

U.S. NUCLEAR REGULATORY COMMISSION

DIRECTIVE TRANSMITTAL

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To: NRC Management Directives Custodians

Subject: Transmittal of Management Directive 4.2, "Administrative Control of Funds"

Purpose: Directive and Handbook 4.2 are being revised in their entirety as a result of NRC reorganizations and several major policy changes since the last publication. Some of the more significant changes to the handbook are as follows. Part V, "Allowance and Financial Plan Process," includes a new section on the addition of full-time equivalent ceilings on offices' advice of allowances and financial plans (AAFPs). Part VI, "Commitment and Obligation of Funds," was revised to include a new section on international implementing agreements. Part VIII, "Reimbursable Work Performed by NRC for Others," includes new sections on reimbursable work involving NRC staff time, Agreement State training, and foreign travel. Additional guidance has been provided on full-cost recovery for reimbursable agreements and the roles and responsibilities associated with reimbursable work. Part X, "Financial Management," was revised to include new sections on the midyear resource review and resource reallocations. Part XI, "Nuclear Waste Fund Policy," was added to provide guidance on charging costs to the Nuclear Waste Fund (NWF) and to establish effective management controls over those costs charged to the NWF.

Office and

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Division of Planning, Budget, and Analysis

Contact: Deborah Bailey-Mahdi, 301-415-6021

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Michael T. Lesar, 301-415-7163
Christy Moore, 301-415-7086

Administrative Control of Funds

Directive
4.2

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U. S. Nuclear Regulatory Commission

Volume: 4 Financial Management

OCFO

Administrative Control of Funds

Directive 4.2

Policy (4.2-01)

It is the policy of the U.S. Nuclear Regulatory Commission that agency systems for budget execution and the administrative control of funds conform to the policies, procedures, and standards specified in this directive and handbook, in compliance with the requirements of Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget"; the Antideficiency Act (31 U.S.C. 1341 et seq.); the Impoundment Control Act of 1974; the Chief Financial Officers Act of 1990; and the Government Performance and Results Act of 1993.

Objectives (4.2-02)

- To maintain financial control over the allotment, allocation, and obligation of appropriated and apportioned funds to ensure compliance with applicable Federal laws, policies, and practices. (021)
- To ensure that budgetary resources are best utilized to support program requirements to accomplish the agency's mission. (022)

Organizational Responsibilities and
Delegations of Authority
(4.2-03)

Chairman
(031)

- Prescribes a system for the administrative control of funds available to NRC consistent with accounting procedures prescribed under law. (a)
- Recommends to the other Commissioners significant changes to the programs and resources described in the NRC budget during the implementation of the plan based on proposals received from the Chief Financial Officer (CFO) and the Executive Director for Operations (EDO). (b)

Commission
(032)

- Approves significant changes to the programs and resources described in the NRC budget during the implementation of the plan. (a)
- Grants waivers for recovery of less than full cost under reimbursable agreements. (b)

Executive Director for Operations (EDO)
(033)

- Informs the Commission regarding significant changes to the programs and resources of offices reporting to the EDO during the implementation of the budget with CFO concurrence. (a)
- Reviews and approves the midyear resource review recommendations before issuance to the Commission. (b)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Assistant for Operations
(034)

Informs the Commission in writing of less significant resource reallocations of offices reporting to the EDO during budget execution.

Inspector General (IG)
(035)

- Investigates allegations of fraud, waste, abuse, or misconduct by NRC employees, as well as allegations of mismanagement of agency programs. (a)
- Reviews circumstances surrounding Antideficiency Act violations and, as appropriate, conducts an investigation or audit. (b)
- Advises the CFO of facts derived from investigations or audits that have funds control implications. (c)

Chief Financial Officer (CFO)
(036)

- Performs the functions of the agency CFO as specified in the Chief Financial Officers Act of 1990 and in the OMB-approved Organization and Functions of the Chief Financial Officer of the U.S. Nuclear Regulatory Commission, dated April 12, 1991. (a)
- Discharges all financial management activities and functions, including responsibility for the administrative control of NRC's funds. (b)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Chief Financial Officer (CFO)
(036) (continued)

- Establishes policies and procedures for NRC budget execution and the administrative control of funds during the implementation of the approved NRC budget. (c)
- Maintains financial controls over the allotment and obligation of appropriated and apportioned funds to ensure compliance with applicable laws, policies, and practices. (d)
- Provides policy advice on the qualifications, recruitment, performance, training, and retention of all agency financial management personnel. Reviews and exercises concurrence authority over the descriptions and skill requirements for allowance holder financial management positions. Provides advice to the EDO, office directors, and regional administrators regarding the selection of financial managers. Provides input to allowance holders in the annual performance assessment of their financial managers. (e)
- Conducts the NRC's midyear resource review. Approves and provides resource recommendations to the Commission. (f)
- Monitors the financial execution of the NRC budget and prepares timely reports for the Chairman, the Commission, and NRC senior management. (g)
- Approves and submits requests to OMB for apportionment and reapportionment of appropriated funds available to the NRC. (h)
- Issues allotments for the amounts apportioned by OMB or otherwise authorized by law to the Director of the Division of Planning, Budget, and Analysis (DPBA). (i)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Chief Financial Officer (CFO)
(036) (continued)

- Determines if there is a violation of the Antideficiency Act or other agency funds control limitations. Reports Antideficiency Act violations to the Chairman and the Inspector General. Advises the Chairman on whether a report shall be made to Congress. Directs proper corrective actions and takes disciplinary steps where warranted. (j)
- Advises the Chairman and other agency officials on the financial implications of proposed courses of action. (k)
- Submits quarterly base table reports and reprogramming requests to the appropriate congressional oversight committees. (l)
- Maintains oversight of the financial management aspects of utilization of full-time-equivalent (FTE) positions. (m)
- In consultation with the Office of the General Counsel, makes determinations regarding the proper use of appropriated funds. (n)
- Informs the Commission of the allocation of appropriation reductions that are \$500,000 or more in contract support/travel costs or four or more FTEs when the NRC's appropriation is less than its budget request. (o)

Director, Office of Human Resources (HR)
(037)

In accordance with FTE allocations provided by the Director of DPBA, issues current and revised fiscal year ceiling allocations for

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Director, Office of Human Resources (HR)
(037) (continued)

FTE staff resources to all NRC offices and regions in accordance with Manual Chapter 4131, "Position Management and Employment Ceilings" (Management Directive 10.38, "Position Management").

Director, Division of Planning, Budget,
and Analysis (DPBA), Office of the Chief
Financial Officer (OCFO)
(038)

- Administers the NRC budget execution and resource management process. (a)
- Prepares requests to OMB for apportionment of funds. (b)
- Executes all allottee responsibilities as delineated in Handbook 4.2. (c)
- Assumes supervisory authority and fiduciary responsibility for allotments issued, including the legal responsibility in accordance with the provisions of the Antideficiency Act (31 U.S.C. 1341, 1514, 1517) to ensure that allotment limitations are not exceeded. (d)
- Delegates authority to and rescinds authority from agency allowance holders. (e)
- Issues all agency financial plans and allowances consistent with the approved NRC budget, NRC allotments, and applicable authorization and appropriation acts. (f)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Director, Division of Planning, Budget,
and Analysis (DPBA), Office of the Chief
Financial Officer (OCFO)
(038) (continued)

- Reviews financial plan and allowance change requests submitted by the NRC allowance holders to assess the effects of such requests on the approved NRC budget and the reprogramming thresholds specified by Congress; approves change requests up to those thresholds (see Handbook 4.2, Part V); and refers other proposed changes to the CFO, along with appropriate recommendations for action. (g)
- Initiates reprogramming requests to Congress. (h)
- Approves in advance agreements under which the agency is to perform reimbursable work for others or receive non-expenditure transfers of funds from other Federal agencies. (i)
- In accordance with the approved NRC budget, provides HR with FTE allocations for NRC offices and regions. (j)

Director, Division of Financial
Management (DFM), OCFO
(039)

- Maintains the agency accounting system for the administrative control of funds. (a)
- Accounts for and reports on the status of NRC funds. (b)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Director, Division of Financial
Services (DFS), OCFO
(0310)

- Manages the NRC Central Allowance. (a)
- Records the obligation of funds. (b)

Office Directors and Regional Administrators
(0311)

- Accomplish the goals, objectives, and guidance in the approved NRC budget, in accordance with current financial plans, allowances, and FTE allocations. (a)
- Evaluate mandated program and budget adjustments, policy changes, new legislation, workload changes, and other needs for programmatic shifts; advise the Commission (for those offices reporting to the Commission), or the EDO (for those offices reporting to the EDO), and the CFO of any substantive changes that are required in the NRC budget. (b)
- Inform the Commission (for those offices reporting to the Commission) or the EDO (for those offices reporting to the EDO) by memoranda of significant resource reallocations between programs and planned activities and activities known to be of Commission interest. (c)
- Request CFO concurrence on memoranda of significant resource reallocations between programs and planned activities. (d)

Organizational Responsibilities and
Delegations of Authority
(4.2-03) (continued)

Allowance Holders (those agency
officials delegated authority by the
Director of DPBA to receive allowances)
(0312)

- Assume supervisory authority and fiduciary responsibilities for financial plans and allowances issued to them, including the responsibility to ensure that allowance limitations are not exceeded. (a)
- Execute all allowance holder responsibilities as delineated in Handbook 4.2. (b)

Applicability
(4.2-04)

The policy and guidance in this directive and handbook apply to all NRC employees.

Handbook
(4.2-05)

Handbook 4.2 provides procedures and practices to be followed in the agency's budget execution and administrative control of funds during the implementation of the approved NRC budget. Any question regarding policy interpretation or the proper treatment for items not specifically addressed in this directive or handbook should be referred to the Director of DPBA.

Reports
(4.2-06)

The CFO reports violations of the Antideficiency Act to the Chairman and the Inspector General. (061)

Reports

(4.2-06) (continued)

The Chairman reports violations of the Antideficiency Act to the President, Congress, and the Government Accountability Office. (062)

The CFO reports deferrals and rescissions to OMB in accordance with the requirements of OMB Circular A-11 and the Impoundment Control Act of 1974. (063)

The CFO submits base table reports identifying reprogramming of agency budgetary resources to the applicable congressional oversight committees. (064)

The CFO submits periodic reports on budget execution to the Chairman, the Commission, and NRC senior management. (065)

References

(4.2-07)

Code of Federal Regulations

Federal Acquisition Regulations (48 CFR Chapter 1).

Government Accountability Office

Government Accountability Office, Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, "Fiscal Guidance."

Principles of Federal Appropriations Law, Second Edition.

NRC Documents

NRC Announcement No. 106, Senior Management Organization and Personnel Changes, December 3, 1996.

References

(4.2-07) (continued)

"Organization and Functions of the Chief Financial Officer of the U.S. Nuclear Regulatory Commission," April 12, 1991.

"U.S. NRC Regulation for the Administrative Control of Funds," approved December 22, 1998.

NRC Manual Chapters

Manual Chapter 4131, "Position Management and Employment Ceilings" (Management Directive [MD]10.38, "Position Management").

Manual Chapter 1302, "Shutdown Plan: Contingency Plan for Periods of Lapsed Appropriations" (MD 4.5, "Contingency Plan for Periods of Lapsed Appropriations").

NRC Management Directives

4.1, "Accounting Policy and Practices."

4.4, "Management Controls."

4.7, "NRC Long-Range Planning, Programming, and Budget Formulation."

5.4, "Official Representation Expenses."

9.17, "Organization and Functions, Office of the EDO."

9.20, "Organization and Functions, Office of the Chief Financial Officer."

10.1, "Appointments, General Employment Issues, Details, and Position Changes."

10.2, "Staffing Assistance for International Organizations."

References

(4.2-07) (continued)

10.44, "Relocation Bonus Program."

10.72, "Incentive Awards."

11.1, "NRC Acquisition of Supplies and Services."

11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)."

11.8, "NRC Procedures for Placement and Monitoring Work With Other Federal Agencies Other Than DOE."

14.1, "Official Temporary Duty Travel."

Office of Management and Budget

Circular A-11, "Preparation, Submission, and Execution of the Budget" (revised annually).

United States Code

Antideficiency Act (31 U.S.C. 1341-42, 1349-51, and 1511-19).

"Application of Appropriations" (31 U.S.C. 1301).

Chief Financial Officers Act of 1990, Pub. L. No. 101-576 (31 U.S.C. 501-506, 901-903, 3512(a), 3515, 3521(e)-(h), and 9105-9106).

Economy Act (31 U.S.C. 1535).

Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512).

Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486).

References

(4.2-07) (continued)

Government Performance and Results Act of 1993, Pub. L. No. 103-62.

Impoundment Control Act of 1974, Pub. L. 93-344, Title X (2 U.S.C. 681-8).

Inspector General Act of 1978, 5 U.S.C. App. 3.

Intergovernmental Personnel Act (5 U.S.C. 3371-3376).

Nuclear Waste Policy Act of 1982, as amended (42 U.S.C. 10222).

Supplemental Appropriations Act of 1955, Section 1311 (31 U.S.C. 1501(a), 1502(a)).

Administrative Control of Funds

Handbook
4.2

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Part I Introduction

Overview (A)

This introduction to Handbook 4.2 includes a purpose statement for the handbook and a summary of responsibilities for the administrative control of funds. It presents an overview of the NRC funds control process and a reference table synopsis of other NRC policies and procedures related to funds control.

Purpose (B)

This handbook specifies policies and procedures to be followed to maintain proper control over available funds during budget execution and for certifying funds availability before obligation. In addition, it provides an overview of the Federal laws and policies that are the basis for funds control operating standards and the components of the Federal financial management process involved in administrative control of funds. Issues not addressed in this handbook should be referred to the Director of the Division of Planning, Budget, and Analysis (DPBA) or the Chief of the Funds Control Team, DPBA, for resolution. NRC accounting policy can be found in MD 4.1, "Accounting Policy and Practices," and the "OC Accounting Policy Manual."

Funds Control Responsibilities (C)

OCFO is responsible for the overall control of funds during budget execution. Within that office, the Division of Financial Management (DFM) is responsible for accounting and reporting on the status of the NRC's funds. DPBA is responsible for the NRC's budget formulation and budget execution policies and procedures, and the administrative control of funds. DPBA issues financial plans and allowances of funds to agency managers designated as allowance holders. Allowance holders are responsible for

Funds Control Responsibilities (C)
(continued)

certification of funds availability within their allowances before the execution of an action to obligate funds and for maintaining the detailed procedures necessary to implement the policies and procedures provided in this management directive (MD). In accordance with this MD these functions may be redelegated to designated staff (see Part IV of this handbook for more details).

The NRC Funds Control Process (D)

The general flow of activities during the NRC funds control process is shown in Exhibit I-1. (See the Glossary of this handbook for definition of terms.) After an appropriation is enacted by Congress, OCFO requests an apportionment of funds from the Office of Management and Budget (OMB). OMB's apportionment to the agency provides approval to obligate funds. The CFO issues allotments to DPBA for the amounts apportioned by OMB. DPBA issues financial plans and allowances to NRC allowance holders within the limits of the allotment. Allowance holders may commit agency funds up to the limits of their financial plans and allowances. Obligating officials may obligate NRC funds within the limits of amounts certified as available (committed). Costs or liabilities for payment are incurred against agency obligations. These liabilities result in payments against the obligations. The Antideficiency Act prohibits the total of payments and unpaid obligations from exceeding amounts allotted, apportioned, or appropriated. The details of this process are discussed in this handbook. Other NRC policies and procedures related to funds control are delineated in Exhibit I-2.

Exhibit I-1 The NRC Administrative Control of Funds Process

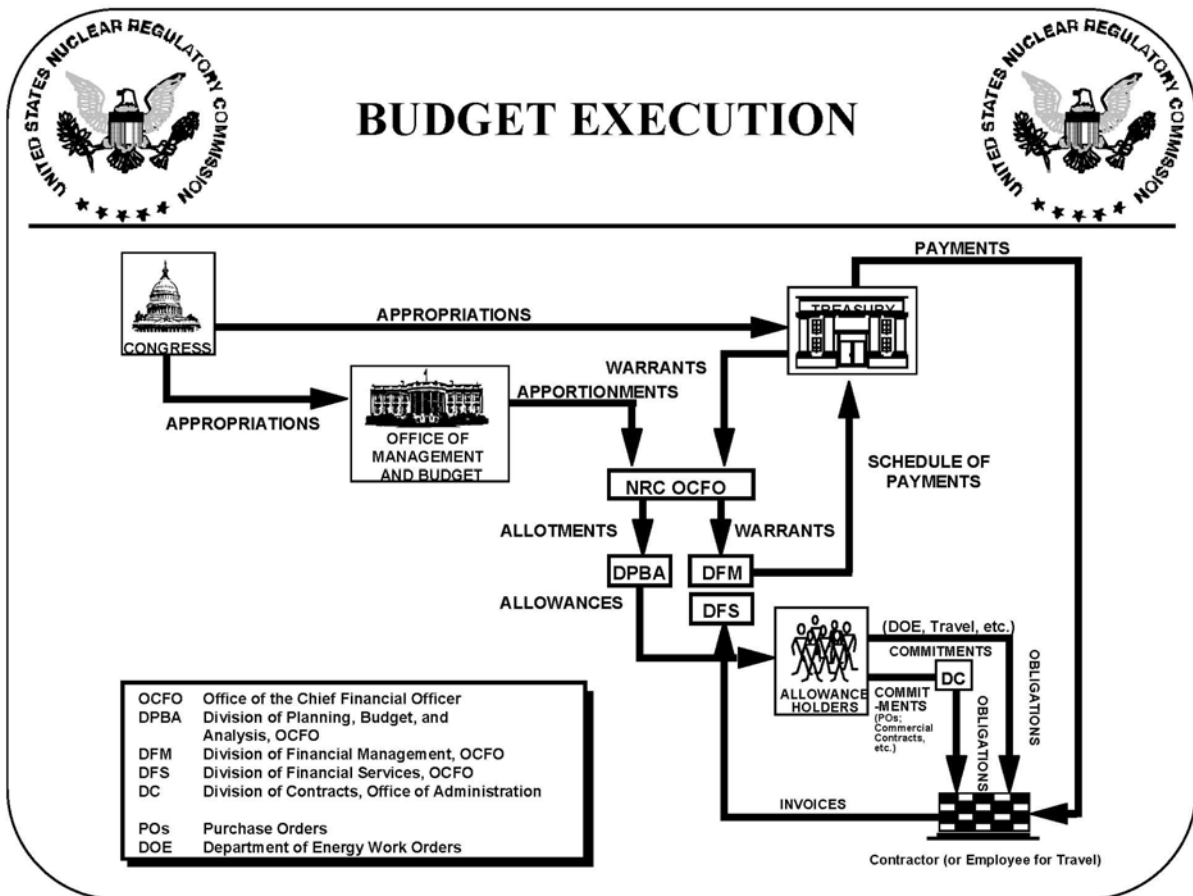


Exhibit I-2 NRC Management Directives Related to Funds Control

Policy	Contents
<ul style="list-style-type: none"> • Management Directive (MD) 3.11, "Conferences and Conference Proceedings" 	<ul style="list-style-type: none"> • NRC participation in conferences • Use of NRC funds for conferences
<ul style="list-style-type: none"> • MD 4.1, "Accounting Policy and Practices" 	<ul style="list-style-type: none"> • Organizational responsibilities and delegations of authority associated with NRC accounting policies • Delegation of authority to sign fiscal and accounting documents • Guidelines for capitalization of information technology software
<ul style="list-style-type: none"> • MD 4.5, "Shutdown Plan for Periods of Lapsed Appropriations" 	<ul style="list-style-type: none"> • Lapsed appropriation procedures • Instructions for suspending nonessential activities
<ul style="list-style-type: none"> • MD 5.4, "Official Representation Expenses" 	<ul style="list-style-type: none"> • Role of the Office of International Programs defined • Authorization procedures for entertainment expenses • Certification of funds availability procedures defined
<ul style="list-style-type: none"> • MD 11.1, "NRC Acquisition of Supplies and Services" 	<ul style="list-style-type: none"> • Certification of funds availability procedures defined • Commitment documents for purchase orders and commercial contracts identified
<ul style="list-style-type: none"> • MD 11.6, "Financial Assistance Program" 	<ul style="list-style-type: none"> • Role of Director of the Division of Contracts, Office of Administration, defined • Certification of funds availability procedures defined
<ul style="list-style-type: none"> • MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)" 	<ul style="list-style-type: none"> • Obligation procedures for DOE work orders • Authority to sign work orders • Certification of funds availability procedures defined
<ul style="list-style-type: none"> • MD 11.8, "NRC Procedures for Placement and Monitoring Work With Other Federal Agencies Other Than DOE" 	<ul style="list-style-type: none"> • Policy and procedures to ensure that negotiating and managing agreements with other Federal agencies are consistent with sound business practices and contracting principles
<ul style="list-style-type: none"> • MD 14.1, "Official Temporary Duty Travel" 	<ul style="list-style-type: none"> • Administrative approval and authorization of travel • Certification of funds availability procedures defined • Allowable expenses

Part II

Legal Requirements for Funds Control

Overview (A)

Part II summarizes the laws and policies that set the standards for administrative control of funds and financial management improvements. These include the Antideficiency Act; "Application of Appropriations" (31 U.S.C. 1301(a)); the Government Performance and Results Act (GPRA) of 1993; the Impoundment Control Act of 1974; Office of Management and Budget (OMB) A-11; Government Accountability Office (GAO) guidance; and the Chief Financial Officers Act of 1990 (CFO Act). Extracts from some of the laws and policies that provide the legal basis for administrative control of funds are included. A reference table summary of key laws and policies is contained in Exhibit II-1. A summary of the Antideficiency Act is shown in Exhibit II-2.

