



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
WATER

DWSRF 99-02

September 24, 1998

NOTE

SUBJECT: Financial Tracking for the Drinking Water State Revolving Fund (DWSRF) Program Under FY 1999 Budget Restructuring Initiative - Draft

FROM: Kimberley Roy /s/
DWSRF Program

TO: DWSRF Program Coordinators
Regions 1-10

Under the FY 1999 Budget Restructuring initiative, the Comptroller's Office is revising the way that EPA accounts for resources by replacing the Program Element (PE) code with a new Program Results Code (PRC) which specifies goals, objectives, subobjectives, and national program managers. This revision will enable the Agency to identify the resources associated with achieving environmental results envisioned in the Agency's Government Performance and Results Act (GPRA) Strategic Plan published in September 1997. The new financial tracking system will be effective for all grant awards made for the Drinking Water State Revolving Fund (DWSRF) Program beginning on October 1, 1998.

The financial tracking system for the DWSRF Program under the FY 1999 budget structure is still in the final stages of development. This note serves as a preliminary explanation of how to enter financial tracking information in assistance agreements, commitment notices, etc. for DWSRF Program grant awards under the FY 1999 budget structure based on meetings with staff of the Comptroller's Office. We will send out a final memorandum addressing financial tracking under the FY 1999 budget structure after the Comptroller's Office releases its final guidance in mid-October.

The specific changes to financial tracking for the DWSRF Program proposed under the FY 1999 budget structure are:

- < The PRC replaces the PE code.
- < The Appropriation code/Fund field is changed to separately identify the DWSRF Program under the State and Tribal Assistance Grants (STAG) appropriation. The Appropriation code/Fund field is also used to differentiate between new obligating authority (NOA) and carryover funds.
- < The Site/Project code is now used to capture the fiscal year of appropriation of grant funds and the special funding codes that designate the amounts of funds committed to the Fund and to the set-asides.

The specific financial tracking components for the DWSRF Program that do not change under the FY 1999 budget structure are:

- < The Fiscal Year code remains the fiscal year of the grant action, not the fiscal year of the appropriation.
- < The format used to assign Budget Organization codes remains the same.
- < The Budget Object Class (BOC) code remains 41.09.
- < The format used to assign Assistance ID numbers remains the same.
- < The Catalog of Federal Domestic Assistance (CFDA) number remains 66.468.

Program Results Code (PRC)

The most significant change under the FY 1999 structure is the replacement of the PE codes "1B1" and "9F1" with the PRC which specifies goals, objectives, subobjectives, and national program managers. The PRC consists of 9 alpha numeric characters, however, only 6 characters will be used in committing and obligating funds for the DWSRF Program.

Specifically, the PRC for the DWSRF Program is **20101B**. Because the PRC is meant to be goal oriented, the Appropriations code/Fund field is now used to identify appropriation-specific information on NOA and carryover funds which were previously identified by the PE code. The following shows detail on how the PRC for the DWSRF Program is derived:

Goal - Objective - Subobjective - National Program Manager- Major Program - Reserved

Goal: A one character number that represents the goals identified in the Agency's Strategic Plan. The DWSRF Program falls under the goal of *Clean and Safe Water* designated as **2**.

Objective: A two character number that represents each objective under each goal. Each objective is unique to a particular goal. The DWSRF Program falls under the objective of *Safe Drinking Water, Fish, and Recreational Waters* designated as **01**.

Subobjective: A two character number that represents each subobjective under each goal and objective. Each subobjective is unique to a particular objective. The DWSRF Program falls under the subobjective of an *Increase in Systems Meeting Health-Based Requirements* designated as **01**.

National Program Manager: An alpha character that identifies the national program manager associated with resources being used for a particular goal, objective, and subobjective. Goals, objectives, and subobjectives are not unique to a particular national program manager. The national program manager for the DWSRF Program is the Office of Water designated as **B**.

Major Program: Two alpha characters that represent initiatives undertaken by the Agency that require an additional level of detail. The DWSRF Program does not use this field.

Reserved: This character is reserved for future use.

Appropriation Code/Fund Field

Under the FY 1999 budget structure, the DWSRF Program has been given a unique Appropriation code/Fund field of **E3** under the STAG appropriation. The Appropriation code/Fund field is also now used to differentiate between NOA funds and carryover funds in the DWSRF Program. Any funds committed in the first year of availability are considered NOA funds and are designated by the

Appropriation code/Fund field **E3**. Funds that are not obligated in the first fiscal year of availability are considered carryover funds and are designated by the Appropriation code/Fund field **E3C**.

Site/Project code

Under the FY 1999 budget structure, the Site/Project code is a new field to be used in the DWSRF Program. Every time commitments or obligations using DWSRF Program funds are recorded, the Site/Project code must be used because it is a mandatory field in transaction coding in the Integrated Financial Management System (IFMS).

The Site/Project code for the DWSRF Programs is a 4 character field that consists of the fiscal year of appropriation of grant funds, a “D” for the DWSRF Program, and the special funding codes designated for the DWSRF Program. The special funding codes were previously the fourth character of the PE code used to designate the amount of funds actually committed to the Fund and to the set-aside categories within the DWSRF Program.

