



Stop Work Process For Funds Control Compliance

Lawrence Berkeley
National Laboratory

Financial Policies and Procedures

Part I

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Primary contact:	Budget Officer

Summary

The intent of this policy is to provide a tool to mitigate situations arising from potential funds control issues (i.e., incurring uncollectible and/or unallowable costs), with the goal of safeguarding the Laboratory while supporting its scientific mission. A Stop Work to mitigate a funds control violation would only be exercised after all other options have been exhausted (i.e., bridge funding or negotiation with the sponsor) – refer to [Stop Work Decision Tree Chart](#).

The purpose of this policy is to define the guidelines for the initiation of the Laboratory's Stop Work process to ensure compliance with federal regulations and DOE Contract 31.

Scope

The scope of this policy is limited to work activities funded by DOE and Work for Others (WFO) sponsors. A funds control violation may result in a reduction in the Laboratory's annual [Contractor Supporting Research](#) funding allocation from the University of California, the assessment of fines and/or a decrease in the DOE Contract 31 performance measure rating which could ultimately jeopardize the Laboratory's DOE Contract extension.

Policy

As a federal contractor, the Laboratory is required to adhere to DOE Contract 31 regulations. If it is determined that an actual funds control violation exists, work activities must stop until the issue is resolved.

Possible funds control violations may include:

DOE Direct-Funded Work

- Costs and/or commitments incurred in excess of funds available
- Costs and/or commitments incurred prior to receipt of funds in the Contract Modification (MOD) (see Glossary)

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- Costs and/or commitments incurred for activities outside of the purpose specified in the DOE work authorization (see Glossary)
- Costs and/or commitments incurred after the expiration of limited appropriation funds (see Glossary)

Work for Others (WFO)

- Costs incurred prior to receipt of an accepted reimbursable work agreement as defined by [DOE Order 481.1C](#). A written agreement to perform work or provide a service or another Federal agency or non-Federal sponsor signed by a contracting officer or an official with delegated authority to commit the Laboratory to perform Work for Others and approved by an authorized approver of the sponsor.
- Costs incurred outside the reimbursable work agreement period of performance
- Costs incurred after the expiration of limited appropriation funds
- Costs incurred outside of the reimbursable work agreement terms (Statement of Work) - Activities must be allowable & allocable
- Costs incurred in excess of *funding*
 - For a federal reimbursable work agreement, *funding* is defined as the contract value
 - For a non-federal reimbursable work agreement, *funding* is defined as cash received (advance payments + invoice payments) plus approved bridge funding
- Financial terms of reimbursable work agreement are not met by the sponsor
 - Delinquent payment of invoices (generally invoices outstanding for 120 days or more)
 - Sponsor refuses to reimburse the Laboratory

Note: Other non-financial factors may result in the requirement to Stop Work.

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Procedures

- **Initial Notification**

A potential funds control violation may be identified by a Division Resource Analyst, Business Manager, Accounts Receivable Manager, Sponsored Projects Office (SPO) Contracts Officer, Manager, Budget Office Analyst, etc., and may result in the initiation of a Stop Work process - refer to [Stop Work Process Chart](#). If a potential funds control violation situation arises, the identifier must notify the following individuals via email:

POSITION	NOTIFICATION
Field Operations Manager	Mandatory
Division Resource Analyst	Mandatory
Budget Office Analyst	Mandatory
Business Manager	Mandatory
Division Director/Deputy Director	Division Discretion
Principal Investigator (PI)	Division Discretion
SPO Contracts Officer	If applicable
Accounts Receivable Manager	If applicable

The CFO has the option of declaring a temporary Stop Work at any time during this process.

- **Determination**

The Field Operations Manager establishes and facilitates a fact finding team within two business days of receipt of notification in order to gather details and explore whether other funding sources are available and appropriate. The team would include those individuals noted as mandatory under the initial notification section as well as others as appropriate. Based on the findings of the team, a recommendation is made.

If the team determines that a Stop Work course of action is not necessary, the Division Resource Analyst and Field Operations Manager completes a [Stop Work Initiation form](#) summarizing the issue and the team's recommendation. The completed form is distributed by the Field Operations Manager to the team for informational purposes.