Antideficiency Act (B)

Prohibitions (1)

The Antideficiency Act prohibits any officer or employee of the United States from— (a)

- Making or authorizing obligations or expenditures in excess of the amount available in an appropriation or fund, an apportionment or reappportionment, or an allotment (i)
- Involving the Government in a contract or obligation for payment before an appropriation is made unless authorized by law (ii)
- Accepting voluntary services for the Government unless authorized by law (iii)

Antideficiency Act (B) (continued)

Prohibitions (1) (continued)

The Antideficiency Act also prescribes administrative discipline and/or criminal penalties and reporting requirements to the President and the Congress in the event of a violation. Contact the Division of Planning, Budget, and Analysis (DPBA) for a complete copy of the Antideficiency Act. (Pertinent extracts from the Antideficiency Act are shown in Exhibit II-2.) (b)

System of Administrative Control of Funds (2)

An additional requirement of the Antideficiency Act is that the head of each executive agency shall prescribe by regulation a system of administrative control of funds (31 U.S.C. 1514). The Chairman of the Commission has prescribed a system that is designed to restrict obligations and expenditures to available amounts, and to fix responsibilities for any violation of the Antideficiency Act. This system is designed so that responsibility is placed at the highest practical organizational level consistent with effective and efficient management and control. The NRC's system for the administrative control of funds has been approved by OMB and is described in this directive. (See "USNRC Regulation for the Administrative Control of Funds" (Exhibit II-3).)

The Government Performance and Results Act of 1993 (C)

The primary focus of the GPRA of 1993 is on program outcomes and results. The act asks the question: What are Federal agencies accomplishing? There are three principal GPRA requirements: (1)

- Developing and submitting a strategic plan. (a)
- Developing and submitting an annual performance budget. (b)
- Developing and submitting an annual program performance report. (c)

The Government Performance
and Results Act of 1993 (C) (continued)

These reports must be submitted to OMB and to Congress. The agency strategic plan (see NUREG-1614) provides the framework for implementing the GPRA and is a key part of the effort to improve performance of Government programs and operations. The strategic plan describes how the agency intends to accomplish its mission. In particular, this plan describes the agency's core principles and sets the goals, strategies, and means to gauge its performance. It includes management strategies that describe how the agency will conduct business to successfully accomplish its mission. (2)

Complementing the strategic plan is the agency's annual performance budget (see NUREG-1100). This publication describes the agency's programs, the performance plan, and the budget estimates for these program activities. It also describes the distribution of the budget and NRC full-time-equivalent (FTE) positions by major programs. Furthermore, the performance budget includes goals and measures to gauge the agency's success in accomplishing its mission. (3)

Each fiscal year, NRC evaluates its own performance against the previous year's performance budget. The Performance and Accountability Report (NUREG-1542) presents a comprehensive and integrated picture of the agency's performance for a specific fiscal year. This report includes the NRC's audited financial statements, the results of an evaluation of management controls, a report on the agency's success in achieving its goals, the results of any significant assessments of program activities that were carried out during the reporting period, and the most serious management challenges facing the agency as identified by the NRC Inspector General and how the NRC is addressing them. OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," provides instructions on preparing and submitting agency strategic plans, performance budgets, and performance reports. (4)

The Purpose Statute (31 U.S.C. 1301(a)) (D)

One of the most important statutes dealing with the use of appropriated funds is 31 U.S.C. 1301(a). This statute states that appropriations shall be applied only to the objects for which the appropriations were made, except as otherwise provided by law. The statute, in conjunction with the constitutional requirement that money cannot be paid from the Treasury except under a congressional appropriation, provides the primary basis for purpose limitations on the availability of funds.

Impoundment Control Act of 1974 (E)

The Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344) provides controls over the impoundment of funds by executive agencies. Title X of the act, known as the Impoundment Control Act of 1974, requires that the President report to Congress deferrals and proposed rescissions of budget authority. If Congress does not act affirmatively on a rescission proposal, the funds must be made available for obligation. Deferrals of budget authority may be overturned by an act of Congress.

OMB Circular A-11 (F)

OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," provides guidance on both budget formulation and budget execution. This management directive (MD) implements the budget execution requirements in OMB Circular A-11 by prescribing the standards for the NRC's funds control process. For example, it provides instructions on the apportionment process. Circular A-11 also provides implementing guidance on the requirements of the Antideficiency Act by providing instructions to agencies on systems for the administrative control of funds. In addition, the circular provides instructions to agencies on the reporting of deferrals and proposed rescissions under the Impoundment Control Act of 1974. This directive implements OMB

OMB Circular A-11 (F) (continued)

Circular A-11 budget execution requirements by prescribing the standards for the NRC's funds control process.

GAO Guidance (G)

GAO prescribes accounting and fiscal guidance for executive branch agencies. In support of this role, Title 7, "Fiscal Guidance," of the *GAO Policy and Procedures Manual for Guidance of Federal Agencies* provides guidance on appropriations, obligations, continuing resolutions, collections, disbursements, payment of judgments, acquisition of goods and services, and responsibilities of payment certifying officers. (1)

GAO also renders decisions on questions regarding the expenditure of appropriated funds and on other questions of appropriation law. Decisions on appropriation law made by the Comptroller General provide the basis for rules to be followed by Federal agencies in interpreting laws and Governmentwide regulations related to the use of appropriated funds. (2)

Published decisions of the Comptroller General are cited in this handbook by volume, page number, and year, for example, 64 Comp. Gen. 370 (1985). Unpublished decisions are cited by file number and date, for example, B-198471, May 1, 1980. GAO's *Principles of Federal Appropriations Law* provides a summary of the laws, Comptroller General decisions, and regulations related to appropriations, including guidance on the availability of appropriated funds as to time, purpose, and amount. (3)

CFO Act (H)

The CFO Act mandates the creation of agency chief financial officers at selected Federal agencies, including NRC, whose responsibilities extend to all aspects of financial management related to operating agency programs. This act strengthens the role of agency CFO positions to— (1)

CFO Act (H) (continued)

- Direct, manage, and provide policy guidance and oversight of all agency financial management personnel, activities, and operations (a)
- Approve and manage financial management systems design and enhancement projects (b)
- Monitor the financial execution of the budget of the agency in relation to actual expenditures, and prepare and submit to the head of the agency timely performance reports (c)

In addition, the CFO Act specifically places with the agency CFO the management responsibility for recruiting, selecting, and training personnel to carry out agency financial management functions. For agencies with major components that perform financial management operations, OMB guidance states that agency CFOs are responsible for approving job descriptions and skill requirements for those who head component financial management activities and operations, and participating in their annual performance evaluation. (2)

Exhibit II-1 Summary of Laws and Policies

Laws and Policies	Summary
<ul style="list-style-type: none"> • Antideficiency Act 	<ul style="list-style-type: none"> • No obligation or expenditures exceeding amount of appropriation, apportionment, or allotment. • No obligation or expenditures before appropriation is passed, unless authorized by law. • Requires establishment of a system of administrative control of funds. • Prescribes administrative discipline or criminal penalties for violations.
<ul style="list-style-type: none"> • "Application of Appropriations" (31 U.S.C. 1301(a)) 	<ul style="list-style-type: none"> • Funds may be used only for the purposes for which they were appropriated.
<ul style="list-style-type: none"> • Impoundment Control Act of 1974 	<ul style="list-style-type: none"> • Reinforces the principle that funds appropriated by the Congress should be obligated in the amounts, during the period, and for the purposes stated in the appropriation. • Proposed deferrals and rescissions of appropriated funds must be reported to Congress and are subject to various forms of congressional scrutiny.
<ul style="list-style-type: none"> • OMB Circular A-11 	<ul style="list-style-type: none"> • Contains instructions on the apportionment process. • Contains implementing instructions for the administrative control of funds. • Provides reporting instructions for deferrals and rescissions of budget authority.

Exhibit II-1 (continued)

<ul style="list-style-type: none"> • Government Accountability Office Guidance 	<ul style="list-style-type: none"> • Guidance on appropriations, obligations, collections, disbursements, and responsibilities of payment certifying officers. • Renders decisions on questions of appropriation law.
<ul style="list-style-type: none"> • Chief Financial Officers Act of 1990 	<ul style="list-style-type: none"> • Creates agency Chief Financial Officer (CFO) positions. • Gives CFO responsibilities for recruiting, selecting, training, and rating financial management personnel. • Gives CFO responsibility to monitor the financial execution of the budget.
<ul style="list-style-type: none"> • The Government Performance and Results Act of 1993 	<ul style="list-style-type: none"> • Requires Federal agencies to develop and submit a strategic plan, performance plan, and performance report.

Exhibit II-2 Extracts From the Antideficiency Act

31 U.S.C. 1341 - Limitations on expending and obligating amounts

- "(a)(1) An officer or employee of the United States Government or of the District of Columbia government may not—
- (A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;
 - (B) involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.
 - (C) make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; or
 - (D) involve either government in a contract or obligation for payment of money required to be sequestered under section 252 of Balanced Budget and Emergency Deficit Control Act of 1985."

31 U.S.C. 1342 - Limitation on voluntary services

"An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. As used in this section, the term 'emergencies involving the safety of human life or the protection of property' does not include ongoing, regular functions of government the suspension of which would not imminently threaten the safety of human life or the protection of property."

31 U.S.C. 1349 - Adverse personnel actions

"(a) An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office."

31 U.S.C. 1350 - Criminal penalty

"An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both."

31 U.S.C. 1351 - Reports on violations

"If an officer or employee of an executive agency or an officer or employee of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the agency or the Mayor of the District of Columbia as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall also be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress."

Exhibit II-2 (continued)

31 U.S.C. 1514 - Administrative division of apportionments

"(a) The official having administrative control of an appropriation available to the legislative branch [and] the judicial branch, . . . subject to the approval of the President [and] the head of each executive agency . . . shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under the law. The system shall be designed to—

- (1) restrict obligations or expenditures from each appropriation to the amount of apportionments or reapportionments of the appropriation; and
- (2) enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reapportionment.

(b) If an officer or employee of an executive agency or of the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken."

31 U.S.C. 1517 - Prohibited obligations and expenditures

"(a) An officer or employee of the United States Government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding—

- (1) an apportionment; or
- (2) the amount permitted by regulations prescribed under section 1514(a) of this title.

(b) If an officer or employee of the United States Government or the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall also be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress."

31 U.S.C. 1518 - Adverse personnel actions

"An officer or employee of the United States Government or the District of Columbia government violating section 1517(a) of this title shall be subject to appropriate administrative discipline including when circumstances warrant, suspension from duty without pay or removal from office."

31 U.S.C. 1519 - Criminal penalty

"An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1517(a) of this title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both."

Exhibit II-3, "USNRC Regulation for the
Administrative Control of Funds"
Approved December 22, 1998

1. **Purpose.** The purpose of this regulation is to establish an administrative control of funds system as required by 31 U.S.C. 1514. The regulation prescribes procedures to be followed in the execution of the Nuclear Regulatory Commission (NRC) budget and describes basic funds control principles and concepts. This regulation:
 - a. Establishes policy with regard to the administrative control of funds.
 - b. Prescribes a system for positive administrative control of funds designed to restrict obligations and expenditures against each appropriation or fund account to amounts available.
 - c. Enables the Chairman to determine responsibility for an overobligation and overdisbursement of an appropriation, statutory limitation, apportionment, reapportionment, allotment, and other administrative subdivisions, as well as violations of limitations imposed by NRC.
 - d. Provides procedures for dealing with violations of the Antideficiency Act, as well as administrative violations of limitations imposed by the agency, including reporting requirements.
2. **Authority.** These procedures and policies are issued pursuant to the following provisions of law and regulations pertaining to the administrative control of funds:
 - a. Title 31 of the United States Code (U.S.C.), "Money and Finance,"
 - (1) Sections 1341-1342, 1349-1351, and 1511-1519 (portions of the Antideficiency Act, as amended).
 - (2) Sections 1101, 1104-1108, and 3324 (portions of the Budget and Accounting Act, 1921, as amended).
 - (3) Sections 1501-1502 (part of section 1311 of the Supplemental Appropriations Act of 1950).

Exhibit II-3 (continued)

- (4) Sections 1112, 1531, 3511-3512, and 3524 (portions of the Budget and Accounting Procedures Act of 1950).
 - b. Title X or Pub. L. No.93-344, found at 2 U.S.C. 681-688 (the Congressional Budget and Impoundment Control Act of 1974).
 - c. The Federal Managers' Financial Integrity Act of 1982, Pub. L. 97-255.
 - d. Office of Management and Budget (OMB) Circular No. A-34, Revised, "Instructions on Budget Execution" [guidance now found in OMB Circular No. A-11, "Preparation, Submission, and Execution of the Budget." OMB Circular A-34 has been replaced by OMB Circular A-11], and related OMB guidelines.
 - e. NRC Management Directive and Handbook 4.2, "Administrative Control of Funds."
 - f. Other pertinent agency directives.
3. **Applicability and Scope.** The provisions of this regulation apply to all appropriations and funds controlled by NRC and must be followed by all NRC offices. The system of administrative control of funds was approved by the Office of Management and Budget on December 22, 1998 as required by 31 U.S.C. 1514 and supersedes NRC's regulation for the Administrative Control of Funds approved on July 1, 1994.
4. **Definitions, Terminology and Concepts.** All definitions, terminology, and concepts in the OMB circular No. A-34, Revised [guidance now found in OMB Circular A-11], apply. The following terms are defined:
- a. **Appropriation.** Statutory authority that allows Federal agencies to incur obligations and to make payments out of the Treasury for specific purposes. An appropriation usually follows enactment of authorizing legislation.
 - b. **Apportionment.** A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, activities, projects, objects or combinations thereof. The apportioned amount limits the obligations that may be incurred.

Exhibit II-3 (continued)

- c. **Reapportionment.** A revision approved by OMB of a previous apportionment for an appropriation or fund account. This approved revision would ordinarily cover the same period, project, or activity covered in the original apportionment.
- d. **Allotment.** Authority delegated by the head or other authorized employee of the agency to agency employees to incur obligations within a specified amount, pursuant to OMB apportionment or reapportionment action or other statutory authority making funds available for obligation.
- e. **Administrative Division or Subdivision of Funds.** Any division or subdivision of an appropriation or fund by an official having administrative control over such appropriation or fund.
- f. **Agency Limitation.** For fund control purposes, an agency limitation is any administrative division or subdivision of funds made by agency officials that restricts the use of Federal government funds.
- g. **Advice of Allowance and Financial Plan (AAFP).** The AAFP is a distribution of funds below the allotment level. The form is divided into two sections:
 - (1) **Advice of Allowances.** The advice of allowances provides authority from the allottee to the authorized allowance holder to incur obligations and make expenditures within specified amounts, pursuant to amounts allotted to the allottee.
 - (2) **Financial Plan.** The financial plan includes annual allocations of funds to allowance holders in accordance with the NRC Budget and legislation that authorizes and appropriates funding for the agency.

Each allowance holder is responsible for ensuring compliance with the funding limitations specified in the current AAFP. Exceeding AAFP restrictions does not necessarily result in a violation of the Antideficiency Act. Exceeding AAFP restrictions is a violation of NRC's administrative control of funds policies and procedures. AAFPs are intended as a means of meeting operational needs rather than an apportionment control device.

Exhibit II-3 (continued)

5. Responsibilities and Functions of Individuals.

- a. The Chairman of the Nuclear Regulatory Commission is responsible for prescribing a system for the administrative control of funds available to the NRC consistent with accounting procedures prescribed under law.
- b. The Chief Financial Officer (CFO) of the NRC is authorized and directed to discharge all financial management activities and functions, which includes the responsibility for the administrative control of the NRC's funds. The CFO is the agency official responsible for:
 - (1) Approving and submitting requests to OMB for apportionment and reappropriation of appropriated funds available to the NRC.
 - (2) Issuing allotments to the Director of the Division of Planning, Budget, and Analysis (DPBA). This includes ensuring that amounts allotted are within the amount apportioned by OMB or otherwise authorized by law.
 - (3) Investigating possible Antideficiency Act violations, as well as violations of agency limitations that are not violations of the Act. This includes ensuring that designated officials are charged with individual responsibility for any overobligation or any expenditure in excess of allotments and allowances.
- c. **The Director of DPBA is responsible for:**
 - (1) Administering the NRC budget execution and resource management process.
 - (2) Maintaining a system of allowances to include designating officials to be responsible for subdivision of funds below the allotment level (allowances) and the control of obligations within the limitations specified therein.
 - (3) Issuing AAFPs to those officials who have been delegated authority to obligate and expend funds within the amounts specified on the AAFP.

Exhibit II-3 (continued)

- (4) Reviewing AAFP change requests submitted by NRC allowance holders to assess the impacts of such requests on the approved NRC Budget and the reprogramming thresholds; and referring other proposed changes to the CFO along with appropriate recommendations for action.
- (5) Maintaining record apportionments and allotments issued to ensure that the total of the allotments will not exceed amounts available or otherwise violate the terms of the approved apportionment.
- (6) Assuming supervisory authority and fiduciary responsibility for allotments issued, including the legal responsibilities in accordance with the provisions of the Antideficiency Act to ensure that allotment limitations are not exceeded.

d. NRC Allowance Holders are responsible for:

- (1) Restricting obligations to the cumulative amount of funds made available on AAFPs. This includes formally certifying that there are sufficient funds available in the current AAFP to enter into obligations.
- (2) Complying with Federal law to include provisions of the Antideficiency Act, and NRC funds control policies and procedures.

e. The Director of the Division of Accounting and Finance (DAF) [now the Director of the Division of Financial Management (DFM)] is responsible for:

- (1) Maintaining the agency accounting system for the administrative control of funds.
- (2) Accounting for and reporting on the status of NRC funds.