The FY 1998 carryover Site/Project codes for the DWSRF Program are:

- 98DA** – Revolving Fund
- 98DB** – 1.5% Grants to Indian Tribes National Set-Aside
- 98DC** – Other National Set-Asides
- 98DD** – 4% Program Administration Set-Aside
- 98DE** – 2% Small Systems Technical Assistance Set-Aside
- 98DF** – 10% State Programs Set-Aside
- 98DG** – 15% Local Assistance Set-Aside

The FY 1999 NOA and carryover Site/Project codes for the DWSRF Program are:

- 99DA** – Revolving Fund
- 99DB** – 1.5% Grants to Indian Tribes National Set-Aside
- 99DC** – Other National Set-Asides
- 99DD** – 4% Program Administration Set-Aside
- 99DE** – 2% Small Systems Technical Assistance Set-Aside
- 99DF** – 10% State Programs Set-Aside
- 99DG** – 15% Local Assistance Set-Aside

Fiscal Year Code

The Fiscal Year code remains the fiscal year of the grant action, not the fiscal year of the appropriation. Continue to use a two character number to represent the fiscal year.

Budget Organization

There are no structural changes to the Budget Organization code under the FY 1999 budget structure.

Budget Object Class (BOC) Code

BOC codes are 4 character numbers that consist of major object class codes and accounting subobject class codes. The Agency uses BOC codes for budget planning and accounting purposes to provide the level of detailed information needed for recording and sorting various spending transactions and to fulfill external reporting requirements to Office of Management and Budget (OMB), the General Accounting Office (GAO), and Congress. The BOC remains **41.09** for the DWSRF Program.

Assistance ID Number

The Assistance ID number consists of 11 alpha numeric characters assigned to every grant award made for the DWSRF Program and is the number a State uses on payment request forms for cash draw from the Automated Clearing House (ACH). The format for the Assistance ID number remains as follows:

Program Code - Serial Number - Sequence Number - Amendment Designator

[Sample: FS993583-99-0]

It is important to note that the Serial Number should remain constant for each State from fiscal year to fiscal year. Most Regions are using the Sequence Number to reflect the fiscal year/ budget period of the grant action, but one Region is using the Sequence Number to reflect the fiscal year of appropriation of DWSRF Program funds. We are still asking that Regions ensure that there is consistency in assigning Assistance ID Numbers, especially with regard to partial awards.

Catalog of Federal Domestic Assistance (CFDA) Number

The CFDA number is used by the Grants Administration Division to track the grant awards for a particular program in the Grants Information and Control System (GICS). The OMB also uses the CFDA number to prepare reports on State by State actual obligations for Federal grant programs. The CFDA number remains **66.468** for the DWSRF Program.

Attached is a sample continuation page of an assistance agreement that shows how to record fiscal information for a DWSRF Program grant award using the new financial tracking system under the FY 1999 budget structure as well as the old financial tracking system of PE codes to highlight the differences between the two systems. Specifically, the sample shows how fiscal information would be recorded for a complete grant award of \$10,000,000 (FY 1998 carryover funds) made to a State during FY 1999.

If you have any questions about financial tracking of DWSRF Program grant awards under the FY 1999 budget structure, please call me at (202) 260-2794.

Sample Assistance Agreement Continuation Page

| 39. FISCAL: (continued) | | | | | | | | | |
|--|-----|----|---------|---------------------|-----------------|--------------|--------------|-------------------|--------------------------|
| Site Name | DCN | FY | Approp. | Budget Organization | Program Element | Object Class | Site/Project | Cost Organization | Obligation/ Deobligation |
| New Tracking System (FY 1998 Carryover) | | | | | | | | | |
| Revolving Fund | | 99 | E3C | 091 | 20101B | 41.09 | 98DA | | 6,900,000 |
| 4% Program Admin. | | 99 | E3C | 091 | 20101B | 41.09 | 98DD | | 400,000 |
| 2% Small Systems | | 99 | E3C | 091 | 20101B | 41.09 | 98DE | | 200,000 |
| 10% State Programs | | 99 | E3C | 091 | 20101B | 41.09 | 98DF | | 1,000,000 |
| 15% Local Assistance | | 99 | E3C | 091 | 20101B | 41.09 | 98DG | | 1,500,000 |
| | | | | | TOTAL: | | | | 10,000,000 |
| Old Tracking System (FY 1998 Carryover) | | | | | | | | | |
| Revolving Fund | | 99 | E | 091 | 9F1A | 41.09 | | | 6,900,000 |
| 4% Program Admin. | | 99 | E | 091 | 9F1D | 41.09 | | | 400,000 |
| 2% Small Systems | | 99 | E | 091 | 9F1E | 41.09 | | | 200,000 |
| 10% State Programs | | 99 | E | 091 | 9F1F | 41.09 | | | 1,000,000 |
| 15% Local Assistance | | 99 | E | 091 | 9F1G | 41.09 | | | 1,500,000 |
| | | | | | TOTAL: | | | | 10,000,000 |