

ARS □ **CSREES** □ **ERS** □ **NASS**

Manual

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This manual updates, revises and provides supplemental guidance to P&P issuances 321.1 and 324.0 and reissues the guidance in P&P 329.5 and Bulletins 03-309 and 05-306.

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Overview

This manual updates, revises and provides supplemental guidance to the Agricultural Research Service (ARS) policies and procedures for the financial aspects of processing Reimbursable Agreements. The manual outlines and provides details on ARS major responsibilities relative to the receipt of incoming funds from outside sources through reimbursable agreements. Additionally, the manual provides an overview of the types of reimbursable agreements that ARS may enter into with another party and provides detailed procedures for processing these agreements.

Policy

ARS has statutory authority to accept funds from outside sources such as other United States Department of Agriculture (USDA) agencies; other Federal agencies; State, county and municipal agencies and institutions; colleges and universities; scientific societies and foundations; private organizations; and individuals performing research-related or support services. Funds may be accepted under these specific conditions; performing under the terms of the agreement and within the performing unit's technical expertise and resource capability; if cooperative research (or research related) services are involved, the work performed is in accordance with the mission of the Agency as defined in the ARS Program Plan for support services such as maintenance of vehicles, tenancy at ARS facilities, mail, messenger, data processing support, etc.; there are sufficient resources available to undertake the work without impairing the conduct or quality of the research programs; ARS recovers the full cost of services provided whether it is the total project/activity cost or a specified shared portion of the total cost, as defined under the terms of the agreement. Full cost recovery includes charges for direct costs (including Indirect Research Costs (IRC), and Indirect Program Support Cost (IPSC)).

General

Agreements executed for the acceptance of **incoming funds (soft funds)** from other parties are categorized generally as **reimbursable agreements**. These agreements provide funding for either ARS or a cooperator, while others encompass a cost-sharing arrangement by ARS with another party or parties. *The lead responsibility for processing Interagency Reimbursable Agreements and Sale/Exchange of Assets (personal property) is the Servicing Budget and Fiscal Officer (SBFO) in the Areas and the Budget Analyst in the Financial Management Division (FMD) in Headquarters. All other agreements are the responsibility of the Headquarter and Area Authorized Departmental Officer (ADO).* However, "lead" or "primary" responsibility should in no way overlook the frequent, extensive, and mutually supportive interaction between these two staff offices in matters related to their respective functional specialty. *(The focus of this manual is on the process of acceptance of funds through reimbursable agreements; future publications will cover the other types and sources of funding.)*

Chapter 1 - Reimbursable Agreement Types and Definitions

Reimbursable Agreements

Reimbursable agreements are between two or more parties:

- Wherein one party (the performing organization) agrees to furnish the other (the ordering/requisitioning organization) services, supplies or equipment on a cost-reimbursable basis.
- In addition to this traditional definition, reimbursements to the appropriation include: the sale and repurchase of assets (i.e., property eligible for exchange/sale as defined in the Federal Property Management Regulations, such as vehicles, agricultural products, animals, and animal products, etc.); and agreements under the United States - Israel Binational Agricultural Research and Development Fund (BARD). Reimbursable activities are identified and accounted for through the use of ARS appropriation fund X08.

When we accept reimbursable agreements from other Federal agencies, the duration of obligation availability is determined by the appropriation symbol financing the agreement. This applies to all incoming reimbursable funds from other Agencies. For example, if the financing appropriation is annual (one year) we must obligate the funds by the end of the fiscal year (FY) cited in the agreement. If the financing appropriation is multi-year, you must obligate all funds by the end of the last multi-year of the financing appropriation. For example, if the financing appropriation is a multi-year (2008/2009), any funds unused by the end of FY 2008 roll over to FY 2009 and you must obligate all funds by the end of FY 2009. If the financing appropriation is no year (X) then unused funds roll over each fiscal year until fully obligated. In the case of annual and multi-year accounts, once fully obligated, you have 5 years to expend the funds. In the case of no year accounts expenditures are received up until the last obligation is fully expended.

These rules may be considered conservative; however, this is ARS and REE-wide policy. We are governed by the financing appropriation of the incoming reimbursable agreement regardless of what special authorities the issuing agency says they have. Congress appropriates funds with the intent of the appropriation being available for obligation based on language contained in the original Appropriation Act. To extend availability of the obligation beyond Congress' original intent is not acceptable.

Types of Reimbursable Agreements

The following subsections describe the types of reimbursable agreements between ARS and another party or parties.

A. Interagency Reimbursable Agreements

ARS can enter into a reimbursable agreement with another agency of the USDA or an agency of another department of the Federal Government to provide services, supplies and equipment requested by the funding agency. The legal authority for entering into this type of agreement is normally 31 USC 1535, as amended by Public Law 97-332. This statute is commonly referred to as the “Economy Act.” When the funding agency has broader authority, e.g., multi-year spending authority, it overrides the fund availability time limits in The Economy Act and becomes the operative authority for both parties. The funding agency determines the appropriate legal authority as the basis for the interagency agreement.

Duration of Agreement and Fund Availability

For agreements executed under the Economy Act, the performing agency (ARS) must incur obligations to fill the order within the period of availability of the appropriation, regardless of the date on the agreement. For a single year appropriation, the performing agency (ARS) must incur obligations by September 30 of the current FY. Under the Act, the funding agency is required to deobligate as of September 30 any funds that the performing agency (ARS) has not used for valid obligations against the agreement. Even though the specified duration of the agreement or amendments can cross FY’s, the funds provided by the funding agency must come from the funding agency’s separate annual appropriations (e.g., FY 2008 and FY 2009). For multiple year appropriations, ARS must obligate the funds before the expiration of the appropriation.

B. Competitive Grants

ARS can be the recipient of a competitively awarded grant from USDA agencies and other Federal Government agencies. One in particular is the Sponsored Competitive Research Grants Program administered by the Cooperative State, Research, Education and Extension Service (CSREES). The purpose of these grants is to promote research in food, agriculture, and related areas. **Since these are interagency reimbursable agreements, the guidelines established for this type of agreement apply.** The legal authority for this type is 7 USC 450i.

Duration of Agreement and Fund Availability

The duration of the grant period is as specified in the agreement, but it may not exceed 5 years.

C. BARD Agreements

Agreements under the provisions of the United States-Israel Binational Agricultural Research and Development Fund (BARD) are officially referred to as research grants. BARD funds are provided for the purpose of promoting and supporting research and development in agriculture for the mutual benefit of both countries. Even though these agreements are written as reimbursables that specify payment annually in arrears, the Israel BARD office pays according to the following schedule:

- 40 percent of first year when agreement is signed
- 30 percent of first year after 6 months
- 30 percent of first year upon receipt of first annual report
- 30 percent of second year upon receipt of first annual report
- 40 percent of second year in 6 months
- 30 percent of second year upon receipt of second annual report
- 30 percent of third year upon receipt of second annual report
- 30 percent of third year in 6 months
- 40 percent of third year upon receipt of final report

NOTE: When payments are made as shown above, only the negotiated and approved annual amount must be shown on the Incoming Agreement and ARS-324, Transmittal of Reimbursable Agreement forms. Policy and procedural details can be found on the BARD Web site at www.bard-isus.com, selecting Grant Management in the Guidelines grouping. Locations should contact the SBFO for assistance in interpreting and/or applying the fiscal provisions as questions arise. The legal authority is 7 USC 3318b. **Procedures for BARD Fund Semi-Annual and Annual Reports see Enclosure 20.**

Duration of Agreement and Fund Availability

Ordinarily, BARD agreements have duration of 3 years. Any unexpended balances remaining at the end of each grant year can be transferred to the budget of the following year, after BARD has been advised to which budget items the balances will be allocated.

D. Reimbursable Cooperative Agreements

Reimbursable Cooperative Agreements are agreements between ARS and another party (referred to as the Sponsoring Organization in the agreement) to conduct cooperative research of mutual interest between the parties where both parties share in the cost of a research project. The agency can enter into such a cooperative agreement with any State Cooperative Institution, State department of agriculture, university, other research or educational institution or organization, private agency or organization, individual, and any other party. The Sponsoring Organization pays when billed by ARS for work completed. This payment is a form of reimbursement and is managed in the accounting system as such. The legal authority for this type is 7 USC 3318b.

Duration of Agreement and Fund Availability

The duration of the agreement may not exceed 5 years. Availability of funds is based on the negotiated terms of the agreement. Since this type of agreement is ordinarily not with a Federal agency, the Economy Act does not apply.

Chapter 2 - Reimbursable Agreements Approval Process

A. Summary of Responsibilities

Before funds from outside sources can be received via reimbursable agreements, approval by the Area Director (AD), Office of National Programs (ONP), and Budget and Program Management Staff (BPMS) is required. The document to obtain such approval is the Agricultural Research Information System (ARIS) Incoming Agreements form, Authorization to Apply for and Use Funds From Outside Sources (Enclosure 1). Refer to the ARIS manual for detailed instructions on the Incoming Agreements form (link below).

Note: Although not discussed in this document, this process also applies to other types of agreements involving receipt of funds from outside sources.

