

COST CENTERS/BUDGET OBJECT CODES POLICY

- 1. REASON FOR ISSUE:** To issue a directive which sets forth the policy for the development, modification, deletion, approval and issuance of cost center codes and budget object codes for use by VA activities. Former VA Handbook 4671, Chart of Operating Accounts, has been separated into VA Directive 4671, Cost Centers/Budget Object Codes, Policy, with two separate supplementing handbooks. Handbook 4671.1, Cost Centers, provides guidance on the cost centers to be used by VA activities. Handbook 4671.2, Budget Object Codes, provides guidance on the budget object codes to be used by VA activities.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive sets forth the policy for the development, modification, deletion, approval and issuance of cost center codes and budget object codes for use by VA activities.
- 3. RESPONSIBLE OFFICE:** The Accounting Division (047GA1), Office of the Deputy Assistant Secretary for Finance is responsible for the material contained in this Directive.
- 4. RELATED HANDBOOKS:** VA Handbook 4671.1, Cost Centers and VA Handbook 4671.2, Budget Object Codes.
- 5. RESCISSION:** VA Handbook 4671 dated July 6, 1994, and OFM Bulletin 95G1.12 dated September 20, 1995.

CERTIFIED BY:

**BY DIRECTION OF THE ACTING
SECRETARY OF VETERANS AFFAIRS:**

Acting Principal Deputy Assistant Secretary
for Information and Technology

W. Todd Grams
Acting Assistant Secretary for Management

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COST CENTERS/BUDGET OBJECT CODES POLICY

1. PURPOSE AND SCOPE: This directive sets forth the policy for the development, modification, deletion, approval and issuance of cost center codes and budget object codes for use by VA activities.

2. POLICY:

a. Cost center codes are used to capture cost information for specific offices and organizations within the Department of Veterans Affairs, for Veterans Administration Central Office (VACO) and the Administrations. Cost centers shall be requested by VA activities through their respective Administration CFO. The Accounting Division (047GA1) is responsible for approving changes to cost center numbers, deletions, modifications, and the implementation of new cost centers.

b. Budget object codes capture object class information which is required for accounts with program and financing schedules. Obligations are classified by the initial purpose for which they are incurred under budget object codes, rather than for the end product or service. The Accounting Division (047GA1) is responsible for approving changes to budget object codes, deletions, modifications, and the implementation of new budget object codes. New budget object codes may be developed at the request of VA activities through their respective staff offices. Budget object codes will be developed to comply with the requirements of Office of Management and Budget Circular No. A-11.

c. It should be noted that most cost center and budget object code (BOC) restrictions have been virtually eliminated. Unique cost center/BOC combinations are listed in Handbook 4671.1 under the Unique Cost Center/Budget Object Code Combination Table. Proper recording of cost centers and BOCs will facilitate the correct identification and recording of costs.

3. RESPONSIBILITIES: The Deputy Assistant Secretary for Finance will ensure that the handbooks related to this Directive are updated to reflect any additions, deletions, and modifications.

4. REFERENCES: Office of Management and Budget Circular No. A-11.