6. Actions Prohibited.

- a. **General.** Each obligation or expenditure which exceeds amounts available must be examined to determine responsibility for causing a fund violation. Actions

Exhibit II-3 (continued)

which subsequently relieve the unfavorable financial condition do not negate the fact that violation has occurred.

b. ***Statutory Prohibitions.***

An officer or employee of the NRC may not:

- (1) Make or authorize an expenditure from or create or authorize an obligation against an appropriation or fund in excess of the amount available in the account. (31 U.S.C. 1341(a))
- (2) Involve the NRC in a contract or other obligation for the payment of money for any purpose in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law. (31 U.S.C. 1341(a))
- (3) Accept voluntary services for the United States or employ personal services in excess of that authorized by law, except in cases of an emergency involving the safety of human life or the protection of property. As used above, the term "emergencies involving the safety of human life or the protection of property" does not include ongoing, regular functions of the government, the suspension of which would not imminently threaten the safety of human life or the protection of property. (31 U.S.C. 1342)
- (4) Authorize or create an obligation or make an expenditure in excess of an apportionment or reapportionment. This includes adjustments that cause obligations in expired accounts that have not been merged to exceed the apportionment for the year in which such obligations were incurred. (31 U.S.C. 1517 (a))
- (5) Authorize or create an obligation or make an expenditure in excess of the amount permitted by the prescribed and approved agency fund control system. (31 U.S.C. 1517 (a))

Exhibit II-3 (continued)

c. ***Overobligations or Overexpenditure of Other Administrative Subdivisions of Funds.***

Incurring obligations or expenditures in excess of amounts specified on NRC AAFPs is a violation of NRC's administrative control of funds regulations and is a violation of the Antideficiency Act only when it causes an overobligation or overexpenditure of an allotment, apportionment, or appropriation unless otherwise specified by law.

7. **Penalties.**

a. ***Statutory Penalties.***

- (1) The law provides that any officer or employee of the United States who violates the prohibition of sections 1341(a), 1342, or 1517(a) of the Title 31 of the United States Code shall be subject to appropriate administrative discipline. Administrative discipline may consist of a letter of reprimand or censure for the official personnel record of the officer or employee; an unsatisfactory performance rating; transfer to another position; a suspension from duty without pay; or a removal from office.
- (2) Any person who knowingly and willfully violates these prohibitions shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both.

b. ***Penalties for Other Administrative Subdivisions of Funds.***

Depending on the severity of the violation, disciplinary or performance-based action as described in paragraph 7.a.(1) above may be taken against allowance holders or other employees where amounts certified as available for obligation or expenditure exceed the amounts available in agency AAFPs. Should such actions cause an Antideficiency Act violation, paragraph 7.a.(1) shall apply.

8. **Reporting Requirements.** Any individual with knowledge of a possible violation of the Antideficiency Act, or of this regulation, has the responsibility for reporting the alleged violation to the CFO immediately upon discovery. The amount of an

Exhibit II-3 (continued)

Antideficiency Act violation is not a factor in determining whether a report must be submitted. All violations must be reported. Specific instructions for reporting such violations are contained in Part II, Section 22, of OMB Circular A-34, Revised [guidance now found in section 145 of OMB Circular No. A-11].

- a. The CFO is responsible for investigating possible violations, preparing a report, and recommending proper corrective action.
 - b. Initial reports on apparent violations must be forwarded to the CFO. The CFO is responsible for reporting such violations to the Chairman, directing the proper corrective action, and taking disciplinary steps where warranted.
 - c. The Chairman is responsible for reporting to the President, through the Director of OMB, and to the Congress all pertinent facts relating to the violation together with a statement of action taken, as required by Part II, Section 22, of OMB Circular No. A-34, Revised [guidance now found in section 145 of OMB Circular No. A-11].
 - d. Overobligations of AAFP line items, which do not cause an Antideficiency Act violation, shall be reported to the Director of DPBA. Such violations do not require external reporting to OMB, Congress, or the President.
9. **Relationship of Accounting and Funds Control Systems.** Part II, Section 21, of OMB Circular No A-34, Revised [guidance now found in Section 150 of OMB Circular No A-11], specifies the criteria for an adequate system of administrative control of funds to comply with the requirements of the Antideficiency Act, as amended, and it provides that the funds control system be fully supported by the accounting system.
- a. The NRC accounting system shall be designed to assist responsible officials in restricting obligations and expenditures to amounts available in the appropriation, apportionment, and allotment. The system shall provide timely disclosure of:
 - (1) Total obligations and expenditures incurred to date, and total budgetary resources available for obligations with each apportionment, allotment, or other administrative subdivisions;

Exhibit II-3 (continued)

- (2) Restrictions contained in appropriation acts or other statutes, along with total obligations and expenditures incurred to date against such restrictions; status of estimated reimbursement, including order received, amounts earned, and amounts collected to date;
 - (3) The authorization or creation of obligations or expenditures that exceed apportionments and allotments.
- b. The NRC accounting system should provide for a system of financial accounts and records necessary to assure that obligations and expenditures can be reconciled to amounts appropriated, apportioned, allotted, and allocated. Accounting reports should display cumulative obligations and remaining unobligated balance by appropriation and allotment, and cumulative obligations by budget activity and object class. The accounting reports shall be periodically reconciled with actual apportionment, allotment, and obligation documents and any other pertinent financial records.
- c. Failure to record an obligation in the agency's official accounting system, or delaying such a recording, cannot prevent a violation of the Antideficiency Act.
10. **Apportionments.** The Director of DPBA is responsible for preparing requests for apportionments and reapportionments of NRC's budgetary resources using Standard Form (SF) 132, "Apportionment and Reapportionment Schedule," upon enactment of relevant appropriation acts and as often as necessary thereafter. The CFO will approve the SF 132 request and submit such requests to OMB for approval in accordance with Part III of OMB Circular No. A-34, Revised [guidance now found at section 121 of OMB Circular No. A-11]. The OMB-approved SF 132 constitutes the authority to obligate funds in accordance with provisions contained in the apportionment schedule. The amounts apportioned by OMB as indicated on the SF 132 are limitations on the amount made available for obligation pursuant to section 1512 of Title 31 U.S.C. NRC Management Directive and Handbook 4.2, "Administrative Control of Funds," is the agency directive that covers apportionment of funds, supplemental appropriations, reprogramming and transfers between accounts. Specific requirements for apportionments and reapportionments are contained in Part III of OMB Circular No. A-34, Revised [guidance now found in section 145 of OMB Circular No. A-11].

Exhibit II-3 (continued)

11. Allotments.

- a. **Function and Purpose.** NRC funds shall be formally allotted as a means for establishing, within appropriation limitations established by Congress and funds apportioned by OMB, the amounts available for obligation and expenditure. The allotment shall be established and maintained in such a manner as to assure compliance with all limitations, including those of the Antideficiency Act, as amended. Only the CFO is authorized to approve changes to the allotment structure.

- b. **Allotment Procedures.** Allotments will be issued by the CFO to the agency allottee using formal document(s). At a minimum, the advice of allotments shall include:
 - (1) Amount available for obligation
 - (2) Funding Source (e.g., appropriation, reimbursement, etc.)
 - (3) Time period of availability
 - (4) Position title of allottee
 - (5) Other agency limitations
 - (6) Justification for changes in allotments. (In some cases, changes will cause the need for a reapportionment or reprogramming.)

There may be an instance where it is necessary to use a more rapid means of communication such as a telephone or E-mail.

- c. **Control Level.** Allotments should be made at the highest practical level consistent with effective and efficient management and control. Amounts allotted may not exceed the amount apportioned by OMB or amounts appropriated by Congress. Allotments are subject to provisions of the Antideficiency Act.

Exhibit II-3 (continued)

- d. **Restrictions.** Advice of allotments shall indicate such limitations as to amounts and purpose as may be necessary to ensure compliance with limitations as established in apportionments by OMB and under appropriations enacted by Congress.
- (1) The sum of allotment amounts issued shall not exceed the apportionment or amount appropriated by Congress.
 - (2) Allotments or other administrative subdivisions shall be fixed in amounts and changed only when authorized by the authority who issued the subdivision initially.
 - (3) Congressional restrictions contained in appropriation acts shall be covered.
 - (4) Allotments may include other administrative limitations as may be appropriate to give effect to budget determinations.
 - (5) Responsibility for obligations or expenditures against an allotment resulting from an unauthorized procurement or act rests with the person performing the unauthorized procurement or act.

12. **Anticipated Amounts and Reimbursable Work.**

- a. Apportionments may include amounts of budgetary resources that are anticipated and others that arise from reimbursable work. The amount apportioned for any appropriation or fund account that includes anticipated amounts shall not be allotted unless there is a reasonable assurance that such items will be collected and deposited to the credit of the NRC appropriation or fund that incurred the obligation. This inclusion of anticipated amounts in determining the amounts available for apportionment does not authorize an agency to obligate or make expenditures in excess of the total amount available for obligation.
- b. If the total availability of allotments includes estimated resources, the amounts must be adjusted from time to time for significant changes in these orders so that allotments and related allowances, obligations, and expenditures are

Exhibit II-3 (continued)

restricted to the amounts which will actually be available. NRC officials receiving allotments and allowances containing reimbursements or anticipated amounts will maintain constant and careful oversight to ensure that anticipated appropriate fund adjustments shall be made and other appropriate action, including reapportionment, shall be taken. The system and administrative control should, therefore, be designed to keep obligations and expenditures from exceeding apportionments and allotments, or from exceeding budgetary resources available for obligation, whichever is smaller. Specific requirements for anticipated amounts and reimbursable work are contained in Sections 11.2 and 21.4 of OMB Circular No. A-34, Revised [guidance now found in sections 20 and 121 of OMB Circular No. A-11.]

13. Deficiency Apportionments.

- a. Apportionments that anticipate the need for deficiency appropriation of a supplemental appropriation under 31 U.S.C. 1515 will be specifically identified on the apportionment request (SF 132) and submitted to OMB for approval.
- b. To qualify as a deficiency apportionment, the request must be required by:
 - (1) laws enacted subsequent to the transmittal to Congress of the annual budget for the year;
 - (2) emergencies involving human life, the protection of property, or the immediate welfare of the individuals; or
 - (3) specific authorization by law.
- c. The approval of a deficiency apportionment by OMB and its transmittal to Congress merely advises the Congress that funds appropriated to date are being obligated at a more rapid rate than previously anticipated. This notification does not guarantee that the Congress will approve any part of any associated supplemental requests and does not authorize the use of any amounts not yet provided.

Part III

The NRC's Financial Resources

Overview (A)

Part III summarizes the NRC's financial resources for funding its programs and administrative activities, including a review of the appropriation process, limits on the NRC's appropriated funds, and other types of financial resources. The steps in implementing an appropriation are followed by a summary of other sources of NRC funds.

Regular Appropriations (B)

Budget Authority (1)

Budget authority is the authority provided by law to enter into obligations that result in outlays of Government funds. An appropriation is the most common means of providing budget authority. An appropriation, which usually follows enactment of authorizing legislation, permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes during the period covered in the appropriation acts. New budget authority represents those funds appropriated by Congress for the current fiscal year.

NRC's New Budget Authority (2)

Congress finances the programs and administrative activities of NRC by providing new budget authority each year in the form of two no-year appropriations, one for the Office of the Inspector General (OIG) and one for the remainder of the agency.

NRC Office of the Inspector General Appropriation (a)

Used for the necessary expenses of the OIG to carry out the provisions of the Inspector General Act of 1978, as amended, and

Regular Appropriations (B) (continued)

NRC's New Budget Authority (2) (continued)

any other conditions specified in the public law authorizing the appropriation. (The Inspector General Act amendments established a statutory NRC Office of the Inspector General in April 1989.)

NRC Salaries and Expenses Appropriation (b)

Used for all necessary expenses to carry out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, and other purposes authorized by law. The salaries and expenses (S&E) appropriation includes several categories of funds: (i)

- Funds derived from the Department of Energy (DOE) administered Nuclear Waste Fund (NWF) transfers from the DOE (a)
- Funds earmarked for official representation (b)
- General funds (funds specifically appropriated to NRC that are derived from the General Fund of the Treasury) (c)
- Fee-based funds that are subject to license fee recovery (excludes funds designated as official representation and funds derived from the NWF and the General Fund). (d)

These categories of funds are allocated separately on the Advice of Allowance. (See Section (E)(3) of this part for more information on the NWF transfer, and Part V for the allowance process.) (ii)

Limitations on Appropriations (3)

NRC's appropriated funds are subject to congressional limits on purpose, amount, and time.

Regular Appropriations (B) (continued)

Limitations on Appropriations (3) (continued)

Purpose Limitations (a)

Congress determines the purposes for which an appropriation may be used. (The statement of purpose is usually contained in the appropriations act; if it is not, examine the language and legislative history of the agency's authorization act, enabling statute, or organic legislation.) Except as otherwise provided by law, the NRC's appropriations must be applied solely to the objects for which they are made and no other (31 U.S.C. 1301). For example, the portion of the NRC S&E appropriation that is derived from the NWF may be used only for those NRC expenditures qualifying as high-level waste and related activities. (See Part VI, "Commitment and Obligation of Funds," for more information on reviewing spending requests for availability as to purpose.)

Amount Limitations (b)

Congress determines amounts NRC spends on programs by passing appropriation acts. After the appropriation is enacted, Government officials are empowered to incur obligations and make expenditures up to the amount specified. (i)

An example of an amount limitation on obligation authority is the appropriation from Congress for official representation that is part of the NRC's S&E appropriation. Obligation of funds for official representation may not exceed the amount specified in the appropriation act. (ii)

Time Limitations (c)

An appropriation act specifies the period of availability of the authority. The three most common periods are—

- One-Year Appropriation (i)

Regular Appropriations (B) (continued)

Limitations on Appropriations (3) (continued)

A 1-year appropriation is available for obligation during only 1 fiscal year. A 1-year appropriation is also known as a fiscal year or annual appropriation.

- Multiple-Year Appropriation (ii)

A multiple-year appropriation is available for obligation for a definite period in excess of 1 year. A multiple-year appropriation is also referred to as "2-year," "3-year," and so, budget authority.

- No-Year Appropriation (iii)

A no-year appropriation is available for obligation for an indefinite period, or (1) until the agency head or the President determines that the purposes for which the appropriation was made have been carried out and (2) when no disbursements are made against the appropriation for 2 consecutive fiscal years (31 U.S.C. 1555(a)). No-year budget authority is usually identified by language such as "to remain available until expended." NRC's salaries and expenses and OIG appropriations are provided with no-year budget authority.

Impoundment (4)

"Impounding" (withholding) the budget authority appropriated for a specific time period is also subject to congressional limitations. As specified in the Impoundment Control Act of 1974, impoundment is any action or inaction by an officer or employee of the Federal Government intended to temporarily or permanently withhold the obligation or expenditure of budget authority. The two types of impoundment actions, deferrals and rescissions, are shown in Table III-1:

Regular Appropriations (B) (continued)

Impoundment (4) (continued)

Table III-1 Impoundment
 Actions

<ul style="list-style-type: none"> • Deferral 	<ul style="list-style-type: none"> • Rescission
<ul style="list-style-type: none"> • Withholds or delays obligation or expenditure • May not extend past fiscal year • Must be reported to Congress 	<ul style="list-style-type: none"> • Cancels authority to obligate • Must be reported to Congress

Deferral (a)

A deferral is any type of executive action that temporarily withholds, delays, or effectively precludes the obligation or expenditure of budgetary resources. Officers or employees of the United States may only defer use of budgetary authority to provide for contingencies or to effect savings made possible by changes in requirements or greater efficiency of operations, or as otherwise specified by law. Deferrals may not extend beyond the end of a fiscal year. The President is required to report to Congress any proposed deferral of budget authority.

Rescission (b)

A rescission involves a legislative action that permanently cancels new budget authority or the availability of unobligated balances of budget authority prior to the time the authority would otherwise have expired. The President is required to advise the Congress of any proposed rescissions in a special message (2 U.S.C. 683). Both Houses of Congress must pass a bill rescinding, in whole or part, previously granted budgetary resources.

Other Types of Appropriations (C)

Other types of appropriations may be used in some circumstances to provide funds to NRC.

Supplemental Appropriations (1)

A supplemental appropriation act provides funds in addition to those in an annual appropriation act. The purpose of a supplemental appropriation is to fund projects and activities not included in the current appropriation budget request when the need for funds is too urgent to postpone until the next regular appropriations act.

Deficiency Appropriations (2)

A deficiency appropriation provides the funds necessary to cover obligations that have been incurred in excess of available funds. Deficiency appropriations are necessitated by violations of the Antideficiency Act. A supplemental or deficiency appropriation is subject to the purpose and time limitations, plus any other applicable restrictions, of the appropriation it supplements.

Continuing Resolutions (3)

Continuing resolutions (CRs) keep existing Federal programs functioning on a temporary basis after the expiration of prior-year budget authority until a regular appropriations bill is enacted. The CR usually specifies a maximum rate at which the agency may incur obligations, and a time limitation. In addition, NRC is responsible for complying with guidance issued by the Office of Management and Budget (OMB) pertaining to a CR. See OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," and the OMB Web site (www.omb.gov) for bulletins on the apportionment of continuing resolutions for additional guidance on CRs.

Other Types of Appropriations (C) (continued)

Lapsed Appropriations (4)

If there is no appropriation bill or continuing resolution, NRC may operate on unobligated carryover funds from the prior fiscal year after these funds have been apportioned by OMB for the current fiscal year. In the absence of such funds, the agency is forced to close down. (Refer to MD 4.5, "Shutdown Plan for Periods of Lapsed Appropriations," for details.)

Steps in Implementing an Appropriation (D)

The following paragraphs describe the steps in implementing an appropriation:

- Warrants
- Apportionments
- Allotments and Allowances

Warrants (1)

Once NRC's appropriation legislation is passed by Congress, an appropriation warrant (Financial Management Service [FMS] Form 6200) is issued by the Treasury Department. The appropriation warrant establishes the amount of appropriations that can be obligated and disbursed. (a)

Regular appropriation warrants are issued automatically by the Treasury to the receiving agency. Appropriation warrants are also issued to restore portions of unobligated appropriations balances to Federal agencies with annual appropriations; reduce amounts previously appropriated; establish and adjust certain general, special, and trust fund appropriations; and restore previously withdrawn unobligated amounts pursuant to pertinent legislation. (b)

Steps in Implementing an Appropriation (D) (continued)

Apportionments (2)

Funds appropriated by Congress are "apportioned" to each agency by OMB. The apportionment process is intended to achieve an effective and orderly use of available budget authority by causing obligations to be incurred at a controlled rate. (a)

The NRC's apportionments are usually divided into quarterly increments but not necessarily at a rate of 25 percent per quarter. The unobligated balance at the end of the quarter is carried forward for obligation in the subsequent quarter without reapportionment except at the end of the fiscal year. Although NRC no-year unobligated budget authority remains available beyond the end of the fiscal year, NRC needs a new apportionment before unobligated balances can be obligated in subsequent fiscal years. (b)

The Director of the Division of Planning, Budget, and Analysis (DPBA) is responsible for preparing requests for apportionments and reapportionments of NRC budgetary resources. Such requests are submitted by the CFO to OMB for approval on Standard Form (SF) 132, "Apportionment and Reapportionment Schedule," in accordance with Part 4 of OMB Circular A-11. The budgetary resources normally available to NRC that comprise the apportionment or reapportionment request include— (c)

- New budget authority (i)
- Available unobligated balances at the end of the year (ii)
- Offsetting collections (iii)
- Recoveries of prior-year obligations (iv)

When the NRC's appropriation is enacted before the beginning of the fiscal year, the budgetary resources in the NRC's

Steps in Implementing an Appropriation (D) (continued)

Apportionments (2) (continued)

apportionment request include this new budget authority. Otherwise, the budgetary resources in the initial apportionment request for the fiscal year are limited to an estimate of the available unobligated balances at the end of the year, anticipated offsetting collections, and anticipated recoveries of prior-year obligations. (d)

Allotments and Allowances (3)

The funds apportioned to NRC by OMB are available for allotment to the Director of DPBA. Allowances are then issued to allowance holders responsible for NRC programs and administrative services. Part IV of this handbook describes the allotment and allowance financial management process, and Part V details the Advice of Allowances and Financial Plan form issued by DPBA.