For details on the responsibilities and sequence of actions required for incoming agreements, see “Almost Everything You Need to Know about the Agreements Process” at the link on the Extramural Agreements Web site below or ARIS manual link:

<http://www.afm.ars.usda.gov/agreements/process.htm>

<http://www.npstaff.ars.usda.gov/ARIS/Manual/>

Signature Authority

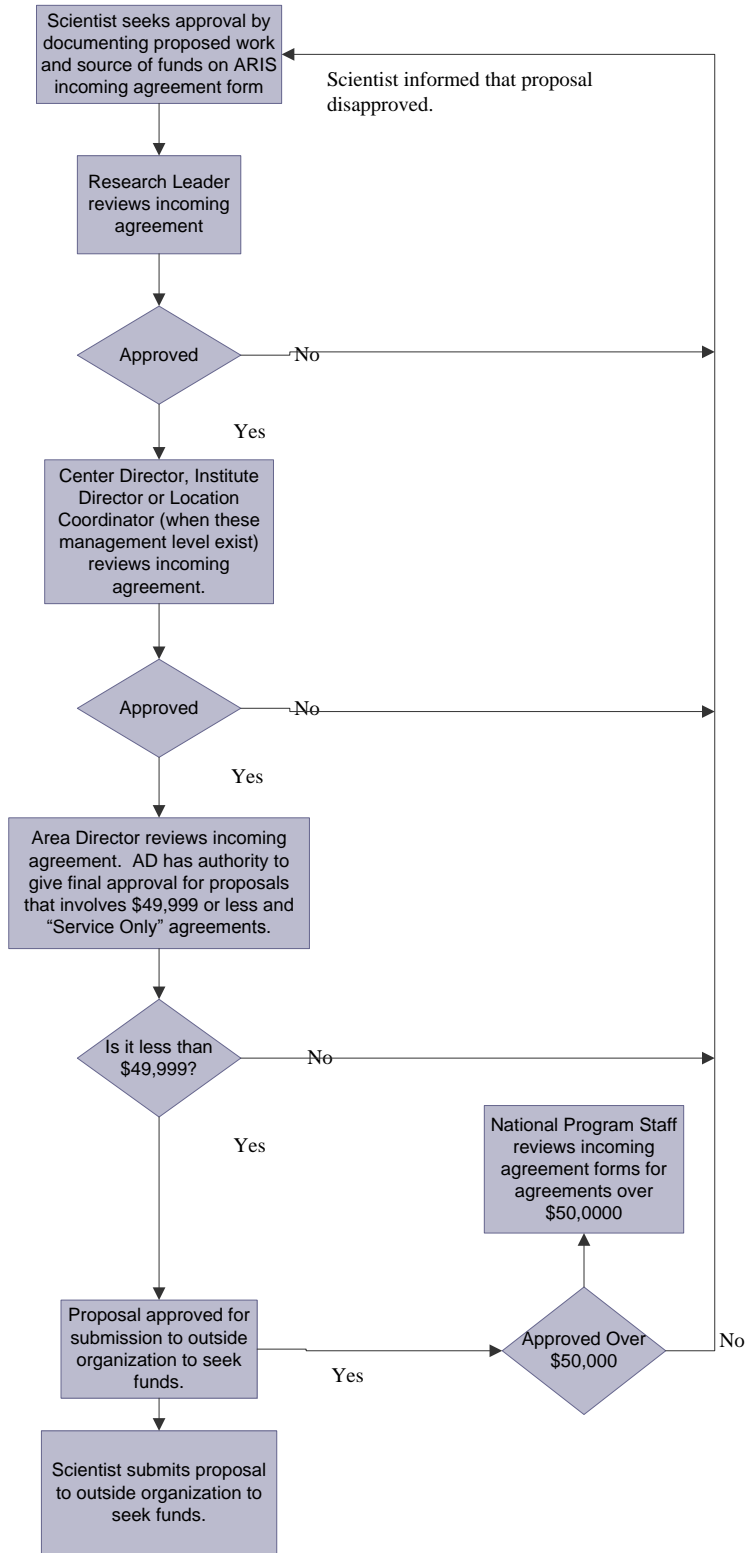
The Director of FMD in Headquarters delegates authority to approve interagency reimbursable agreements to the AD who can re-delegate this authority to his/her designee to sign.

B. Working Partnership

The reimbursable agreements process has evolved over the years and requires partnership between the SBFO, ADO, ARS Operations (ARS Ops), the Cooperator, and others. There must be an extensive and mutually supportive interaction in matters related to their respective functional specialty. Frequent communication between the ABFO, ADO, Cooperator, and ARS Ops is essential in order to adequately monitor all obligations, disbursements, billing and collections for agreements. This partnership ensures that the obligations and expenditures which incurred on an agreement are accurately reconciled and billing and collections are done in a timely manner.

Below is a chart of the Reimbursable Agreement Approval Process.

Actions required before applications to receive “Soft Funds” may be submitted to the potential outside source.



NOTE: IF PROPOSAL IS NOT FUNDED. MARK UNFUNDED ON THE INCOMING AGREEMENT FORM.

Chapter 3 - Reimbursable Agreements Execution

Required Acceptable Documentation

When executing agreements there are acceptable documents required for each type of agreement. Reimbursable agreements between ARS and other Federal agencies are processed primarily by the SBFO and are executed with Form AD-672, Reimbursement or Advance of Funds Agreement, or another acceptable document from another Federal Agency. It is mandatory that block # 10 on AD-672 contains the appropriate authority each party is using to enter into the agreement, which most often will be 31 USC 1535, The Economy Act. A completed sample and instructions for Form AD-672 are shown in Enclosures 2 and 3.

A. Interagency Reimbursable Agreements

In addition to the Form AD-672, other forms may be acceptable as long as they contain the following information:

- Subject of the agreement.
- Official name of each party to the agreement.
- Legal authority for the agreement.
- Responsibility of each party to the agreement
- Description of services, supplies or equipment to be obtained under the agreement and their gross cost.
- Financial arrangements, including the rendering of expenditure reports and billings.
- Financial data, including agency location code, DUNS number, CAN (for agreements within USDA), appropriation symbols, fund codes and accounting classification, as appropriate.
- Name, address and telephone number of persons to be contacted for further information.
- Effective date of agreement and termination date.
- Signature, name, title, and the date each signs.

B. Competitive Federally Awarded Grants

The acceptable form for Grants is the CSREES-2009 Award Face Sheet.

Note: The grant document does not include a field for ARS signature; however, the proposal submitted must be signed by the AD. Accounting information identified above must be added to this form.

C. BARD Agreements

The acceptable form is the BARD Research Grant (Award) Agreement. A Form REE-451 is developed in the ARIS/AIMS system for internal purposes only.

D. Reimbursable Cooperative Agreements

The acceptable form is the Form REE-451. These agreements between ARS and nonfederal entities are developed and executed by the ADO. For more information on Reimbursable Cooperative Agreements refer to the HQ or Area ADO.

Required Financial Information

A. Business Rules for Intragovernmental Transactions

The Office of Management and Budget (OMB) prescribes rules to be observed when engaging in intragovernmental exchange activity as a step towards standardization in processing and recording intragovernmental activities. An electronic commerce enables the exchange of acquisition and payment data to execute intragovernmental transactions. Presently, Federal agencies are required to obtain DUNS (Dun and Bradstreet Universal Numbering System) numbers and cite these numbers on all interagency agreements. Registration in the Central Contractor Registry (CCR) is also required. Federal agencies receive a Commercial and Government Entity (CAGE) code upon registration.

The following table contains the DUNS and CAGE information for ARS by Area:

DUNS Numbers by Area			
ARS Office	Address	DUNS Number	CAGE Code
ARS HQ	5601 Sunnyside Ave Beltsville, MD 20705	929331197	
South Atlantic Area	950 College Station Rd. Room 203 Athens, GA 30604	064539612	3R8V5
National Agriculture Library	10301 Baltimore Blvd. Beltsville, MD 20705	137398483	3TMG4
Mid South Area	141 Experiment Station Rd Stoneville, MS 38776	136617730	3TMC4
Northern Plains Area	2150 Centre Ave. Bldg. D Suite 310 Ft. Collins, CO 80526	837350560	3T0H7
Southern Plains Area	1001 Holleman Dr., East College Station, TX 77840	136626582	3TMD1
Mid West Area	1815 N. University Peoria, IL 61604	136635104	3TMC3
Pacific West Area	800 Buchanan St., Rm. 2015 Albany, CA 94710	136650657	3TMB4
Beltsville Area	BARC W Rm. 331, Bldg. 003	144272171	3U2G1
North Atlantic Area	600 E. Mermaid Lane Room. 2024 Wyndmoor, PA 19038	144273096	3T006

B. Important Number Requirements for Agreements Federal - Interagency Agreement Numbering Scheme

The ARS interagency agreement-numbering scheme is as follows:

60	XXXX	X	XXX
Code for Interagency Agreement	Location Mode Code	Last digit of FY	Control Number

The SBFO establishes the agreement number for all interagency agreements on Form AD-672. The ARS interagency agreement number is used within ARS for tracking the agreement.

FFIS Vendor Codes

Instructions on adding a vendor and establishing a vendor code for an agreement in FFIS can be found in the Resource Information Book Bring Together Ideas and Techniques (RIBBIT).