If the team recommends a Stop Work course of action, the Division Resource Analyst and Field Operations Manager completes the [Stop Work Initiation form](#) summarizing the team's recommendation and outlining the various funding

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alternatives that were explored but determined not a viable option. The Budget Office reviews the completed form.

The Field Operations Manager distributes the completed form simultaneously to the Division's Business Manager and to the Budget Officer. The Business Manager reviews the Stop Work recommendation with the Division Director and notifies the Budget Officer if there are additional concerns prior to the CFO review. The Budget Officer reviews the recommendation with the CFO for final determination.

Given the severity of a Stop Work situation, it is intended that the determination process is completed expeditiously.

- ***Stop Work Notification***

If a Stop Work is the recommended course of action, the CFO reviews the issues with the Division Director, or designee. The Division Director is responsible for implementing the Stop Work. The Stop Work status is in effect until the funds control violation is resolved.

Once the Division Director concurs with the Stop Work recommendation, the sponsor will be notified. The Sponsor Projects Office Contracts Officer will handle the formal sponsor notification for WFO and the Division Director for DOE Direct funded projects.

- ***Resource Allocation***

Since activities on the project at issue must cease, Principal Investigators and staff effort must be redirected to other appropriate activity such as work on other projects or employee-between-assignment activity funded through Organization Burden.

Note: It is not appropriate to charge Research and Development costs to Organization Burden (see [Organization Burden Policy](#)). If no other alternatives are available, the Division must pursue appropriate alternatives with Human Resources (i.e. administrative leave, termination, etc.).

In cases of abrupt funding termination, the Division may seek non-DOE Contract 31 funds; e.g. CSR or Gifts.

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Roles and Responsibilities

The following table reflects the roles and responsibilities of the various individuals that are involved in a potential Stop Work process:

Individual	Action
Initiator of Stop Work	<ul style="list-style-type: none"> • Notifies appropriate parties of potential funds control violation situation as outlined in policy procedures. • Participates on fact finding team.
Division Resource Analyst	<ul style="list-style-type: none"> • Participates on fact finding team. • Completes Stop Work Initiation form with Field Operations Manager.
Field Operations Manager	<ul style="list-style-type: none"> • Establishes and facilitates fact finding team. • Completes Stop Work Initiation form with Division Resource Analyst. • Distributes completed form as outlined in policy procedures.
Budget Office Analyst	<ul style="list-style-type: none"> • Participates on fact finding team. • Reviews completed Stop Work Initiation form.
Accounts Receivable Manager (if applicable)	<ul style="list-style-type: none"> • Participates on fact finding team.
SPO Contracts Officer (if applicable)	<ul style="list-style-type: none"> • Participates on fact finding team • Notifies WFO sponsor of Stop Work implementation, if applicable.
Business Manager	<ul style="list-style-type: none"> • Participates on fact finding team. • Reviews Stop Work recommendation with Division Director, if applicable.
CFO Budget Officer	<ul style="list-style-type: none"> • Reviews Stop Work recommendation with Chief Financial Officer, if applicable.
Chief Financial Officer	<ul style="list-style-type: none"> • Reviews Stop Work recommendation with Division Director, if applicable. • Notifies team of Stop Work concurrence, if applicable
Division Director or designate	<ul style="list-style-type: none"> • Implements Stop Work, if applicable.

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Authority

- [Department of Energy \(DOE\) Prime Contract 31](#)
- [Department of Energy Accounting Handbook](#)
- [DOE Order 481.1C](#)
- [Principles of Federal Appropriations Law](#)