Other Sources of NRC Funds (E)

In addition to annual appropriations, NRC funds come from four other major sources.

Available Unobligated Balances at the End of the Fiscal Year (1)

At the end of the fiscal year, the unobligated portion of NRC's no-year appropriated funds is carried forward for obligation during the next fiscal year. These funds remain available for obligation indefinitely, or until the no-year budget authority is canceled. However, the prior-year unobligated balance must be reapportioned by OMB before it can be allotted, allocated, and obligated during the new fiscal year.

Other Sources of NRC Funds (E) (continued)

Recoveries of Prior-Year Obligations (2)

Recovery of prior-year obligations is another source of NRC funds. These recoveries occur through downward adjustments of prior-year obligations and downward adjustments for the difference between obligations previously recorded and outlays made for their payment. When prior-year funds are deobligated in the current fiscal year, they lose their association with the allowance holder and become available for reuse once they have been formally reapportioned by OMB, reallocated by OCFO, and reallocated by the Director of DPBA. Although deobligated prior-year funds may lose their association with the allowance holder, the recoveries still retain their original purposes for which the funds were appropriated. Refer to Part VII, "Deobligation of Funds," of this handbook for more information on deobligations.

Nonexpenditure Transfers (3)

Nonexpenditure transfers are accounting transactions that transfer amounts from one appropriation account to another. These transactions transfer all or part of the budget authority from one account to another in the same year the authority was made available. Transferred amounts are subject to the same time, purpose, and amount limitations stated in their parent appropriation. SF 1151, "Nonexpenditure Transfer Authorization," is the official document prepared by the transferring agency and submitted electronically to the Treasury Department. For example, NRC receives nonexpenditure transfers (SF 1151s) from DOE and the Agency for International Development (AID).

Nuclear Waste Fund (a)

The NWFs specified in the NRC's S&E appropriation are received through a nonexpenditure transfer authorization (SF 1151). Section 302 of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222) established the NWF for the purpose of funding

Other Sources of NRC Funds (E) (continued)

Nonexpenditure Transfers (3) (continued)

the disposal of high-level radioactive waste and spent nuclear fuel. The NWF consists of money paid by NRC-licensed nuclear power reactors to the DOE to site, construct, and develop high-level nuclear waste management facilities. DOE transfers funds to NRC from the NWF for funding agency obligations and expenditures associated with the NRC's regulatory responsibilities under the Nuclear Waste Policy Act, and these funds may not be used to fund any of NRC's other activities and programs. These funds remain available until expended.

Agency for International Development (AID) Funds (b)

Section 632(a) of the Foreign Assistance Act (FAA) provides AID statutory authority to allocate funds to NRC for the purposes of carrying out the act. Such funds are available for obligation for the purposes authorized under the FAA or under the authority governing the activities of the NRC S&E appropriation. (i)

An AID allocation is a transfer of obligational authority for which budget authority remains with AID. Funds are allocated from AID to NRC. NRC is responsible for obligating these funds. The SF 1151, along with the authority cited, provides funding for NRC's AID allocation account. NRC also is responsible for meeting financial reporting requirements stipulated in the memorandum of agreement between NRC and AID. Funds must be obligated within the time period of the AID appropriation and its apportionment. (ii)

If the period of availability of the AID funds extends beyond the initial fiscal year and NRC does not obligate the allocated funds within the fiscal year in which funds were appropriated to AID, AID must provide notification that an apportionment has been approved for the next fiscal year before any remaining AID funds become available for obligation in the new fiscal year. (iii)

Other Sources of NRC Funds (E) (continued)

Offsetting Collections (4)

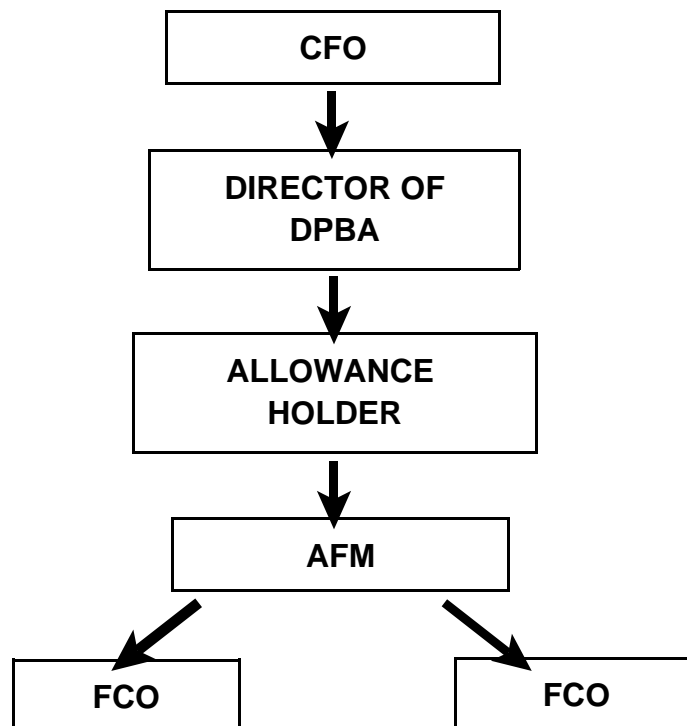
Offsetting collections include reimbursable work and refunds from prior-year obligation. Reimbursable budgetary resources come from orders placed by the public or other Federal agencies for work to be performed by NRC. Congress does not appropriate these funds to NRC. The amount of reimbursable authority created is limited by the total value of orders or cash received and OMB apportionments. Authority to obligate reimbursable funds is provided in allowances by DPBA. (See Part VIII, "Reimbursable Work Performed by NRC for Others," of this handbook for details and the "USNRC Reimbursable Work Procedures Manual.")

Part IV Allotment Financial Management

Overview (A)

Part IV describes the NRC's process for managing the resources allotted and allocated within the agency to fulfill program and administrative responsibilities. The Introduction includes the purpose and a general description of the allotment financial management process, followed by the role and responsibilities of the officials (allowance holders) who receive allowances. The processes for delegating authority to allowance financial managers (AFMs) and funds certifying officials (FCOs) are described, together with guidance on qualifications, standards, and training for individuals designated for these positions. Examples of various types of potential funds control violations complete this part. An illustration of the NRC allotment financial management structure is shown below.

NRC ALLOTMENT FINANCIAL MANAGEMENT STRUCTURE



Introduction (B)

The NRC's system for the administrative control of funds is implemented through the assigned responsibilities, established procedures, and documentation requirements of the allotment financial management process. The purpose of this process is to ensure that (a) funds are used only for authorized purposes; (b) funds are economically and efficiently used; (c) obligations and expenditures do not exceed the amounts appropriated, apportioned, allotted, allocated, and specified as statutory limitations; and (d) funds are not reserved or otherwise withheld without congressional knowledge and approval. (1)

The NRC's funds control system is based on complementary and interrelated fiduciary responsibilities for both the Chief Financial Officer (CFO) and the NRC officials who receive allowances of agency funds. OCFO is responsible for maintaining the NRC accounting system that contains the official balances of funds apportioned, allotted, allocated, committed, obligated, and paid. NRC allowance holders are responsible for the internal records and controls in their organizational units. (2)

General requirements include— (3)

- **Funds Control Process.** Records and procedures to ensure that commitments and obligations are within the funding limits in applicable allowances and financial plans. (a)
- **Staff.** Funds control functions assigned to sufficient numbers of staff who meet NRC standards for qualifications and training. (b)
- **Separation of Functions.** Funds control duties separated from functions related to authorizing transactions to be obligated or expended. (c)
- **Records Integration and Reliability.** Procedures for monthly reconciliations of internal records and the reports from the NRC accounting system. (d)

Introduction (B) (continued)

The sections that follow present detailed information on each of these topics in the context of the specific responsibilities of the allottee, allowance holders, AFMs, and FCOs. (4)

Allottee Responsibilities (C)

The CFO issues allotments to the Director of the Division of Planning, Budget, and Analysis (DPBA). The Director of DPBA is the agency allottee for all of NRC's financial resources.

The allottee's responsibilities include—

- Issuing allowances and financial plans to officials who have been delegated the authority to commit, obligate, and expend funds within the amounts specified on their Advice of Allowances and Financial Plans.
- Reviewing and approving changes to allowances and financial plans.
- Ensuring that the total amount allocated will not exceed the total amount allotted.
- Supervisory and fiduciary responsibility for allotments issued, including legal responsibility in accordance with the provisions of the Antideficiency Act.

Allowance Holder Responsibilities (D)

Those NRC officials delegated authority by the Director of DPBA to receive funds are referred to as allowance holders. These officials are allocated funds and are issued annual financial plans by the Director of DPBA to implement their program and administrative responsibilities. (See Part V and the Glossary of this handbook for more information on financial plans.)

Allowance Holder Responsibilities (D) (continued)

As discussed in the following paragraphs, allowance holders have six broad responsibilities:

- Compliance With Funds and Full-Time-Equivalent (FTE) Availability Ceilings
- Commitment and Obligation of Funds for the Proper Purpose
- Commitment and Obligation of Funds in the Proper Time Frame
- Certification of Funds Availability
- Maintenance of Funds Control Records
- Fiduciary Responsibility

Compliance With Funds and FTE Availability Ceilings (1)

Allowance holders have a responsibility to ensure that FTEs, commitments, obligations, or expenditures do not exceed amounts provided in allowances. In addition, NRC funds control policies limit FTEs, commitments, and obligations to the line-item values and the footnotes in the financial plan issued with the allowance. Allowance holders and all members of the allowance holder's staff are responsible for adhering to these funds availability ceilings in all actions related to the certification, commitment, or obligation of allocated funds. (a)

OCFO is responsible for verifying that FTEs, commitments, and obligations are within the funding limitations specified in allowances and financial plans. The agency's official accounting reports are the source for this verification. (See Section (D)(5) of this part for more information on funds control records.) (b)

Allowance Holder Responsibilities (D)
(continued)

**Commitment and Obligation of Funds for the Proper Purpose
(2)**

Allowance holders are responsible for ensuring that allocated funds are committed, obligated, and expended for the purposes for which they were appropriated as reflected in the current allowances and financial plans. Refer to Part VI of this handbook for further guidance on the commitment and obligation of funds for proper purposes.

**Commitment and Obligation of Funds in the Proper Time
Frame (3)**

Allowances and financial plans expire at the end of the fiscal year. Funds may only be committed or obligated against a current allowance. Funds may be obligated only to meet current legitimate needs. Normally, funds are obligated against funds currently available at the time the need arises. For example, travel authorizations issued in September for travel in October are normally charged as obligations of the new fiscal year. Allowance holders should obligate the funds necessary to fulfill their administrative and programmatic needs to provide continuity between fiscal years. However, funds should not be committed and obligated merely to preclude loss of funds to the allowance holder at the end of the fiscal year.

Certification of Funds Availability (4)

Allowance holders are responsible for certifying the availability of funds (i.e., committing funds) within their allowances. Certifying funds precedes obligation and is the primary funds control mechanism for ensuring that obligations do not exceed allowances. Ordinarily, the certification of funds should occur prior to obligation of funds. Allowance holders may redelegate the authority to certify funds to one or more qualified individuals (e.g., allowance financial managers and funds certifying officials). (See

Allowance Holder Responsibilities (D)
(continued)

Certification of Funds Availability (4) (continued)

Sections (E), (F), and (G) of this part for delegation procedures and qualifications for AFMs and FCOs.)

Maintenance of Funds Control Records (5)

As noted in the Introduction, OCFO is responsible for maintaining the NRC's accounting system. Each allowance holder is responsible for supplementing the data from the NRC's accounting system as necessary to ensure that fund certifications are within the limits established by current allowances and financial plans.

Allowance Holder's Funds Control Records (a)

Each allowance holder is responsible for ensuring that a process is in place to maintain the financial records required to limit FTEs, commitments, and obligations to the amounts authorized. Financial records to be maintained include— (i)

- Allowances and financial plans (a)
- Documents containing statements certifying the availability of funds (b)
- Records of uncommitted balances (c)

For administrative control of NRC funds, the uncommitted balance is the most conservative means for determining the current status of funds availability. Inaccurate or delayed recording of transactions does not alleviate the allowance holder's responsibility for ensuring that funds are committed and obligated within the limits established by allowances and financial plans. (ii)

Allowance Holder Responsibilities (D)
(continued)

Maintenance of Funds Control Records (5) (continued)

Control of Obligating Documents (b)

If the allowance holder is the obligating official, the allowance holder is responsible for ensuring that obligation documents are forwarded promptly for recording in the NRC's accounting system (normally within 2 work days after execution). In most circumstances, the documents are forwarded to the Division of Financial Services (DFS).

Reconciliations (c)

Allowance holders are responsible for ensuring that procedures and assigned responsibilities are in place for monthly reconciliations of allowance holder records and the reports of the NRC's accounting system. Any differences identified during the reconciliation process should be resolved promptly. Coordinate with the Division of Financial Management (DFM) and DFS as necessary. (See Part VI of this handbook for additional guidelines for reconciliations.)

Fiduciary Responsibility (6)

While the day-to-day duties related to the above responsibilities may be delegated to individual staff members, allowance holders retain the supervisory and overall fiduciary responsibility for allowances and financial plans issued to them. Thus, the allowance holder retains responsibility for adhering to the requirements of the Antideficiency Act and NRC funds control policies and procedures.

Allowance Financial Managers (AFMs) (E)

Each allowance holder may designate a single AFM to be responsible for the day-to-day functions of managing the

Allowance Financial Managers (AFMs) (E)
(continued)

allowance(s). If an AFM is designated, the individual selected must report directly to the allowance holder. An allowance holder's selection of an AFM is made in consultation with the CFO. If no one is designated, the allowance holder is the AFM.

Delegation of Authority to the Allowance Financial Manager (1)

The delegation of authority to an AFM is made in writing and for a specific individual. (See Exhibit IV-1 for a format example.) New delegations of authority are required for changes or cancellations. Delegations are addressed to the Director of DPBA; the Director of DFS; the Director of DFM; and the Director of the Division of Contracts (DC), Office of Administration (ADM). Contact DPBA for a current list of AFMs.

Responsibilities of the Allowance Financial Manager (2)

If an AFM is designated, the individual selected will have the responsibility for and authority to—

- Serve as financial management advisor to the allowance holder and provide advice on the use and status of allocated funds. (a)
- Manage the process of the allowance holder's office for the administrative control of allocated funds and ensure that the process complies with the requirements contained in this MD. (b)
- Develop and maintain funding plans and strategies (including FTE, commitment, and obligation projections) based on program requirements, and request changes to allowances and financial plans based on shifts in program priorities and funding requirements. (Only the allowance holder may request the following changes to allowances and/or financial plans:

Allowance Financial Managers (AFMs) (E)
(continued)

Responsibilities of the Allowance Financial Manager (2)
(continued)

allocations of additional resources to fund unbudgeted requirements, the return of resources, and FTE and fund transfers to other allowance holders.) The AFM may not redelegate authority to sign requests for changes to allowances and financial plans. The AFM ensures that allocated funds are economically and efficiently used. (c)

- Certify availability of funds within the allowance(s) assigned to the allowance holder's office consistent with Section (F) of this part. The AFM may redelegate this function. (d)
- Supervise the allowance holder's staff responsible for the administrative control of allocated funds (if the AFM delegates authority for any assigned functions). (e)
- Carry out such additional duties as are necessary to discharge all allowance holder responsibilities as defined in this MD for the allowance(s) assigned to the allowance holder's office. (f)

Funds Certifying Officials (FCOs) (F)

The authority to certify funds may be redelegated to one or more qualified FCO. If an allowance holder is also the AFM, this redelegation is from the allowance holder to the FCO. If an AFM has been designated, the redelegation is from the AFM to the FCO, with only the AFM authorized to designate individuals to serve as FCOs. If funds certifying authority is redelegated, the FCO must have a direct reporting relationship to the individual who has redelegated the authority on issues regarding the administrative control of allocated funds. For example, if the AFM is a division director, anyone within that division could be an FCO whether or not the division director is that person's direct supervisor as long as the FCO can communicate directly (not

Funds Certifying Officials (FCOs) (F)
(continued)

through other managers) with the AFM regarding funds control matters. The reporting relationship and accessibility provided must be specified in the FCO's position description.

**Redelegation of Authority To Certify the Availability of Funds
(1)**

The redelegation of authority to an FCO is made in writing and for a specific individual. The redelegation must include an effective start date and a sample of the designated FCO's signature. (See Exhibit IV-2 for a format example.) New redelegations are required for additions, changes, or cancellations. Designation of an effective end date is made at the discretion of the allowance holder or the AFM. Written redelegations of authority are addressed to the Director of DPBA; the Director of DFS; the Director of DFM; and the Director of DC/ADM. A copy should be maintained by the issuing office, and copies should be distributed to all those within that office who are authorized to incur obligations on behalf of NRC (see Part VI of this handbook for more detail). (a)

Authority redelegated by the allowance holder or the AFM to the FCO cannot be further redelegated. The prohibition on further redelegation must be included in the written redelegation of funds certifying authority. Redelegation of funds certifying authority should be limited to the minimum number of individuals necessary to ensure effective and efficient management control of funds. (b)

Role of the Funds Certifying Official (2)

The FCO is assigned responsibility for and delegated the authority to certify that sufficient funds are available in the current allowance and financial plan for entering into obligations. The FCO confirms funds availability by signing the appropriate commitment document before the action that creates an obligation on behalf of NRC. When certifying funds availability, the FCO must ensure that

Funds Certifying Officials (FCOs) (F)
(continued)

Role of the Funds Certifying Official (2) (continued)

the purpose is proper, the amount is available, and the funds are committed and obligated in the proper time frame (see Part IV, Section (D)). An FCO's certifying function includes verifying the accuracy of accounting data on commitment documents before certifying the availability of funds. (a)

Individuals other than the FCO may be assigned responsibilities for recording commitments and reconciling allowance holder records to the monthly balances reported by the NRC accounting system. Distributed responsibility for these functions does not alleviate the FCO's responsibility for ensuring that funds are only certified within the limits provided by current allowances and financial plans. (b)

Separation of Duties for Certifying the Availability of Funds (3)

Responsibilities for funds certification should be assigned to sufficient numbers of individuals to provide a system of checks and balances. Guidelines include— (a)

- Individuals who have been delegated the authority to enter the agency into obligations and to certify funds availability are not eligible to sign both as an obligating official and an FCO for the same spending action. An exception to this requirement is a temporary duty travel authorization. For this document, one individual signs as both an FCO and an authorizing official. (i)
- Persons authorized to make or certify the payment of goods or services are not eligible to certify the availability of funds for goods and services. (ii)
- Some individuals who are authorized to certify funds availability may also have the authority to administratively approve the request of such funds for a particular agency need

Funds Certifying Officials (FCOs) (F)
(continued)

Separation of Duties for Certifying the Availability of Funds
(3) (continued)

(i.e., certain office directors and regional administrators). Individuals who have the authority to administratively approve requests and to certify the availability of funds are not eligible to sign both as an approving official and an FCO for the same spending action. (iii)

Exceptions to any of these requirements must be requested in writing by the allowance holder and submitted to the DCFO. (b)

Qualifications, Standards, and Training
for Allowance Financial Managers and
Funds Certifying Officials (G)

The CFO provides agencywide policy advice on the qualifications, recruitment, performance, training, and retention of all financial management personnel, including review and concurrence authority over the position descriptions and skill requirements for allowance financial management positions. The following requirements have been established for the selection and training of AFMs and FCOs.