Note: All vendor codes must be active in Foundation Financial Information System (FFIS).

Common Agreement Number (CAN)

The National Finance Center (NFC) Table Maintenance Group must establish a Common Agreement Number (CAN), which is a common agreement number used by both USDA agencies. The CAN is the vendor code used when billing other USDA parties. Additional information on CAN and the procedures to be followed relevant to transactions under agreements occurring between USDA organizations, termed “intradepartmental transactions”, is provided in the RIBBIT. The agency receiving ARS services is responsible for requesting the CAN, from the NFC Tables Maintenance Group. The CAN is essential to USDA Accountants in the reconciliation of an account payable of one USDA agency to an account receivable in another USDA agency. A COMT is the method used to request a CAN. Only a FFIS user with COMT access in FFIS may submit a COMT request. This user is usually designated as a Vendor Coordinator.

Accounting Code

The SBFO assigns the accounting code for all reimbursable agreements.

FFIS Referencing Document (MO, M1) number

The USDA agencies receiving ARS services must provide the reference (obligation) number. It is mandatory that this number is obtained and included on the AD-672 in block 10, before billing is accomplished.

ARS Research project number

An ARS research project number in the Agricultural Research Information System (ARIS) is generally established for reimbursable agreements involving receipt of monetary resources related to research. Research agreements and research agreements with incoming funds of \$25,000 and less, all non-research agreements (services only), and gifts and donations do not require research project identification.

Treasury Account Symbol (TAS) and Business Event Type Code (BETC)

The TAS (also known as Treasury Symbol) and BETC are required by the Department of Treasury for the Government-Wide Accounting (GWA) when processing intra-government transactions. At present Agricultural Research Service (ARS) and other United States Department of Agriculture (USDA) agencies are not GWA Federal reporting agencies. We anticipate that USDA will be a GWA Federal reporter by the year 2012. The TAS and BETC for every GWA Reporter agency (Receiver) that ARS bills through IPAC must be included on the Form ARS-324 for new reimbursable interagency agreements sent to ARS-Ops. The symbol and code is to be included in the block titled “specific billing instructions” on the form. For existing agreements, ARS-Ops contacts the responsible ARS official to obtain the TAS and BETC. If the TAS and BETC are not provided to ARS-Ops, bills issued will reject and not be generated by ABCO. More details can be found on Treasury’s website <http://www.fms.treas.gov/gwa>.

C. Forwarding documentation to ARS Operations

Following completion of the agreement (including signatures), and prior to any spending actions taking place and if applicable, approval to use Program Type 63, the ABFO forwards the following package in its entirety to ARS Ops in the National Finance Center (NFC):

1. ARS-324, Transmittal of Reimbursable Agreement (Enclosure 4).
2. Signed AD-672, REE-451, or cooperator’s agreement document.
3. Screen shot of the VEND table reflecting the correct VID or CAN.
4. If applicable, a copy of an approval letter to use Type 63. (Type 63 is discussed in detail on pages 34 and 35.)

NOTE: The package to ARS Operations must include all the elements listed above. Do NOT send parts separately to ARS Operations.

Chapter 4 - Budget Process for Reimbursable Agreement

The SBFO, in coordination with BPMS, is responsible for ensuring that budgetary requirements for reimbursable agreements are met. Below are the steps in the Budget process for reimbursable agreements.

Steps in the Budget process for Reimbursable Agreement

1. SBFO establishes the Program Code in the following order in FFIS tables:
 - PGMT- Program Reference Table
 - DVAL- Default Values Reference Table
 - ACXT - Accounting Structure Code Cross-Reference Table(See page 14-16 and refer to FFIS manuals and guides for additional information.)
2. SBFO sends a copy or emails the VEND/CAN table screen print, the Form ARS-324 and the agreement to NFC ARS Operations.
3. SBFO posts to the incoming agreement in ARIS the amount the Location plans to obligate in the current FY.
- 3a. SBFO enters the BL document in FFIS (*See BL example on page 19 and refer to FFIS manuals and guides for detailed instructions*).
- 3b. SBFO places the BL document on Hold status in FFIS.
- 4a. BPMS collects the posting incoming agreement.
- 4b. BPMS issues the reimbursable allocation by email for the posted amount.
- 5a. BPMS updates the ALOC table with a BE document in FFIS weekly.
6. SBFO approves and/or enters the BL (if not previously entered) in FFIS.
7. The ALLT table is updated in FFIS with the BL (financial plan) data.
8. SBFO processes the B2 for the IPSC and IRC if applicable (*See B2 example on page 21 and 22 and refer to FFIS manuals and guides for detailed instructions*).
9. ARS Operations issue bills as expenses are incurred.
10. Upon receipt of collections from the bills issued, the ALLT and ALOC tables are automatically updated in FFIS.

A. Establishment of Program Code in FFIS tables

The rule for assigning program codes to multi-year reimbursable agreements is that for any agreement with authority to be carried forward to the next FY, a program code must be established which reflects the next Budget Fiscal Year (BFY). For example, a fund balance in FY 2008 with a program code 0808XXXXXXXX requires the program code 0908XXXXXXXX for FY 2009.

NOTE: This is the SBFO’s responsibility. For more detailed instructions on the FFIS tables discussed below refer to the RIBBIT.

Below are illustrations and steps on establishing program code for an agreement in FFIS.

PROGRAM REFERENCE TABLE (PGMT)

PGMT – example

```

ACTION: A TABLEID: PGMT USERID: UCKE
PROGRAM REFERENCE TABLE
KEY IS BUDGET FISCAL YEAR, PROGRAM
BUDGET
FISCAL      PROGRAM      PROGRAM      PROGRAM      PROGRAM      PROGRAM      ALLOTMENT
YEAR        PROGRAM      CLASS      CATEGORY      TYPE        GROUP        PROGRAM
-----
01-   08   081235638
PROGRAM NAME: 526002033LB A 0507      UNIV OF MD      SHORT NAME: 5
812352063
02-
PROGRAM NAME:                          SHORT NAME:
03-
PROGRAM NAME:                          SHORT NAME:
04-
PROGRAM NAME:                          SHORT NAME:
05-
PROGRAM NAME:                          SHORT NAME:
06-
PROGRAM NAME:                          SHORT NAME:
07-
PROGRAM NAME:                          SHORT NAME:

```

PGMT requirements:

To establish an agreement in PGMT populate the following fields:

1. Enter an A in the Action field.
2. Enter the Budget Fiscal Year (BFY) (current or prior, whichever is applicable).
3. Enter the Program Code.
4. Enter the Program Type – depending on the type of reimbursable. See section on Program Types.
5. Enter VEND/CAN, expiration date and cooperator name in the PROGRAM NAME field.

6. Enter the agreement number in the SHORT NAME field.

DEFAULT VALUES REFERENCE TABLE (DVAL)

DVAL – example

ACTION: A TABLEID: DVAL USERID: UCKE			
DEFAULT VALUES REFERENCE TABLE			
KEY IS CODED ELEMENTS			
01-	----- CODED ELEMENTS -----		
FISC YR: 08	H/L: L	TRANS CODE:	TRANS TYPE:
BFYS: 08	FUND:	DIV:	BUDGET ORG/SUB:
COST ORG/SUB:		PGM: 084005428	BOC/SUB:
REV SRCE/SUB:		JOB:	RPTG:
	----- DERIVED ELEMENTS -----		
BFYS: 08	FUND: 08	DIV: 40	BUDGET ORG/SUB: 4005000
COST ORG/SUB:		PGM:	BOC/SUB:
REV SRCE/SUB:		JOB:	RPTG:
GL ACCOUNT:	OFFSET GL ACCOUNT:		VENDOR:

DVAL - requirements

To establish an agreement in DVAL populate the following fields. (DVAL is separated into two sections.) Only Headquarter can make changes or delete from this table.

1. Enter an A in the Action field.

CODED ELEMENTS

2. Enter the Fiscal Year (current).
3. Enter L in the H/L field.
4. Enter the Budget Fiscal Year (the year the funds are authorized) in the BFYS field.
5. Enter the Program Code in the PGM field.

Do not complete any other fields in this section.

DERIVED ELEMENTS

6. Enter the Budget Fiscal Year (the year the funds are authorized) in the BFYS field.
7. Enter the Fund (08 for reimbursable).
8. Enter the Area number in the DIV field (2 digit third level mode code)
9. Enter the budget organization into the BUDGET ORG/SUB field. This number can be found on the ORGN table in FFIS.

The fund of the program code must match the fund in the derived elements.

ACCOUNTING STRUCTURE CODE CROSS-REFERENCE TABLE (ACXT)

ACXT – example

```
ACTION: R TABLEID: ACXT USERID: UCKE
ACCOUNTING STRUCTURE CODE CROSS-REFERENCE TABLE
KEY IS FY, AGENCY, ACCOUNTING STATION, ASC1

FY: 06 AGENCY: 03
ACCOUNTING STATION:
-----ACCOUNTING STRUCTURE CODE-----
ASC1: 8084005428
ASC2:
USER-ENTERED RECORD?:

-----FFIS ACCS-----
SEC1: 40
BFYS: 08          FUND:          DIVISION:
BUDGET ORG/SUB:   COST ORG/SUB:
PROGRAM: 084005428 JOB:          RPTG:
SUB BOC:          SUB REV SRC:
CLOSED BFYS:      CLOSED FUND:
```

ACXT – requirements

The ACXT is a crosswalk table used for the feeder systems. ACXT is divided into three sections.

