



## Department of Energy

Washington, DC 20585

May 20, 2004

MEMORANDUM FOR FIELD CHIEF FINANCIAL OFFICERS

FROM:

  
JAMES T. CAMPBELL  
ACTING DIRECTOR, OFFICE OF MANAGEMENT, BUDGET  
AND EVALUATION/ACTING CHIEF FINANCIAL OFFICER

SUBJECT: Implementing the Business Process Change for Inter-Entity Work

On April 16, 2004, the Director, Office of Financial Policy, issued a revised draft of Chapter 12 of the DOE Accounting Handbook and requested your comments by May 14, 2004. The proposed changes to Chapter 12 are necessary for our implementation of Oracle Public Sector Financials on October 1, 2004. We are currently reviewing the comments received and will address them as the new policy is finalized and issued.

Even as we are pursuing a revised policy, it is apparent there is not any viable alternative but to follow the general approach for Interoffice Work Orders (IWOs) and Memorandum Purchase Orders (MPOs) outlined in the draft of Chapter 12, and effective implementation of that approach requires certain actions to be completed in the next few months. Recognizing there are limited resources and a heavy existing workload, I wanted to provide as much time as possible to complete the required actions. The actions required are as follows:

1. All offices and integrated contractors should begin immediately to reconcile all inter-entity work transfer activity. To avoid impacting the STARS implementation schedule, this activity must be completed not later than July 31, 2004.
2. Under the new policy all inter-entity work will be performed on a reimbursement basis. Therefore, all advances related to inter-entity activity must be liquidated by July 31, 2004.
3. It is important to note that all cost transfers related to IWOs must stop on July 31, 2004. Any July costs that would normally be transferred in August under the current policy must instead be invoiced in accordance with the new policy. Additionally, any cost adjustments to July transactions made after July 31, 2004, will have to be processed under the new policy.
4. During August 2004, all DOE offices will coordinate the obligation/deobligation of the July 31, 2004, uncosted IWO/MPO transfer funds. This activity must be completed not later than August 31, 2004.



5. During August, the performing office will obligate the July 31, 2004, uncosted IWO and MPO balances using Fund Type YZ and B&R YN 19 01. Prior to obligating these uncosted balances, the performing office must record obligational authority in Fund Type YZ by recording a credit obligation against B&R YN 19 02 that is equal to the uncosted IWO/MPO balances. In accordance with the draft policy, each individual IWO must be assigned a unique order number. To simplify the recording of obligations, for transactions between integrated contractors that are less than \$250,000 (MPOs), a generic order number (e.g. 99999) will be used. It is expected that integrated contractors will continue to use their current numbering system for tracking MPOs at the detail level. Transactions under \$250,000 that involve a field office must use a unique order number.

Except for offices currently tracking IWO order numbers in the cost center field in DISCAS, order numbers will be entered in the program/task field and must be prefaced by TSK. For those offices currently tracking IWO order numbers as well as other data in the cost center field, it is imperative for conversion purposes that the different types of data be readily identified. OPI codes will continue to be used. This activity must be completed not later than August 31, 2004.

6. All IWO/MPO transfer related accounts must have zero uncosted balances as of August 31, 2004.

The new policy for issuing, accepting and accounting for inter-entity work will become effective on August 1, 2004.

For some offices and contractors, this request will entail a substantial amount of work to modify contracts and record the budget and accounting entries. I would like to thank you in advance for supporting this business process change and for your overall support of the STARS Project.

Questions regarding this memorandum can be addressed to Dean Olson at 202-586-4860.

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