Qualifications and Standards (1)

The following are the minimum skills required to be an AFM. These skills should be incorporated in the position descriptions of each AFM: (a)

- Knowledge of and experience in applying Federal budget implementation and accounting principles, policies, and procedures sufficient (1) to understand their relationship to appropriations, apportionments, financial plans, allotments, allowances, commitments, obligations, and various financial

Qualifications, Standards, and Training
for Allowance Financial Managers and
Funds Certifying Officials (G) (continued)

Qualifications and Standards (1) (continued)

reports as implemented at NRC and (2) to maintain office procedures for the administrative control of funds to comply with the requirements of this MD. (i)

- Knowledge of the NRC budget activities managed by the office sufficient to develop funding plans, options, and strategies, and to adjust to increased or decreased FTE and funding requirements and shifts in program priorities. (ii)
- Demonstrated ability to analyze complex financial issues, to interpret the implications of those issues as they affect office financial operations, and to develop recommendations for resolving such problems. (iii)
- Demonstrated ability to communicate effectively and concisely. Writing and verbal skills sufficient to clearly articulate complex financial issues, to interpret the implications of those problems, and to present recommendations in a form suitable for senior management decisions. (iv)
- Knowledge of financial systems and internal controls sufficient to ensure that systems used by the office to maintain financial information for the administrative control of funds are adequate to comply with the requirements of this directive. (v)
- Ability to coordinate and direct assigned personnel (if applicable). (vi)

The minimum skills required to be an FCO include knowledge of and experience in applying Federal budget implementation and accounting principles, policies, and procedures sufficient (1) to understand their relationship to allotments, financial plans, allowances, commitments, obligations, and various financial

Qualifications, Standards, and Training
for Allowance Financial Managers and
Funds Certifying Officials (G) (continued)

Qualifications and Standards (1) (continued)

reports as implemented at NRC and (2) to certify the availability of funds from within the assigned allowance(s) consistent with the requirements of this directive. These skills should be incorporated in the position descriptions of each FCO. (b)

Exhibits IV-3 and IV-4 list suggested elements and standards for AFM and FCO annual performance assessments. These suggestions are offered as guidelines to be revised or supplemented as necessary, depending on specific performance requirements in each allowance holder's organizational unit. (c)

Training Requirements (2)

One of the responsibilities of the agency's CFO is to ensure that agency personnel who are engaged in financial management functions receive appropriate training. Toward this end, the Office of Human Resources (HR), in conjunction with OCFO, has developed two training courses that are specifically tailored to meet the needs of AFMs and FCOs. These courses are— (a)

- **Financial Management Seminar.** Key principles of Federal Government accounting, appropriations law, funds control, internal controls, and specific applications to financial management at NRC. (i)
- **Administrative Control of Funds.** Policies and procedures for proper administrative control of funds at NRC in accordance with MD 4.2. (ii)

These courses are presented on a periodic basis. Individuals newly assigned the role of AFM or FCO will be eligible to certify the availability of funds after they have demonstrated to the

Qualifications, Standards, and Training
for Allowance Financial Managers and
Funds Certifying Officials (G) (continued)

Training Requirements (2) (continued)

applicable allowance holder or AFM that they understand the requirements of this handbook as they apply to the AFM's or FCO's position. Continued authority to certify funds availability depends on the successful completion of these two courses as soon as they become available. (b)

In addition, NRC offers another OCFO-sponsored course entitled "NRC Workshop on Reimbursable Work." The material for this course is the "USNRC Reimbursable Work Procedures Manual." This workshop provides background and content for administration of reimbursable work agreements. (c)

AFMs and FCOs are also encouraged to seek out and attend relevant financial management training available both within the agency and at outside organizations. Contact HR or DPBA for course information. (d)

Violations of the Antideficiency
Act and NRC Administrative Ceilings (H)

The goal of the NRC's system for administrative control of funds is to ensure that the agency's responsibility for not exceeding budgetary limits is fulfilled. The system is based on shared responsibility and levels of individual accountability for adhering to the limits established by the Antideficiency Act and NRC's administrative ceilings. A commitment, obligation, or expenditure in excess of an amount specified on an allowance or financial plan is a violation of NRC's administrative control of funds regulations and is a violation of the Antideficiency Act when it causes an overobligation or overexpenditure of an allotment. This section presents examples of potential violations when these limits are

Violations of the Antideficiency
Act and NRC Administrative Ceilings (H)
(continued)

exceeded, assigned accountability level(s), and responsibilities and procedures for identifying and reporting violations.

Responsibility for Violations (1)

The specific circumstances surrounding a violation of the Antideficiency Act or an NRC administrative ceiling determine responsibility. The following examples illustrate responsibility for four types of potential violations. (a)

- **Improper Allowance of Funds.** If a violation occurs because funds are allocated that are not yet available or are in excess of unallocated allotments, the Director of DPBA is held responsible. (i)
- **Improper Commitment of Funds.** If a violation occurs because funds are certified as available by a properly delegated FCO but are not available, the allowance holder, the AFM, and the FCO who improperly certified funds availability are held responsible. In this example, designation of both an AFM and an FCO is assumed. (ii)
- **Authorizing or Creating Obligations Without a Proper Certification of Funds Availability.** If a violation occurs because an individual authorized to enter the agency into an obligation does so without verifying that funds were properly certified as available, the obligating official is held responsible. As an example, the documentation supporting an obligating document must include a proper written certification of funds availability from an official delegated authority in writing to certify the availability of these funds. (iii)
- **Accepting Voluntary Services.** If voluntary services have been improperly accepted for the United States, the person

Violations of the Antideficiency
Act and NRC Administrative Ceilings (H)
(continued)

Responsibility for Violations (1) (continued)

who accepts the voluntary services may be held responsible for the violation. (iv)

Other situations would be examined on a case-by-case basis. Part VI, "Commitment and Obligation of Funds," of this handbook provides guidance on pitfalls to avoid in the process of committing and obligating funds within available fund ceilings. (b)

Identifying and Reporting Violations (2)

OCFO is responsible for monitoring reports from the NRC accounting system to identify any commitments or obligations in excess of an apportionment, an allotment, an allowance, or a line item on an allowance holder's financial plan. If the reports indicate that a limitation may have been exceeded, OCFO will immediately contact the allowance holder to confirm that the limitation has, in fact, been exceeded and to preclude further obligations until the situation is resolved. If a limitation has been exceeded, the CFO will determine the cause, notify the appropriate agency officials, and ensure that corrective action is taken. OIG will be advised of Antideficiency Act violations. In the event of a violation of the Antideficiency Act, the CFO will report to the Chairman of the Commission, in accordance with the requirements of OMB Circular A-11, Part 4. This reporting requirement is not affected by the amount of funds involved nor corrective actions taken as a result of a violation.

Exhibit IV-1 Redelegation of Authority for Allowance Financial Management

MEMORANDUM TO: Director, Division of Planning, Budget, and Analysis
Office of the Chief Financial Officer

Director, Division of Financial Services
Office of the Chief Financial Officer

Division of Financial Management
Office of the Chief Financial Officer

Director, Division of Contracts
Office of Administration

FROM: ALLOWANCE HOLDER

SUBJECT: REDELEGATION OF AUTHORITY FOR
ALLOWANCE FINANCIAL MANAGEMENT

In accordance with the authority delegated to me, _____ is hereby appointed Allowance Financial Manager (AFM) for those allowances and financial plans assigned to me. In his/her capacity of AFM, _____ is delegated authority to carry out those functions specified in NRC Handbook 4.2, Part IV, Section (E), on my behalf. I understand that this delegation of authority does not relieve me of responsibility for violations of the Antideficiency Act or NRC funds control policy and procedures. This memorandum serves as the AFM's official delegation of authority. This delegation of authority is effective immediately, cannot be further redelegated, and supersedes all previous delegations.

CONTACT:

Attachment: Sample of the AFM's Signature

Distribution:

AFM

Allowance holder staff responsible for approving obligating documents

Note: All designations of AFMs require prior consultation with the CFO.

Exhibit IV-2 Redelegation of Authority for Funds Certification

MEMORANDUM TO: Director, Division of Planning, Budget, and Analysis
 Office of the Chief Financial Officer

Director, Division of Financial Services
 Office of the Chief Financial Officer

Division of Financial Management
 Office of the Chief Financial Officer

Director, Division of Contracts
 Office of Administration

FROM: ALLOWANCE FINANCIAL MANAGER (OR ALLOWANCE
 HOLDER IF NO AFM HAS BEEN DESIGNATED)

SUBJECT: REDELEGATION OF AUTHORITY FOR FUNDS
 CERTIFICATION

In accordance with the authority delegated to me, the following individuals are hereby redelegated authority to certify the availability of funds for the _____ allowance(s):

Type of Funding	Funds Certifying Official (FCO)	Sample Signature
All Funding	Penny Pincher	_____ Signature
Contract Support	Bill Cash	_____ Signature
Travel Funds Only	John Doe	_____ Signature

This memorandum serves as the official delegation of authority for the FCOs. The signatures of authorized FCOs attest that individuals are aware of and understand their fiduciary responsibilities for certifying funds availability in accordance with policies and procedures specified in Management Directive and Handbook 4.2. This authority is effective _____, cannot be further redelegated, and supersedes all previous delegations.

CONTACT:

Distribution:
 FCO(s)
 Allowance holder (if memorandum is from an AFM)
 Allowance holder staff for approving obligating documents

Exhibit IV-3 Guidelines for the Performance Plan of the Allowance Financial Manager (AFM)

Performance Elements and Standards

Element

- (1) Manages the office process for the administrative control of allocated funds. Ensures that the process complies with the requirements contained in Management Directive and Handbook 4.2.

Standard

- ▶ Certification of funds is consistent with the requirements contained in Management Directive and Handbook 4.2. For example, no violations of the Antideficiency Act occur due to improper certification of funds, funds are used only for authorized purposes, and certification does not result in a violation of the fund restrictions delineated in the financial plans and allowances.
- ▶ Provides certification of funds in a timely manner (normally within 1 working day) in the majority of cases. (Timeliness will depend on the circumstances and requires judgment on the part of the AFM. Part of the evaluation for achieving a rating beyond *fully successful* is the ability of the AFM to determine which items require immediate response and apply priorities to such items.)
- ▶ Records are maintained with such accuracy and timeliness as is necessary to ensure that funds are not certified in excess of the amounts that are made available in applicable financial plans and allowances. (Detailed requirements are delineated in Handbook 4.2, Part IV.)
- ▶ Data required to be entered by allowance holders are recorded in the agency accounting system in a timely manner consistent with published NRC financial accounting procedures.
- ▶ Office records are reconciled with official agency accounting records on a monthly basis and differences identified in these reconciliations are resolved promptly (normally within 30 calendar days after month end). (Guidelines for reconciliation are provided in Handbook 4.2, Part VI.)
- ▶ Other actions necessary to comply with requirements of Management Directive and Handbook 4.2 are completed in an accurate and timely manner. Communication is maintained with the allowance holder regarding the financial status of allocated funds. Notifies the allowance holder of significant issues in a timely manner. (The degree of accuracy and timeliness will depend on the circumstances and requires judgment on the part of the AFM. Part of the evaluation for achieving a rating beyond *fully successful* is the ability of the AFM to determine such items.)

Exhibit IV-3 (continued)

Element

- (2) Develops and maintains funding plans and strategies (including commitment and obligation protection) based on program requirements and requests changes to financial plans and advice of allowances based on shifts in program priorities and funding requirements. Ensures that allocated funds are economically and efficiently used.

Standard

- ▶ Accurate time-phased projections of commitments and obligations are provided in a timely manner to DPBA as a basis for determining allowance requirements during the fiscal year.
- ▶ Shifting program funding requirements are evaluated on a continuous basis throughout the fiscal year and requests for financial plan and allowance changes are submitted to DPBA in a timely manner. [Timeliness will depend on the circumstances and requires judgment on the part of the AFM. Part of the evaluation for achieving a rating beyond *fully successful* is the ability of the AFM to determine the lead times involved in approval of such requests (e.g., are congressional approvals required) and plan accordingly.] The number of requests for financial plan and allowance changes should be kept to the minimum consistent with achieving program requirements.
- ▶ A timely review of office funding requirements is conducted as a basis for submitting the office request for unfunded requirements during the midyear resource review (reference Handbook 4.2).
- ▶ Unpaid prior-year obligations are deobligated in a timely manner. [Normally, unpaid prior-year obligations remaining as of mid-fiscal year (3/31) are only associated with procurements that have been identified for closeout. Appropriate actions (within allowance holder responsibilities defined in Handbook 4.2) have been taken to close out those procurements.]

Exhibit IV-4 Guidelines for the Performance Plan of the Funds Certifying Official (FCO)

Performance Elements and Standards

Element

- (1) Certifies availability of funds within the allowance(s) assigned to the office consistent with the requirements contained in Management Directive and Handbook 4.2.

Standard

- ▶ Certification is consistent with the requirements contained in Management Directive and Handbook 4.2. For example, no violations of the Antideficiency Act occur due to improper certification of funds, funds are used only for authorized purposes, and certification does not result in a violation of the fund restrictions delineated in the financial plans and allowances.
- ▶ Provides certification in a timely manner (normally within 1 working day) in the majority of cases. (Timeliness will depend on the circumstances and require judgment on the part of the FCO. Part of the evaluation for achieving a rating beyond *fully successful* is the ability of the FCO to determine which items require immediate response and apply priorities to such items.)
- ▶ Notifies the Allowance Financial Manager (AFM) of significant problems in a timely manner. (Timeliness depends on the circumstances and requires the use of judgment by the FCO. Part of the evaluation for achieving a rating beyond *fully successful* is the ability of the FCO to determine what is of importance to bring to the AFM's attention. Any unresolved problems that could lead to a violation of the fund restrictions delineated in the financial plans and allowances will be brought to the AFM's attention IMMEDIATELY.)

Exhibit IV-4 (continued)

Element (If Applicable to the FCO)

- (2) Maintains office records required for the administrative control of allocated funds. Ensures that the process complies with the requirements contained in Management Directive and Handbook 4.2.

Standard

- ▶ Records are maintained with such accuracy and timeliness as is necessary to ensure that funds are not certified in excess of the amounts that are made available in applicable financial plans and allowances. (Detailed requirements are delineated in Handbook 4.2, Part IV.)
- ▶ Data required to be entered by allowance holders are recorded in the agency accounting system in a timely and accurate manner consistent with published NRC financial accounting procedures.
- ▶ Office records are reconciled with official agency accounting records on a monthly basis and differences identified in these reconciliations are resolved promptly (normally within 30 calendar days after month end). (Guidelines for reconciliation are provided in Handbook 4.2, Part VI.)

Part V

Allowance and Financial Plan Process

Overview (A)

Part V describes the NRC's process for issuing allowances of the funds appropriated by Congress, apportioned by the Office of Management and Budget (OMB), and allotted by the Chief Financial Officer (CFO). The purpose and relationships of allowances and financial plans are defined. The NRC "Advice of Allowances and Financial Plan" (AAFP) (Exhibit V-1) illustrates the kind of funds control information issued to NRC allowance holders. The process and form used for requesting a change in the financial plan are summarized, followed by a discussion of reprogramming actions that require congressional approval and the role of the NRC base table in the allowance process. This part also describes the process involved in issuing full-time-equivalent (FTE) positions on office allowances.

Summary of Allowances and Financial Plans (B)

As described in Part III of this handbook, NRC receives budgetary resources through the appropriation and apportionment process, and by appropriation transfers. Once OMB has apportioned budgetary resources to the agency and funds are allotted, the Director of the Division of Planning, Budget, and Analysis (DPBA) distributes Issue #1 of the AAFP to each allowance holder. Subsequent issues are prepared and distributed to allocate reapportionments as they are received from OMB and allotted to the Director of DPBA or in response to requests for changes in allowances or financial plans. Separate AAFPs will be issued for each unique appropriation symbol. See Exhibit V-1.

Summary of Allowances and Financial Plans (B) (continued)

Advice of Allowances (1)

As shown in Exhibit V-1, two types of allowance information are provided. The "Actual Allowances" displays office FTE allocations and provides authority to incur obligations against funds currently apportioned by OMB, allotted by the CFO (usually on a quarterly basis), and allocated by the Director of DPBA. Allowances anticipated in subsequent quarters are shown in the "Planned Quarterly Allowances by Funds Source" display.

Financial Plan (2)

The financial plan delineates the planned annual allocation of funds to allowance holders consistent with the NRC budget. The NRC budget is submitted to OMB and to the Congress and provides the basis for assessing the NRC's progress in achieving agency goals. The NRC budget provides a plan of expenditure at the program, subprogram, sub-subprogram, and planned activity levels.

Relationship of Advice of Allowances and Financial Plan (3)

The advice of allowances includes office FTE ceilings and provides authority to incur obligations. The financial plan and footnotes delineate restrictions on how the resources provided in the allowances may be used. The financial plan delineates amounts (dollars only, not FTE ceilings) planned to be allocated on an annual basis, while the advice of allowances delineates the amount currently available for obligation and the anticipated allowance of funds for each quarter of the current fiscal year. (a)

An allowance holder certifies the availability of funds within the limits delineated by BOTH the advice of allowances and the financial plan. For example, if the current advice of allowances provides \$50,000 for Fee-Based Funds and the current financial plan provides two allocations under Fee-Based Funds of \$50,000

Summary of Allowances and
Financial Plans (B) (continued)

Relationship of Advice of Allowances and Financial Plan (3)
(continued)

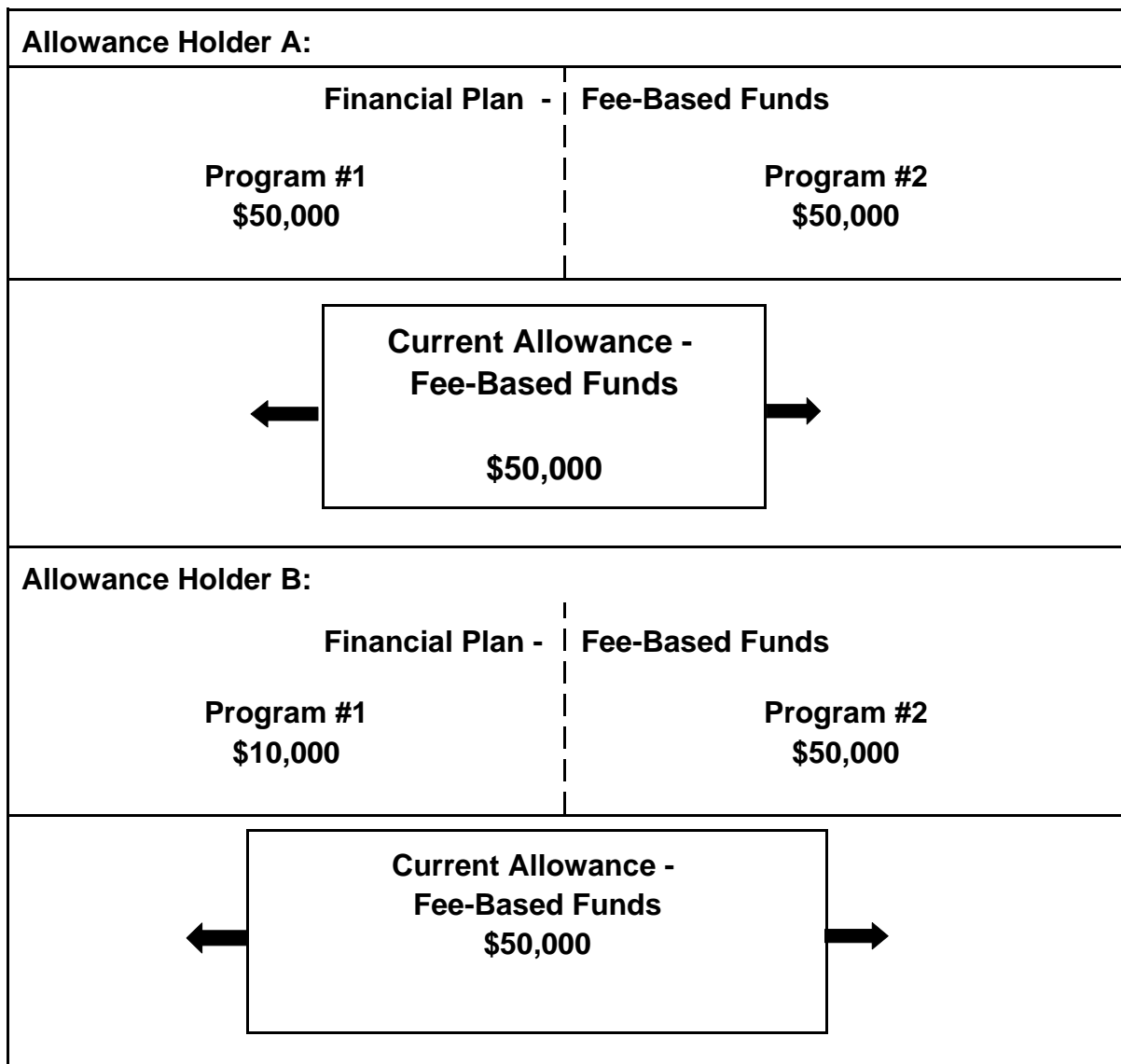
for program #1 and \$50,000 for program #2, the allowance holder is authorized to certify up to \$50,000 total between the two allocations. The exact allocation of the \$50,000 is up to the allowance holder. (See the Allowance Holder A example in Table V-1.) (b)

