounting Reporting System (CARS) reporters must ensure that all Treasury Account Symbols and Business Event Type Codes (TAS/BETC) reporting and reclassifications have been completed in CARS. The Monthly Treasury Statement summarizes the financial activities of the Federal Government and off-budget Federal entities and conforms to the Budget of the U.S. Government. The Agency Location Code (ALC) information in CARS is the official agency contact data. Maintaining current ALC information is imperative. In addition, CARS:

1. Enables agencies to classify payments, collections, and intra-governmental transactions upon creation;

2. Requires the use of Treasury Account Symbol-Business Event Type Code (TAS-BETC) within all CARS transactions;

3. Provides agencies with better tools and more timely data to manage Treasury Accounts;

4. Reduces turn-around time for agency monthly accounting statements;

5. Promotes the use of one Treasury Account Symbol (TAS) format, eliminating costly and vulnerable crosswalks; and

6. Produces and distributes budgetary reports such as the Monthly Treasury Statement (MTS) and Combined Statement (CS) Reports.

54.74 - Continuing Use of Suspense Accounts F3875 and F3885 for Reporting Suspense Account Activity

Consistent with OMB A-11 guidance, agencies may use clearing accounts to temporarily account for transactions that belong to the Government or lacks clarity in accounting or posting, until the transaction is matched to a specific receipt or expenditure account. Agencies are not, however, required to use clearing/suspense accounts for outlays or payments; or to mask an over obligation or expenditure of an expenditure account.

Agencies with a justifiable business need for suspense accounts may submit a request to the Department/Treasury for the use and/or reopening of suspense account F3875 and/or F3885.

In these instances, a justifiable business need can be the inability of the Agency to classify all transactions at the point of origin. If one transaction suspends during processing because the correct account is unidentifiable, then an agency may have a justifiable business need to request the use of suspense account F3875 and/or F3885.

54.75 - User Charge as a Fee

NFS, DABC will ensure each year, the Agency reasonably charges for things of value and those things be assessed to each identifiable recipient for a measurable unit or amount of government service or property from which the recipient derives a special benefit as per User Charge statute and OMB Circular A-25. 2. Thing of value includes but not limited to:

a. Grazing,

b. Forest Product,

c. Map Sale,

d. Federal Lands Recreation Enhancement Act (FLREA),

e. Lands Between Lakes,

f. Land Use and Power Fee,

g. Land Use Retained Fees and Cost Recovery and

h. Recreation Special Use.

OMB Circular A-11 § 20.7 (g) defines a user charge as a fee, charge, or assessment the Government levies on a class of the public directly benefiting from, or subject to regulation by, a Government program or activity. This section also provides a helpful list of inclusions and exclusions, for comparison. For additional guidance and perspective, see the GAO report, "Federal User Fees - A Design Guide," issued in May 2008 and available on the GAO website at http://www.gao.gov/assets/210/203357.pdf. For more information of the process see the link to the SOP: https://usfs.app.box.com/v/cfostandardoperatingprocedures/.

55 - Accounting Codes and Reference Tables

55.1 - Management Accounting Structure Code (MASC) Tables

The National Finance Center maintains a system of edit tables which are labeled "MASC 2103". See section 21.3 for a list of the tables. These tables are available using the Central Accounting System (CAS) menu (section 51.12).

55.2 - Fund Codes

Refer to Service-wide Appropriation Use Handbook, FSH 6509.11g and FSM 6510 for narrative guidance on appropriation usage and how they link to fund codes. The Forest Service Structured Management Codes, MASC 2103, Table 10, (section 21.3) provides a listing of valid fund codes and related Treasury symbols. The Forest Service Fund Code/Work Activity Combination, MASC

2103, Table 15, (section 21.3) provides a listing of valid work activity and fund code combinations.

A fund code is a 6-digit symbol for an appropriation, fund, or receipt account and in some cases also identifies major budget activities. Each fund code is divided into three sections "FY", "Fund", and "MY", which are structured as follows:

1. **FY**. (Fiscal year.) The first digit of a fund code is always numerical and identifies the fiscal year of the appropriation, fund or receipt. For example, the number 9 identifies FY 89.

2. **FUND**. Except for "receipt only" funds, the next 4 digits are alphabetical, hierarchical, and identify the type of appropriation, fund, or receipt. The hierarchical part is the first 2 digits and identifies the appropriation or fund mainhead symbol. For instance, all fund codes used under the National Forest System mainhead appropriation begin with the acronym NF. The second 2 digits identify (1) appropriation limitations (that is NFRI is for Reforestation and Stand Improvement), (2) administrative appropriation limitations (that is NFGA is General Administration), and (3) major budget activities (that is NFRN is Recreation Use). See the Service-wide Appropriation Use Handbook, FSH 6509.11g, for definitions of appropriation limitations, administrative appropriation limitations, and budget activities.

   In those instances where a mainhead appropriation does not have a limitation, the second 2 digits of the 4-digit appropriation, fund or receipt identifier is a repeat of the first 2 digits. For instance, the Brush Disposal fund is BDBD and the Timber Salvage Sales fund is SSSS.

   In "receipt only" funds the 4-digit type of fund identifier is numerical rather than alphabetical.

3. **MY**. The sixth digit of a fund code is used to separate funds valid for more than one appropriation in a single fiscal year (multi-year appropriations, the reimbursement appropriation for Senior Community Service Employment and lapsed appropriations). The number used is the ending fiscal year of programs for multi-year appropriations (that is, for the multi-year fund Cooperative Law Enforcement, 1988/89, the number used is a 9). For Senior Community Service Employment, the calendar year the program period begins is the number used (that is, for program period 10/01/87-06/30/88 use the number 7). Since lapsed appropriations are moved into a "M" account appropriation a "M" is used.

55.3 - State Codes

State codes are not maintained in the overall accounting code structure. Calculate a breakdown of costs by State by using the unit identification as the first sort and prorate based on your best judgment those units located in more than one State.

The keeping of expenditures separate by State is required when using the Acquisition of Lands for Land Exchange (fund code EXEX) appropriation (Service-wide Appropriation Use Handbook, FSH 6509.11g). Deposits, Land Exchanges (fund code 5216) also has the same requirement (section 34.75). These governing statutes provide that lands acquired with these funds must be in same State as selected lands in the exchange. Identification of collections and expenditures by State is required if the administrative National Forest is in more than one State. Use the account field to keep collections and expenditures separate by State. No prescribed numbering system has been identified for this purpose.

