

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION		Number: 1010-001
SUBJECT: Organization	DATE: July 20, 2006	
	OPI: Office of Human Capital Management	

1 **PURPOSE**

This regulation describes the delegations of authority and procedures for making changes to organizational structures within USDA.

2 **SPECIAL INSTRUCTIONS/CANCELLATIONS**

This regulation cancels DR 1010-1 dated June 11, 2003.

3 **DEFINITIONS**

AGENCY: Agency means the entire Department of Agriculture

BUREAU: A Bureau is a large organization with a headquarters and a substructure that reports to an Under or Assistant Secretary. The Forest Service and the Agricultural Research Service are each examples of Bureaus.

MISSION AREA: A Mission Area is a Bureau or group of Bureaus with related functions that report to the same Under or Assistant Secretary.

OFFICE: For purposes of this regulation, an office is a permanent facility in a county or city or on a National Forest that is recognized as a discrete entity by both members of the public and the agency, and to which Federal employees are permanently assigned. Offices are described by separate listings in public or agency phone books and websites. The Farm Service Agency unit in a North Dakota Service Center Office, an Agricultural Research Service laboratory in Florida, a Food Safety and Inspection Service District Office in Colorado, and a District Ranger Office in the Superior National Forest are examples of offices. Temporary or short-term duty locations (e.g., a Forest Service fire camp, an Animal and Plant Health Service emergency project office, etc.) are not covered by this regulation.

REVIEWING OFFICE: A Departmental Staff Office, Mission Area, or Bureau that has been asked by the Office of Human Capital Management to review and comment on a proposed organizational change subject to approval by the Assistant Secretary for Administration under this regulation.

DEPARTMENTAL STAFF OFFICE: A Departmental Office, other than the Office of the Inspector General, with a specialized support function that reports directly to the Secretary. The Office of the Chief Financial Officer and the Office of the Chief Information Officer are examples of Departmental Staff Offices.

4 BACKGROUND

This regulation is intended to streamline and simplify the process of organizational change in order to facilitate the implementation of optimal organizational structures throughout the agency.

5 AUTHORITY

The authority to approve the creation, elimination, or transfer of an entire Bureau or Departmental Staff Office is reserved to the Secretary. In addition, any reduction in force, whether associated with an organizational change or not, must be separately approved by the Secretary

Under Secretaries, Assistant Secretaries, the Inspector General, and Departmental Staff Office Executives may approve organizational changes within Mission Areas, Bureaus, the Office of the Inspector General, or Departmental Staff Offices when such changes do not require any or all of the following: (1) additional budgetary authority, including additional FTEs, (2) reprogramming of appropriated or other funds, (3) a net increase in physical space, (4) any management-initiated reductions in staff, (5) closure of an entire office or the effective curtailment of office operations (e.g., reduction or transfer of a majority of an office's staff), (6) transfer of an entire office across Congressional District lines, or (7) the transfer of a function across Mission Area, Bureau, or Departmental Staff Office lines. This authority may not be redelegated to the heads of Bureaus or other subordinate levels within the Mission Area or Departmental Staff Office. The Secretary may withdraw this authority from any individual Under Secretary, Assistant Secretary, or Departmental Staff Office Executive at any time he or she finds that withdrawal is in the best interest of the Department.

The Assistant Secretary for Administration must approve organizational changes that require any or all of the following: (1) the transfer of a function across Mission Area, Bureau, or Departmental Staff Office lines, (2) additional budgetary authority, including increases in FTEs, (3) reprogramming of appropriated or other funds, (4) a net increase in physical space, (5) any management-initiated reductions in staff, (6) the closure or of an entire office or the effective curtailment of office operations, or (7) the transfer of an entire office across Congressional District lines. If a proposed organizational change in this category involves either Departmental Administration or the Office of the Inspector General, the Secretary must approve the change.

6 POLICY

Organizational changes should be based upon sound principles of organizational design. Organizational structures should be designed to be economical and efficient, to avoid unnecessary management layers, to reduce administrative overhead, and to establish clear lines of authority and accountability. The Assistant Secretary for Administration may require modifications to any proposed organizational change that fails to incorporate these principles.

7 PROCEDURES

Organizational changes that are authorized or ordered by the Secretary will be documented in the form of a Secretary's Memorandum.

Organizational changes that can be authorized by Under Secretaries, Assistant Secretaries, the Inspector General, and Departmental Staff Office Executives must comply with the procedures described in Appendix A of this regulation.

