ARS ❑ CSREES ❑ ERS ❑ NASS
Policies and Procedures

Title: Research Authorization and Administration
of Research Funds

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This Replaces:

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This DIRECTIVE is to provide an overview
of ARS policy on research authorization
and administration of research funds and
management responsibilities.

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1. REFERENCES

Directive 320.1 -- Management of Resources; Directive 325.1 -- Control of Funds; ARS Research Project Documentation Manual; ARMS Manual; and LOTS User Manual.

2. ABBREVIATIONS

- AD   -   Area Director
- AOP   -   Annual Operating Plan
- ARMP -   Annual Resource Management Plan
- ARMS -   Annual Resource Management System
- BAS   -   Budget Allocation System
- CAM   -   CRIS Activities Module
- CAS   -   Central Accounting System
- CD   -   Center Director
- DA   -   Deputy Administrator
- FMD   -   Financial Management Division
- IRC   -   Indirect Research Costs
- LD   -   Laboratory Director
- LOTS -   Location Obligation Tracking System
- MU   -   Management Unit
- NPS   -   National Program Staff
- RL   -   Research Leader
- RMIS -   Research Management Information System
- SAMS -   Salary Management System

3. FORMS

AD-416   -   Research Work Unit/Project Description-Research Resume
AD-417   -   Research Work Unit/Project Description-Classification of Research

4. AUTHORITIES

- P.L. 95-113, as amended
- P.L. 101-445
- 7 CFR Part 2, Subpart C, Section 2.30 et seq.

5. POLICY

It is ARS policy to:

- Plan, allocate, and report research and fiscal obligations by individual research project.

- Ensure that each scientist is assigned to one or more individual research project(s) to account for 100 percent of his/her time. All research conducted by a scientist must be related to the assigned project(s).

- Ensure that no project exceeds 5 years without a reallocation of funds and a review of the science and progress by a minimum of three reviewers (one from industry, one from academia, and one from another ARS location or another Federal laboratory).

- Hold all managers responsible for resource management, especially those designated as fund holders.

- Utilize a system of allocations and financial   plans to clearly assign financial management accountability.

- Recognize that BAS, RMIS, ARMP, and LOTS are the main accountability systems used to track ARS research and resources. See separate manuals for documentation.

    - Use BAS to allocate fiscal resources to individual projects.

    - Use RMIS to describe the research objective and approach of individual projects, to document progress, and to identify research objective, approach, investigator, and appropriate codes for classification of resources allocated.

    - Use ARMP to display a 1-year plan of how resources will be utilized for salaries, utilities, equipment, etc., by object class.

    - Use LOTS to track obligations by individual project for official reporting purposes. LOTS, reconciled on a monthly basis to the National Finance Center, CAS accounting records, will be used as the ARS funds control system.

    - Utilize long-range planning within a project to ensure that adequate resources are available for research programs to complete the original objectives.

- Ensure that financial accountability for assigned program funds rests with the authorized fund holder, as evidenced on the AOP -- ordinarily the RL, but in some cases a higher level manager, such as the LD. The fact that the LD may be the official fund holder in no way

relieves subordinate RL's of the responsibility for knowing what level of resources are assigned to their respective projects and to use fiscal management procedures.

- Ensure that MU funds are obligated consistent with the allocated level without exceeding this level. Exceeding the assigned amount, either intentionally or through negligence, could subject the responsible fund holder to disciplinary action. Except, the RL is allowed to over/under obligate funds on a specific project by +/- 5 percent, not to exceed $50,000, whichever is less. The net effect at the MU level must be zero.

- Use RMIS and BAS to officially change any allocation of fiscal resources on individual projects. All proposed changes will be implemented through RMIS.

- Ensure that funds which cannot be obligated by yearend are identified and reported to the appropriate management level in sufficient time to temporarily redistribute the funds to other high priority Agency needs. These shifts must be made through RMIS.

