



# Major Financial Management Roles and Responsibilities Between the Divisions and OCFO Field Operations

Lawrence Berkeley  
National Laboratory

Financial Policies and Procedures

Part I

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## Summary

This policy identifies and clarifies the major financial management roles and responsibilities for senior Laboratory Division management teams (e.g., Division Director, Deputy Division Director, Operations Manager, Business Manager, Department Heads, Group Leads, and Program Leads), Principal Investigators (PI)/Program Managers (PM), and OCFO Field Operations Resource Analysts (RA)/Resource Managers (RM).

## Policy

This policy is written under the authority of the following University of California (UC), Laboratory, and U.S. Department of Energy (DOE) regulations, guidelines, and documents:

- **DOE Contract 31**
  - Appendix I – Adherence to DOE Orders, financial orders are listed
  - Appendix O – The Laboratory's five Associated Laboratory Directors (ALDs) are specifically named as the primary responsible and accountable managers for operational and scientific activities within each of their respective Divisions
  - Section H – Special Contract Regulations that include specific references to program development and budgetary administration (e.g., DOE and WFO)
- **UC Standing Order 100.4 (dd)** – UC Regents delegated signature authority to the Laboratory Director and any subsequent designees
- **UC Contract and Grant Manual**
  - Chapter 13 – 910/920 (delegated authority to solicit and accept/execute grants and contracts)
  - Chapter 1 – 510 (leadership of a sponsored project)
  - Chapter 10 – 330 (PI financial management responsibilities)
- **Laboratory Financial Management Policies and Procedures**

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### Key Guidance/First Order Principles

#### ***Roles and Responsibilities:***

- For each Division, the **Division Director** and **his/her senior management team** has overall financial responsibility and accountability for all Division-managed programs
- **Principal Investigators/Program Managers** have overall financial responsibility and accountability for the programs and projects they manage
- **Resource Analysts/Resource Managers** provide financial support, knowledge and expertise to the Divisions and have financial responsibility and accountability for their actions

#### ***The Laboratory's "Ten Financial Commandments"***

1. Don't spend dollars you do not have. Funding must be placed in Contract 31, not just in the DOE Approved Funding Program (AFP) or contract award before work can proceed.
2. Spend funding only on the purpose for which it is intended.
3. Don't mix funding sources for projects without documented rationale.
4. Don't charge research costs to an indirect budget (except for LDRD); i.e., overhead, organization burdens, recharges/service centers.
5. Have a causal-beneficial relationship between the cost elements of an indirect budget and its corresponding distribution base.
6. Maintain consistency in cost distribution practices over time.
7. Use Full Cost Recovery – No Subsidies to Programs/Projects.
8. Record all costs of a project in the accounting period for which services were performed or goods delivered (include accruing for all appropriate costs in the correct period of performance to that project).
9. Transfer costs only if necessary, appropriate, fully documented and justified (as outlined in the LBNL Resource Adjustment Policy).
10. Comply with DOE funding categories and related thresholds (e.g., colors of money).
  - \$50,000 – Capital Equipment
  - \$2,000,000 – Major Item of Equipment (MIE)
  - Less than \$5,000,000 – General Plant Project (GPP)
  - \$5,000,000 – Line Item Construction Project

### **Roles and Responsibilities**

The following individuals are accountable for the major financial management roles and responsibilities at the Laboratory:

#### **Division Director and His/Her Senior Management Team**

- Provide strategic financial leadership/management for Division programs
- Ensure a strong resource stewardship and funds control environment and culture exists. This is typically delegated to the Deputy Director, Operations Manager and/or Business Manager
- Comply with the Laboratory's "Ten Financial Commandments" as stated above
- Provide final Division review and approval of project proposals, cost/spend plans, and major funding/cost actions. These functions are typically delegated to the Deputy Director, Operations Manager and/or Business Manager
- Provide ongoing operational awareness at the division level by:
  - Measuring programmatic financial status (e.g., plans versus costs)
  - Conducting periodic program/budget reviews
  - Implementing and maintaining strong internal controls structures and mechanisms

#### **Principal Investigator and/or Program Manager**

- Work closely with the Division Resource Analyst:
  - Develop a project proposal based on the Principal Investigator's technical work scope, resource requirements, and appropriate cost elements
  - Develop an executable, fully burdened spend plan that ensures Full Cost Recovery
- Execute the project in a manner that ensures costs are appropriate, allowable, and allocable
- Understand, interpret, and apply knowledge of funding sponsor financial guidelines, policies and contract terms as well as Laboratory policies
- Exercise delegated signature authority on affected financial and/or procurement actions
- Review and provide timely, accurate and complete feedback/inputs to the Resource Analyst on the following:

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- Funding and cost projections for affected program/project spend plans
- Periodic budget execution reports
- Source materials and analysis used in Division program/budget reviews

### **Resource Analysts (OCFO Field Operations)**

- Work closely with the Principal Investigator/Program Manager:
  - Prepare and/or coordinate the planning, development and submission of the financial aspects of a project proposal based upon the Principal Investigator's technical work scope and resource requirements
  - Develop an executable, fully burdened spend plan that ensures Full Cost Recovery
  - Review and update the spend plan and cost projections to ensure successful project execution
  - Prepare source materials and analyses required for conducting periodic Division program/financial reviews
- Understand, interpret, and apply knowledge of funding sponsor financial guidelines, policies and contract terms as well as Laboratory policies
- Provide the Division with periodic standard and ad hoc summary and detailed financial reports that are timely, accurate and complete for their Division's programs and projects
- Work closely with Principal Investigators/Program Managers to mitigate potential over commitment and costing issues at funding control points during the year
- Exercise delegated signature authority on financial and/or procurement actions
- Develop, monitor, and maintain Division Project IDs and tree structures
- Identify issues concerning interpretation and implementation of DOE, UC and Laboratory financial management policies and procedures. Review with Division Business Manager and OCFO Field Operations Manager.

See [LBNL Major Financial Management Roles and Responsibilities](#) for further guidance and details for specific major financial management roles and responsibilities for each position described above.

### **Authority**

- DOE Contract 31
- UC Standing Order 100.4 (dd)
- UC Contract and Grant Manual
- Laboratory Financial Management Policies and Procedures

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### Contacts

- Manager, Field Operations
- Assistant Manager, Field Operations

### Glossary

- **Allocable:** A cost charged to one or more cost objectives in accordance with the relative benefit received or other equitable relationship.
- **Burdened:** Indirect costs. Laboratory burdens tend to be local in nature, and apply to particular Divisions or functions, such as procurement burden, travel burden, or organization burden. Also refers to the "tax" that is allocated to a direct cost objective to recover the cost of a set of indirect activities.
- **Spend Plan:** A detailed program or map of how (a budget) will be used up, paid out, or consumed; a monthly plan of encumbrances, expenses, and income for a project or organizational unit. The sum of the months' planned obligations within the year should not exceed the corresponding appropriated or approved amount. Typically prepared prior to the start of a project and updated periodically as needed and includes details on how (budget or resource category) and/or when (monthly, quarterly, annual) a budget will be spent.
- **Tree Structures:** Refers to the Divisions' hierarchical organization of their Project IDs such that they reflect and are consistent with their programs/projects work breakdown structures and relevant Laboratory financial policies and procedures.