If, however, the current advice of allowance for Fee-Based Funds provides \$50,000 and the current financial plan provides two allocations under Fee-Based Funds of \$10,000 for program #1 and \$50,000 for program #2, the allowance holder is only authorized to certify up to \$10,000 for program #1. The remaining \$40,000 can be certified for program #2. Alternatively, the entire \$50,000 could be certified for program #2 and none for program #1, or any combination in between. (See the Allowance Holder B example in Table V-1.) (c)

Summary of Allowances and
 Financial Plans (B) (continued)

Relationship of Advice of Allowances and Financial Plan (3)
 (continued)

Table V-1 Relationship of Advice of Allowances
 and Financial Plan



Advice of Allowances (C)

General (1)

An advice of allowances provides authority to allowance holders to incur obligations and make expenditures within a specified amount. In addition, allowances include FTE ceilings for each source of fund. (Part V, Section (c)(3), discusses policy for the treatment of FTEs on advice of allowances.) Allowances are made as funds are apportioned and allotted and will be incremental if OMB apportions funds on a quarterly schedule. Amounts allotted may not exceed the amount apportioned and amounts provided in advice of allowances may not exceed amounts allotted. Allowances remain available for commitment and obligation until the end of the fiscal year, unless they are reduced by a subsequent advice of allowances. All allowances expire at the end of the fiscal year. Any funds unobligated at the end of the fiscal year cannot be committed or obligated unless they are provided to the allowance holder by a new advice of allowances in the following fiscal year. Part IX, "Unobligated Carryover Funds," of this handbook discusses the process of carrying over unobligated funds at fiscal year end.

Sources of Funds (2)

An allowance holder who is responsible for activities financed by more than one source of funds will receive more than one allowance on the advice of allowances. For example, the AAFP form issued to the Director of the Office of Nuclear Material Safety and Safeguards may include three allowances: one for Fee-Based Funds, one for the Nuclear Waste Fund (NWF), and one for Reimbursable Work. Each allowance amount represents a ceiling on the funds that may be obligated. Incurring obligations in excess of an allowance amount is a violation of NRC's administrative control of funds policies and procedures. The allowance reflects any restrictions on the use of funds for particular purposes related to funds sources. Funds derived from the NWF, for example, are used only for activities related to high-level waste (HLW) disposal. (a)

Advice of Allowances (C) (continued)

Sources of Funds (2) (continued)

Funds from the following sources are listed as separate allowances: (b)

- Fee-Based Funds. Funds from the agency's Salaries and Expenses (S&E) and Office of the Inspector General (OIG) appropriations that are subject to license fee recovery are allocated as a separate line (Fee Based) on the advice of allowances. This fund source excludes funds designated as official representation and funds derived from the NWF and the General Fund. (i)
- Nuclear Waste Fund. Funds derived from the NWF for activities related to HLW disposal. Allowance holders responsible for activities financed from the NWF receive a separate allowance line (Nuclear Waste Fund) on the advice of allowances. (See Part III, Section (E)(3), and Part XI for additional information about the NWF.) (ii)
- General Fund. Funds specifically appropriated to NRC that are derived from the General Fund of the United States Treasury are allocated as a separate line (General Fund) on the advice of allowances. These funds are excluded from recovery from license fees. (iii)
- AID Transfer Funds. The Agency for International Development (AID) provides funds to NRC, through a transfer and an allocation of funds, for the purpose of carrying out the Foreign Assistance Act of 1961, as amended. Allowance holders responsible for activities financed from the AID transfer receive a separate allowance line on the advice of allowances. Allowance holders responsible for activities financed from the AID allocation receive a separate allowance. (iv)
- Official Representation. The portion of the S&E appropriation designated for official representation is allocated as a separate line (Representation) on the advice of allowances. (v)

Advice of Allowances (C) (continued)

Sources of Funds (2) (continued)

- Reimbursable Work. Funds for obligations in support of reimbursable work agreements in which NRC is performing services for others are allocated as a separate line (Reimbursement) on the advice of allowances. (vi)

FTE Ceilings on Advice of Allowances for NRC Salaries and Expenses (S&E) Appropriation (3)

AAFPs include FTE allocations for each fund source (i.e., Fee-Based, NWF, General Fund, and Reimbursement); however, normally the salaries and benefits dollars associated with FTEs are allocated to the Central Allowance. FTEs are not included on the financial plan portion of the AAFP. (a)

Offices are responsible for ensuring that their actual NWF and reimbursable FTE usage does not exceed the allocations provided in the AAFP. For fee-based and reimbursable FTEs, each office is expected to plan and manage its staffing consistent with its annual FTE allocation and associated funding constraints. (b)

Offices are required to establish a monthly FTE spending utilization plan by funds source. This information should be provided to the Chief of the Funds Control Team, DPBA, at the beginning of the fiscal year for inclusion in the monthly Budget Execution Report (BER). (c)

Requests for FTE changes must be submitted to the Director of DPBA. NWF and specific General Fund FTE changes may be made in fractional amounts using one decimal place. Fee-based FTE requests must be made in whole numbers, not partial FTEs. Requests for FTE changes can only be made by the office director. Transfers between offices require a request by both office directors. Once approved by DPBA, the budget formulation system is updated and revised allowances are issued to the affected offices. (d)

Advice of Allowances (C) (continued)

FTE Ceilings on Advice of Allowances for NRC Salaries and Expenses (S&E) Appropriation (3) (continued)

Offices that do not have budgeted NWF FTEs are not permitted to work on HLW activities until NWF FTEs are allocated to the office. Normally, the additional FTEs are funded by a transfer from the office that is benefitting from the work. The additional FTEs must support both the direct time to be worked, plus a sufficient allocation of indirect time (see Part XI, "Nuclear Waste Fund Policy," for more information for specific guidance on NWF activities). (e)

Offices that do not have budgeted FTEs for specific General Fund projects are not permitted to work on those projects until FTEs are allocated to the office. Normally, FTEs for specific General Fund projects are controlled using the same procedures applicable to NWF FTEs. (f)

Footnotes to the Advice of Allowances and Financial Plan (4)

As summarized in Exhibit V-1, restrictions on the uses of funds contained in the appropriation acts, other legislation, or reimbursable agreements are detailed in footnotes to allowances and financial plans. These footnotes describe limitations on the purposes for which appropriated funds and/or FTEs may be used and are subject to change each fiscal year. Questions regarding the interpretation of these footnotes should be addressed to the Director of DPBA.

Financial Plan (D)

General (1)

Financial plans delineate planned annual allocations of funds to allowance holders that are based on the NRC budget and the legislation that authorizes and appropriates funding for the agency. An example of a financial plan is shown in Exhibit V-1.

Financial Plan (D) (continued)

Categories of Funds (2)

Financial plans delineate various categories of funds to allowance holders, depending upon the broad purposes for which they may be used. Allowance holders are authorized to commit or obligate funds only for purposes appropriate to the categories of funds they have received. The categories may include fee-based funds, general funds, reimbursable work, official representation, AID funds, funds for nuclear waste activities, and funds for personnel compensation and benefits. (a)

Funds for personnel compensation and benefits correspond to OMB object classifications 11, 12, and 13. Amounts for personnel under NRC's Salaries and Expenses Appropriation are allocated to the NRC Central Allowance with the exception of non-Senior Executive Service (SES) and Senior Level Service (SLS) awards. Amounts for personnel under the Office of the Inspector General appropriation are allocated to the Inspector General. Amounts for awards are allocated directly to office allowance holders. (b)

Funds for reimbursable work are provided as a separate amount on the financial plan in support of reimbursable work agreements in which NRC is performing services for others. As designated in the footnotes to the AAFP, each individual reimbursable work agreement ordinarily represents an obligational ceiling that may not be exceeded. (See Part VIII, "Reimbursable Work Performed by NRC for Others," for additional information on reimbursable work.) (c)

Funds for official representation are delineated in the NRC Central AAFP as a separate limitation on the amount to be obligated for official representation expenses. (d)

Advice of Allowances and
Financial Plan Form (E)

Table V-2 shows the information contained on the NRC AAFP.
Refer to Exhibit V-1 for the location of each data field mentioned.

Advice of Allowances and
 Financial Plan Form (E) (continued)

Table V-2 Information on the NRC
 "Advice of Allowances and Financial Plan" (AAFP)

Section	Description
• Issued to	• Name and title of the allowance holder. Generally, this is the office director or the regional administrator responsible for the funds allocated. Allowance holders are designated by the Director of DPBA
• Fiscal Year	• Designates the fiscal year during which the AAFP is issued.
• Appropriation	• Treasury appropriation symbol from which the funds are derived. NRC's Salaries and Expenses appropriation symbol is designated by "31X0200." NRC's Inspector General appropriation is designated by "31X0300."
• Allowance Holder	• Designates the allowance holder's office.

Allowance Holder Codes			
Allowance Holder Office	Code	Allowance Holder Office	Code
• Administration	• ADM	• Nuclear Reactor Regulation	• NRR
• AID Allocation of Funds	• AID	• Nuclear Security and Incident Response	• NSIR
• NRC Central	• CEN	• Human Resources	• HR
• Federal and State Materials and Environmental Management Programs	• FSME	• Nuclear Regulatory Research	• RES
• Information Services	• OIS	• Region I	• RG1
• Inspector General	• IG	• Region II	• RG2

Advice of Allowances and
 Financial Plan Form (E) (continued)

Table V-2 (continued)

Allowance Holder Codes (continued)			
• Nuclear Material Safety and Safeguards	• NMSS	• Region III	• RG3
• New Reactors	• NRO	• Region IV	• RG4
Section	Description		
• Issue #	• AAFPs are sequentially numbered each fiscal year as they are issued. The most current "Issue #" represents the AAFP that is currently in effect.		
• Effective Date	• Date the AAFP becomes effective. The allowance holder is not authorized to enter into commitments or incur obligations against newly allocated funds or increases in financial plan amounts before this date. The AAFP document may be issued in advance of the "Effective Date" to ensure that it is received by the date on which funds become available. For example, the initial AAFP for the fiscal year might be issued on September 25 with an "Effective Date" of October 1. In this case, commitments and obligations against the document may not be incurred until October 1. (See Section V(H)(2) for expedited and verbal approval of AAFPs.)		
• Expiration Date	• The last date that the AAFP is in effect. Normally, this will be the last date of the fiscal year. This is the last day that allowance holders may commit or obligate funds against this AAFP.		
• Signature	• The AAFP is signed by the Director of DPBA or by someone officially delegated authority to act for that person.		
• Date Signed	• Date the AAFP is signed.		

Advice of Allowances and
 Financial Plan Form (E) (continued)

Table V-2 (continued)

Advice of Allowances Section	
Section	Description
<ul style="list-style-type: none"> • Instructions 	<ul style="list-style-type: none"> • Special instructions, constraints, or restrictions that apply to the allowance holder's use of resources (dollars and FTEs).
<ul style="list-style-type: none"> • Allowance/Fund Source 	<ul style="list-style-type: none"> • Titles of the fund source from which the allowance holder has received allowances. Amounts allocated from fund sources represent individual allowances.
<ul style="list-style-type: none"> • Previous Allowances 	<ul style="list-style-type: none"> • Amounts allocated during the current fiscal year before the current allowance. These amounts equal the "Current Allowances" amounts on the previous advice of allowances.
<ul style="list-style-type: none"> • Change 	<ul style="list-style-type: none"> • Incremental amount being allocated on the current advice of allowances. Although figures in this column normally represent increases in the amounts allocated, amounts may be decreased with negative numbers. The dollar amounts from this column are recorded into the NRC accounting system to adjust the amounts reported as allocated.
<ul style="list-style-type: none"> • Current Allowances 	<ul style="list-style-type: none"> • Cumulative amount allocated. These amounts are available for commitments and obligations. The current allowance amount for each source of funds is the ceiling that is subject to NRC's administrative control of funds policies and procedures.
<ul style="list-style-type: none"> • Remarks 	<ul style="list-style-type: none"> • Explanation of the reason for the increase or decrease in allowances (i.e., new appropriation of funds, quarterly allowance, transfer of funds, or transfer of FTEs). If funds have been allocated for reimbursable work, an explanation of the specific purposes for which the funds are available will be provided.
<ul style="list-style-type: none"> • Planned Quarterly Allowance by Funds Source 	<ul style="list-style-type: none"> • Planned allowances by fiscal quarters. Amounts to be allocated in future quarters are not available for commitments or obligations until allocated under the "Current Allowances" column.

Advice of Allowances and
 Financial Plan Form (E) (continued)

Table V-2 (continued)

Financial Plan Section	
Section	Description
<ul style="list-style-type: none"> • Instructions 	<ul style="list-style-type: none"> • Specific guidance for implementing the financial plan.
<ul style="list-style-type: none"> • Program Code 	<ul style="list-style-type: none"> • The program code provides a framework for controlling funds in a manner consistent with the structure in the NRC budget. The program code comprises the last six digits of the budget and reporting (B&R) number: Position 1: Program in the NRC Budget Positions 2 & 3: Subprogram/sub-subprogram in the NRC Budget Positions 4 - 6: Planned Activity in the NRC Budget • Commitments, obligations, and payments are charged to B&R classifications at a level of detail equal to or lower than that specified on the financial plan. Valid B&R classifications are issued by the Budget Policy and Operations Team (BPOT/DPBA) at the beginning of each fiscal year.
<ul style="list-style-type: none"> • Title 	<ul style="list-style-type: none"> • Title of the source of funds and tier corresponding to the level of detail for which funds are provided.
<ul style="list-style-type: none"> • Original Plan 	<ul style="list-style-type: none"> • Amounts provided in the initial financial plan for the fiscal year.
<ul style="list-style-type: none"> • Previous Plan 	<ul style="list-style-type: none"> • Amounts provided in the financial plan issued in the current fiscal year before the current plan.
<ul style="list-style-type: none"> • Current Change 	<ul style="list-style-type: none"> • Incremental amount being provided in the current financial plan. Figures in this column may represent either increases or decreases.
<ul style="list-style-type: none"> • Current Plan 	<ul style="list-style-type: none"> • Amounts currently provided in the financial plan. This column is the sum of the "Previous Plan" and "Change" columns. AMOUNTS IN THIS COLUMN ARE ONLY AVAILABLE FOR COMMITMENT AND OBLIGATION IF FUNDS ARE ALSO PROVIDED IN THE CORRESPONDING ADVICE OF ALLOWANCES.
<ul style="list-style-type: none"> • Footnotes 	<ul style="list-style-type: none"> • Restrictions on the uses of resources contained in the appropriation acts, other legislation, or reimbursable agreements are detailed in footnotes to the AAFP.

Changes to Allowances and Financial Plans (F)

Although allowance holders are expected to manage funds and FTEs within the ceilings established in the current AAFP, changes may be required during the course of the fiscal year. Required changes may affect either the allowance amounts, the financial plan amounts, or both. Only allowance holders and allowance financial managers (AFMs) are authorized to request changes to allowances and/or financial plans. (Only the allowance holder may request the following changes to allowances and/or financial plans: allocations of additional resources to fund unbudgeted requirements, the return of funds, changes to FTE allocations, and transfers to/from other allowance holders.)

Allowance Changes (1)

In most cases, a change to an allowance also affects the financial plan. An example of a change that affects only the allowance is a request to receive funds scheduled to be allocated in a future quarter of the fiscal year. If only an allowance change is involved, requests for changes are made by the allowance holder or the AFM to the Director of DPBA. The request includes an explanation of why funds are required earlier in the fiscal year and states that the allowance does not require a financial plan change. If a financial plan change is required, a "Request for Financial Plan Changes" (NRC Form 289A) is also prepared.

Financial Plan Changes (2)

A financial plan change is necessary when the total amount of funds required for the fiscal year under a particular line in the approved financial plan has changed. Changes in funding requirements may result when—

- The objectives of the program, subprogram, or sub-subprogram can be met with fewer funds than established in the financial plan. (a)

Changes to Allowances and
Financial Plans (F) (continued)

Financial Plan Changes (2) (continued)

- An objective of the program, subprogram, or sub-subprogram can be better met by transferring funds to a different office's financial plan and allowance for obligation. (b)
- An objective of the program, subprogram, or sub-subprogram can be better met by transferring funds to different line item(s) on the financial plan and allowance for obligation. (c)
- The objectives of the program, subprogram, or sub-subprogram cannot be met within the ceilings currently established in the financial plan. This situation may result from new requirements or changing circumstances since the issuance of the financial plan. (Note: Allowance holders are expected to make efforts to fund new or additional requirements within the ceilings established by the financial plan before requesting an increase.) (d)

Financial Plan Change Request Process (3)

NRC Form 289A is used to request financial plan changes. By signing the request, the allowance holder or AFM attest that funds to support the change are available and have not been committed or obligated. An allowance holder or an AFM may choose to request financial plan changes by memorandum or electronic mail (e-mail) in lieu of submitting NRC Form 289A. Only allowance holders or AFMs are authorized to request changes by e-mail. (a)

The documentation shown in Table V-3 is submitted to support NRC Form 289A, the memorandum, or the e-mail request. When an allowance holder requests additional funds from OCFO, the request should include a statement specifying when funds will be committed and obligated. Depending on the circumstances, DPBA may request additional information to support a financial plan change request. (b)

Changes to Allowances and
 Financial Plans (F) (continued)

Financial Plan Change Request Process (3) (continued)

**Table V-3 Required Supporting Documentation
 for NRC Form 289A**

Item	Main Points
<ul style="list-style-type: none"> • Explanation of Change 	<ul style="list-style-type: none"> • A statement of no impact if applicable • Programmatic impact • Description of new activities to be initiated • Identify <ul style="list-style-type: none"> - NRC offices affected - Source and destination of budget and reporting number - Funds or FTE recipient
<ul style="list-style-type: none"> • Explanation of Transfers from Allowance to Allowance (Should Include) 	<ul style="list-style-type: none"> • Approval of receiving allowance holder • Statement that funds or FTEs are not available in the receiving allowance to support the requirement

Request for Financial Plan Changes Form (4)

Table V-4 describes the information entered on the NRC Form 289A. The completed NRC Form 289A and supporting documentation are forwarded to the Director of DPBA for review and approval.