55.4 - Account Codes

A 5-digit account field, with two subfields of 3 and 2 digits respectively, provided to identify various data for reporting and accounting purposes. Use these fields to segregate data within a fund code, fund, or receipt account to identify deposits or expenditures by individual, group, class of receipt, location, and other purposes. Account codes may also be used in connection with appropriated funds.

Examples which may require account codes are:

1. Reimbursable work in all fund codes.
2. Cooperative Work (fund code CWFS).
3. Working Capital Fund (fund code WCWC)
4. Deposit Funds, Suspense, Timber Sale Deposit Fund, and Budget Clearing Accounts.
5. Certain receipt accounts such as the National Forest Fund and National Grassland Fund.
6. Working Fund appropriations that can affect the National Forest Fund and the administrative unit contains more than one proclaimed National Forest, such as Brush Disposal fund (fund code BDBD), Knutson-Vandenberg fund (fund code CWKV), and Timber Salvage Sales fund (fund code SSSS).
7. Transfer appropriations, such as Job Corps and Soil Conservation Service watershed funds.

55.5 - Work Activity Codes

An 8-digit alpha/numeric field used to identify activity of work being performed. Minimum National coding requirements are contained in chapter 20 of the National Activity Structure Handbook, FSH 1309.16. The Forest Service Fund Code/Work Activity Combination table, Management Accounting Structure Code (MASC) 2103 table 15, (section 21.3) is used to edit the first 6 digits of the work activity field. Unless the remaining 2-digits are required for use as

per the National Activity Structure Handbook, FSH 1309.16, the last 2 digits are available for local use.

55.6 - Other Accounts

An 8-digit alpha/numeric field used to identify real property expenditures capitalized into our real property records, to identify a receipt fund resource class for certain Working Capital Fund cost identification, and to meet local needs.

1. **First 6 Digits**. The first 6-digits are primarily available to meet local needs. Use the first 6-digits as follows:

    a. To identify capital investment project numbers for real property reporting.

    b. If the Working Capital Fund (fund code WCWC) and work activity are for general administration (work activities TG3 or TG4), (work activities TW1 through TW9) the first 3-digits shall identify the Working Capital Fund. See the National Activity Structure Handbook, FSH 1309.16, chapter 20, for a listing of activity titles.

    c. If the Working Capital Fund and the expense are for a fleet vehicle or aircraft, the vehicle or aircraft number is placed in the second through fifth digits.

2. **Last 2 Digits**

    a. Use the last 2-digits to identify a resource receipt class. Receipt accounts with required usage in this field are the Timber Sale Deposit Fund (fund code TDTD), the National Forest Fund Receipts (fund code 5008), and the National Grassland Receipts (fund code 5896). Class codes for Deposits, Land Exchanges (fund code 5216) are also used in this field. The numbers used for each of these funds are described in chapter 30 of this handbook.

    b. Use the last 2 digits for any fund code other than WCWC, TDTD, 5008, 5896, and 5216 to identify capital investments. Use the following capital investments codes:

Asset Code	Title
01	Office
02	Housing
03	Storage Buildings
04	Service Buildings
05	Research and Development Buildings
06	Other Buildings
07	Utilities
08	Communications
09	Roads and Bridges
10	Other Facilities
11	Leasehold
12	Land
13	Cooperative Project
19	Road and Bridges, Construction, Augmentation
29	Road and Bridges, Reconstruction, Augmentation

Beginning in FY 1989, code 19 was added to identify road and bridge construction and code 29 for road and bridge reconstruction if being built by timber purchasers with Forest Service appropriated funds. Sections 55.61a through 55.61e describe each capital investment code.

Use the last 2-digits to identify Working Capital Fund (fund code WCWC) work accomplished by a National Forest other than the administrative unit where the Work Capital Fund activity resides, such as seed cone collections for a nursery. Enter the unit number of the administrative unit where the Work Capital Fund activity resides.

55.61 - Assets, Capital Investment Coding

Capital investment classification includes all expenditures for the purchase or physical improvement of real property if the United States has a property interest. Charge only direct costs to these asset classifications. These classifications are used to produce current-year data needed to post the property records which are used as a basis for the statement of assets, real property reports, and other reports as needed. See section 57.2 for capitalization policy of real property.

55.61a - Assets, Building Construction

Use the following asset codes when direct charges are for construction, reconstruction, improvement, and betterment of all buildings. When these asset codes are used, a project number identifying the item of property being constructed or improved is required in the first 5 digits of the other field (section 56.32b).

Asset Code	Title
01	Office
02	Housing
03	Storage Buildings
04	Service Buildings
05	Research and Development Buildings
06	Other Buildings

Building costs include utilities, such as piping and wiring, when a part of the construction cost. Prefabricated movable structures, such as Butler-type storage warehouses, modular units, house-trailers (with or without undercarriages), and Quonset huts, are considered personal property. See section 57.21 for additional capitalization criteria.

Record expenditures of this type to the real property reports in the following individual accounts which segregate the values for administrative purposes and meet reporting requirements.

1. **Construction of Office Buildings, Asset Code 01**. Include all classes of buildings primarily for office purposes, such as Ranger or Supervisor office buildings, research project locations, and project offices. If a small portion of an office building is used for other purposes, classify the entire building as an office.

2. **Construction of Housing, Asset Code 02**. Include all classes of buildings primarily for dwelling purposes, such as guard cabins, headquarters dwellings, bunkhouses, barracks, and lodges.

3. **Construction of Storage Buildings, Asset Code 03**. Include all buildings when their major purpose is for storing items for protection or preservation for subsequent use. Examples include warehouses, open storage sheds, garages for storage of vehicles or other equipment, cold-storage sheds for nursery stock, cone-storage buildings, oil houses, and dynamite cache buildings.

4. **Construction of Service Buildings, Asset Code 04**. Include buildings for service activities, such as motor-vehicle repair shops and nursery seed-extraction buildings.

5. **Construction of Research and Development Buildings, Asset Code 05**.

6. **Construction of Other Types of Buildings, Asset Code 06**. Include cost of all buildings not classified elsewhere, such as lookout buildings, lookout towers, mess halls, bathhouses, toilets, and woodsheds, except those constructed on recreation sites, which are charged asset code 10. Also, include special types of recreation structures not normally constructed on recreation sites, such as large warming buildings and lodges.

55.61b - Assets, Structures and Improvements

Use the following asset codes when direct charges are for construction, reconstruction, improvement, or betterment of all real property other than buildings. This category also includes the acquired value of land. When these asset codes are used, a project number identifying the item of property being constructed or improved is not required.

