

ARS □ CSREES □ ERS □ NASS

Policies and Procedures

Title: Tracking Major Construction Funds

Number: P&P 325.2

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Distribution: ARS Headquarters, Areas, and Locations

This P&P states ARS policy and responsibilities for the tracking of major construction funds throughout ARS.

Table Of Contents

| | | |
|----|---------------------------|----|
| 1. | References | 3 |
| 2. | Summary | 3 |
| 3. | Authorities | 3 |
| 4. | Policy | 3 |
| 5. | Responsibilities | 4 |
| 6. | Exceptions | 7 |
| 7. | BA Modernization | 8 |
| 8. | PIADC Modernization | 9 |
| 9. | Glossary | 11 |

1. References

- A. Facilities Construction Authorities, P&P 242.2
- B. Major Facilities Construction Manual 242.4
- C. Funds Control at the Operating Level, Directive 325.1

2. Summary

This P&P states ARS policy and responsibilities for the tracking of major construction funds throughout ARS. It defines the roles and responsibilities of individual organizations in the management and tracking of major construction funds. It also provides the accounting mechanism for capturing and reporting expenditures against available resources in the Central Accounting System.

3. Authorities

31 USC 3512
Public Law 97-255

4. Policy

All major construction funds, with the exception of the Beltsville Area (BA) and Plum Island Animal Disease Center (PIADC), appropriated to Agricultural Research Service (ARS) under the Buildings and Facilities (12X1401) appropriation will be centrally tracked at Headquarters. Due to dollar value and volume of projects relating to funds appropriated for BA, the BA Area Budget and Fiscal Office (ABFO) will maintain the tracking of BA Modernization funds. PIADC will maintain tracking of PIADC Modernization funds due to the complexity of the split receipt of funds from APHIS (X57) and ARS (X53) Buildings and Facilities appropriations on joint projects.

Funds will be allocated in full to the Area by location when work on the project is ready to start and actual costs can begin to be incurred. If the appropriated funds are insufficient to start the project, then the allocation of funds will not take place until adequate funding is appropriated to begin the work.

5. Responsibilities

A. Budget and Program Management Staff (BPMS) will:

1. Once actual costs can begin to be incurred, allocate the total funds appropriated by Congress on an AD-705 to the Area Director (AD) with copies to Facilities Division (FD) and Financial Management Division (FMD). Identify the essential purposes and conditions for which the funds may be used.
2. Request approval from Office of Management and Budget (OMB) and/or Congress to redirect excess funds authorized for a completed project to another on-going project within 120 days of notification by FMD.
3. Reallocate funds where redirection is deemed appropriate and approved.
4. Provide the Apportionment and Reapportionment Schedule, SF-132, to FD and FMD with attachments reflecting the annual activity status on each project by location.

B. AD (or designee) will:

1. Act as the Program Manager and allocation holder on major construction projects for the respective Area. The AD may re-delegate fund holder authority, such as the signing of all AD-700's, to a single Area contact, by project, such as the Area Administrative Officer (AAO), ABFO, or Associate/Assistant AD.
2. Designate someone to review the monthly status of funds report provided by FMD.

C. Director, FD (or designees) will:

1. Act for the Administrator to assure that all aspects of ARS construction program are managed according to approved Congressional authority and ARS program plans.
2. Designate someone to review the monthly status of funds report provided by FMD, PIADC or BA, as applicable.
3. Request allocation of total funds appropriated via E-mail to the Director, BPMS (with a copy to the Director, FMD) when a project is ready to begin. (See section 6 D for exceptions.)

4. Award contracts and obligate funds for projects, as applicable, requesting an AD-700 from the Area with a copy to FMD. Assure that contracts are awarded only for work authorized for the specific construction project. (See sections 6 C, D for exceptions.)
5. Provide copies of all FD-issued obligation and disbursement documents to FMD, BA or PIADC, as applicable, for accounts maintenance purposes on all ARS major construction projects.
6. Provide the annual construction activities report, in coordination with FMD, as required by Congress, to BPMS and the Department.
7. Prepare contract modifications as required during the course of the project to deobligate funds in Central Accounting System (CAS) in order to reflect the actual obligations for the project. Provide a copy of the modifications to FMD.
8. Notify the Area when a project has been completed. Review and provide concurrence on any request for approval to obligate funds initiated from the Area against any remaining balance.
9. Prepare contract modification, after warranty period, deobligating any remaining balance on the contract.
10. Notify FMD when all inspections and warranty period on a contract have been completed, the facility has been completed and accepted, and that there will be no other actions to obligate and disburse funds for the project.