1. Enter an A in the ACTION field.

To establish an agreement in ACXT populate the following fields:

2. Enter the Fiscal Year (current).
3. Enter 03 in the AGENCY field.

Accounting Structure Code

4. Enter the full 10 digit accounting code in the ASC1 field.

FFIS ACCS

5. Enter the same division code used in DVAL in the SEC1 field.
6. Enter the Budget Fiscal year in BFY field.
7. Enter the 9-digit program code in the PROGRAM field.

Reimbursable Program Types (used in PGM)

Program Types 61 and 63 are reserved for reimbursable agreements with other Federal agencies (interagency agreements) and agreements with non-Federal organizations, institutions and individuals when specifically authorized. These program types for reimbursable agreements are established in FFIS based on how the agreement is to be billed. In all cases, ARS Ops is responsible for entering billing information into IBIL based on actual expenses for all reimbursable activity.

Program Type 61

This is the most commonly used Program Type and is used when the details on the Incoming Soft Funds (ISF) report and the instructions on the ARS-324 are sufficient to initiate automatic billing process.

Program Type 63

This Program Type is only used with approval from Director, FMD. This type is used when additional information is required from the SBFO or a manual bill from the SBFO is provided. Before requesting approval, ARS Ops must concur with the need for a Type 63. **Before requesting approval, contact ARS Ops to ensure that a Type 63 is the best program type to use.** To request approval, send an email message to the Director, FMD, with sufficient justification for why manual/specialized bills are necessary. Typically, Type 63 agreements are used when:

- The cooperator has specific forms to be completed and submitted in order for the cooperator to submit payments.
- Cooperator requires detail beyond what is available in the Financial Data Warehouse (FDW).

Program Type 64

Program Type 64 is used for Sale and (Re) Purchases of Vehicles, Animals, Animal and Agriculture Products, and other non-vehicular categories. This program type is used for the sale of asset accounts; however, these funds are not considered reimbursable agreements.

Program Type 67

Program Type 67 is used for BARD. This program type is used specifically for BARD agreements.

B. Budget Documents

These are examples of budget documents processed in FFIS.

BUDGET EXECUTION (BE)

```

      COMMND:                DOCID: BE   01   60822                09/06/08 11:27:29
STATUS: ACCPT                BATID:                SEC2:                001-001 OF 009
H-
                                BUDGET EXECUTION DOCUMENT

TRANS DATE: 09 06 08 ACCTG PD: 12 08 APPRV TR TYPE: AP POSTED TR TYPE: 01
BUDGET FYS: 08      FUND: 08      HEADER ACTION IND:      APPOR PERIOD: 1
TOTAL REVISED AMT:                BUDGET LEVEL: AC
A
C
T DIV      ORG      PROGRAM BOC  APPRV POST  D   YTD AMT      INC/DEC AMT
-----
01- C 40                                1                                2,475.00
  SPENDING IND:                                2
  DESCRIPTION                                3
  SUBALLOT OPTNS                                4
  ORG PGM BOC SPN                                TR TYPE      REVISED
  -----                                AMOUNT      INC/DEC AMT
                                -----
                                EST REIM:
A--* H--CA01W-ALLOC SPND CTL NOT = C (FULL)

```

A BE records a spending authority at the allocation level.

BUDGET LEVEL (BL)

COMMND:	DOCID: BL	01	8084005428A	09/06/08 11:31:45
STATUS: ACCPT	BATID:		SEC2:	001-001 OF 001
H-	BUDGET EXECUTION DOCUMENT			
TRANS DATE:	ACCTG PD: 12 08	APPRV TR TYPE: AP	POSTED TR TYPE: 01	
BUDGET FYS: 08	FUND: 08	HEADER ACTION IND:	APPOR PERIOD: 1	
TOTAL REVISED AMT:	BUDGET LEVEL: AL			
A				
C				
T DIV	ORG	PROGRAM	BOC	APPRV POST
				TRANS TYPE P
				D
				YTD AMT
				INC/DEC AMT
01-	C 40	084005428		1
SPENDING IND:				2
				3
DESCRIPTION				4
58-4005-4-F008;PART OF 20K CK				
SUBALLOT OPTNS				
ORG PGM	BOC SPN		TR TYPE	REVISED
				AMOUNT
				INC/DEC AMT
N	Y	Y	N	EST REIM:
A--*HS60-DOCUMENT MARKED FOR READ ONLY				H--BA55W-ALLOC SPND CTL NOT = C (FULL)
H--BA32W-ALLOT SPND CTL NOT = C (FULL)				

A BL records a spending authority at the account level and authorizes the fundholders to spend.

Once BL is accepted the results are shown on the Allotment Inquiry Table (ALLT)

ALLT

```

ACTION: R TABLEID: ALLT USERID: UCKE
*** ALLOTMENT INQUIRY TABLE ***
KEY IS BFYS, FUND, DIVISION, ORG, PGM, BOC
BFYS: 08 FUND: 08 DIVISION: 40 ORG: PGM: 084005428 BOC:
STATUS IND: A SPENDING CONTROL OVR:
APPROVED IND: Y POST QTR: 1 TRANS TYPES - PENDING: APPROVED: AP POSTED: 01

APPROVED ALLOT AMT: 2,475.00 YTD ALLOT AMT: 2,475.00
YTD UNLIQ COMM AMT: 0.00 AVAILABLE AMT: 0.00
YTD UNLIQ OBLG AMT: 0.00 EXPENDED AMT: 2,475.00
EST REIM TC/TT: BL EST REIM AMT: 0.00
ACT REIM AMT: 2,475.00 UNDISTRIB EST REIM: 0.00
QTR ORIG ALLOT AMT PEND ALLOT AMT APPRV ALLOT AMT SUBALLOT AMT
1 2,475.00 0.00 0.00 2,475.00 0.00
2 0.00 0.00 0.00 0.00 0.00
3 0.00 0.00 0.00 0.00 0.00
4 0.00 0.00 0.00 0.00 0.00

QTR UNLIQ COMM AMT UNLIQ OBLG AMT EXPENDED AMT UNSUBALLOT AMT
1 0.00 0.00 2,475.00 2,475.00
2 0.00 0.00 0.00 0.00
3 0.00 0.00 0.00 0.00
4 0.00 0.00 0.00 0.00
    
```

B2 – Standard Voucher Accounting Adjustment

```
10:55:27      COMMND:          DOCID: B2  01  0101MTL253      09/23/08
STATUS: ACCPT      BATID:          SEC2:
H-
                STANDARD VOUCHER DOCUMENT

      SV DATE:          ACCOUNTING PERIOD: 12 08
      ACTION:   EXPENSE (E), REVENUE (R), GL (G), BUDGET (B) :
      BUDGET FYS:          FUND:
REVERSAL PERIOD:
      COMMENT:          BUDGET OVERRIDE IND:
      REF TRANS ID:

DOCUMENT TOTAL: 0.00

      DESCRIPTION: IPSC
```

A B2 is used as a \$0 transfer document to move the IPSC obligation to the appropriate account. (B2's can also be used to transfer other obligations between ARS accounts.)

B2 Continued

```
COMMND:          DOCID: B2   01   0101MTL253          09/23/08 10:55:47
STATUS: ACCPT    BATID:          SEC2:          001-001 OF 002
01-
  LINE NUMBER: 001          TRANS TYPE: TO      EXP/REV/GL/BUD: E
  BUDGET FYS: 08           FUND:          DIVISION:
BUDGET ORG/SUB:          COST ORG/SUB:          PGM: 010101929
BOC/REV SOURCE: 2570     SUB BOC/SUB SRCE:  JOB:          RPTG:
  CLOSED BFYS:          CLOSED FUND:
VENDOR: 12400300F C NAME: USDA, ARS FMD          QUANT:
SCHD FISC YR:          SCHD CAT:          SCHD TYP:          SCHD NO:
D.O.:          GUEST SYMBOL:
REF TRAN ID:          DOC TYP:  AGREE #:          ADV:
INVOICE NO:          INVOICE DATE:          INVOICE LINE:
AMOUNT: 500.00          INC/DEC IND: D  ACC DATE:          OBL FY:
DESCRIPTION: IPSC XFRD/608-0206-534          TREAS NO:
```

```
COMMND:          DOCID: B2   01   0101MTL253          09/23/08 10:56:04
STATUS: ACCPT    BATID:          SEC2:          002-002 OF 002
01-
  LINE NUMBER: 002          TRANS TYPE: TO      EXP/REV/GL/BUD: E
  BUDGET FYS: 08           FUND:          DIVISION:
BUDGET ORG/SUB:          COST ORG/SUB:          PGM: 080206534
BOC/REV SOURCE: 2570     SUB BOC/SUB SRCE:  JOB:          RPTG:
  CLOSED BFYS:          CLOSED FUND:
VENDOR: 12400300F C NAME: USDA, ARS FMD          QUANT:
SCHD FISC YR:          SCHD CAT:          SCHD TYP:          SCHD NO:
D.O.:          GUEST SYMBOL:
REF TRAN ID:          DOC TYP:  AGREE #:          ADV:
INVOICE NO:          INVOICE DATE:          INVOICE LINE:
AMOUNT: 500.00          INC/DEC IND: I  ACC DATE:          OBL FY:
DESCRIPTION: IPSC XFRD\601-0101-929          TREAS NO:
```

Chapter 5 - Assignment of Costs

This section states the policy and responsibilities for assessing IPSC and reissues the guidance provided in P&P 329.5 and incorporates revised policy published in Financial Management Bulletins 98-306, 05-306 and 06-304. (Guidance related to IRC will be published in a new and separate issuance.)