Contacts

- Field Operations Manager
- Budget Officer

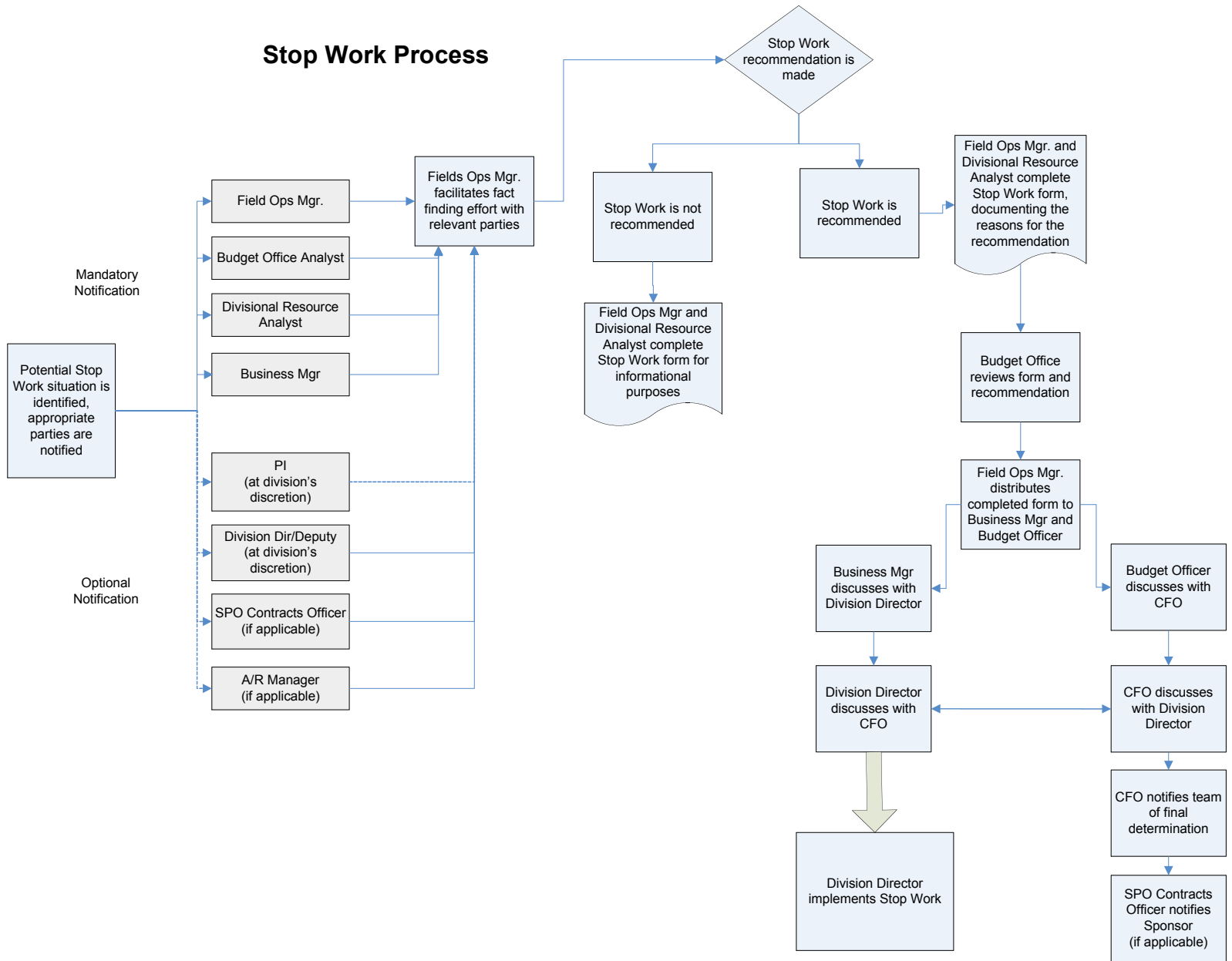
Glossary

- **Contract Modification (MOD):** Document produced by DOE, the Contract Modification provides LBNL the Budget Authority to enter into obligations that will result in immediate or future outlays involving government funds.
- **DOE Work Authorization:** Programmatic document produced by DOE that specifies what activities in which the funds are to be used.
- **Limited appropriation funds:** Funding authority provided by Congress is designated as one year, multi year, or no year funding. This designation describes the period of time the funds are available for obligation and expenditure. One year and multi year funds expire and cannot be costed or committed after the expiration date. Funds that are available for a limited period of time are referred to as limited appropriation funds.
- **Reimbursable Work Agreement:** A written agreement to perform work or provide a service for another federal agency or non-federal customer.
- **Work for Others:** Work for non-DOE entities performed by DOE/contractor personnel and/or utilize DOE facilities and are not directly funded by DOE appropriations. Work is in accordance with DOE Order 481.1C.

Related Documents

- [Organization Burden Policy](#)
- [Bridge Funding Policy](#)
- [Cost Allowability Policy](#)

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Stop Work Decision Tree

