

ARS CSREES ERS NASS

Bulletin

Title: Obligation of Appropriations: Fiscal Year Chargeable

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This bulletin provides general guidelines to determine the fiscal year chargeable before the fiscal year 2007 annual appropriations obligation authority expires on September 30, 2007. Refer to Bulletin 07-307 for specific timeline/cutoff dates.

The following guidelines are offered for selected categories of transactions to clarify unique situations regarding the fiscal year (FY) to be charged. These examples are prefaced by an overriding rule which specifies that ("... a FY appropriation may be obligated only to meet a legitimate or bona fide need arising in ... the FY for which the appropriation was made.") Once stated, it should be understood that there are situations where a bona fide need exists in the current FY, enabling the obligation of current year funds, but the receipt of goods and services or performance may not occur until the next FY. Further, the bona fide need rule does permit purchases to be made to replenish legitimate inventories at reasonable or historic levels. The bona fide need, in this instance, would be the requirement to maintain a reasonable level of inventory items to avoid disruption of future operations.

Determining whether a bona fide need exists depends on the facts and circumstances of a particular case. There is no precise rule prescribed to determine what constitutes a bona fide need. Managers and fundholders must exercise their prudent judgment in making such determinations.

The following are examples to assist managers in deciding their spending priorities:

- Service Contracts - Annual appropriated funds may be obligated for the total amount of the contract at the time it is awarded; or prorate/charge the service contract costs to the specific FY the performance is completed. The contract period may begin in the current FY and end in the next FY if the contract does not exceed 1 year.

Note: General Services Administration (GSA) issued a regulation which provides authority for a major change in funding severable service contracts (48 CFR Section 32.703-3). It authorizes Federal agencies to enter into a basic contract or procure severable services for a period that begins in one FY and ends in the next FY. This authority permits charging the total contract value to the FY that the contract performance begins. Such contracts may not exceed 1 year.

- Equipment, Supplies, and Expense Items - Obligate the annual appropriation(s) for: the total amount of items needed and contracted for in the current FY, even though they may be received in the subsequent FY; and items needed to maintain normal inventories of offices or scientific supplies or other consumables such as oil, gas, lubricants, or other bulk expense type items where it is normal practice to purchase in bulk and maintain reasonable inventory level.
- Training - The cost of training, tuition, and associated materials should be charged to the FY in which the training request is approved (signed), even though the training may not commence until the following FY. This practice is acceptable, provided that the training represents a bona fide need of the agency in the FY in which it was approved and the time lag between the approval and the training is not excessive. Excessive is defined as not exceeding 6 months, as a general rule.

- Relocation Travel Expenses - The cost of relocating employees--including per diem, commercial transportation, government bill of lading (GBL), and real estate related costs are charged to the FY that the relocation orders are issued (signed), even though relocation may not occur until a subsequent year. Please note: employees, under certain circumstances and with agency approval, may have up to 4 years to sell their home and be reimbursed residence real estate related relocation costs. These charges, be it 4 years hence, are properly charged to the FY in which the orders were issued.
- Temporary Duty Travel Expenses - Travel and transportation expenses of temporary duty travel (i.e., meals, lodging, local transportation, and miscellaneous expenses) beginning in one FY and ending in another FY must be charged against the appropriation current and available when the travel expenses are incurred. Such expenses accrue day-to-day and must be split on a FY basis. The appropriate daily expenses must be claimed for each FY on the travel voucher by using the appropriate FY accounting code to distribute each FY's expense. However, tickets for round trip transportation may be charged to the appropriation current at the time the employee begins temporary duty travel, provided that the return portion of the trip is used and a new ticket is not purchased enroute. In such a case, any new transportation tickets procured must be charged to the subsequent FY. Reimbursement for transportation on a mileage basis is chargeable to the FY in which the major portion of the travel occurs. If the major portion of the mileage is driven in FY 2007, then it is chargeable to that FY. Temporary duty travel associated with taking training courses must be charged to the FY the travel begins.

The above guidelines are supplemented with the following information which cross references obligating documents to the FY to be charged.

Type of Obligating Documents and FY Chargeable

Type of Obligating Documents	FY Chargeable
Purchase Orders - For supplies, subscriptions, publications, common-use inventory replacement items, equipment, etc.	The general rule is to obligate the total amount of the order to the available annual (current year) or no-year appropriations based on the FY period when the bona fide need was decided and the obligating document was approved (signed).
Blanket Purchase Agreements (BPA's) - For supplies and services.	See Purchase Orders above.