Asset Code	Title
07	Utilities
08	Communications
09	Roads and Bridges
10	Other Facilities
19	Road and Bridges, Construction, Augmentation
29	Road and Bridges, Reconstruction, Augmentation

Record expenditures of this type to the real property reports in the following individual accounts which segregate the values for administrative purposes and meet reporting requirements.

1. **Utilities, Asset Code 07**. Includes cost of heating, sewage, water, and electrical systems owned by the Government, such as Government-owned systems located on leased land. It excludes the cost of items carried as nonexpendable equipment and costs for piping, wiring, and so forth, which are included as part of the building costs. Charge costs of utility systems on recreation sites to Other Facilities, asset code 10.

2. **Construction of Radio Communication System Improvements, Asset Code 08**. Includes cost of all physical improvements for radio communication systems such as radio towers, site protection fences, and access roads not on the transportation system. Charge buildings used primarily to house radio communications equipment to Other Buildings, asset code 06. Exclude the cost of nonexpendable equipment carried on personal property records.

3. **Construction of Telephone Communication System Improvements, Asset Code 08**. Includes cost of all physical improvements, such as poles, crossarms and wire, microwave towers, and public use indefinite term easements for telephone systems except nonexpendable equipment in personal property records.

4. **Construction and Reconstruction of Roads Including Bridges, Asset Code 09**. Includes all direct expenditures for the construction or reconstruction of roads and bridges, except as denoted in item 5, Construction of Roads Including Bridges Financed by Augmentation and item 6, Reconstruction of Roads Including Bridges Financed by Augumentation. Such charges include:

a. Direct costs related to purchase of roads, such as title search, recording fees, negotiations, and other expenses identifiable with, and incidental to, purchase of roads.

b. Expenditures for purchase of raw land rights-of-way where the existing way is not part of the consideration, including expense of negotiation, title searches, title insurance, abstracts, attorney fees, appraiser fees, recording fees, and other expenses incidental to obtaining rights-of-way for road construction or reconstruction.

c. Expenditures for preliminary and final designs, plans, drawings, specifications, and estimates of quantities and cost of construction or reconstruction of a road.

d. Costs to the purchase of roads and road rights-of-way.

e. Costs of replacing a road in another location or raising the standard of a road in approximately the same location.

f. Paving expenditures for improving an existing road by the construction of an oil, tar, bituminous, or concrete mat. Dust palliative treatment is classified as a maintenance expenditure.

g. Cost of roads constructed by force account or by contract.

h. Expenditures for surveys or investigations for construction or reconstruction of a road or bridge. Includes preliminary location surveys, foundation and materials investigations; gathering of information needed for design, plan preparation, and estimate; the final location survey staked on the ground, and the right-of-way surveys and description.

i. Costs of controlling and inspecting the construction or reconstruction of a road.

   Expenditures for temporary work roads, rehabilitation or rebuilding of a road to the standard attained by last construction or reconstruction, or for maintaining the standard of an existing road are not included.

5. **Construction of Roads Including Bridges Financed by Augmentation, Asset Code 19**. Beginning in FY 1989 use this code in lieu of Bridges and Roads, asset code 09, to identify the cost of roads or bridges constructed with supplemental or contributed funds by timber purchasers.

6. **Reconstruction of Roads Including Bridges Financed by Augmentation, Asset Code 29**. Beginning in FY 1989 use this code in lieu of Bridges and Roads, asset code 09, to

identify the cost of roads or bridges reconstructed with supplemental or contributed funds by timber purchasers.

7. **Trail Construction and Reconstruction Including Bridges, Asset Code 09**. Expenditures used primarily for the construction, reconstruction, and betterment of all trails, stock driveways, portages, ways, and nonvehicular travel routes (including bridges), and cost of right-of-way. Do not include expenditures for temporary work trials.

8. **Construction of Range Improvements, Asset Code 10**. Expenditures used for constructing or improving all Government-owned improvements developed primarily for the range resource. Included are range water developments, such as wells, trick tanks, spring developments and impoundments, range fences, corrals, and range shelters.

9. **Construction of Timber Improvements, Asset Code 10**. Expenditures used for construction of improvements primarily for the timber resource which include fences for protection and access roads not on the transportation system. Improvements to the timber resource, commonly referred to as timber stand improvement, are not included.

10. **Construction of Wildlife Improvements, Asset Code 10**. Expenditures used for constructing assets which maintain, protect, or improve wildlife. Include wildlife water developments, such as fish rearing ponds, fish ladders, spring developments and guzzlers, and wildlife fences in this classification.

11. **Construction of Watershed Improvements, Asset Code 10**. Expenditures used for constructing improvements for watersheds. Include the cost of improvements constructed in gully treatment, stream and channel stabilization, water and sediment storage and control, and other attendant measures employed in erosion control, flood prevention, and restoration and rehabilitation of deteriorated watersheds in this classification.

12. **Construction of Fire-Control Improvements, Asset Code 10**. Expenditures used for constructing improvements primarily for resource fire control purposes. Include fire control water improvements such as concrete or metal aprons constructed to catch and transport rain, cisterns, storage tanks, holding ponds, wells and pumping stations in the category. These improvements are normally constructed near heavy fire areas and the water supply can be either domestic (potable) or nondomestic (not used for drinking). Charge Utilities, asset code 07, if a domestic, non-resource related water supply's primary use is for purposes other than fire control. Also, include fences and access roads (which are not included in the transportation system) related to fire control improvements in this classification.

13. **Construction of Recreation Sites and Dispersed Areas Improvements, Asset Code 10**. Expenditures used for constructing improvements on recreation sites and dispersed areas, utility systems, toilets, stoves, fireplaces, garbage pits, tables and benches attached to the land, shelters (except special types indicated below), water impoundments, barriers and parking spurs, signs, launching ramps, service buildings, and other structures. Do not include buildings of a type not normally constructed on recreation sites, such as large warming buildings and lodges, which are charged to Other Buildings, asset code 06; and dwellings exclusively for recreation personnel which are charged to Housing, asset code 02. Do not charge facilities financed from Forest development transportation system funds to this classification.

14. **Construction of Landing Fields, Asset Code 10**. Cost of developing and improving aircraft landing fields and heliports. Include expenditures for grading, drainage, surfacing of runways, seeding, landing circle, wind indicator, lighting system, and other facilities forming an integral part of the landing field to this classification. Do not charge costs of landing fields constructed for temporary use, such as for a fire suppression operation, to this classification. They are charged as general operating expenditures.

