

ARS □ CSREES □ ERS □ NASS

Policies and Procedures

Title: Funds Control at the Operating Level

Number: 325.1 - ARS

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Originating Office: Financial Management Division, FMD/ARS

This Replaces: ARS 325.1, dated 9/11/98

Distribution: ARS Offices in Headquarters, Areas, and Field Locations

This P&P describes the essential elements of, and assigns responsibilities for, the ARS funds control process at the operating level. It also updates the information and terminology for the current funds control system.

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1. Authorities

31 United States Code (U.S.C.) 3512

Public Law (PL) 97-255

2. Policy

Funds must be obligated fully without exceeding the assigned funding level. Over obligation of funds will be investigated and the responsibility for the over obligation determined. Exceeding the assigned funding level, either intentionally or through negligence, may subject the fund holder to disciplinary action.

Funds which cannot be obligated by yearend for valid and/or important needs must be identified and reported to the appropriate management level in sufficient time to temporarily redistribute the funds to other high priority Agency needs. These temporary shifts must be made according to Agency policy on temporary movement of funds (P&P 320.1).

Fund holders and the Location Administrative Officer/Technician (LAO/T) should work cooperatively in planning and tracking expenditures.

3. Procedures

This section reflects the procedures and the individuals responsible for funds management for both direct (appropriated) funds and “soft” (reimbursable, trust, etc.) funds.

LAO/T

- Work with the Servicing Budget and Fiscal Office (SBFO) to ensure that a BL/financial plan document(s) is entered into the Foundation Financial Information System (FFIS) and into the CRIS Allocation Tracking System (CATS). Particularly important is the need to quickly and accurately reflect changes resulting from salary lapse reported and releases of funds through the High Priority Requirements List, Emergency Needs Request processes, or from the Area Director's reserve, as well as checks deposited on behalf of trust funds/CRADA's.
- Ensure that all transactions are promptly entered into CATS. If backlogs develop at critical times such as year-end, immediate attention must be given to eliminate the backlog through the use of overtime or the temporary reassignment of personnel.

- Ensure that all outstanding commitments are included in the CATS Status of Funds reports provided to the fund holder. Large projected expenditures (such as estimated utilities, credit card logs, large procurements, and extramural agreements) will be accounted for as commitments.
- Provide Status of Funds reports in one of the approved CATS formats to the fund holder no later than the 25th of each month. Exhibit 1 provides the timetable for the required frequency of the reports.
- Update salary projections in CATS through use of the Salary Management System (SAMS) monthly and as necessary, especially in the last quarter of the fiscal year. A SAMS Liability By Management Unit and CRIS reports are to be attached to each CATS Status of Funds report to provide details on salary projections to the fund holder.
- Reconcile transactions monthly in CATS to the official Financial Data Warehouse (FDW) reports (i.e., Payroll Detail Listing (PDL), Transaction Detail Listing (TDL), and Object Class by Program (OCP)). The purpose of the reconciliation is to ensure all salaries and purchases are obligated to the correct Program Code and accounted for on the monthly Status of Funds report. In addition, detect errors and determine any necessary adjustments to CATS or FFIS. This reconciliation will consist of “posting” CATS transactions as they have been reported by the FDW and will be performed **promptly after the monthly close cycle and prior to the preparation of Status of Funds reports on the 25th of the month.**
- Answer questions from the fund holders and resolve issues related to whether certain documents should or should not be included on the fund holders' accounts. It is against agency policy for fund holders to maintain financial records other than those provided via the Status of Funds reports. No LAO/T or Accounting Technician time will be spent “balancing” CATS records to any records the fund holder continues to maintain.
- Immediately correct the errors that are detected in CATS. Errors that are detected in the FFIS should be investigated and appropriate remedial action initiated immediately. CATS should always be adjusted to what is known (with reasonable certainty by the LAO/T) to be correct after proper research and follow-up.
- Provide copies of CATS Status of Funds reports to the SBFO as requested.
- Work with the Location Coordinator and other Research Leaders to determine if special year-end funds control procedures would be helpful to meet accelerated deadlines and, if so, develop such procedures.
- **Annual Funds (X01)** - Continue to maintain and reconcile CATS records to the FDW accounting reports for the first 6 months after the close of the Fiscal Year, i.e., from

October 1 to March 31. These accounts should continue to be reviewed for new or inappropriate obligations until the funds have expired. Research pending items and ensure they become officially obligated in FFIS.

- **All Other Funds (no year, multi-year, soft funds)** - Continue to maintain and reconcile CATS records to the FDW accounting reports until these accounts are fully obligated, disbursed, and/or closed out by the SBFO.