Non-Severable Contracts, Cooperative Agreements, and Grants - For finished end products or items like a specific research contract or agreement, construction, repair & maintenance, and energy retrofit projects, etc. They also include personal and non-personal services that require delivery of specific finished end-product, e.g., evaluation study; development of a computer model; development of a species database for a research project, etc.	See Purchase Orders above.
Severable Contracts and Agreements -For personal and non-personal services involving interagency and/or research support agreements of a continuing nature for 12 months or less, and the need arises from day-to-day, or month-to-month, e.g., leased property, rentals, and maintenance repairs of equipment, property, etc.	See Purchase Orders above.
Salaries and Wages.	Pay period dates when the services are rendered.
Lump Sum Payments (Annual Leave and Compensatory Leave).	Date of separation.
Severance Pay.	Pay period dates covered in payment (day-to-day basis).
Recruitment Incentive/Bonuses.	Charge to FY current based on the date recruitment incentive is paid whether it is a lump sum, lump sum deferred until completion of a specified term of service, or incremental payments.
Temporary Duty Travel Expenses, i.e., Meals, Lodging, and Per Diem.	Date actual travel is performed.
Common Carrier Transportation (excludes GBL's expenses).	Date travel begins.
Travel via Commercial Rental Vehicle	Date travel is actually performed (day-to-day basis).
Travel by POV	Fiscal year in which the majority of mileage is driven.
GSA Car Rental.	Date billing period ends (GSA bills on Sept. 30 to include rental through Sept. 30).

Relocation Expenses (all related costs including per diem and commercial transportation which include GBL expenses).	Date travel authorization is approved (signed).
Training (Courses and Seminars).	Date training bona fide need was approved and training request was signed.
Tort Claims by Outside Parties.	Date claim approved.
Employee Claims under Military Personnel and Civilian Employees' Claims Act of 1964.	Date claim approved.
Administrative Settlement Cases: Compensatory damages under section 102 of the Civil Rights Act of 1991. Compensation and related allowances (back pay); restoration after improper termination.	Date at which the final determination of the government's liability for compensatory damages is made. Dates in which work was performed; or where a period of wrongful termination is deemed valid service (NOTE: If the claim covers more than one FY, the payment must be prorated accordingly).
Post Office Box (rental).	Date rental begins.
GSA Customer Supply Center and Gasoline.	All invoices received on or before October 31 - Charged to immediate prior FY.
Utilities (gas, electric, water, etc.).	Date billing period ends.
Security Clearance.	Date security clearance request issued to Office of Personnel Management.
Incentive/Cash Awards.	Date awards approved (signed). See following special guidance.

Special Guidance Regarding the FY Chargeable for Incentive, Performance, Special Act, or Other Cash Awards.

Charging FY 2007 Funds

All awards to be charged to FY 2007 must be approved, signed, and dated by the approval official on or before September 30, 2007.

One of two processing methods may be used to ensure FY 2007 accounting records reflect award charges.

First processing method, awards documentation should be submitted to Human Resources Division (HRD) for processing on or before September 7, 2007. HRD will ensure that all awards received on or before this date will be processed during FY 2007 processing cycles with the National Finance Center (NFC). These awards will automatically be charged against the fundholder's FY 2007 accounting code as indicated in Form AD-287-2 (Recommendation and Approval of Awards).

Second processing method, awards submitted to HRD for processing after September 7, 2007, (which cite FY 2007 funds) will be processed by HRD in early October. Therefore, fundholders must ensure that their servicing budget, fiscal, or other administrative staff submit period end estimates to NFC for all awards submitted to HRD after September 7, 2007.

The preceding guidance only applies to awards chargeable to FY 2007 funds.

Charging FY 2008 Funds

Awards approved and dated after September 30, 2007, must be charged to FY 2008 accounting codes. These awards will be made effective and will be processed using routine procedures anytime after October 1, 2007.

Check with your servicing contracting and personnel office for any established cut-off dates that may apply to processing documents for this FY. Please call your Area Budget and Fiscal Officer, Area Administrative, or Headquarters Staff Office, if you have any questions.

/s/

S. M. HELMRICH

Director

Financial Management Division