Changes to Allowances and
 Financial Plans (F) (continued)

Request for Financial Plan Changes Form (4) (continued)

Table V-4 Information on NRC Form 289A,
 "Request for Financial Plan Changes"

Section	Description
• Fiscal Year	• The fiscal year for which the financial plan is effective.
• B&R Number	• Budget and report (B&R) classification on the financial plan. Position 1: Budget Fiscal Year Positions 2 & 3: Allowance holder designation Positions 4 & 5: Funds type Position 6: Program in the NRC Budget Positions 7 & 8: Subprogram/sub-subprogram Positions 9 - 11: Planned activity in the NRC Budget
• B&R Title	• Title of the type of funds, Subprogram/sub-subprogram, planned activities corresponding to the level of detail of the B&R number.
• Current Plan	• Amounts provided in the current financial plan.
• Proposed Change	• Requested increases or decreases in funding.
• Proposed Plan	• Revised financial plan amounts if the proposed changes are approved.
• Office	• Name of the allowance holder office requesting the financial plan change. When the change involves a reduction of funding for one of the offices that is party to the transaction, the change is initiated by the office that is relinquishing funds.
• Signature of Requesting Official	• The allowance holder or the allowance financial manager are the only authorized requesting authorities.
• Date	• Date the request is signed.

Changes to Allowances and
Financial Plans (F) (continued)

Timing of Financial Plan Change Requests (5)

To the extent practical, financial plan change requests should be consolidated. In the absence of unusual circumstances (e.g., significant impacts on the NRC budget or necessity for congressional reprogramming approval), a revised AAFP will normally be issued within 10 workdays after a request is received by DPBA.

Congressional Reprogramming
Approval (G)

General (1)

Some financial plan changes may be subject to congressional reprogramming constraints. The intended purpose of funds provided in an appropriation act is determined by the language and legislative history of the agency's appropriation act, authorizing legislation, enabling legislation, organic legislation, and the agency's budget submitted to Congress. Any change in the intended utilization of funds from this guidance may require approval by the appropriate congressional committees. (a)

NRC authorizing or appropriation legislation may contain specific requirements for congressional notification or approval before reprogramming of funds. In the absence of legislative restrictions, NRC reprogramming is governed by procedures provided by the House of Representatives Subcommittee on Energy and Water Development (October 2, 2002). The following sections describe the NRC's implementation of those procedures. (b)

NRC Base Table (2)

A "base table" is developed annually by DPBA upon passage of the NRC's appropriation act. It displays appropriated funds

Congressional Reprogramming
Approval (G) (continued)

NRC Base Table (2) (continued)

available for obligation by the agency and is the controlling document that provides the basis for the NRC allotments, allowances, and financial plans.

Timing (a)

At the start of a fiscal year or within 15 days after the passage of NRC's annual appropriation act, whichever is later, the base table is provided to the committees in Congress that authorize and appropriate funds to NRC. The base table shows the amount approved by Congress for each NRC program, as well as the line item detail for each program that is specified in the legislative history of the appropriation act.

Comparability Adjustments (b)

The base table identifies all comparability adjustments to the budget approved by Congress with appropriate explanations. Comparability adjustments represent a restructuring of appropriated funds in which funds are to be used for the programmatic purposes originally intended but are reported differently from the form and detail in which they were proposed by the President and appropriated by Congress.

Distribution (c)

The base table prepared by DPBA is transmitted to the House Subcommittee on Energy and Water Development by the CFO. Copies of the base table are provided to the Director of the Office of Congressional Affairs for transmittal to the remaining NRC congressional oversight committees.

Congressional Reprogramming
Approval (G) (continued)

Revisions to the Base Table (3)

Quarterly updates to the base table identify and explain all funding adjustments between programs since the last submission. Base table revisions are prepared by DPBA and are transmitted to the congressional committees as described above.

Reprogramming Actions Requiring Congressional Approval (4)

The reprogramming actions shown in Table V-5 require approval by the appropriate congressional committees before the Director of DPBA will issue revised financial plans and allowances.

Congressional Reprogramming
 Approval (G) (continued)

**Reprogramming Actions Requiring Congressional Approval
 (4) (continued)**

**Table V-5 Reprogramming Actions Requiring
 Congressional Approval**

<ul style="list-style-type: none"> • Line Item Interest 	<ul style="list-style-type: none"> • Adjustment to line items receiving specific congressional action in the appropriation process. Line item detail, if any, for each program is specified in the legislative history of the appropriation act.
<ul style="list-style-type: none"> • Amount Threshold 	<ul style="list-style-type: none"> • Adjustment to programs or line items in the base table by more than \$1,000,000.
<ul style="list-style-type: none"> • New Items 	<ul style="list-style-type: none"> • Transfers to a programmatic effort not identified in the budget justification as modified in the legislative history of the appropriation act.
<ul style="list-style-type: none"> • Unobligated Carryover 	<ul style="list-style-type: none"> • Utilization of unobligated carryover to fund other than prior-year commitments that meet one or more of the criteria above.
<ul style="list-style-type: none"> • FTE Transfers 	<ul style="list-style-type: none"> • Transfer of full-time-equivalent (FTE) positions from one program to another for other than comparability purposes that meet one or more of the criteria above.

**Reprogramming Actions Requiring Congressional
 Notification (5)**

For reprogramming actions known to be of congressional interest that do not fall under the above categories, the appropriate congressional committees will be notified before the issuance of revised financial plans and allowances. Other adjustments to program amounts that do not meet the requirements for prior congressional approval are reported to the congressional committees through the quarterly base table submission.

Approval Process (H)

General (1)

DPBA reviews all AAFP change requests. DPBA considers the following in determining whether to approve the request: impacts on the NRC budget; availability of unallocated, apportioned amounts to support requests for additional funds; Commission decisions involving resource reallocations; and congressional reprogramming restrictions (see Part V, Section (G)(4), "Reprogramming Actions Requiring Congressional Approval," of this handbook). Upon approval of the change request, a revised AAFP (Exhibit V-1) is issued to the affected allowance holder(s). Proposed changes are only executed after the AAFP is issued, except on an emergency basis as described below. Upon receipt of the document, allowance holders may enter into commitments and incur obligations in accordance with the changes.

Expedited Approval (2)

In emergency situations, the Director or the Deputy Director of DPBA may provide expedited authorization (e-mail, fax, or telephone) for an AAFP change to the allowance holder or the AFM. In this situation, the change is effective immediately. DPBA will confirm the approval by issuing a revised AAFP with the date of the expedited approval as the effective date.

Assignment of Program

Values to Job Codes (I)

NRC job codes are used to identify and assign costs to NRC projects. All commitment and obligation transactions require the designation of a job code. To ensure good financial planning, a program value, that is, a budget dollar estimate, should be assigned to each job code. The initial program value represents the planned annual amount budgeted for the project. (1)

Program codes delineated on the financial plan section of the AAFP provide the framework for controlling funds in a manner

Assignment of Program

Values to Job Codes (I) (continued)

consistent with the NRC budget. For each program code, there is an amount that represents a ceiling on the funds that may be obligated. The sum of the job code program values associated with a given program code should equal the financial plan amount for that program code. In addition, the sum of all the allowance holder's program values for each job code should equal the total amount currently provided on the allowance holder's financial plan. (2)

The allowance holder's staff is responsible for ensuring that a program value for each job code is entered into the NRC accounting system. Commitments, obligations, or expenditures should not exceed the program value amount. If it is determined that the current program value no longer accurately reflects the estimated cost of the project, the amount should be adjusted accordingly before committing, obligating, or expending funds in excess of the program value. In some instances, a revised AAFP may have to be issued before changing the program values. (3)

Exhibit V-1 Sample "Advice of Allowances and Financial Plan (AAFP)"

U.S. NUCLEAR REGULATORY COMMISSION
ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)

Page 1 of 6
 FISCAL YEAR: XX
 APPROPRIATION: 31X0200
 ALLOWANCE HOLDER: NMSS
 ISSUE #: 1
EFFECTIVE DATE: 10/01/XX
EXPIRATION DATE: 09/30/XX

Issued To: Jack R. Strosnider, Director
 Office of Nuclear Material Safety and Safeguards

The total obligations and unobligated commitments incurred under this authorization shall not exceed the amount for each funds source allocated below under the "Current Allowances" column. Nuclear Waste Fund FTE utilization shall not exceed the FTE allocated under the "Current Allowance" column for NWPANuclear Waste Fund. Use of resources (dollars and FTE) are subject to restrictions noted in the footnotes. The funding and FTE allocation for each funds source delineated below constitutes a separate allowance. The following AAFP supersedes all prior allowances for this financial year and authority under this AAFP expires September 30, 20XX, unless revised or rescinded. (See NRC Handbook 4.2 for more detailed guidance.)

ADVICE OF ALLOWANCES ^{a/b/c}

ACTUAL ALLOWANCES							
ALLOWANCES/FUNDS SOURCE	PREVIOUS ALLOWANCES		CHANGE		CURRENT ALLOWANCES		
	FTE	Dollars	FTE	Dollars	FTE	Dollars	
	Fee-Based Funds ¹	0	\$0	0	\$0	0	
NWPANuclear Waste Fund ²	0	0	0	0	0	0	
Reimbursement ³	0	0	0	0	0	0 ^{b/}	

REMARKS: Issuing of Fiscal Year 20XX funding.

PLANNED QUARTERLY ALLOWANCES BY FUNDS SOURCE					
NMSS Allowances	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER	TOTAL
Fee-Based Funds ¹	\$0	\$0	\$0	\$0	\$0
NWPANuclear Waste Fund ²	0	0	0	0	0
Reimbursement ³	0	0	0	0	0
Total NMSS Allowances	\$0	\$0	\$0	\$0	\$0

Authorized by: _____
 Signature
 Leslie W. Barnett, Director
 Division of Planning, Budget, and Analysis
 Office of the Chief Financial Officer

 Date Signed

1. Fee-Based Funds included in the NRC Salaries and Expenses Appropriation (other than Nuclear Waste Fund, General Fund, or Official Representation).
 2. Resources included in the NRC Salaries and Expenses Appropriation and derived from the Nuclear Waste Fund for NRC activities associated with the Nuclear Waste Policy Act (NWPANuclear Waste Fund, as amended).
 3. Reimbursable Work Authority.

Volume 4, Financial Management
Administrative Control of Funds
Handbook 4.2 Part V

Exhibit V-1 (continued)

U.S. NUCLEAR REGULATORY COMMISSION
ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)

Issued To: Jack R. Strosnider, Director
Office of Nuclear Material Safety and Safeguards

Page 2 of 6
FISCAL YEAR: XX
APPROPRIATION: 31X0200
ALLOWANCE HOLDER: NMSS
ISSUE #: 1
EFFECTIVE DATE: 10/01/XX
EXPIRATION DATE: 09/30/XX

The following Financial Plan depicts the currently planned allocation of funds to you for the fiscal year noted above. You are hereby authorized to certify the availability of funds (i.e., commit funds) within the amounts shown on each line of the following financial plan subject to the restrictions noted in the footnotes to this plan and subject to the funding limitations contained in the Advice of Allowances on page 1.

FINANCIAL PLAN^{a/1c}

PROGRAM CODE	TITLE	ORIGINAL PLAN	PREVIOUS PLAN	CHANGE	CURRENT PLAN
	NRC SALARIES AND EXPENSES APPROPRIATION FEE-BASED FUNDS				
0YY010	Salaries and Benefits (Awards)	\$0	\$0	\$0	\$0
333000	Fuel Facilities Licensing and Inspection	0	0	0	0
344000	Nuclear Materials Users Licensing and Inspection	0	0	0	0
355000	Decommissioning and Low-Level Waste	0	0	0	0
366000	Spent Fuel Storage and Transportation Licensing and Inspection	0	0	0	0
	Total Fee-Based Funds	\$0	\$0	\$0	\$0^{d/}
	NWPA - NUCLEAR WASTE FUND				
300000	High-Level Waste (HLW) Regulation	\$0	\$0	\$0	\$0
	Total NWPA - Nuclear Waste Fund	\$0	\$0	\$0	\$0
	REIMBURSABLE WORK				
	Reimb. Work (Federal Agencies)	\$0	\$0	\$0	\$0
	Reimb. Work (Non-Federal Parties)	0	0	0	0
	Total Reimbursable Work	\$0	\$0	\$0	\$0^{b/}
	TOTAL NMSS FINANCIAL PLAN	\$0	\$0	\$0	\$0

Footnotes (apply to Advice of Allowances and Financial Plan):

a/1. None of these resources shall be used to pay the expenses of, or otherwise compensate, parties intervening in regulatory or adjudicatory proceedings. (P. L. XXX-XXX, Energy and Water Development Appropriations Act, FY 19XX, Title V, Section XXX, making permanent the application.)

Exhibit V-1 (continued)

U.S. NUCLEAR REGULATORY COMMISSION		Page 3 of 6
ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)		FISCAL YEAR: XX
		APPROPRIATION: 31X0200
		ALLOWANCE HOLDER: NMSS
		ISSUE #: 1
Issued To: Jack R. Strosnider, Director Office of Nuclear Material Safety and Safeguards		EFFECTIVE DATE: 10/01/XX EXPIRATION DATE: 09/30/XX

Footnotes (apply to Advice of Allowances and Financial Plan):

2. The expenditure of any resources for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law. (P. L. XXX-XXX, Title V, Section XXX, making permanent the application.)
3. None of these resources shall be available for paying Sunday premium pay to any employee unless such employee actually performed work during the time corresponding to such premium pay. (P.L. XXX-XXX, Omnibus Consolidated and Emergency Supplemental Appropriations Act, 19XX, Title VI, Section XXX, making permanent the application.)
4. None of these resources may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to Members of Congress as described in 18 USC 1913. (P.L. XXX-XXX, Consolidated Appropriations Act, 20XX, Division C, Energy and Water Development Appropriations Act, 20XX, Title V, Section XXX.)
5. None of these resources may be transferred to any Federal agency, except pursuant to transfer authority provided in an appropriations act. (P.L. XXX-XXX, Division C, Title V, Section XXX.)
6. None of these resources may be used to implement child care tuition assistance to agency employees as described in the section prior to notification of the Committees on Appropriations. (P.L. XXX-XX, Treasury and General Government Appropriations Act, 20XX, Title VI, Section XXX, making permanent the application.)
7. None of these resources shall be available for obligation or expenditure, unless such department, agency, or instrumentality has in place and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality. (P.L. XXX-XXX, Consolidated Appropriations Act, 20XX, Division H, Transportation, Treasury, Independent Agencies, and General Government Appropriations Act, 20XX, Title VI, Section XXX.)
8. None of these resources shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
9. None of these resources shall be used for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
10. None of these resources shall be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, U. S. C., -- during the periods specified and the conditions stated in this section. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)

Exhibit V-1 (continued)

U.S. NUCLEAR REGULATORY COMMISSION		Page 4 of 6
ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)		FISCAL YEAR: XX
		APPROPRIATION: 31X0200
		ALLOWANCE HOLDER: NMSS
		ISSUE #: 1
Issued To: Jack R. Strosnider, Director Office of Nuclear Material Safety and Safeguards		EFFECTIVE DATE: 10/01/XX
		EXPIRATION DATE: 09/30/XX

Footnotes (apply to Advice of Allowances and Financial Plan):

11. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no resources may be obligated or expended in excess of \$5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate. For purposes of this section the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
12. None of these resources shall be used for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of Title 5, U.S.C., without a certification to the OPM from the head of the NRC that the Schedule C position was not created solely or primarily in order to detail the employee to the White House. This provision does not apply to Federal employees or members of the armed services detailed to or from specific agencies described in this section. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
13. None of these resources shall be available for obligation or expenditure, unless such department, agency or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 19XX, and the Rehabilitation Act of 19XX. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
14. None of these resources are available for the payment of the salary of any officer or employee of the Federal Government, who prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee. The prohibition also extends to taking any disciplinary or personnel actions against employees for these communications. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
15. None of these resources may be used for any employee training that does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties; contains elements likely to induce high levels of emotional response or psychological stress; does not require prior employee notification of the content and methods in the training; contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N-915 XXX, dated September 2, 19XX; is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
16. None of these resources may be used to implement or enforce the agreements in Standard Forms 312 and 4414 (employee disclosure agreements) of the Government or any other nondisclosure policy, form, or agreement if such policy, form, or agreement does not contain the provisions included in this section. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)

Exhibit V-1 (continued)

U.S. NUCLEAR REGULATORY COMMISSION
ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)

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FISCAL YEAR: XX
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EXPIRATION DATE: 09/30/XX

Issued To: Jack R. Strosnider, Director
Office of Nuclear Material Safety and Safeguards

Footnotes (apply to Advice of Allowances and Financial Plan):

17. None of these resources may be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any materials or media presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself. (P.L. XXX-XXX, Division H, Title VI, Section XXX and Section XXX.)
18. None of these resources may be used by an agency to provide a Federal employee's home address to any labor organization unless authorized by the employee or ordered by a court of competent jurisdiction. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
19. None of these resources may be used to provide any non-public information such as mailing or telephone lists to any person or organization outside of the Federal Government without approval of the Committees on Appropriations. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
20. None of these resources may be used to prohibit the agency from using appropriated resources as it sees fit to independently contract with private companies to provide online employment applications and processing services. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
21. None of these resources may be used to either, 1) collect, review, or create any aggregation of data that includes only personally identifiable information relating to an individual's access to or use of any NRC Internet site; or 2) enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregation of data that includes any personally identifiable information relating to an individual's access to or use of any non-governmental Internet site. Limited exceptions to these restrictions are provided in subsection (b) of this section. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
22. None of these resources may be used for the purchase of a product or service offered by Federal Prison Industries, Inc. unless the NRC determines that such offered product or service provides the best value to the agency pursuant to governmentwide procurement regulations cited in this section. (P.L. XXX-XXX, Division H, Title VI, Section XXX, making permanent the application.)
23. None of these resources shall be used to purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations. (P.L. XXX-XXX, Division H, Title VI, Section XXX.)
24. In accordance with the Conference Report accompanying P.L. XXX-XXX (House Report XXX-XXX) Emergency Supplemental Appropriation resources (ESA) are to be used to: re-analyze the vulnerabilities and physical protection requirements for NRC-licensed facilities and for radioactive materials in transit; re-analyze the design basis threats which are used to design safeguards systems to protect against acts of radiological sabotage and to prevent the theft of nuclear materials; strengthen the processes used to authorize access to NRC-licensed facilities; upgrade NRC's emergency preparedness and incident response programs; and strengthen NRC's infrastructure and communications capabilities. The conferees also directed the Commission to utilize the resources of the National Infrastructure Simulation and Analysis Center in these efforts. Thus, the Center should be used for all contract work being conducted with resources appropriated in P.L. XXX-XXX unless the office director determines there are extenuating circumstances, (e.g. the facility does not have the capability to perform required work, the work is to procure a product rather than a service). Such a determination including the specific circumstance(s) should be documented in the project file and a copy should be provided to the CFO.

Exhibit V-1 (continued)

U.S. NUCLEAR REGULATORY COMMISSION ADVICE OF ALLOWANCES AND FINANCIAL PLAN (AAFP)		Page 6 of 6 FISCAL YEAR: XX APPROPRIATION: 31X0200 ALLOWANCE HOLDER: NMSS ISSUE #: 1 EFFECTIVE DATE: 10/01/XX EXPIRATION DATE: 09/30/XX
Issued To: Jack R. Strosnider, Director Office of Nuclear Material Safety and Safeguards		
Footnotes (apply to Advice of Allowances and Financial Plan):		
25.	None of these resources may be used to implement or comply with the Office of Management and Budget Memorandum M-02-07, 'Procurement of Printing and Duplicating through the Government Printing Office', issued May 3, 20XX, or any other memorandum or similar opinion reaching the same, or substantially the same, result as such memorandum. (P. L. XXX-XXX, Making Continuing Appropriations for FY 20XX, and for other purposes, Section 4.)	
b/	Reimbursable Work: Federal: Allocation of \$XXX,XXX.XX in support of the following reimbursable agreements between the NRC and the Department of XXX:	
	<ul style="list-style-type: none">• Allocation of \$XXXX.XX for reimbursable agreement number DE-XXXX-XXXXXXXX between the Department of XXX and the NRC for technical assistance. This agreement expires September 30, 20XX.• Allocation of \$XXX,XXX of FY 20XX unobligated carryover funds for a reimbursable employee detail between NRC and the Department of XXX. This agreement expires June 30, 20XX.	