In keeping with ARS' policy of full cost recovery, whenever ARS performs a service for another organization, it is essential that sufficient costs are built into the proposed operating budget to fully reimburse ARS for all costs incurred – direct costs as well as indirect cost (IPSC).

A. Direct Costs

Direct costs are the expenses incurred by ARS in carrying out a reimbursable project under the terms of an agreement, including the cost of salaries and benefits by personnel performing the services, and “all other” costs such as the cost of travel, materials, supplies, equipment, rentals, and contractual services. Direct costs can also include an appropriate share of the location's IRC, where those costs associated with the project can be determined.

B. IPSC

These are costs incurred at Headquarters and Area levels which are the ARS's expenses not directly charged to or identifiable with individual ARS research projects or Research Management Units (RMU).

Summary of IPSC Policy for Incoming Reimbursable Agreements

The following statement summarizes the ARS IPSC policy on all incoming non-appropriated (soft) funds.

IPSC **will** be assessed at a rate of 10 percent of the gross incoming reimbursable and trust fund agreements, cooperative agreements, and grants signed by ARS officials, **except in the following circumstances:**

1. The proposed amount of any agreement or grant is \$5,000 or less over its total life. The intention of the policy is to save time and effort by not assessing IPSC for minimal dollar amounts. **However, if an increment is added to an agreement in its first FY or any subsequent year so that the total amount of incoming funds exceeds \$5,000, IPSC will be assessed on the entire amount of the agreement at that time.** IPSC will also be assessed on any additional increments of funding through the life of the agreement, regardless of the dollar amount.
2. **Charging IPSC is expressly prohibited by specific Congressional language of the Federal trading partner providing the funds.**

3. Research agreements or grants are entered into with the following USDA Action and Regulatory agencies: Agricultural Marketing Service; Animal Plant and Health Inspection Service; Farm Service Agency; Foreign Agricultural Service, including International Cooperation and Development; Food Safety and Inspection Service; Grain Inspection, Packers and Stockyards Administration; and Natural Resources Conservation Service. **However, IPSC is charged on Services Only agreements with these agencies.**

Note: Services Only agreements are not linked **directly** to research projects. They are for personal and non-personal services, and are generally provided onsite, such as facilities and grounds maintenance, vehicle maintenance, data processing support, word processing support, other office support services, maintenance of warehouses/storerooms, rent, utilities, non-research laboratory services (i.e., running routine samples), etc. Generally, in Services Only agreements, ARS is not required to develop or make and deliver a specified product as a condition of accepting soft funds.

4. Agreements entered into with Research, Education, and Economics (REE) agencies; CSREES; Economic Research Service (ERS); and National Agricultural Statistics Service (NASS) for administrative support as clients of ARS Administrative and Financial Management (AFM). **However, IPSC is charged on Research agreements and Services Only agreements with these agencies.**
5. Research agreements or grants entered into with nonprofit organizations as identified by the Internal Revenue Service or the National Directory of Nonprofit Organizations. **IPSC is charged on Services Only agreements with these organizations. This exemption is under review. IPSC may be charged to these agreements effective FY 2008.**

Responsibilities

All parties involved in the negotiation of agreements should be familiar with the policies and ensure that cooperators are aware of the IPSC assessment and rate.

The Administrative Officer (AO) and Administrative Officer/Technician (AO/T) will ensure that the approved ARS IPSC is covered in the development of agreement budget proposals. The SBFO is responsible for assessing the IPSC and processing the B2 document in FFIS. When processing the B2 for IPSC, always use BOC 2570 and vendor code 12400300f X. The X is replaced by the appropriation assigned to the SBFO. Type the agreement number and accounting code in the description field.

Approved IPSC rates for Reimbursable

The IPSC rate for agreements (Reimbursable agreements, Trust funds, Cooperative and Grants) is as follows:

- **Gross Agreement Amount - IPSC Rate = 10 percent**
The Gross IPSC Rate (10 percent) is used to determine the amount of IPSC that will be charged to the agreement when the contributor has informed ARS of the definitive total (gross) dollar amount that will be made available to pay for indirect and direct costs of the agreement.
- **Net Agreement Amount - IPSC Rate = 11.11 percent**
(Equivalent to 10 percent gross rate)
The Net IPSC Rate (11.11 percent) is used when the contributor has not informed ARS of a predetermined dollar amount to be made available for the project.

The above rates apply to each reimbursable agreement which has been officially agreed upon and signed by an authorized ARS official.

The following examples show how to calculate how much IPSC is charged:

Example A. Calculating IPSC on the Gross Total (10 percent):

The contributor agrees to provide ARS with \$50,000 to cover direct and indirect costs. The agreement is assessed 10 percent of \$50,000 (\$5,000) for IPSC leaving \$45,000 to cover the remaining costs.

Example B. Calculating IPSC on the Net Total (11.11 percent):

The contributor agrees to provide ARS with \$50,000 to cover direct costs. To calculate the IPSC, multiply \$50,000 x 11.11 percent plus \$5,555. The Total agreement will be \$55,555 to cover direct (\$50,000) and IPSC (\$5,555).

IPSC assessment

Assessment of IPSC on Single-Year Agreements

The entire IPSC amount chargeable to the agreement is assessed immediately and the amount is recorded on Form ARS-324 for obligation in FFIS.

For example, if the agreement is for \$100,000, the IPSC assessment will be 10 percent (current IPSC factor) or \$10,000. Indicate in the Remarks and Comments field on the Incoming agreement the IPSC rate and dollar amount. The IPSC must be adjusted and revisions made to the Forms ARS-324 and ARIS when the agreed-upon dollar level for the agreement changes due to increased or decreased funding.

Note: This adjustment can only be made in the FY that the IPSC was assessed. The only incidence when the IPSC is returned is when there is a decrease in the agreement before the close of the fiscal year. The IPSC cannot be returned to the fund holder after the close of the FY.

Assessment of IPSC on Multi-Year Agreements

The amount of IPSC chargeable to the agreement in any FY is dependent upon the work performed. Work is measured in the terms of the obligations in FFIS. The steps to assess the IPSC on multi-year agreements are as follows:

- Record only that portion on Incoming Agreement Form that represents the best estimate of how much will be obligated in the current year of the agreement plus 11.11 percent (which represents 10 percent for IPSC). For example, if the agreement is for \$500,000 and the fund holder anticipates obligations of \$50,000, then sufficient funds must be posted on the Incoming Agreement Form to cover the IPSC. **\$50,000 x 11.11percent = \$55,555**
- On the ARS-324, the 10 percent for IPSC should be shown in the proper field. In the next FY's, when the remainder of the agreement amount is posted, the rest of the IPSC will be assessed.

IPSC must be included in all reimbursable agreements where ARS is the recipient of funds from outside sources contributing to or as payment for services rendered by the ARS.

Chapter 6 - Spending/Funds Control

A. Establishment of Financial Plan in CATS

The Administrative Officer (AO) or Administrative Officer/Technician (AO/T) is responsible for the location's accounts maintenance system, currently the CRIS Allocation Tracking System (CATS), supplemented by the Salary Management System (SAMS). The financial plan which is established in FFIS using a BL is entered in CATS. The financial plan amount should agree with the Gross Total amount on the ARS-324 and the Approved Allotment Amount reflected on the ALLT table in FFIS. See CATS and SAMS user manuals as references.

B. Accounts Maintenance Activities

It is also the responsibility of the AO or LAT to maintain CATS, reconciling monthly to the FFIS reports, and ensuring that all obligations are captured in CATS. Obligation transfers (B2s) for costs incurred in other accounts but attributed to the reimbursable agreement account should be entered in FFIS in a timely basis. Failure to do so can result in improper billing to the cooperator. All obligations chargeable to the agreement account must be properly recorded in FFIS and CATS prior to expiration of the agreement. All invalid obligations must be transferred to the correct account on a timely basis, generally in the same month the error is discovered. SAMS must be used for tracking any personnel salaries assigned to the reimbursable funds. In addition to monitoring current year accounts, all prior years agreement accounts must be monitored through monthly review of the Object Class Program report. This continues until the agreement expires, or is terminated, and closeout procedures are completed. All obligations against a prior year reimbursable account must be posted to CATS. Open (unpaid) obligations should be reviewed periodically for all accounts (at a minimum of two times yearly). Status of funds reports must be provided to the fundholder on a monthly basis (by the 25th of the month). Refer to P&P 325.1, Funds Control at the Operating Level.