D. Director, FMD (or designees) will: (See Sections 6 A, B for exceptions.)

1. Monitor all aspects (allocation, obligation, disbursement and closeout) of status of funds for each construction project.
2. Work with the Area Designee and Reporting Section #4 (RS#4) to resolve issues and problems raised by FD or BPMS on the status of funds report for construction project accounts.
3. Establish project numbers and accounting codes in the Management Account Structure Code (MASC) system with the appropriate limit code for each project in the CAS based on the AD-705 and consultation with the AAO/Area Office Engineer (AOE).

4. Establish and issue financial plans for each construction project.
5. Establish Location Obligation Tracking System (LOTS) accounts for all major construction projects.
6. Enter all commitment and obligation documents in LOTS, reconcile LOTS transactions to monthly CAS accounting data, and make adjustments to correct errors in CAS.
7. Maintain a list of disbursement transactions for each construction project account, file with the LOTS report as supporting documentation and make available upon request.
8. Reconcile disbursements to ensure that they do not exceed the amount of funds allocated and obligated; ensure that disbursements are made from the proper accounting codes; coordinate the necessary adjustments and corrections in CAS and ARS financial subsystem(s).
9. Provide monthly status of funds reports by the 8th of each month to the Area Designee, FD and BPMS. Continuously review and generate financial reports as required until the project is complete.
10. Determine available balance or verify that the financial plan, obligations and disbursements are equal upon notification from FD that a project is complete. Obtain confirmation from the Area contact that no further obligations will be incurred. Notify RS#4, National Finance Center (NFC), to close accounting codes accordingly.
11. Notify BPMS that a project is complete and provide the balance available for redirection by project, as applicable.

E. Area Designee (AAO, ABFO as applicable) will:

1. Prepare AD-700's for the Area Director or designee in response to written requests from FD, and provide copies to FMD.
2. Review the status of funds report provided monthly from FMD.
3. Work with FD, FMD and RS#4 in the closeout of accounts and/or redirection of surplus funds, supplying information as requested.

4. Forward a request to FMD, with a copy to FD, requesting approval to obligate funds against the remaining balance of a project that is completed and under the warranty period.
- F. RS#4, NFC will:
1. Maintain accountability for obligations and disbursements on major construction projects transferred to other agencies (such as CSREES) on a temporary basis.
 2. Provide Transaction Detail Ledgers (TDL) and Object Class by Account Reports (OCA) to FMD for reconciliation to the LOTS transactions on all major construction accounts.
 3. Promptly process contract award and modification documents to obligate, deobligate or disburse against major construction accounting codes.
 4. Provide the Construction Project Financial Status (CPFS) report to BPMS and FMD, after reconciling to the Report on Budget Execution, SF-133.
 5. Promptly close out projects by rolling all accounting code data to main appropriation symbols and deleting the accounting code from the MASC system.

6. Exceptions

- A. Beltsville Modernization (See Section 7)
- B. Plum Island Animal Disease Center Modernization (See Section 8)
- C. If the Area is responsible for some element of the contracting activity under the appropriation; i.e., the Area has delegated authority for procurement and contracting (usually projects valued at \$300,000 or less or special delegation for the contract), then the Area will:
 1. Award contracts, task orders or purchase orders to obligate funds for projects within delegated authorities. Assure that obligations are incurred only for work authorized for the specific construction project.
 2. Provide FMD a copy of all obligation and disbursement documents initiated by the Area and locations with delegated authority. (task orders, purchase orders, etc.)

3. Consult FMD to determine the proper project number and accounting code(s) to reflect on obligation documents.
- D. In the event that the appropriation is approved authorizing the project to be accomplished by a grant, the Area will:
1. Request allocation of funds via E-mail to the Director, BPMS (with a copy to the Director, FMD).
 2. Coordinate execution of the grant with the Extramural Agreements Division to obligate funds. Assure that obligations are incurred only for work authorized for the specific construction project.
 3. Provide FMD a copy of all obligation and disbursement documents initiated by the Area and locations with delegated authority for the grant.
 4. Consult FMD to determine the proper project number and accounting code(s) to reflect on obligation documents.
 5. Notify RS#4 and FMD when a project has been completed and that there will be no other actions to obligate or disburse funds for the project.

Note: Regardless of where the contracting or procurement takes place (Headquarters, Area, Location), copies of all commitment, obligation and disbursement documents for projects in all areas except Beltsville and PIADC **must** be provided to FMD for funds control in a timely manner to ensure accurate status of funds reporting.

7. BA Modernization

The Beltsville ABFO will assume similar duties and responsibilities as FMD to accomplish fund control of Beltsville Building and Facilities funds, as follows:

- A. Monitor all aspects (allocation, obligation, disbursement and closeout) of status of funds.
- B. Work with the Area Designee and RS#4 to resolve issues and problems raised by FMD, FD or BPMS on the status of funds report for construction project accounts.
- C. Establish project numbers and accounting codes in the MASC system with the appropriate limit code for each project in the CAS based on the AD-705 and consultation with the AAO/AOE.