- *Ensure that AD's, CD's, LD's, RL's, and Institute Directors have no authority for shifting funds among research units or program areas. As circumstances warrant during the planning process, program managers may request fund shifts, but the change cannot take effect until cleared and approved by NPS acting on behalf of the Administrator and documented in BAS and RMIS.

- Ensure that changes in the research program can be made by requesting NPS approval through line management and documentation using RMIS. Approved permanent or temporary adjustments to individual projects, during the fiscal year, will require that corresponding adjustments be made to the Financial Plan and accompanying project subaccount plans in LOTS.

- Ensure that all program funds are allocated within LOTS by individual project. During the year, releases may be made to an IRC account. The IRC account must be distributed back to the benefitting project(s) in order to report total project obligations. The CAM will be used at yearend to distribute IRC costs to benefitting projects and report total annual individual project obligations.

- Ensure that all fund holders have a performance element in their annual performance plan that addresses fiscal and program accountability.

6. OVERVIEW

ARS is committed to continually improve its effectiveness through a managed program of research in support of national agricultural priorities. ARS has made significant progress in planning, allocating, and tracking the resources used in the research programs. As a result, ARS

can more effectively manage its research and is able to account for the use of resources to the Executive Branch, Congress, and other users of ARS research. There is a clearer recognition of the relevance of ARS work, credibility for ARS management, and, sustained support for ARS research programs.

While fiscal and program accountability are essential, the very nature of the research process also requires an element of flexibility in order to exploit opportunities which develop as a result of scientific inquiry. Scientific research involves exploration and delving into the unknown and often results in unanticipated findings. Scientists need the flexibility to pursue new research approaches and to use model systems to test the validity of their findings or to establish a promising new line of research. Such flexibility often contributes to the solution or further exploration of the assigned problem area and helps to define future research when a current project is nearing termination.

The purpose of this DIRECTIVE is to prescribe project documentation and accountability procedure for ARS research, including temporary or permanent adjustments in direction to explore new problem areas.

7. RESEARCH AUTHORIZATION

The Administrator, ARS, has delegated responsibility to the NPS for setting research priorities, assigning projects, and allocating resources for the Agency. The AD's and other line managers (CD's, LD's, RL's) have overall responsibility for managing the research program and ensuring that resources (personnel and funds) are utilized effectively to achieve the assigned objective.

In setting research priorities, NPS obtains input on research needs and opportunities from multiple sources including scientists, RL's, AD's, clients, action and regulatory agencies, congressional directives, and others. NPS systematically evaluates such input against a set of project selection criteria and factors, including MU mission, scientist capabilities, existing program obligations, and location resource level to decide problem areas to be addressed. Such a decision process is applied to the utilization of Agency base resources as well as to any base resource expansion derived from the annual budget development process. After the NPS allocates resources to a specific research project, the lead scientist develops a Project Statement that fully describes the problem; research approaches; literature review; expected outcomes, including milestones; overall budget; and the scientists assigned, including their qualifications. The project statement is peer reviewed for scientific and technical merit. After the review, the scientist submits documentation (AD-416 and AD-417) to NPS for final approval.

The primary documents that set the bounds for the problem to be solved are:

•   Memo from NPS allocating resources and assigning problem

- Project Statement

- AD-416 and AD-417

The lead scientist and other participating scientists determine the specific experiments to undertake in order to develop a solution to the assigned problem. As necessary and without further approvals from NPS, scientists can adjust their research approaches and/or use model systems to address the assigned problem and achieve expected outcomes.

As research objectives are achieved and/or research findings lead to new areas of opportunity, scientists can suggest and request approval through line mangers to NPS to initiate research on a new objective or problem area with available resources. If all line managers and the NPS agree that the suggested line of research is within the mission of the Agency and the MU, and is a priority need of our clients, the NPS can reallocate resources to the project and the scientist can initiate the research.

8. OVERSIGHT AND MONITORING

The Deputy Administrator, National Program Staff (DA-NPS), has overall responsibility for planning, setting priorities, allocating resources, and evaluating research programs. Associate Deputy Administrators and National Program Leaders support the DA-NPS in carrying out these responsibilities. The NPS selects research programs to be implemented and recommends allocation of Agency resources accordingly. This includes distribution of base funds, Agency discretionary funds, and program increases to research units.