Note: This requirement is covered in P&P 323.7, Review of Unpaid Obligations.

C. Year-end Closing

Pending obligations and commitments recorded in CATS must be reviewed for validity prior to entering year-end estimates. It is imperative that accurate year-end estimates (YE documents) are submitted in FFIS to reflect pending obligations. See the annual Year-end Closing Dates and Guidance bulletin for detailed instructions.

D. Carryover of Reimbursable Funds

The SBFO determines carryover balances on multi-year reimbursable agreements based on the AO report as of September 30 using Accounting Period 13. The carryover amount is the sum of all unobligated balances reflected on the year-end AO report for all applicable years. Carryover amounts should be posted to the incoming agreement in ARIS and the BL documents entered in FFIS by November 30. In addition, the ARS-324 should be sent to ARS Ops reflecting the carryover balance to the new FY and the adjusted allotment amount to the prior year. To accomplish this, the SBFO should:

1. Review the AO report and flag those accounts with valid carryover amounts.
2. Post carryover funds to each incoming agreement.
3. Set up an Area Level “pseudo code” for the carryover year in PGMAT to make the offsetting positive BL entry for the total amount of carryover to balance with the negative entries made on the prior year reimbursable accounts. The pseudo code should be established in the following format:

ACTION: S TABLEID: PGMAT USERID: UCKE

PROGRAM REFERENCE TABLE
 KEY IS BUDGET FISCAL YEAR, PROGRAM
 BUDGET

	FISCAL YEAR	PROGRAM	PROGRAM CLASS	PROGRAM CATEGORY	PROGRAM TYPE	PROGRAM GROUP	ALLOTMENT PROGRAM
	-----	-----	-----	-----	-----	-----	-----
01-	08	086201PBL			61		086201PBL
		PROGRAM NAME: BL ADJUSTMENTS FOR CARRYOVER					SHORT NAME:
02-	05	086201005			61		086201005
		PROGRAM NAME: VARIOUS USDA 0905					SHORT NAME: 05IA6201005
03-	05	086201126			61		086201126
		PROGRAM NAME: &033750030 R 0405 USDA, FSIS					SHORT NAME: 6062015043
04-	05	086201127					086201127
		PROGRAM NAME: &03FA50010 R 0905 USDA, FSA					SHORT NAME: 6062015044
05-	05	086201129					086201129
		PROGRAM NAME: &033650020 R 0905 USDA, GIPSA					SHORT NAME: 6062015046
06-	05	086201130			61		086201130
		PROGRAM NAME: &0302500AO R 0905 USDA, AMS					SHORT NAME: 6062015047
07-	05	086201131			61		086201131
		PROGRAM NAME: &033450130 R 0905 USDA, APHIS					SHORT NAME: 6062015048

Where the Budget Fiscal Allotment Year is the prior (BFY) and digits 3-6 of the program code is the 4th level mode code of the Area.

4. Enter BL document in FFIS with a separate line item for each account to put in the negative allotment to the prior year account. Enter one line for the pseudo code for the adjusting positive entry for the total amount of carryovers. This offsetting entry will keep the prior year funds on the ALOC table in balance. This table must remain balanced. The failure to enter the offsetting entry for the prior years will cause account problems.
5. Enter BL document for the carryover amount for each current year account once the BE is completed or the allocation is received from BPMS.
6. Send a completed ARS-324 for each agreement to ARS Operations that includes carryover amount for the current year account. **Make sure to reduce the prior year BL. Do not send prior year ARS-324s to ARS Operations.**

The financial plan for the current year account and the adjusted plan for the prior year account should be entered in CATS.

If any activity occurs in a prior year account that was not on a period end estimate or differs from the estimate after the carryover has been determined and the BL's adjusted, the SBFO must be notified for further guidance.

SAMPLE BL for CARRYOVER to Current BFY.

```

COMMND:          DOCID: BL   62   6086202122
STATUS: ACCPT    BATID:          SEC2:          001-001 OF 001
H-
                BUDGET EXECUTION DOCUMENT

TRANS DATE:      ACCTG PD: 04 08 APPRV TR TYPE: AP POSTED TR TYPE: 01
BUDGET FYS: 08   FUND: 08     HEADER ACTION IND:   APPOR PERIOD: 1
TOTAL REVISED AMT:      BUDGET LEVEL: AL
A
C
T DIV      ORG      PROGRAM  BOC  APPRV POST  D  YTD AMT      INC/DEC AMT
-----
01- C 62          086202122          1          62,057.47
SPENDING IND:          2
                   3
DESCRIPTION          4
CARRYOVER
SUBALLOT OPTNS
ORG PGM BOC SPN          TR TYPE      REVISED
-----          AMOUNT      INC/DEC AMT
-----
N   Y   Y   N          EST REIM:
A--*HS60-DOCUMENT MARKED FOR READ ONLY H--BA55W-ALLOC SPND CTL NOT = C (FULL)
H--BA32W-ALLOT SPND CTL NOT = C (FULL)

```

SAMPLE BL for Carryover to adjust prior BFY account

```

      COMMND:                DOCID: BL   62   5086202122A
STATUS: ACCPT                BATID:                SEC2:                001-001 OF 001
H-
                                BUDGET EXECUTION DOCUMENT

TRANS DATE:                ACCTG PD: 03 08 APPRV TR TYPE: AP POSTED TR TYPE: 01
BUDGET FYS: 07            FUND: 08            HEADER ACTION IND:            APPOR PERIOD: 1
TOTAL REVISED AMT:                BUDGET LEVEL: AL
A
C
T DIV      ORG      PROGRAM  BOC  APPRV POST  D  YTD AMT      INC/DEC AMT
-----
01- C 62                086202122                1                -62,057.47
SPENDING IND:                2
                                3
                                4
      DESCRIPTION
CARRYOVER
SUBALLOT OPTNS
ORG PGM BOC SPN                TR TYPE      REVISED
-----                -----
      N   Y   Y   N                EST REIM:
A--*HS60-DOCUMENT MARKED FOR READ ONLY H--BA55W-ALLOC SPND CTL NOT = C (FULL)
H--BA32W-ALLOT SPND CTL NOT = C (FULL)

```

CARRYOVER ADJ

SAMPLE BL for adjusting entry for pseudo code in prior BFY.

```

COMMND: DOCID: BL 62 5086201PBL
STATUS: ACCPT BATID: SEC2: 001-001 OF 001
H-
BUDGET EXECUTION DOCUMENT

TRANS DATE: ACCTG PD: 03 08 APPRV TR TYPE: AP POSTED TR TYPE: 01
BUDGET FYS: 06 FUND: 08 HEADER ACTION IND: APPOR PERIOD: 1
TOTAL REVISED AMT: BUDGET LEVEL: AL
A
C TRANS TYPE P
T DIV ORG PROGRAM BOC APPRV POST D YTD AMT INC/DEC AMT
-----
01- A 62 086201PBL 1 62,057.47
SPENDING IND: 2
3
4
DESCRIPTION
CARRYOVER
SUBALLOT OPTNS
ORG PGM BOC SPN TR TYPE REVISED AMOUNT INC/DEC AMT
-----
N Y Y N EST REIM:
A--*HS60-DOCUMENT MARKED FOR READ ONLY H--BA55W-ALLOC SPND CTL NOT = C (FULL)
H--BA32W-ALLOT SPND CTL NOT = C (FULL)

```

Freezing Accounts

In order to ensure there is no further activity on an expired agreement account, the following procedures have been developed. **Only the SBFO's and designees are authorized for this business practice.** The freezing of an expired account is not required, but is recommended as a safeguard against inappropriate obligations on these accounts.

Steps in the process:

1. Print a copy of the ALLT for the BFY that you want to freeze.
2. Check to make sure there are no unliquidated obligations.

Note: An account may only be frozen after all obligations are liquidated and all collections are made.

3. Print a copy of the DVAL for the current FY and the BFY for the year you want to be frozen.
4. Fax a request and include a copy of the ALLT and the DVAL to the FFIS Help Desk (301-504-4390) or email screen prints to (ARS-FFIS-FA@ars.usda.gov) of ALLT and DVAL to the FFIS Functional Administrator (FA) with "Request to freeze" in the subject line.
5. The FFIS FA will confirm the freeze action. Example of the VEND/CAN code before making the change: **&0318300IO R 0903 ERS**. Example of the VEND/CAN code after making change: **X &0318300IO R 0903 ERS**. This will cause all actions against this account to reject in SUSF.
6. The FFIS FA modifies DVAL. Modifying DVAL will cause any future spending transactions to reject to SUSF. If a code was frozen in error, the FA will modify DVAL to unfreeze the account.

Note: The Foundation Financial Information System Operation Branch will freeze problem accounts upon request.

If an action needs to be processed by ARS Ops against the frozen account, they must contact the SBFO Office and provide an explanation for unfreezing. (The fourth and fifth position of the program code indicates the SBFO office that froze the account.) If it is determined that the account needs to be temporarily unfrozen, then the SBFO will notify the FFIS Help Desk to have the account unfrozen so that the SUSF action can be run. Once the action is processed, the FFIS Help Desk must be notified to refreeze the account.