- D. Establish and issue financial plans for each construction project.
- E. Establish LOTS accounts for all major construction projects.
- F. Enter all commitment and obligation documents in LOTS, reconcile LOTS transactions to monthly CAS accounting data, and make adjustments to correct errors in CAS.
- G. Maintain a list of disbursement transactions via Automated LOTS Reporting Module (ALRM) for each construction project account, file with the LOTS report as supporting documentation and make available upon request.
- H. Reconcile disbursements to ensure that they do not exceed the amount of funds allocated and obligated; ensure that disbursements are made from the proper accounting codes; coordinate the necessary adjustments and corrections in CAS and ARS financial subsystem(s).
- I. Provide monthly status of funds reports by the 8th of each month for each project to Area management.
- J. Provide a summary of all BA Modernization projects by the 8th of each month to FMD and FD. Continuously review and generate standard financial reports as required until the project is complete.
- K. Determine available balance or verify that the financial plan, obligations and disbursements are equal upon notification from FD that a project is complete. Notify RS#4, NFC, with a copy to FMD, to close accounting codes accordingly.
- L. Notify BPMS that a project or appropriation is complete and provide the balance available for redirection, as applicable.

8. PIADC Modernization

The North Atlantic Area ABFO and PIADC Administrative Officer (AO) will assume similar duties and responsibilities as FMD to accomplish fund control of PIADC Building and Facilities funds, as follows:

- A. PIADC will prepare AD-700's for the Assistant Center Director for Management approval in response to written requests from FD.
- B. PIADC will monitor all aspects (allocation, obligation, disbursement, and closeout) of status of funds for each construction project.

ABFO (not co-located) will provide oversight of the PIADC monitoring.

- C. PIADC, and ABFO when necessary, will work with RS#4 to resolve issues and problems raised by FMD, FD or BPMS on the status of funds report for construction project accounts.
- D. ABFO will establish project numbers and accounting codes in the MASC system with the appropriate limit code for each project in the CAS based on the AD-705 and consultation with the AAO/AOE.
- E. ABFO will establish and issue financial plans for each construction project.
- F. PIADC will establish LOTS accounts for all major construction projects.
- G. PIADC will enter all commitment and obligation documents in LOTS, reconcile LOTS transactions to monthly CAS accounting data, and make adjustments to correct errors in CAS.
- H. PIADC will maintain a list of disbursement transactions, via ALRM, for each construction project account, file the list with the LOTS report as supporting documentation and make the list available upon request.
- I. PIADC will reconcile disbursements to ensure that they do not exceed the amount of funds allocated and obligated; ensure that disbursements are made from the proper accounting codes; coordinate the necessary adjustments and corrections in CAS and ARS financial subsystem(s).
- J. PIADC will:
 - 1. Provide monthly status of funds reports to the ABFO, for review, for each major construction account by the 8th of each month.
 - 2. Provide a summary of all PIADC (ARS) Modernization projects to ABFO and FMD by the 8th of each month.
 - 3. Continuously review and generate standard financial reports as required until the project is complete.
 - 4. Determine available balance or verify that the financial plan, obligations and disbursements are equal upon notification that a project is complete.
 - 5. Coordinate with ABFO, FD, FMD and RS#4 the closeout and/or redirection of surplus funds. Will notify FMD that a project is complete.

- 6. Notify RS#4, NFC, with a copy to FMD, to close accounting codes accordingly.
- K. PIADC will, with ABFO concurrence, forward a request to FMD, with a copy to FD, requesting approval to obligate funds against the remaining balance of a project that is closed out and under the warranty period.
- L. PIADC will, with ABFO concurrence, forward the notice to redirect funds by major construction account, if applicable, to BPMS with a copy to FMD.

9. Glossary

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| AAO | - | Area Administrative Officer |
| ABFO | - | Area Budget and Fiscal Officer |
| AD | - | Area Director |
| ALRM | - | Automated LOTS Reporting Module |
| AO | - | Administrative Officer |
| AOE | - | Area Office Engineer |
| BPMS | - | Budget and Program Management Staff |
| CAS | - | Central Accounting System |
| CPFS | - | Construction Project Financial Status |
| CSREES | - | Cooperative State Research, Education and Economics Service |
| FD | - | Facilities Division |
| FMD | - | Financial Management Division |
| LOTS | - | Location Obligation Tracking System |
| MASC | - | Management Account Structure Code |
| NFC | - | National Finance Center |
| OCA | - | Object Class Account Report |
| OMB | - | Office of Management and Budget |
| RS#4 | - | Reporting Section No. 4, Accounting Reporting Branch, NFC |
| TDL | - | Transaction Detail Listing |

/s/

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