



USAID
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**Functional Series [200](#)
Programming Policy**

INTERIM UPDATE 06-09

SUBJECT: Manage-to-Budget

NEW MATERIAL: The Administrator directed the accelerated implementation of an Agency-wide Manage-to-Budget (MTB) system that will ensure that USAID uses our resources in the most cost effective manner in order to maximize program resources reaching recipients throughout the world.

EFFECTIVE DATE: 08/24/2006

This message was sent out 8/24/2006, as an Executive Message. This notice is being posted to the intranet for record purposes.

ADMINISTRATOR

USAID/General Notice
A/AID
08/24/2006

EXECUTIVE MESSAGE

Subject: Manage-to-Budget

During my confirmation hearing and other Congressional testimony this past year, I made a commitment to Congress to decentralize some USAID operating expenses in Washington over the next few months, to do so worldwide in fiscal year 2007, and to subsequently report back on the "true spending" levels of Operating Expenses (OE) at USAID.

To that end, on April 27, 2006, I directed the accelerated implementation of an Agency-wide Manage-to-Budget (MTB) system that will ensure that we use our resources in the most cost effective manner in order to maximize program resources reaching recipients throughout the world. The MTB system we are currently planning will change the internal budget process by: 1) decentralizing more of our OE budget; 2) requiring managers to better justify all expenses; and 3) setting target cost ratios for all OE costs.

I am happy to report that we are now moving along the road that I outlined and are preparing to implement MTB as planned in October. The MTB Working Group was established with a dozen sub-groups that are currently working through a variety of issues that must be resolved for successful implementation. Over the next two months, the implementation plan will be finalized, training materials prepared, PowerPoint presentations delivered to key staff members, and briefings given to Congress, Assistant Administrators, Bureau and office chiefs, and, of course, all of you--the ones that will make MTB a reality. In order for you to be able to track our progress, a website has been established at <http://inside.usaid.gov/M/MTB>.

I urge you to participate in the briefings; read carefully the various E-Lerts, notices, and informational messages that will be coming out; and then join me in supporting this initiative so that we can get the maximum return from the funds being spent to deliver our programs. Thank you for your attention to this matter.

Ambassador Randall L. Tobias

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File Name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
IU2_0609_091306_cd45.doc	08/24/2006	08/24/2006		ADS CD 45	This IU will remain in effect until the policy in it is incorporated into an ADS chapter.

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