The main advantage of freezing account codes is to eliminate erroneous charges against the account once all the funds have been obligated, expended and collected.

Chapter 7 - Billings and Collections

All billing activity is centralized at ARS Ops. ARS Ops enters **all** activity into the official accounting system, FFIS, via the IBIL and Administrative Billings and Collections Feeder System (ABCO).

Billing procedures for Reimbursable Agreements

There are two program types for reimbursable agreements that can be established in FFIS based on how the agreement is to be billed. In all cases, ARS Ops is responsible for entering billing information into the IBIL system based on actual expenses for all reimbursable activity. Before billing can take place, actual expenses must reside on the reimbursable account. If expenses reside on an annual account, they must be moved to the appropriate reimbursable account before billing action can take place. ***Actual expenses are defined as actual payments incurred in support of obligations on behalf of the agreement.*** Based on expenditures incurred the agreement is billed, an accounts receivable is established and upon receipt of the payment from the cooperator, the receivable is liquidated and the reimbursement is recorded.

A. Billing for Program Type 61

This program type is used when the details on the Incoming Soft Fund (ISF) report and the instructions on the ARS-324 are sufficient to generate billings acceptable to the cooperator. On a quarterly basis, ARS Operations runs the ISF report. The ISF report summarizes the status of an agreement by showing obligations, expenses, account receivables and collections. Based on expenses incurred for a given period, ARS Operations enters billing information into the IBIL system for both Intra-Governmental Payment and Collection (IPAC) and non-IPAC participating Federal cooperators.

The IBIL interfaces with ABCO to generate bills and establish account receivables within the FFIS application. Step-by-step billing procedures for Type 61 agreements are provided for IPAC participating Agencies in Enclosure 6 and Non-IPAC participating Agencies in Enclosure 7. These steps include how the billing document (A1 document) is generated and subsequently liquidated in FFIS when the cash receipt/payment (A2 document) is recorded.

ARS Ops can provide detailed information on the bills such as expenses by budget object codes, cooperator's reference number, billing contact information, etc., as long as the SBFO specifies this in the Specific Billing Instructions block on the ARS-324 (**Note: Be sure the specific instructions are accepted by the cooperator.**) ARS Ops can also, upon request, accommodate a specific billing period, i.e., quarterly, 15th of the month, at the end of agreement, etc. If requested, ARS Ops will also send an email to the ARS contact to communicate the date billed, amount billed for the period covered, and the accounting code (s) billed. The request should be indicated in the Specific Billing Instruction block.

B. Billing for Program Type 63

This program type is used when additional information will be forthcoming from the SBFO and is either matched up with the ABCO “Bill for Collection” or is used to generate a manual bill. The Director, FMD, must grant approval in order to establish Type 63 agreements. Action must be taken by the SBFO to coordinate with the Supervisor of the Controller Operations Division, Accounting Processing Branch, ARS Ops to ensure the billing and collection information for manual bills are appropriately recorded in FFIS. ARS Ops enters billing data into the IBIL system based on actual expenses, special handling instructions provided on the ARS-324, and any additional information and/or the manual invoice generated by the SBFO.

Similar to Type 61 agreements, the IBIL system is used to generate invoices for Type 63 agreements by interfacing with ABCO to generate bills and establish accounts receivables within the FFIS application. ARS Operations designates that “special handling” is required for Type 63 agreements when billing data is entered in the IBIL. ABCO will run the billing process four times per month and will hold these bills for further action by ARS Ops. ARS Ops will either:

- Pick up the ABCO Invoice, “Bill for Collection”, and match it up with additional information provided by the SBFO or;
- Annotate the manual invoice provided by the SBFO with the actual debtor and bill numbers and disregard the ABCO Invoice.

Step-by-step billing procedures for Type 63 agreements are provided for manual bills using the ABCO Invoice, “Bill for Collection” in Enclosure 8 and manual bills for using an ARS Invoice in Enclosure 9. These steps include how the billing document (A1 document) is generated and subsequently liquidated in FFIS when the cash receipt/payment (A2 document) is recorded.

When a manual invoice is used, there must be a blank field for ARS Operations to cite the debtor and bill numbers. This is critical to ensure the receivable is liquidated when the vendor submits payment. Failure to do so will result in late notices to the cooperator who will subsequently be identified on the Report of Delinquent Debt and may be referred to a collection agency for further action.

The manual invoice must also specify the appropriate remittance address for the lockbox. To ensure proper posting all remittances should be sent directly to:

USDA, NFC
P.O. Box 790342
St. Louis, MO 63179-0342

A sample of a manual invoice is provided in Enclosure 10.

Regardless of the agreement type, if the cooperator's paying office does not adhere to remit instructions, the collection may not be "matched" to a bill (A1 document), therefore resulting in a voluntary collection (A3 document) being processed.

If this should occur, the SBFO must work with ARS Ops and ABCO to cancel the receivable in ABCO in order to avoid delinquent debt issues and past due notices being mailed. ARS Ops is the official record keeper for records retention purposes, therefore, they will retain a copy of the bill and/or ABCO Bill for Collection.

C. IBIL

IBIL is a front-end system used by ARS Ops to facilitate data entry of all billing information regardless of program type. IBIL interfaces with ABCO to generate the invoice that is mailed to the cooperator and sends the A1 record to FFIS. So that information is provided is uniform, ARS Ops has developed an IBIL form to be used when requesting action to be taken. This form, instructions, and Debtor/Paying Agency Accounting Requirements are provided for both Federal and Non-Federal cooperators (Enclosures 11-15).

Note: IBIL is also used to bill for overpayments or other refund type transactions. When processing refund activity, do not use BOC 0250. Use the same budget object class code that was used when the funds were expensed. The BOC 0250 is for all reimbursable collections.

D. Billing requirements on Specific Cooperative Agreements (SCA)

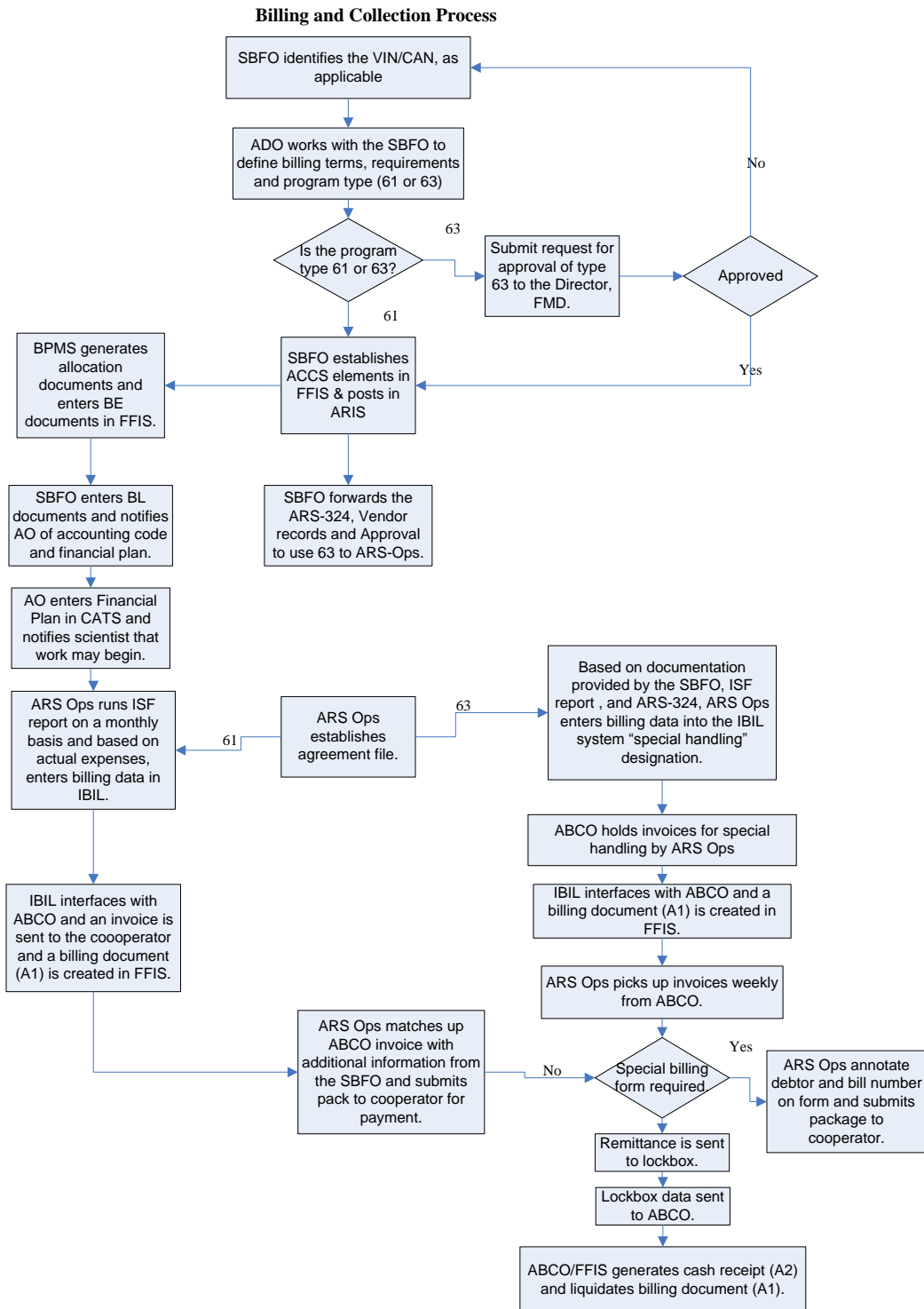
A SCA executed against an incoming reimbursable agreement from a **Federal** entity is subject to the rules of the financing appropriation. Further, the accounting transactions/events associated with the agreement must be completely satisfied prior to the authority being canceled. Specifically, an agreement executed during BFY 2009, with annual authority must be obligated by September 30, 2009, and completely expended and collected by September 2014 before the authority is canceled at the close of the fifth expired year.