Organizational change proposals requiring the approval of the Assistant Secretary for Administration will be submitted to the Office of Human Capital Management in accordance with the instructions contained in Appendix B of this regulation.

In reviewing proposed organizational changes under this regulation, the Assistant Secretary for Administration will seek advice and counsel from the Office of Budget and Program Analysis, the Office of General Counsel, and the Office of the Assistant Secretary for Civil Rights. The Assistant Secretary for Administration may seek advice and counsel from any other source within the agency. In order to expedite the review of proposed organizational changes, simultaneous clearance procedures will be followed. Reviewing offices will limit comments to their areas of expertise and will furnish comments within 60 calendar days of the date of the Assistant Secretary's request for review. Reviewing offices that do not respond within 60 calendar days will be deemed to have concurred in the proposal.

8 RESPONSIBILITIES

a Under and Assistant Secretaries, the Inspector General, and Departmental Staff Office Executives are responsible for:

- (1) Incorporating sound principles of organizational design into decisions affecting organizational structures;
- (2) Submitting required documentation in proper form in accordance with this regulation; and
- (3) Determining whether a proposed organizational transfer will cross Congressional District lines.

- b The Office of Human Capital Management is responsible for:
- (1) Providing advice and assistance in matters of organizational design;
 - (2) Coordinating activities under this regulation; and
 - (3) Evaluating organizational changes approved by Under and Assistant Secretaries and Departmental Staff Office Executives for compliance with this regulation during periodic accountability reviews.

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Organizational changes approved by Under Secretaries, Assistant Secretaries, the Inspector General, or Departmental Staff Office Executives must:

1. Adhere to sound principles of organizational design;
2. Include a formal civil rights impact analysis as required by *Department Regulation 4300-4, Civil Rights Impact Analysis*;
3. Comply with labor relations obligations; and
4. Comply with human resources management rules and regulations.

In carrying out their responsibilities under this regulation, approving officials may seek advice and counsel from any source within the agency.

Approved changes must be documented by forwarding the following information to the Office of Human Capital Management:

1. A signed certification from the approving official indicating that the requirements of this regulation have been met and the approved change will not result in an adverse civil rights impact;
2. A description of the change(s) and the effective date;
3. A copy of the revised mission and function statements; and
4. A copy of the of the revised organization chart (if applicable).
5. Revised Delegations of Authority (if applicable).
6. A signed notification from the Mission Area or Bureau Chief Financial Officer indicating that all internal control requirements have been met.

Absent unusual circumstances, the required documentation will be forwarded to the Office of Human Capital Management within 30 calendar days of the effective date of the organizational change.

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Organizational change proposals requiring the approval of the Secretary or Assistant Secretary for Administration must include the following information in support of the approval request:

1. A detailed explanation of the circumstances giving rise to the request;
2. A detailed description of the proposed organizational change including proposed revisions to mission and function statements, organization charts, and staffing plans;
3. A detailed description of the human resource management impacts of the proposed change including a description of any proposed increases in staff, reductions in staff, changes to average grade levels, or geographic movement of staff across Congressional jurisdiction lines. The proposal must also address labor relations obligations and the steps that the proposing officials are taking to meet them;
4. A detailed description of the financial and budgetary impacts of the proposed change including a description of one-time implementation costs, proposed reprogramming of appropriated funds, or need for supplemental appropriations;
5. A detailed description of the proposed change's impact on space or facilities including a description of any office openings, office closings, changes in lease arrangements, or movement of offices across Congressional jurisdiction lines; and
6. A copy of the analysis prepared to fulfill the requirements of Departmental Regulation 4300-4, *Civil Rights Impact Analysis*.
7. A signed notification from the Mission Area or Bureau Chief Financial Officer indicating that all internal control requirements have been met.

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WHAT TO SUBMIT

This Appendix describes the items that must be included in proposals or reports for organizational changes subject to this regulation. Examples of individual items are also included.

FOR CHANGES THAT FALL UNDER APPENDIX A:

Organizational changes approved by Under or Assistant Secretaries, the Inspector General, or Departmental Staff Office Executives must be reported to the Director, Office of Human Capital Management within 30 calendar days of the effective date. All reports must include:

1. A signed certification from the approving official indicating that the requirements of this regulation have been met and that the approved change will not result in an adverse civil rights impact;
2. A description of the change(s) and the effective date;
3. A copy of the revised mission and function statements; and
4. A copy of the revised organization chart (if applicable).
5. Revised Delegations of Authority (if applicable).
6. A signed notification from the Mission Area or Bureau Chief Financial Officer indicating that all internal control requirements have been met. (See Appendix H for a sample notification.)