15. **Construction of Other Types of Improvements, Asset Code 10**. Cost of all improvements which are not otherwise classified and which are not resource improvements. Include improvements related to buildings, such as fences, paving of administrative sites, landscaping, flagpoles, and gates or cattleguards at such locations, except any items specifically described in other classifications, to this classification. This includes Government-owned improvements located on leased land and improvements on research sites which are not covered by other definitions.

55.61c - Assets, Leasehold Improvements

Charge asset code when direct charges are for leasehold reconstruction, improvement, and betterment or the costs of obtaining easements other than those needed for construction purposes. When this asset code is used, a project number identifying the item of property being constructed or improved is not required.

Record expenditures of this type to the real property reports in the following individual accounts which segregate the values for administrative purposes and meet reporting requirements.

1. **Leaseholds Improvements, Asset Code 11**. Include the cost of improvements made at the expense of the Government to land, buildings, structures, facilities, and systems which are occupied or used by the Government as lessee, including improvements made to rented assets. Charge entire assets constructed by the Government on leased land to the appropriate asset code.

2. **Continuing Easements, Asset Code 11**. Charge this account with the costs of purchasing continuing easements which provide the Government with a privilege to use privately-owned land or a restriction on the use of privately-owned land. For example, a privilege to use could be the right to cross the property to reach a highway and a restriction might state the property could be used for residential purposes only. Continuing easements are those which will run with the property forever unless changed by an outside influence such as a public law. Do not charge term easements to this account.

3. **Term Easements, Asset Code 11**. Include the costs for purchasing term easements which give the Government a right to use real property for a limited period. Do not include the costs of easements for construction of public-use improvements which provide for reversion or cancellation upon termination of use.

55.61d - Assets, Land Acquisition

Charge Land, asset code 12, with the purchase price of land acquired for any purpose, including administrative sites. Also, charge the relocation expenses of displaced persons to this account.

This asset code also includes other direct costs of lands, except the purchase price of land and relocation costs. It includes other direct costs related to the passage of title on acquired, donated, or exchanged lands such as search and guaranty of title, notary and recording fees, and land surveys of the property being acquired. Costs of examination or negotiation for lands are not charged as an asset expenditure but as a general operating expense.

Record these costs in the real property records in an individual account entitled "Land". When this asset code is used, a project number identifying the item of property being constructed or improved is not required.

55.61e - Assets, Cooperative Project Improvements

Cooperative projects, asset code 13, includes all expenditures for improvements, equipment, and other assets acquired by liquidation of advances to cooperators or by reimbursement of funds to cooperators by the Government.

Record cooperative project costs in the real property records as an individual account entitled "Cooperative Projects". When this asset code is used, a project number identifying the item of property being constructed or improved is not required.

55.7 - Budget Object Codes

Refer to Title V, Miscellaneous National Finance Center (NFC) Systems Handbook, for table of Budget Object Codes and their definitions. Ad hoc information on rolled budget objects is obtained through the NFC report generator software entitled FOCUS (section 51.12).

56 - Accounting Instructions

56.01 - Authority

1. Supplemental Appropriations Act of 1955, 31 U.S.C. 1501. In accordance with this act, no amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of:

    a. A binding agreement in writing between the parties thereto, including Government agencies, in a manner and form and for a purpose authorized by law, executed before the expiration of the period of availability for obligation of the appropriation or fund concerned for specific goods to be delivered, real property to be purchased or leased, or work or services to be performed.

    b. A valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof.

    c. An order required by law to be placed with a Government agency.

    d. An order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency or for perishable subsistence supplies or within specific monetary limitations.

    e. A grant or subsidy payable either from (a) appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formula prescribed by law, or (b) pursuant to agreement authorized by, or plans approved in accord with and authorized by law.

    f. A liability which may result from pending litigation brought under authority of law.

    g. Employment or services of persons or expenses of travel in accord with law; and services performed by public utilities.

    h. Any other legal liability of the United States against an appropriation or fund legally available thereof. The head of each Federal agency reports that any statement of obligations furnished for all requests for proposed appropriations to the Office of Management and Budget, consists of valid obligations as defined above.

    i. Any statement of obligation of funds furnished by any agency of the Government to the Congress or any committee thereof shall include only such amounts as may be valid obligations as defined above.

The General Accounting Office (GAO) is responsible for regulations pursuant to recording of obligations. The GAO provides instructions via their Manual for Guidance of General Agencies

and Comptroller General Decisions (FSM 1015 and section 41.12). Chapter 6 of the GAO produced Manual for General Government Matter - Federal Appropriations, dated June 1982, contains additional guidance. A copy of this manual has been provided to each accounting center and unit.

1. In accordance with the General Accounting Office (GAO) Manual for Guidance of General Agencies (FSM 1015) the reporting of obligations requires that each report of obligations made is supported by certifications of the officials designated by the head of the agency, and such certifications must be supported by records evidencing the amounts which are reported therein as having been obligated. Further each agency must retain such certifications and records in such form that facilitates audit and reconciliation for the period as is necessary. The officials designated by the head of the agency to make certifications may not redelegate the responsibility.

2. Anti-Deficiency Act, 31 U.S.C. 66, in accordance with this act, no appropriation or fund which is limited for obligation purposes to a definite period of time shall be available for expenditure after the expiration of such period except for liquidation of amounts obligated in accord with subsection 1a of this section; but no such appropriation or fund shall remain available for expenditure for any period beyond that otherwise authorized by law.

56.05 - Definitions

The following terminology shall be used in the operation of the real property system.

Additions. An alteration, extension, or addition to an existing improvement, such as the addition of a room to a dwelling or installation of a furnace in a building which formerly was not equipped with any type of heating system.

Betterment. Changes in an improvement through the replacement of an integral part with a higher standard part, which makes the improvement more useful, extends its service life, or increases its capacity.

Improvements. Buildings, structures, and facilities, such as dwellings, warehouses, roads, dams, campgrounds, and utility systems.

Leasehold Improvements. The easements, rights-of-way, and improvements to land, buildings, or structures, and facilities occupied and paid for by the Government as lessee.

Public Domain. The lands which have never left Federal ownership, lands in Federal ownership which were obtained by the Government in exchange for public lands or for timber on such lands, and original public domain lands which have reverted to Federal ownership through operation of public-land laws.

Repairs and Maintenance. The expenditure of funds which neither materially add to the value of the property nor appreciably prolong its life, but merely keep it in an ordinary, efficient operating condition.

Fiscal Officer. The term "fiscal officer," when used in this text, refers to the Regional Director of Fiscal and Public Safety and Assistant Director for Research Administration.