For example:

- a. An incoming reimbursable agreement is established with annual authority and a period of performance of September 17, 2009 through September 16, 2014.
- b. A SCA is established with a university, which is funded by this reimbursable agreement. It is critical that the university bill ARS in sufficient time to allow ARS Operations to bill the cooperator on the reimbursable agreement and collect the funds. It is recommended that the billing be completed 6 months prior to the termination of the governing appropriation. This would allow the SCA to be completely expended and the cooperator providing reimbursable authority to be billed and the funds collected prior to the close of the appropriation. Proper management of SCA is the responsibility of the SBFO and ADO. Any questions regarding SCA should be directed to the responsible officials.

Steps in the Billings and Collection Process

The flowchart on page 36 provides the steps necessary for the billings and collections process after the incoming agreement form, has been approved.



Chapter 8 – Closeout

A. Policy

In order to ensure the integrity of the ARS financial management system and to satisfy the requirements for external reporting to Treasury and OMB, appropriate action must be taken to close out an agreement when the work has been completed or the agreement has expired or terminated. A financial review must be conducted to ensure that all obligations chargeable to an agreement are recorded in FFIS, all obligated amounts are fully disbursed, and reimbursements or collections covering those disbursements have been received and properly recorded. Final closeout cannot be accomplished unless FFIS reflects equality in obligations, expenditures, and reimbursements or collections.

B. Closeout Procedures

The Closeout checklist (Enclosure 18) (optional) or letter with the signature from the fundholder of the reimbursable agreement account(s) must be prepared by the AO to document that all actions required to closeout the agreement have been accomplished and that the agreement and its accounts reflect the following status:

1. IPSC has been collected/charged in FFIS, if appropriate;
2. Total obligations do not exceed the total authorized amount;
3. All obligations chargeable to the agreement accounts are recorded in FFIS;
4. All obligated amounts are fully disbursed;
5. Reimbursements (collections) are recorded in FFIS equal to disbursements;
6. Status of the incoming agreement is terminated in ARIS;
7. No actions are pending to extend or add funds to the agreement.

The closeout checklist or letter, along with a copy of the final status of funds and a screen print of the ALLT for each accounting code, is forwarded to the servicing SBFO. The SBFO verifies that the closeout action is appropriate and certifies the checklist. The SBFO sends a copy of the checklist or letter with the ALLT screen prints to ARS Operations.

For reimbursable agreements with non-Federal cooperators (both domestic and foreign), the SBFO will provide a copy of the closeout checklist or letter and ALLT prints to the ADO. For interagency agreements where the expenditures are less than the authorized funding, the SBFO will notify the funding agency of the need to deobligate their funds.

The SBFO will also notify the Program Analyst of the closeout if the agreement required the establishment of a research project (an R CRIS). This applies to reimbursable agreements coded as research greater than \$25,000. The Program Analyst should ensure that the project is terminated during the annual reporting process.

The SBFO notifies the FFIS Help Desk to freeze the accounting code(s), if not already frozen.

Once the Help Desk has confirmed the freezing, the SBFO will notify ARS Ops that the accounting code(s) has been frozen.

C. Additional Closeout Information

There may be problems or issues that must be resolved prior to closeout. Typical issues include:

1. The Agreement billing is not complete - In many cases, a bill should be issued. However, it may be determined that the account has been erroneously obligated, which should be corrected prior to issuing any bill.
2. Agreement account is overspent – If expenses exceed the established authority, the erroneous expenses must be transferred to the correct account.
3. There are unliquidated obligations or commitments on agreement account – The reason(s) must be determined, and action must be taken to either deobligate open balances or process payments.
4. Agreement appears to be over-collected – Apparent excess collections may result when deobligations or obligation transfers are processed after these amounts have been billed and collected, or funds were collected without regard to the actual obligations or disbursements on the account. The reason(s) for any deobligations or transfers must be ascertained and appropriate corrections made. Similarly, any collections not based on obligations or disbursements must be reviewed. This may result in a refund to the cooperator or an adjustment of obligations on the account.
5. Collection is sent to (National Finance Center), yet is not posted to the correct account- In some cases the collection appears on another agreement account; in others, the accounting for the collection is unknown. SBFO should contact ARS Ops for assistance in recording collections on the correct account. This occurs when remit instructions are not adhered to.

In addition to the ALLT table, other FFIS tables and Brio reports may be useful in identifying the causes of problems that hinder agreement closeout. The FFIS tables include Spending Control Document Cross-Reference (SPDX), Order Header Inquiry (OBLH), Purchase Order Accounting Line Inquiry (OBLL), Cash Receipt Header Table (CRHT), and Cash Receipt Line Inquiry Table (CRLT). Reports include the Transaction Detail Listing (TDL) and the ISF Report.

Abbreviations, Acronyms and Forms

ABCO	Administrative Billings and Collections Feeder System
ACXT	Accounting Structure Code Cross-Reference Table
AO	Administrative Officer
AO/T	Administrative Officer/Technician
AD	Area Director
ADA	Associate Deputy Administrator
AD-672	Reimbursement or Advance of Funds Agreement
ALLT	Allotment Inquiry Table
ADO	Authorized Departmental Officer
ADODR	Authorized Departmental Officer Designated Representative
ARIS/AIMS	Agricultural Research Information System/Agreements Information Management System
ARS-324	Transmittal of Reimbursable Agreement
BARD	Bi-national Agricultural Research and Development
BFY	Budget Fiscal Year
BE	Budget Execution
BL	Budget Level
BPMS	Budget and Program Management Staff
CAGE	Commercial and Government Entity
CAN	Common Agreement Number
CATS	CRIS Allocation Tracking System
CCR	Central Contractor Registry
CD	Center Director
CRIS	Current Research Information System
CSREES	Cooperative State Research, Education and Extension Service
DUNS	Dun and Bradstreet Universal Numbering System.
DVAL	Default Values Reference Table
EAS	Extramural Agreements Specialist
FA	Functional Administrator-FFIS Headquarters
FFIS	Foundation Financial Information System
FFISOB	Foundation Financial Information System Operations Branch
FMD	Financial Management Division
FY	Fiscal Year
IBIL	Internet Billing System
ID	Institute Director
IPAC	Intra-Governmental Payment and Collection
IPSC	Indirect Program Support Cost
IRC	Indirect Research Costs
LC	Location Coordinator

NPL	National Program Leader
NPS	National Program Staff
OCP	Object Class by Program
OMB	Office of Management and Budget
PA	Program Analyst
PGMT	Program Reference Table
REE	Research, Education and Economic
REE-451	Research Agreement
RIBBIT	Resource Information Book Bringing Together Ideas and Techniques
RL	Research Leader
RMU	Research Management Unit
SAMS	Salary Management System
SBFO	Servicing Budget and Fiscal Officer (Area)
SCA	Specific Cooperative Agreement
USDA	United States Department of Agriculture

Enclosures

1. [Incoming Agreement](#)
2. [Form AD-672, Reimbursement or Advance of Funds Agreement](#)
3. [Instructions for completing Form AD-672](#)
4. [Form ARS-324, Transmittal of Reimbursable Agreement](#)
- 4a. [Blank Form ARS-324](#)
5. [Instructions for completing Form ARS-324](#)
6. [Reimbursable Process – IPAC participating – Federal Agencies \(Type 61\)](#)
7. [Reimbursable Process – Non-IPAC participating Federal Agencies and Non-Federal Cooperators \(Type 61\)](#)
8. [Reimbursable Process – Manual Bill for Non-Federal Cooperators using ABCO Bill for Collection \(63\)](#)
9. [Reimbursable Process – Manual Bill for Non-Federal Cooperators using ARS Invoice \(63\)](#)
10. [Sample invoice for manual billing](#)
11. [Instructions for the completion of the Internet Billing Form](#)
12. [ARS Request to Bill Federal \(IPAC billing\)](#)
13. [Instructions for completing the Internet Billing form \(IBIL\) Non-Federal Enclosure](#)
14. [ARS Request to bill Non-Federal](#)
15. [Debtor/Paying Agency accounting requirements](#)
16. [Example of Financial Plan](#)
17. [Example AO report](#)
18. [Financial Closeout Checklist – Reimbursable Agreement](#)
19. [Frequently Asked Questions](#)
20. [Procedures for BARD Fund Semi-Annual & Annual Fiscal Reports](#)