FOR CHANGES THAT FALL UNDER APPENDIX B:

Organizational changes that require approval by either the Secretary or the Assistant Secretary for Administration must be submitted to the Director, Office of Human Capital Management for review and processing. An original proposal, signed by the Under or Assistant Secretary, Inspector General, or Departmental Staff Office Executive, and nine copies must be submitted. All proposals must include:

1. A narrative describing the proposed changes and the rationale for those changes. This narrative must also include all information required by Appendix B;

2. A Summary of Changes, in the form and content set forth in Appendix D, that details the effect that the proposed changes would have on the budget as well as one-time costs associated with the proposed changes including relocation costs, severance pay, buyouts, retraining, outplacement services, and/or lease termination costs. The budget analysis should explain how one-time costs would be absorbed;
3. If applicable, a summary of prior Congressional contacts or correspondence;
4. A statement acknowledging that all applicable labor relations organizations that represent affected employees have been notified of the proposal and certifying that the proposing officials have met or will meet all applicable labor relations obligations;
5. Copies of current and proposed staffing plans for all affected organizations. The proposed staffing plans must specify proposed changes in positions and/or funding and must show all titles, pay plans, series, grades, and duty stations affected by the proposed changes;
6. A copy of the civil rights impact analysis prepared in accordance with Department Regulation 4300-4;
7. An organizational chart, in the form and content set forth in Appendix E, bearing the original signature of the appropriate Under or Assistant Secretary, Inspector General, or Departmental Staff Office Executive;
8. Revised functional statements, in the form and content set forth in Appendix F, for all impacted units; and
9. If applicable, a description of changes that will be needed in the Delegations of Authority (Title 7 of the Code of Federal Regulations, Part 2).
10. A signed notification from the Mission Area or Bureau Chief Financial Officer indicating that all internal control requirements have been met. (See Appendix H for a sample notification.)

FOR CHANGES REQUIRING INCIDENTAL TRANSFER AGREEMENTS:

Incidental Transfer Agreements (ITA) are only required if personnel, funds, property, space, or records transfer from one Mission Area, Bureau, or Departmental Staff Office to another. In such cases, a written ITA will be prepared following the approval of the organizational change to document which

personnel, funds, property, space, or records will be transferred. (See Appendix G, Instructions for Preparing Incidental Transfer Agreements, page 13).

The losing Mission Area, Bureau, or Departmental Staff Office is responsible for preparing the ITA and circulating it for signature. The following officials must sign the ITA:

1. The head of each Bureau involved in the transfer if the transfer is between Bureaus;
2. Each Under or Assistant Secretary or Departmental Staff Office Executive involved in the transfer;
3. The Director, Office of Operations;
4. The Director of Human Capital Management,
5. The Director, Office of Budget and Program Analysis; and
6. The Assistant Secretary for Administration.

The losing Mission Area, Bureau, or Departmental Staff Office must provide a copy of the ITA to the Office of Human Capital Management after final approval by the Assistant Secretary for Administration.

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**INSTRUCTIONS FOR PREPARING THE SUMMARY OF
CHANGES**

Attach a chart in the form and content of the one shown below. Report current annual costs, proposed annual costs, and the difference between current and proposed annual costs FOR THE CURRENT FISCAL YEAR. Categorize costs as either "Salary and Benefits" or "Other." "Other" costs include travel, supplies, and equipment costs related to the identified FTEs. A reduction in FTEs and salary and benefit costs usually results in a reduction in "Other" costs.

**NAME OF BUREAU OR DEPARTMENTAL STAFF OFFICE
SUMMARY OF CHANGES**

PAY PLAN AND GRADE/COSTS	CURRENT FTE'S	PROPOSED FTE'S	DIFFERENCE
ES, ST, or SL Positions			
GS-15			
GS-14			
GS-13 and below			
FWS Positions			
Other Positions			
Total FTE'S (1)			
Annual Costs			
Cost of Salaries and Benefits			
Other Costs			
Total Costs			

(1) These numbers should equal the actual staff years before and after the proposed reorganization. Assume that all Senior Executive Service and Senior Level positions are filled when completing FTE information.