56.1 - Obligations

56.11 - Recording Obligations

The basic requirement of law is do not record amounts as obligations unless supported by documentary evidence. Under no circumstances record or report as an obligation reserves or estimates that cover a possible unknown or contingent obligation.

The documentary evidence must remain valid to be considered as an outstanding obligation. Review periodically (but at least quarterly), the basic obligating document to ascertain whether the status is valid and whether the amounts are valid and reflect the current financial situation.

The general rule for lawfully obligating a fiscal-year appropriation is that the supplies or services ordered are intended to meet a bona fide need of the fiscal year (FSM 6510).

Both paid and unpaid obligations recorded and incurred consist of orders placed, contracts awarded, services received, and similar transactions during a specific period that require a payment of money. Unpaid obligations are obligations incurred for which disbursements (payments/outlay) have not been made.

The recording of obligations can either be done by the National Finance Center (NFC) or the Forest Service. The following subsections describe when a particular type of service it recorded as an obligation and whether is an obligation responsibility of the Forest Service (section 57.1 and 61.2) or the NFC.

56.11a - Personal Services and Benefits

Include all amounts earned by employees and others during the reporting period. Include other charges based on salaries and wages, such as employer's share of contributions to the retirement fund, group life insurance premiums, health benefits, and social security taxes. Do not include accrued annual or sick leave until it becomes due and payable.

For obligation report purposes, except the September 30 final report (section 61.2), the amounts of unvouchered payroll obligations for fractional pay periods that are not paid until the following month should be determined on the basis of the payroll for the previous period. For example, a pay period ends on August 21. For the obligation report, it is necessary to determine the obligations for the 10 calendar days from August 22 to August 31. Since there are 7 normal

workdays in the period (including any holiday for which most employees are paid), the obligation for the period would be seven-tenths the amounts paid on the payroll for the period ending August 22. When program changes have occurred since the last pay period, the office preparing the obligation report should estimate the amount. This procedure should provide acceptable obligation data when the unit office keeps in close touch with field operations and should relieve a District Ranger or comparable officer of the necessity of reporting obligations other than to see that all purchase orders or other commitments are in the unit office in time for inclusion in the unit's obligation report. Severance pay obligations are on a pay-period-by-pay-period basis.

All leave is an obligation against appropriations currently available for payment of an employee's salary. Charge to fund codes and work activity accounts on an equitable basis to the extent practicable. Each appropriation and account should bear its approximate share of the cost of the leave earned (sick, annual, military, jury, and so forth), including lump-sum leave payments, on services rendered for the benefit of such fund code and work activity. Maintain records showing the amount of leave earned on each fund code. Allocate payments for leave to fund codes and work activity accounts that receive the major benefit of the employee's services. Do not charge the Fighting Forest Fires appropriation (fund code NFFF**)** or other emergency funds. Do not charge Cooperative Work accounts (fund code CWFS) unless the leave earnings on services rendered to these funds is substantiated. Charge to fund code(s) available for work of the nonexistent fund code, or to other current fund codes for leave earned on appropriations no longer in existence with the cost of the leave.

Leave (sick, annual, compensatory, and so forth) earned by an employee is the responsibility of the home unit at the time the leave is taken or paid, regardless of where earned. Do not transfer the cost of leave earned while on detail or in connection with an in-Service authorization to the benefiting unit. However, charge and include in the reimbursable billing any leave earned and taken while working in a reimbursable program.

56.11b - Travel

Include transportation purchased and reimbursements earned by employees and others for per diem allowances, use of privately-owned vehicles, and incidental travel expenses.

Use the date the ticket is issued, including round-trip for the obligation of funds except when:

1. A ticket is issued near the end of one fiscal year for travel to begin in the following fiscal year. Charge the cost of such transportation to the appropriation available for expenses of travel for the fiscal year in which the travel commenced.

2. The return portion of a round-trip ticket purchased for transportation beginning in 1 fiscal year was canceled, thereby, necessitating the purchase of a separate return ticket

in the following fiscal year. Charge the appropriation current at the date of the purchase of the return ticket with the cost because an entirely new obligation is incurred.

56.11c - Transportation of Things

Include United States Government bill of lading issued to commercial carriers, other commercial contracts, and intragovernmental orders for specific transportation. Except for transportation of household effects, charge to the appropriation current in the fiscal year the order is placed.

A shipment on a Government bill of lading becomes an obligation on the date the goods are received by the carrier.

56.11d - Employee Relocation Allowances and Benefits

All employee relocation allowances shall be charged against funds current at the time the Transfer of Station Travel Authorization is executed.

1. **Temporary Quarters**. Record the obligation on the date the amendment is executed, if temporary quarters are authorized subsequent to the date of execution of the original Form AD-202, Travel Authorization.

2. **Extension of Temporary Quarters**. Same as for temporary quarters. Record the obligation on the date the Form AD-202, Travel Authorization, amendment is executed.

3. **Round Trip to See New Residence**. Same as for temporary quarters. Record the obligation on the date amendment is executed, if not authorized in the original Form AD-202, Travel Authorization.

4. **Transportation of Household Goods**. Same as for temporary quarters. In the case of reimbursements to an employee, upon a commuted basis for transportation of their household effects, include the amount to be paid under orders actually issued to the employee. An employee who ships households effects and who postpones payment for transportation charges by agreement with the carrier, which agreement prevents the employee from submitting the required receipted bill, is not entitled to payment for the costs of the shipment of household effects until evidence of such payment is presented in proper form. Evidence of the actual date of payment by the employee is essential to determine the entitled reimbursement on a commuted basis.

A further condition of reimbursement is that the employee has signed an agreement to remain with the Government for a period of 1 year, following the date of transfer.

56.11e - Communication, Rent, and Utility Services

Include amounts for communication and utility services received. In those cases where bills are rendered for a period beginning in 1 month and ending in the following month, the services received after the latest billing date need not be included. For mailing costs (postage and fees), include only amounts accrued in excess of the amount estimated for the entire fiscal year which was charged in the unit accounts.

Include amounts accrued for the rent of property during the reporting period. The National Finance Center shall obligate the accrual for communication and utility services.

56.11f - Contracts

Include the total amount of the contracts except when contracts provide for delivery only. When and if requested by the Government, only those amounts representing a current order for delivery shall be reported.

A bid becomes an obligation at the time the acceptance is communicated to the successful bidder. An acceptance under the above conditions constitutes a binding agreement and an obligation under 31 U.S.C. 1501 (section 56.01) regardless of whether a purchase order is issued at that time or if a formal contract is to be signed later.

