

## A-3OMB Circular No. A-76 Attachment A May 29, 2003 Inventory Process

**D. INVENTORY CHALLENGE PROCESS.** An agency shall implement the following inventory challenge process.

- 1. Designation of Inventory Challenge and Appeal Authorities.** The head of the agency shall designate inventory challenge authorities and inventory appeal authorities as follows:
  - a. Inventory Challenges.** Inventory challenge authorities shall be agency officials at the same level as, or a higher level than, the individual who prepared the inventory. Inventory challenge authorities shall review and respond to challenges of agency inventory decisions.
  - b. Inventory Appeals.** Inventory appeal authorities shall be agency officials who are independent and at a higher level in the agency than inventory challenge authorities, and shall review and respond to appeals of inventory challenge decisions made by inventory challenge authorities.
- 2. Submission of an Inventory Challenge.** After publication of OMB's *Federal Register* notice stating that an agency's inventories are available, an interested party shall have 30 working days to submit a written inventory challenge. The inventory challenge shall be limited to (a) the classification of an activity as inherently governmental or commercial, or (b) the application of reason codes. Function codes shall not be subject to the inventory challenge process. A written inventory challenge shall be submitted to agency inventory challenge authorities and shall specify the agency, agency component, agency organization, function(s), and location(s) for the activities being challenged.
- 3. Inventory Challenge Decision.** Within 28 working days of receiving the inventory challenge, inventory challenge authorities shall (a) validate the commercial or inherently governmental categorization or reason code designation of the activity, in a written inventory challenge decision; and (b) transmit the inventory challenge decision, including the rationale for the decision, to the interested party. Inventory challenge authorities shall include an explanation of the interested party's right to file an appeal in any adverse challenge decision.
- 4. Submission of an Appeal of an Inventory Challenge Decision.** Upon receipt of an adverse inventory challenge decision, an interested party shall have 10 working days to submit a written appeal of this decision to inventory appeal authorities.
- 5. Inventory Appeal Decision.** Within 10 working days of receipt of the appeal, inventory appeal authorities shall issue and transmit a written inventory appeal decision to the interested party. This inventory appeal decision shall include the rationale for the decision.
- 6. Inventory Changes.** When the inventory challenge process results in a change to an agency inventory, the agency shall (a) transmit a copy of the change to OMB and Congress; (b) make these changes available to the public; and (c) publish a notice of public availability in the *Federal Register*.