COMMENTS:

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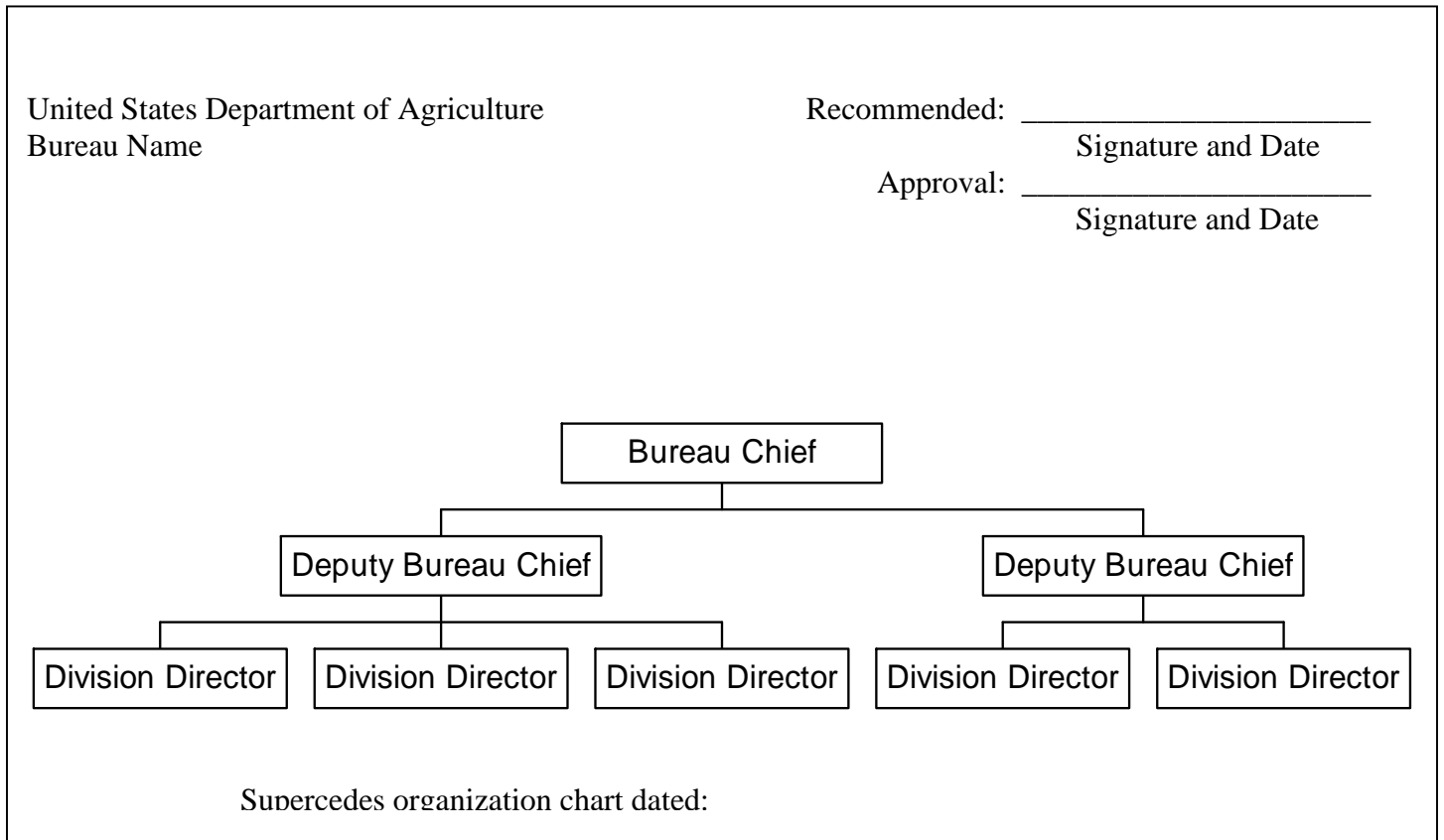
INSTRUCTIONS FOR PREPARING ORGANIZATION CHARTS

All organization charts must be printable in landscape orientation on 8½ by 11” paper.

Organization charts must show clear lines of authority. Do not show “dotted line” reporting relationships. Dotted line relationships are only appropriate for temporary project teams and may not be included in official organization charts.