When a contractor defaults on an expiring fiscal year contract, an order placed in the next fiscal year for the same material is chargeable to the appropriation originally obligated.

1. **Contract Modifications**. The term contract modification falls under one of the following categories as determined by the contracting officer.

    a. **Change Orders**. Those modifications which are within the general scope of the original contract. For obligation purposes, change orders are chargeable to the fiscal year of the appropriation charged with the original contract.

    b. **Amendments**. Those modifications which are outside the general scope of the original contract. Charge amendments to the appropriation current at the time the amendment or supplemental agreement to the original contract is executed.

    When contract modifications are made, the contracting officer or the contracting officer's representative promptly sends a copy of the approved contract change order to the office maintaining the obligation records to insure current adherence to local budget and fund control as well as insuring accurate obligation recording.

2. **Aircraft Contracts**. Some Aircraft contracts extend over a period covering as many as 3 fiscal years. Most of these contracts carry availability guarantees. Since the minimum availability payment is specified over a season or contract period the obligation may

need to be split between fiscal years. The amount of the obligation, at the time of the contracting award, cannot exceed the portion of the guarantee that is needed to ensure availability of the aircraft during the fiscal year in which the contract is awarded.

56.11g - Purchase Orders

Include orders for material or services not reflected in other contracts. Obligate specific materials or services actually ordered on blanket purchase orders.

Obligate the full amount of the purchase order where all or part of a purchase order is for the purchase of equipment or parts legally chargeable to the proceeds from the sale of similar equipment or parts.

Do not include in the amounts reported as obligations any administrative reservations, such as reservations for contemplated procurements, invitations for bids, or any other action short of a binding contract, order, or other similar agreement.

56.11h - Lands and Structures

Include contracts entered to procure lands and interest therein, buildings and other structures, additions to buildings, nonstructural improvements, and fixed equipment. In the case of condemnation proceedings, include payment to be held in escrow in connection with the "declaration of taking." For the obligation status of an option to purchase land, the date the option is accepted constitutes the obligation (FSM 5420).

56.11i - Claims

All tort claims become obligations on the date of approval in the Office of the General Counsel (OGC), or the date of acceptance of compromise offer by the Attorney General and not on the date on which an accident occurred.

Reserve funds to cover each pending claim to provide a safeguard against over obligation. If the obligation does not materialize during the fiscal year in which funds were reserved, reserve funds in the ensuing fiscal year and cancel the preceding fiscal year reserve. Seek status from the Washington Office Fiscal and Public Safety Staff or OGC when substantial sums chargeable to annual appropriations are involved.

56.11j - Pending Litigation

Include amounts involved in pending litigation as obligations only when the Government is definitely liable and the purpose of the litigation is only to determine the amount of the Government's liability.

If a case is pending litigation where the Government may or may not be held liable, the amount of the claim is a contingent liability and is not recorded as an obligation. Reserve funds, however, in the appropriation chargeable to cover such contingent liabilities. If the contingent liability is a charge to an expired annual appropriation in which unobligated balances have been withdrawn, retain in the unpaid obligation files the record of the contingent liability.

56.11k - Uniform Allowances

The National Finance Center obligates the cost of uniform components as billed by the contractor.

56.11l - Assistance Payments to Grantees and Cooperators

Include amounts set aside for payments to States upon execution of assistance awards. Limit the amount, in no-year appropriations, to the amount payable for the fiscal year covered by the award.

56.11m - Unemployment Compensation

The National Finance Center obligates these charges on a monthly basis.

56.11n - Accounts Receivable Refunds

Consider a refund in the accounts receivables as a reduction of obligations.

56.11o - Intra-Regional and Inter-Regional Transfer of Expenditures

A request for a Region or unit to incur expenditures that shall subsequently be transferred to the order unit must be approved by an authorization. The authorization may be documented on a Form FS-6500-46, Authorization for In-Service Expenditures, a letter, or via a Data General message. The work to be accomplished, in conjunction with local requirements including dollar limitations, fund code, management code, date of authorization, and authorization number, must be adequately described to prevent any misunderstanding between the requesting and performing units. It is advisable to utilize override procedures when practical to alleviate the administrative workload of transferring expenditures. It is recommended that Regions and Stations establish a dollar limitation for costs that normally shall not be transferred.

1. **Approval of Intra/Inter-Regional/Unit Authorizations**. The authorization should be approved by an employee that is responsible for the financial management of the management code funding the work. This includes the responsibility for over expenditure and fund integrity.

2. **Commitments**. This constitutes the commitment of funds for a future expenditure even though a legal obligation has not been created. For example, a claim expected to be

settled, a procurement plan for future delivery of project supplies or services, or authorizations for in-service expenditures (ordering units). Commitments shall not be reported on the September 30 year end obligation report.

3. **Recording of In-service Authorizations**

    a. **Ordering Unit**. Current year in-service authorizations may be recorded as a commitment on the monthly obligation report. These then appear on the Project Manager's Statement as a commitment providing the project manager with more complete financial information. Do not report commitments on the monthly obligation report as obligations. See item 5, (section 51.21a), Accounting for Prior Fiscal Year Authorizations in New Fiscal Year, for the handling of amounts outstanding for prior year in-service authorizations.

    b. **Performing Unit**. The performing unit shall report all unpaid work activity TS11 (Work For Other, Forest Service Units) obligations, not carried by the National Finance Center, on its monthly obligation report including the final September 30 obligation report (section 61.2) for the fiscal year.

    c. **Frequency of Transfer**. When work requested by the ordering unit has been completed, the performing unit shall promptly transfer the expenditures to the ordering unit. It is advisable on large projects, to periodically transfer the expenditures during the fiscal year to minimize yearend impacts and to provide the ordering unit with more current financial information.

4. **Yearend**

    a. **Performing Unit**. The performing unit shall advise the ordering unit of the dollar amount for which transfer of expenditures has not been made. Paids and unpaids in work activity TS11, Work For Others, Forest Service Units, untransferred as of September 30 is automatically offset by a National Finance Center computer generated report, Analysis of Work for Other Forest Service Units, BUDG 4B-1, (section 51.41b). The report creates an accounts receivable refund on the performing unit's financial statement bringing the account balance to zero.