NPS, in setting and selecting research priorities and allocating resources, is guided by policies of the Secretary of Agriculture, Office of Management and Budget, and the directives of the U.S. Congress. NPS considers needs of research users and is aware of the research being conducted by other research organizations. By exercising program oversight, review, and evaluation, NPS assesses progress toward objectives, ensures that resource use and research efforts continue to be relevant to priority program areas, specifies necessary changes in direction, determines when the end point is reached, and recommends reallocation of resources to other problem or program areas.

The AD's and other line managers (CD's, LD's, RL's) have overall responsibility for oversight and monitoring the research program and ensuring that resources (personnel and funds) are utilized on the assigned research projects.

The AD's are responsible for implementing the research programs and managing the expenditure of funds and deployment of other resources to support and carry out research in accordance with priorities and allocations established by NPS.

To ensure continuous observance of fiscal accountability, line and staff managers, i.e., AD's, Area Administrative Officers, Area Budget and Fiscal Officers and RL's are to conduct financial reviews to assess the accuracy of reported expenditures at the individual project level at least twice per year. The first will be through the review of the ARMP process and will include a retrospective review of the previous year. The second review will be onsite and/or conducted by review of the LOTS records and other documentation to ensure that obligations for specific purchases are properly documented to individual projects.

To ensure continuous observance of program accountability, line and program managers, i.e., NPS, AD's, CD's, and RL's, are to conduct program reviews to assess scientific progress and to ensure that the research being conducted is covered by the approved documentation. The annual performance review by the RL and the reviewing official is one form of program review. Additional ad hoc reviews are to be conducted by NPS and/or AD to review the scientific progress at the project, MU, location, or program level. These reviews are documented by executive reports to the line and staff managers and other documentation as appropriate, i.e., reports and publications. Indepth reviews are to be conducted at least every 3-4 years at the MU level by AD's and NPS.

9. PERFORMANCE ELEMENT FOR FUND HOLDERS

The performance element for fund holders ensures that resources used and research efforts have program and fiscal accountability in that they are specifically identified with the objectives in one or more project(s). If assignments change, requests for fund shifts in accordance with Agency policy are made to obtain NPS approval. Unforeseen needs for additional funds must be identified and properly justified for approval in a timely fashion. The performance element takes appropriate steps to inform, and regularly updates subordinates concerning Agency/Research Unit goals, policies and procedures.

10. RESPONSIBILITIES

The **Administrator** is responsible for the overall management of all ARS funds according to the mandates and constraints of the Congress and the Administration.

The **DA-NPS** has the delegated responsibility for planning, setting priorities, allocating resources, and evaluating research programs.

The **Budget and Program Management Staff** is responsible for issuing allocations within the limits of funds appropriated to the Agency.

The **AD** and **Headquarters Allocation Holders** are responsible for:

- Management of the allocated level of funds.

- Using the funds for the purposes that the Agency intends.

- Designating the fund holders within their allocation.

The **Fund Holders** are responsible for managing individual projects and ensuring that funds are used to support research including personnel, supplies, and infrastructure, on projects for which the funds are allocated. The fund holder is the individual indicated as such on the AOP.

The **FMD** is responsible for Agency financial policy and the Agency's financial systems, including CAS, LOTS, SAMS, ARMP, CAM, and related supporting financial systems. FMD will report to the Administrator on funds management performance.

The **Location Administrative Officer** is responsible for utilizing Agency mandated software systems; establishing local procedures for financial document flow; maintaining local funds control records, including individual project subaccounts; and issuing accurate funds status reports in a timely manner.

The **Area Budget and Fiscal Officer** is responsible for ensuring that the provisions of this DIRECTIVE are carried out in their respective areas by review and analysis of CAS, LOTS, and SAMS reports.

E. E. FINNEY, JR.
Acting Administrator