Fund holder

- Enter the correct program code for the Management Unit (MU) and the benefiting Current Research Information System (CRIS) projects (sub accounts) on all obligation and commitment documents.
- Ensure that all documents that impact status of funds are submitted promptly to the LAO/T and/or Accounting Technician or entered directly into CATS.
- Monthly, review the document listings provided by CATS to determine if the documents belong to the MU. If the description field of CATS has been properly used, only a visual review of the listing will be required on most items, rather than checking the listing against a hard copy document on file.
- Ensure that checks have been received from cooperators and properly recorded in FFIS prior to any spending on trust funds/CRADA's.

SBFO

- Review and analyze FFIS tables and FDW reports during the year to detect problems with location accounts. Communicate with locations to ensure that immediate attention is taken to resolve the problems.
- Review and analyze prior year FDW reports to evaluate funds control performance at yearend.
- Review SUSF (FFIS Suspense Table) daily to ensure obligations and expenses are recorded to the appropriate program codes.
- Review and analyze CATS and SAMS reports **at least quarterly** to ensure that the process is being performed correctly and in a timely manner.
- Provide financial plan and allocation adjustment guidance to the Locations within 10 days of receipt from the Budget and Program Management Staff. Ensure this information is properly recorded in CATS.

Director, Financial Management Division (FMD)

- Report to the Administrator at least annually concerning the funds management performance of the Agency.
- Investigate situations where significant over obligation or under obligation of funds occur and prepare a report to the Administrator.

4. Summary of Responsibilities

LAO/T

CATS is the official agency fund tracking system and is the only system to be used for funds control. No other system (either manual or automated) will be used or supported. CATS must be managed and maintained as prescribed by this P&P.

- Maintain a direct and accurate linkage of the FFIS and FDW to CATS. This will be accomplished via a reconciliation process on a monthly basis, at a minimum, and submission of period end estimates at the end of the fiscal year.
- Maintain current salary projections by CRIS and incorporate them into CATS through the use of SAMS.
- Adequately train personnel in accounts maintenance functions to fulfill the requirements of this P&P.
- Establish special procedures with fund holders at year-end such as early cutoff dates and special document flows to ensure funds control policies in this P&P are being adhered to.
- Report final year-end obligation figures by CRIS through the use of the CRIS Allocation Module (CAM).

Fund holders

- Carry out the responsibilities assigned in P&P 320.1, Resource Management. Fund holders will be evaluated based upon FDW reports at year-end after appropriate adjustments are made. FFIS is the official accounting system of the Agency and as such is the primary set of records that the Administration and Congress refer to when evaluating the Administrator's fund management performance.
- Manage assigned funding level as reported by the LAO/T in CATS Status of Funds reports at the MU and CRIS project levels.
- Rely on the financial information produced by the LAO/T. Optionally maintain a simple pending log of outstanding documents which should be totaled and deducted from the CATS Status of Funds report. The maintenance of additional records by research scientists and research support personnel is strongly discouraged. It is advised that the fund holder work closely with the LAO/T to ensure accurate fund status reporting. Accounting by scientist is not recommended or required because ARS does not support this level of detail in managing its funds.

SBFO

- Provide guidance to LAO/T and fund holders on the funds control process, including review, analysis, and communication on FFIS, CATS, and SAMS reports.

The Director, FMD

- Provide assistance to Areas and locations in complying with this P&P, and monitor and report on Agency funds control performance.
- Approve or disapprove exceptions to this P&P.

5. Glossary

CRIS. Current Research Information System

FDW. Financial Data Warehouse

FFIS. Foundation Financial Information System

FMD. Financial Management Division, Administrative and Financial Management

FOB. Fiscal Operations Branch, FMD

LAO/T. Location Administrative Officer/Technician

CATS. CRIS Allocation Tracking System. The automated ARS local funds control system for reconciliation with FFIS, and production of Status of Funds reports.

MU. Management Unit

SAMS. Salary Management System. The automated ARS system for projection and tracking of salary costs.

SBFO. Servicing Budget and Fiscal Office

/s/

J. Bradley
Deputy Administrator
Administrative and Financial Management

Exhibit 1

CATS Reporting Schedule CRIS and MU Level Reports

Month(s)	Date(s) Due
October	No report required
November	Report optional at request of fund holder
December through July	Twenty-fifth of the month. Records to be reconciled through end of subsequent month.
August and September	An extra report should be provided immediately after reconciliation of the FFIS reports for the end of July and weekly thereafter.
September 30 final report	October 1