        In the new fiscal year, the accounts receivable refund is reversed out and paids and unpaids are put back on the performing unit's financial statement as they appeared on September 30.

    b. **Ordering Unit**. The ordering unit shall report on their September 30 obligation report (section 61.2), the total amount of untransferred paid and unpaid expenditures charged to the fund and work activity appropriate for the work ordered. The ordering unit shall not obligate any amounts for which no work was

performed or services furnished. For example, if a Form FS-6500-46, Authorization for In-Service Expenditure, is issued and the performing unit has not incurred any obligations by September 30, then no obligation exists for the ordering unit to report.

At the beginning of each year a credit obligation is created equal to the work activity reported as a yearend obligation. This shall zero out when the performing unit transfers their expenditures.

It is essential that both the ordering and performing units communicate at yearend concerning untransferred expenditures.

5. **Accounting for Prior Fiscal Year Authorizations in New Fiscal Year**

    a. **Performing Unit**. Until the performing unit transfers expenditures to the ordering unit they must enter on their monthly obligation report a credit obligation equal to the sum of paids and unpaids in work activity TS11, Work for Others, Forest Service Units, for prior year funds.

    It is recommended that all transfers of paid and unpaid obligation in work activity TS11 be completed in the first quarter of the new fiscal year.

    b. **Ordering Unit**. Each month the ordering unit shall obligate prior year in-service authorizations equal to the amount obligated at yearend until the performing unit transfers their expenditures.

56.11p - Interagency Orders

Record as obligations all binding agreements in writing between Government agencies. An order required by law to be placed with a Government agency is also an obligation when the order is placed. Because of the nature and types of orders and agreements between Government agencies the Comptroller General has interpreted and amplified in a number of decisions these general provisions.

1. Record amounts based on written Interagency agreements authorized by law for specific supplies and services as obligations. However, obligations against annual appropriations for agreements authorized by the Economy Act (FSM 6512.12a) are deobligated at the end of each fiscal year to the extent that the performing or procuring agency has not incurred valid obligations under such agreements.

    Amounts based on written Interagency agreements for supplies or services which are required by law or statutory regulation to be placed with a specific agency, such as the General Services Administration, are recorded as obligations based on the date of the order.

2. Record as obligations of the ordering agency at the time the order is placed for store stock items, which are (a) to be delivered from existing stocks, (b) which are temporarily out of stock but on order, or (c) which have not been reordered but should be delivered to the customer agency within 30 days.

   Do not record as obligations until the General Services Administration (GSA) executes the contract for any orders placed with GSA for store stock items to be delivered directly to the ordering agency and for nonstocked items procured through the General Supply Fund by agencies when not required by law or regulation to submit orders through the GSA.

3. Orders required by law or regulation to be placed with another Government agency are recorded as obligations at the time the order is issued. This includes orders which are required to be placed with the Federal Prison Industries, Inc., GSA, and Government Printing Office. This provision also extends to printing outside the Government Printing Office if done in Government printing plants such as the Defense Printing Service at the Ogden General Depot. The orders must be for specific materials, supplies, services, and so forth. Requests which represent nothing more than an inquiry, such as the probable cost, do not constitute an obligation.

56.11q - Working Capital Fund (WCF), Aerial Photography, and Geometronics Service Center

A Region or unit may order services or supplies in connection with Fighting Forest Fires (fund code NFFF) from a WCF activity of another Region or unit. Report these orders as NFFF obligations of the performing unit. When these orders are filled, the performing unit shall charge the expenditure to NFFF. Orders placed with the WCF should be reported as obligations of the benefiting fund code at the end of the accounting period other than September 30. The types of obligations and requirements for deobligating on September 30 are described below:

1. Obligations for equipment rentals include all use of equipment through the last day of the reporting period. Since use reports are not readily available at the end of the month, estimate the equipment rental obligations. This estimate may be based on the preceding month's rentals, adjusted to reflect changes in work schedules of the reporting month.

   Establish a cutoff date, such as the twenty-fifth of the month, to permit computation of the actual rental charges through that date. In such cases, estimate the rentals accruing from the cutoff date to the end of the month. The final September 30 obligation report shall be based on actual equipment use.

2. Orders placed with the WCF for materials and supplies are treated differently for obligation report purposes. Separate items to be delivered from existing stocks from direct shipments for nonstocked items to be ordered for the requisitioning unit. Orders

for items from existing stocks or which are temporarily out of stock but will be delivered within 30 days shall be considered as obligations at the time the order is placed with the WCF. Orders for direct shipments of nonstocked items are obligations only when an order is placed by the WCF unit with an outside vendor. At the end of the fiscal year, the WCF unit advises the ordering unit whether an order was placed with an outside vendor. The ordering unit deobligates any amounts obligated for which an order was not placed by September 30 by the unit.

3. Orders for repairing equipment and for fabricating, manufacturing, or producing an end product, such as cattle guards, signs, and photographic prints, are considered as obligations except that the following procedures are followed to determine their obligation status on September 30:

    a. **Jobs Completed in Less Than 45 Days**. Work on these jobs should start without delay (promptly following receipt of an order) and continue without interruption until the job is finished. These jobs are normally completed within a period of less than 45 days.

        In some cases, work may be interrupted temporarily because of delays in receiving parts or materials, or the mechanics or others working on the job must be shifted to other work because of forest fires or similar emergencies. Work on the job in progress should be resumed without undue delay after the parts ordered are received or after the emergency ceases.

        Consider an obligation by the ordering unit as of September 30, any orders falling under this heading if a significant portion of the job should be completed by September 30 and it is estimated that the job should be completed by October 31. If, in October, work on the job had to be delayed because of a fire emergency or similar emergency, or because of delay in receipt of parts, the October 31 date may be extended by the period of the delay.

    b. **Jobs Normally Requiring 45 Days or More to Complete**. Orders which normally require 45 days or more to complete, or on which work is performed intermittently are treated as obligations only to the extent of actual work performed.

    c. **Yearend Financial Planning**. To assist the ordering unit in its yearend financial planning, furnish the WCF unit an additional copy of each order placed on and after August 1 of each year. The copy must show the estimated date work is to start on the job and the estimated completion date. Return the extra copy promptly to the ordering unit.

        No later than August 31 of each year, the WCF unit must advise the ordering unit concerning:

(1) The date work was started, or the estimated date work should start, and the estimated completion date for each unfinished order received prior to May 1.

(2) Change in the estimated dates previously shown on unfinished orders received during the period of August 1 to August 31.

No later than September 15, the WCF unit shall advise (by telephone or via a Data General message) the ordering unit of any orders on which work would not start before October 1 and orders on which it is estimated that a significant portion of the work would not be performed by September 30. Also, include the estimated amount of work to be performed by September 30 on orders normally requiring 45 days or more to complete.