1. Include the Bureau or Departmental Staff Office name on top left-hand corner of the chart immediately under “United States Department of Agriculture”.
2. Include one or two signature lines on the top right-hand corner of the chart. For Appendix A approvals, provide one line for the approving official to sign and date. For Appendix B proposals, provide two lines, one for the recommending official to sign and date and one for the approving official to sign and date.
3. Include the date of the last approved organization chart that is being superceded by the current organization chart at the bottom left corner of the new chart.

SAMPLE ORGANIZATION CHART:



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INSTRUCTIONS FOR PREPARING FUNCTIONAL STATEMENTS

1. On each page of the functional statements, include the name of the Bureau or Departmental Staff Office and the date of the revision.
2. Group the major organizational components (i.e., by Office, Division, Branch, or other major organizational component designation).
3. For each organizational component, list each of the major functions that will be assigned to that major organizational component, including its subcomponents (e.g., When describing the functions assigned to a Division, include the functions for every Branch that is a part of the Division). Individual functions should be described succinctly. Functional descriptions must be consistent with the delegations in Title 7 of the code of Federal regulations, Part 2.

An example of the required format is shown below:

*UNITED STATES DEPARTMENT OF AGRICULTURE
BUREAU NAME
DATE*

OFFICE OF THE DIRECTOR OF STRATEGIC PLANNING

Assignment of Functions

- 1) *Provides leadership, direction, coordination and assistance in the areas of: strategic planning for Bureau-wide strategic planning initiatives.*
- 2) *Provides leadership on behalf of the Bureau Administrator to ensure that the Bureau's strategic plans supports Bureau, Mission Area, and Departmental goals.*
- 3) *Coordinates the preparation of annual updates to Bureau strategic and performance plans.*

- 4) *Conducts special studies and reports to support the Bureau's strategic planning and long-term workload forecasting efforts.*

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APPENDIX G**

**INSTRUCTIONS FOR PREPARING INCIDENTAL TRANSFER
AGREEMENTS**

The Incidental Transfer Agreement (ITA) should contain all the information necessary to identify the functions, employees, funding, property, space, and records that are being transferred. The ITA should contain the following information:

FUNCTIONS

The ITA should identify all of the functions to be transferred.

STAFF YEAR CEILINGS AND PERSONNEL

The ITA should identify the FTE's to be transferred for the current fiscal year and any other years for which a ceiling has been assigned. Senior Executive and Schedule C FTE's should be listed separately.

The ITA should also show the employees to be transferred by name, pay plan, title, grade, and type of position (i.e., full time, part time, seasonal, etc.).

FUNDING

The ITA should identify all funds to be transferred for the balance of the fiscal year as well as for any future fiscal years for which funds have already been requested.

PROPERTY, SPACE, AND RECORDS

The ITA should identify all records, personal property, and space that will be transferred. The losing organization can either itemize all items that will be transferred or make a blanket certification that all items associated with the function will be transferred.

REGULATORY CONSIDERATIONS

Any transfer of rulemaking responsibility or transfer of a current delegation of authority in Title 7 of the Code of Federal Regulations, Part 2 should be identified in the ITA.

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Sample Memorandum of Notification to the Chief Financial Officer

To: Charles R. Christopherson Jr.
Chief Financial Officer, Department of Agriculture

Re: Human Capital Reorganization Notification to the Chief Financial Officer
Concerning Internal Controls

As the Chief Financial Officer or the Acting Chief Financial Officer of the organization effected by the restructuring, I have reviewed the human capital adjustments and agree that:

- Both the manual and internal controls have been reviewed in accordance with the new processes and procedures of the adjusted structure.
- The internal controls have been adjusted to ensure that proper approvals for contracts and forms will be maintained.
- Internal controls have been adjusted to safe guard the assets of the government.
- Internal controls have been adjusted to ensure the proper accounting and reporting of income, expenditures, obligations, asset purchases, asset dispositions, and liabilities.
- A-123 Section A processes have been adjusted to accommodate change in processes and the new internal controls. The documentation for A-123 has been adjusted for the internal control procedures and testing. The adjusted documentation for A-123 has been delivered to the Office of the Chief Financial Officer.
- The adjustment will not negatively affect the opinion of the annual audit.

The reorganization affects _____ (number adjusted) of staff with a total reduction of _____ FTEs. The reorganization will affect the areas of _____ (i.e. budgeting) of _____ (agency) in _____ (location). The reorganization is expected to be implemented on _____ (date) and be fully completed by _____ (date).

_____ (signed)

_____ (date)

Mission Area or Bureau Chief Financial Office