As used here the significant portion of work performed includes costs through September 30, plus additional parts or materials in stock, or orders placed by the WCF for parts or materials, to be used in completing the job.

d. **September 30 Action**. As of September 30, the ordering units shall:

(1) Deobligate all orders on which work was not started by September 30.

(2) Obligate only the portion of work performed through September 30, for orders normally completed within 45 days on which work was started but a significant portion was not completed by September 30.

(3) Obligate only the amount representing actual work performed for orders normally requiring 45 days or more to complete. The latter to include additional parts or materials in stock or on order which are needed to complete the job.

(4) A purchase order for nursery planting stock to be furnished by a nursery financed from the WCF shall be issued in the fiscal year in which the stock is expected to be delivered and shall be reported as an obligation of that fiscal year. The portion of the cost of the stock so ordered which is not delivered in the fiscal year (in which ordered) is to be deobligated at end of the fiscal year. For example, assuming that a period of 3 years is required to produce planting stock in the nursery, the order would be placed and the obligation for the combined 3-year cost reported in the fiscal year in which the stock is delivered.

(5) Orders for WCF-produced goods or services legally qualifying as obligations, including unpaid fixed ownership rate (FOR) charges of the current fiscal year, of the ordering unit are also considered as unfilled customer orders for WCF obligations purposes.

56.11r - Cash Awards

Cash awards become obligations at the time the final approval is made. If the cash award requires approval by the Department or the Office of Personnel Management, the award should not be obligated until the final approval is granted.

56.11s - Orders and Requisitions for Purchase of Equipment

Orders placed directly with the General Services Administration (GSA) for equipment purchases become obligations when the orders are issued by the Region, Station or Area.

Requisitions placed with the Washington Office (WO) for equipment purchases become obligations under the following conditions:

1. All orders placed by the WO with the GSA for equipment are legal obligations at the time the order is placed.

    a. Orders placed with private vendors become obligations at the time the order is placed by the WO.

At the end of the fiscal year, the WO, Acquisition Management staff shall notify Regions and Stations as to the obligation status of field purchase requisitions being processed by the WO.

56.11t - Advances to Cooperators or Contractors

Do not consider the amount advanced as a liquidation of the obligation and do not report advances as obligations.

56.11u - Tuition for Employee Training

An approved Form SF-182, Request, Authorization, Agreement, and Certification of Training, is used only to authorize training expenses to be incurred. Do not use this document to record the obligation. Record the obligation when the form SF-182 is also serving as a purchase order. However, the fiscal year of the obligation is determined by the date the school term begins except that the obligation for correspondence courses occurs at the time the employee enrolls in the course.

56.11v - Agreements with Timber Operators

When agreements with timber operators for the construction of roads to a higher standard than needed to remove the timber in the sale require cash payments, obligate such amounts on the date of the agreement. Do not consider obligations for those agreements requiring the Forest Service to provide materials and supplies, until such time as the procurement document is issued for the materials needed.

56.11w - Relocation Assistance Payments

Relocation assistance benefits become obligations at the time the person, business, or farm operation is determined to be eligible provided:

1. The option to purchase has been accepted.

2. The Attorney General has been requested to start condemnation proceedings.

3. A formal purchase agreement has been executed.

4. A valid deed of conveyance (donation) has been delivered to the United States.

The amount obligated should be the maximum that the displacee is eligible for. The estimate should include moving, replacement housing expenses, and other related eligible amounts.

56.11x - Scaling Obligations Under Collection Agreements

At the end of each pay period there may be complete or partial pay period scaling adjustments that have not been submitted for processing. In order to improve the accuracy of financial data at the end of the accounting period, upon receipt of the scaling data from the subunits compute an accounting adjustment for inclusion on the monthly obligation report.

56.11y - Cooperative Law Enforcement

The provisions of the cooperative law enforcement joint operating and financial plans are the basis for determining the obligation. Obligate any enforcement assistance, on a when requested basis, as the services are performed. If the financial plan provides for lump sum or periodic payments for specified enforcement responsibilities assumed by the cooperator, obligate the part of the plan applicable to the current fiscal year when the plan is executed. If the plan includes part of 2 fiscal years, obligate the second fiscal year portion of the plan at the start of the second year, assuming funds are available. The 30-day cancellation provision is not a factor in establishing the obligation. Both obligation methods shall be used on some financial plans.

56.11z - Purchaser Road Construction Credit Obligations

There is no reporting of obligations through the Central Accounting System. The Automated Timber Sale Accounting (ATSA) system keeps record of the annual purchaser credit limitation.

A charge against the annual limitation is created when a timber sale contract containing purchaser credit is awarded. The initial charge is the total amount of purchaser credit limit stated in the contract, regardless of whether the credit is effective or ineffective at the time of the sale award.

Throughout the life of a timber sale contract, the purchaser credit limit may increase or decrease through the issuance of change orders or amendments. The ATSA system keeps record of all such changes made during the current year against the currently available off-budget limitation authority. One exception is that in long-term timber sales in Alaska, only the purchaser credit included in the purchaser's annual operating plan approved by the Forest Service, plus or minus any changes approved during the year establishes the purchaser credit limit.

The ATSA report entitled, "Timber Receipts and Road Asset Values", shows in column 3 the total amount of charges that applies against the limitation.

1. **Purchaser Credit Charges**. Obtain the purchaser credit charges for calculating "moneys received" (for payments to States) from the ATSA report entitled, "Timber Receipts and Road Asset Values". This report includes all charges to purchaser credit for the current year for all contracts.

2. **Real Property Accounting**. Obtain the real property values for roads constructed by timber purchasers in accordance with section 56.3 of this handbook.

56.15 - Forms

The following forms are available and must be used by Financial Management.

All the forms listed can be found at https://usdagcc.sharepoint.com/sites/fs-orms/orms-forms/Pages/FormsHome.aspx

1. Form FS-6500-208, Reimbursable or Advance Collection Agreement Job Code Assignment.

2. Form FS-6500-230, BPA (Blanket Purchase Agreement) Invoice Receipt Certification.

3. Form FS-6500-231, Vendor Code Information Worksheet.

4. Form FS-6500-232, Miscellaneous Payments Transmittal Form.

5. Form FS-6500-236, Authorization to Terminate Collection Action.

6. Form FS-6500-237, Lockbox Content Manifest.

7. Form FS-6500-238, Inquiry on Missing or Lost Payment.

8. Form FS-6500-207, Request to Increase Government Travel Card Limit.

56.2 - Personal Property Procedures [Reserved]

57 - Reporting Procedures [Reserved]