Part VI

Commitment and Obligation of Funds

Overview (A)

Part VI defines commitments and obligations and describes general policies and requirements for recording commitments and incurring obligations. It also provides guidelines for reconciling financial data from the allowance holder's funds control records with those of the NRC accounting system.

Commitment of Funds (B)

A commitment is an administrative reservation of funds for an estimated amount and a specific purpose, based upon the intent to obligate at a future time. A commitment reserves funds but is not an externally binding legal agreement. Commitments are recognized after funds are certified as available and before authorizations, contractual awards, purchase orders, or other procurement and spending actions are approved. Large procurements may take months to award. Commitments help ensure that funds will be available for obligation when the procurement process is complete. They also help in estimating how much future spending actions will cost.

Certification of Funds Availability (1)

Funds are considered committed after they are certified as available by an appropriate funds certifying official (FCO). Certification of funds availability is a formal acknowledgment, using an appropriate commitment document, that sufficient funds are available in the current allowance and financial plan to enter into obligations. After the FCO certifies that the funds are available and that appropriate funds are being used, the amount certified is recorded as a commitment. (See Part IV of this handbook for FCO responsibilities.) (a)

Commitment of Funds (B) (continued)

Certification of Funds Availability (1) (continued)

When certifying funds availability, the FCO must ensure that the purpose is proper, the amount is available, and the funds are committed and obligated in the proper time frame (see Part IV, Section (D)). (b)

Requirements for Committing Funds (2)

General guidelines for committing funds are shown in Table VI-1. For the purposes of this section, responsibilities of FCOs apply to allowance holders and allowance financial managers (AFMs) as well.

Reviewing for Valid Certification of Available Funds (a)

Only those individuals delegated authority in writing by an allowance holder or an AFM may certify the availability of funds (see Part IV, "Allowance Financial Management," of this handbook). Obligating officials may not obligate amounts greater than those certified by authorized FCOs. (Management Directive [MD] 11.1, "NRC Acquisition of Supplies and Services," permits contracting officers to obligate on purchase orders 10 percent in excess of amounts certified or \$100, whichever is greater. However, the additional amount obligated may not exceed \$2,500.) Delegations and redelegations of authority must be reviewed and used by obligating officials to ensure certifications are valid. If an invalid certification signature is observed, the obligating official must return the request to the issuing office for proper certification.

Certification of Funds Before the Beginning of the Fiscal Year (b)

To ensure sufficient lead times for certain procurements, it may be necessary to process commitment or obligation documentation before the beginning of a new fiscal year. FCOs may certify funds

Commitment of Funds (B) (continued)

Requirements for Committing Funds (2) (continued)

Table VI-1 General Requirements for Committing
and Certifying Availability of Funds

- An advice of allowances must be issued before funds may be committed.
- In most instances, the FCO should certify the availability of funds for spending actions prior to obligation of funds.
- FCOs must ensure that the commitment will not violate any purpose, time, or amount restrictions or limitations on the funds. Restrictions and limitations may be found in the "Advice of Allowances and Financial Plan" document or may result from the funds source or category of funds.
- FCOs may certify funds availability only for allowances or other fund ceilings for which they have a delegation of authority.
- Commitments must be recorded in an accurate and timely manner, as they are incurred. When determining availability of funds, the FCO must consider commitments not yet recorded in the allowance holder's funds control records or in the NRC accounting system. (The current availability balance reported in automated systems may not be accurate if all transactions to date have not yet been recorded.)
- FCOs should ensure that the accounting codes used on the commitment document are correct. Accounting codes normally required on commitment documents are the B&R number, the job code, the budget object classification, and the commitment document number.
- The FCO must sign and date the certification.
- Certification of funds availability on facsimile documents should be limited to time-sensitive situations. Faxed copies should be attached to original documents.
- Adequate controls must be established to prevent overcommitting funds when more than one person certifies funding availability.
- When an obligation will exceed the amount of the commitment, additional funds must be certified to cover the difference.
- When the final obligation is less than the total amount committed, the remaining unobligated commitment balance should be decommitted.
- The authorization to certify the availability of funds ends when AFMs or FCOs leave their current positions.

Commitment of Funds (B) (continued)

Requirements for Committing Funds (2) (continued)

availability, conditional on enactment of the upcoming appropriations act and issuance of an allowance and financial plan. The conditional certification states that certification is contingent on future appropriations and reads as follows: "Subject to the availability of FYXX funds." Funds will not be obligated until an allowance and financial plan is received. When funds are provided in the allowance, a new certification of funds availability must be provided on the procurement request before the contract is executed. (i)

Conditional certification of funds before the start of the fiscal year for temporary duty travel does not require a new certification of funds when funds are allocated in an allowance. Upon issuance of a new fiscal year allowance, the FCO must ensure that the conditional certifications of funds are immediately recognized as commitments against the allowance. (ii)

Monitoring Open Commitments (c)

A commitment incurred during the current fiscal year remains open until the final obligation is posted or until the end of the fiscal year, whichever occurs first. In some instances, commitments and obligations may not have a one-to-one relationship. For example, the amount committed for a blanket purchase agreement would be equal to the total ceiling amount; however, the amounts obligated may result from several individual transactions that offset the ceiling amount. The commitment would be considered open until the final obligation was incurred against the blanket purchase agreement ceiling amount or once the fiscal year in which the commitment is incurred ends. Since some spending actions take months to process, it is important to monitor the status of amounts committed to ensure that spending actions are not lost in the process or held up because of insufficient or incorrect information. Funds committed but not obligated by the end of the fiscal year must once again be certified and committed in the following fiscal

Commitment of Funds (B) (continued)

Requirements for Committing Funds (2) (continued)

year after such funds are apportioned by the Office of Management and Budget (OMB), allotted by the CFO, and reallocated by the Division of Planning, Budget, and Analysis (DPBA) in allowance holders' advice of allowances and financial plans (AAFPs). (See Part IX, "Unobligated Carryover Funds," of this handbook for additional information on committed carryover.)

Decommitment of Funds (d)

General (i)

Since an unobligated commitment does not yet represent a binding agreement, it can be cancelled and the funds decommitted unilaterally by an authorized FCO. Notification of the decommitment must be provided to the appropriate parties (see Section (B)(2)(d)(ii) of this part). Funds that are already obligated must be deobligated before being decommitted. Since commitments are only valid during the fiscal year in which they are incurred, decommitment of funds after the end or close of the fiscal year is also not applicable.

Decommitment of Current Fiscal Year Funds (ii)

An FCO may decommit current fiscal year funds that have not yet been obligated. Such a decommitment is accomplished by written notification to the organization responsible for obligating the funds. This notification may involve the formal cancellation of a procurement action. The FCO should wait for confirmation from the obligating organization before recognizing the decommitted funds as available. The documentation used to decommit funds must be retained.

Obligation of Funds (C)

An "obligation of funds" is an action that creates a liability or definite promise on the part of the Government to make a payment at some later time. For example, a purchase order issued to purchase a computer represents an obligation of the agency to make a payment at a future date and is recorded as an obligation. Upon receipt and acceptance of the computer, the agency incurs a cost and has a legal liability to pay the vendor. The initial recognition of an obligation normally occurs when the order (e.g., purchase order, task order) is placed or the contract is executed. The recording of obligations will also depend upon the terms of the contract. Obligations should not be recorded for anticipated orders that have not yet been placed with a vendor. Payment to the vendor eliminates the liability. The sum of unpaid obligations and payments made represents total obligations for a given procurement. Obligations must be supported by appropriate documentation, such as written binding agreements, purchase orders, travel authorizations, grant awards, and so forth. The documentation must be retained in the agency records to facilitate audit and reconciliation. Guiding principles for obligations are shown in Table VI-2.

Table VI-2 Fundamental Principles
of Obligations

- | |
|--|
| <ul style="list-style-type: none">• Ensure obligation fills a legitimate need during current fiscal year• Ensure funds availability is certified• Record obligation immediately in accounting records• Adjust records promptly when changes occur• Maintain supporting documentation |
|--|

Obligation of Funds (C) (continued)

Authority To Incur Obligations (1)

Authority to incur obligations is vested with the Chairman of the Commission. The Chairman has delegated this authority to the Executive Director for Operations (EDO), who has redelegated authority to certain office directors and regional administrators through the agency's management directives. These office directors and regional administrators may further redelegate authority for incurring obligations to division directors or other staff within their offices within the limits of the management directives. (a)

Authority to enter the agency into an obligation differs from authority to certify the availability of funds under an allowance or the management authority to approve the purpose of the proposed obligation. For example, an office planning to enter into a commercial contract to obtain goods or services obtains a certification of funds availability from the allowance holder's FCO. The appropriate management official signs the procurement request approving the purpose of the procurement. A properly designated contracting officer then uses these certifications and approvals to enter the agency into the commercial contract and obligate the funds. The contracting officer causes the contract to be awarded and the obligation to be incurred. (b)

An NRC employee must have a specific written delegation of authority to enter the agency into a particular type of obligation. The following sections specify who has this authority for the most common types of obligations. (c)

Incurring Obligations via Commercial Contracts (2)

Contracting officers in the Division of Contracts, Office of Administration (DC/ADM), have authority to enter the agency into commercial contracts, interagency agreements, and purchase orders for small purchases. The Inspector General has been delegated this authority as well under the Inspector General Act,

Obligation of Funds (C) (continued)

Incurring Obligations via Commercial Contracts (2) (continued)

Section 6(a)(9). In addition, contracting officers in the regional offices have authority to issue purchase orders. Agency contracting officers are responsible for complying with the following principles from the Federal Acquisition Regulations and agency policy:

- Only contracting officers have the authority to enter into, administer, modify, sign, or terminate contracts and make related determinations and findings. (a)
- Contracting officers ensure that sufficient funds are available for obligation. Before executing any contract or contract modification requiring additional funds, the contracting officer will obtain written certification from the appropriate FCO that funds are available or expressly condition the contract upon availability of funds in accordance with 48 CFR 32.703-2. (b)
- Contracting officers are responsible for ensuring that the appropriate office director or designee has signed, approving the purpose of the proposed procurement action. (c)

Incurring Obligations via Other Actions (3)

The above principles apply in general to other actions that result in the obligation of funds. Examples of these actions include interagency agreements, official travel, training, small purchases, and personnel compensation and benefits.

Interagency Agreements (a)

MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," and MD 11.8, "NRC Procedures for Placement and Monitoring Work With Other Federal Agencies Other Than DOE," provide authority for certain NRC office directors or designees to enter into standard orders for

Obligation of Funds (C) (continued)

Incurring Obligations via Other Actions (3) (continued)

work with DOE and to enter into, extend, modify, and terminate orders and agreements with other Federal and State agencies, and other institutions. These directives also provide guidelines for awarding and administering such agreements. Furthermore, regional administrators and certain NRC office directors designated have such authority as specified in Volume 9 of the NRC Management Directives System, "NRC Organization and Functions," or explicitly delegated in more recent memoranda. The recent memoranda take precedent over policy stated in MDs that are not as current. (i)

For those office directors who do not have authority to create agency obligations, interagency agreements may be executed by authorized contracting officers in DC/ADM. All interagency agreements may be executed by authorized contracting officers in DC/ADM whether an office director does or does not have authority to obligate funds. All interagency agreements require a certification of funds availability before execution. (ii)

Interagency agreements involving the acquisition of the services of personnel from other Federal agencies (detailing employees to NRC) must be executed by the NRC Director of the Office of Human Resources (HR) except for the Office of the Inspector General (OIG). Interagency agreements involving OIG and other Federal agencies are executed by the Inspector General. (iii)

Travel and Training (b)

Employees and other individuals are authorized to incur expenses (obligations) for travel or training after the receipt of a properly authorized travel or training authorization document. The authorization must include an administrative approval of an office director or designee, a proper certification of funds availability, and an authorization signature. Employees may be held personally accountable for expenses incurred without proper authorization.

Obligation of Funds (C) (continued)

Incurring Obligations via Other Actions (3) (continued)

MD 14.1, "Official Temporary Duty Travel," delegates authority to authorize travel. See HR "NRC External Training Reference Manual" for additional information on procedures for external training.

Personnel Compensation and Benefits (c)

Employees are authorized to work at specific pay rates based upon documented personnel actions. Time and attendance documents certified by approving officials provide input to the Division of Financial Services (DFS) regarding the obligation of payroll amounts.

Documenting Government Obligations (4)

Obligations must be supported by documentary evidence of transactions authorized by law. Documentary evidence includes written binding agreements, valid loan agreements, orders, grants or subsidies, liabilities resulting from pending litigation, employment, expenses of travel and public utilities, or any other legal liabilities of the United States. See Table VI-3 for a summary of the provisions of the Supplemental Appropriations Act of 1955 (31 U.S.C. 1501). Allowance holders are to receive copies of obligating documents charged against their allowances and use these documents for reconciliation with data from the official NRC accounting system.

Obligation of Funds (C) (continued)

Documenting Government Obligations (4) (continued)

Table VI-3 Documentation of Government
Obligations

<p>Supplemental Appropriations Act of 1955</p> <p>31 U.S.C. 1501 - Documentary Evidence Requirements for Government Obligations</p> <p>"(a) An amount shall be recorded as an obligation of the United States Government only when supported by documentary evidence of</p> <ul style="list-style-type: none">(1) a binding agreement between an agency and another person (including an agency) that is—<ul style="list-style-type: none">(A) in writing, in a way and form, and for a purpose authorized by law; and(B) executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought or leased, or work or service to be provided;(2) a loan agreement showing the amount and terms of repayment;(3) an order required by law to be placed with an agency;(4) an order issued under a law authorizing purchases without advertising—<ul style="list-style-type: none">(A) when necessary because of a public exigency;(B) for perishable subsistence supplies; or(C) within specific monetary limits;(5) a grant or subsidy payable—<ul style="list-style-type: none">(A) from appropriations made for payment of, or contributions to, amounts required to be paid in specific amounts fixed by law or under formulas prescribed by law;(B) under an agreement authorized by law; or(C) under plans approved consistent with and authorized by law;(6) a liability that may result from pending litigation;(7) employment or services of persons or expenses of travel under law;(8) services provided by public utilities; or(9) other legal liability of the Government against an available appropriation or fund. <p>"(b) A statement of obligations provided to Congress or a committee of Congress by an agency shall include only those amounts that are obligations consistent with subsection (a) of this section."</p>

Obligation of Funds (C) (continued)

Recording Obligations (5)

Prompt and accurate recording of obligations helps to ensure that obligations and expenditures do not exceed amounts available. DFS and certain other offices record obligations into the NRC accounting system. The Division of Financial Management (DFM) prepares reports on obligations and expenditures for both internal management reporting and external reporting to OMB, the Treasury, Congress, and the public. Obligations are recorded in the NRC accounting system based on the legal principles specified in 31 U.S.C. 1501, the guidance contained in OMB Circular A-11, and guidance from the Government Accountability Office. The basic principles for recording obligations are shown in Table VI-4.

Table VI-4 Principles for Recording Obligations

- Record actual amounts if known.
- Record best estimate amount if exact amount is not known. The estimate should be based on a cost analysis of the project or on prior billing activity.
- Record obligations actually incurred as soon as possible. Do not wait for funds to be appropriated, apportioned, allotted, or allocated on AAFPs.
- Record obligations for anticipated needs only if the obligation is expected to occur prior to year end. For example, at fiscal year end, obligate an amount equal to the expected September utility usage.

Object Classifications (6)

Obligations can be classified by the objective of the transaction. OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," prescribes a standard system of object classifications for reporting obligations to both OMB and the Treasury.

Obligation of Funds (C) (continued)

Object Classifications (6) (continued)

Obligations are classified by the initial purpose for which they were incurred rather than for the end product or service provided. NRC's financial codes that implement this standard system are referred to as budget object classifications (BOCs). Further guidance on the assignment of BOCs to commitment and obligation transactions is provided in OMB Circular A-11. Questions regarding NRC BOCs should be directed to the Financial Statement and Reconciliation Team, DFM.

Interval Between Incurring and Recognizing Obligations (7)

Minimizing the time lag between incurring, recording, and reporting obligations helps to ensure more effective control of funds. Obligor officials should forward copies of obligating documents within 2 workdays after receipt to the organization responsible for recording the obligation in the NRC accounting system (normally DFS) and to the appropriate allowance holder. Obligations should be immediately recognized in the allowance holder's records and regularly followed up to ensure that the obligation is properly recorded in the NRC accounting system.

Differences Between Commitment, Obligation, and Payment Amounts (D)

Differences will often exist between amounts committed, obligated, and actually paid. Accurately estimating the initial amount to be committed and obligated is an important control to prevent payments in excess of available funds. Examples of these differences, of which FCOs should be aware, follow.

Procurement Differences (1)

Purchase orders may ultimately be issued for amounts different from those initially committed on requests for small purchases or

Differences Between Commitment,
Obligation, and Payment Amounts (D)
(continued)

Procurement Differences (1) (continued)

requests for procurement action. The amount of funds obligated on purchase orders may be 10 percent or \$100, whichever is greater, above the amount of funds certified as available. However, the additional amount obligated may not exceed \$2,500. Invoices against purchase orders may be paid in excess of the amount obligated when the excess amount is the lesser of \$200 or 10 percent of the obligation amount. The FCO must be aware that the ultimate amount obligated under a purchase order could exceed the amount initially certified as available by as much as \$2,700. FCOs should allow for these practices when determining funds availability. (a)

Contracts may not be awarded in amounts in excess of those that were previously certified as available. When additional funds are required, contracting officers must request additional funds be certified as available. (b)

Contracts or purchase orders may be issued for less than the amounts committed. In these instances, excess funds should be decommitted and applied to other requirements. (c)

Travel Differences (2)

The amount committed for official travel is an estimate. The amount authorized and recorded as an obligation for travel is an estimate based on the travel authorization. For this reason, the amount claimed on the travel voucher will usually result in a greater or lesser amount ultimately being recorded as the final amount obligated and paid. FCOs should develop review procedures to continually compare actual travel costs against estimated costs to identify systematic estimating problems and to ensure that funds are not obligated in excess of those provided in allowances and financial plans.

Differences Between Commitment,
Obligation, and Payment Amounts (D)
(continued)

Local Travel Differences (3)

Funds are not committed for local travel before the submission of claims for payment. Local travel expenses are recorded as obligations and payments in the accounting system when they are paid. FCOs should develop review procedures to allow for these practices when determining funds availability.

International Agreement Differences (4)

Agreements made with international organizations in which the agreement amount is in a foreign currency are committed and obligated in dollars based on an estimate of the currency exchange rate. When such an agreement obligates NRC to make payments in a foreign currency at a future time, fluctuations in the currency exchange rates will result in actual payments of NRC funds that differ from the amount initially committed and obligated. FCOs should allow for these differences when determining funds availability.

Rent Differences (5)

The amounts committed for rental payments to the General Services Administration (GSA) may be estimates. As bills are received from GSA, the actual amounts obligated and paid may differ from the initial commitment amounts. FCOs should regularly compare actual rental costs against estimated costs to identify any systematic estimating problems and to ensure that funds are not obligated in excess of those provided in allowances and financial plans.

GSA Order Differences (6)

The amounts obligated on reimbursable work authorizations to GSA represent estimated amounts, which may be exceeded within

Differences Between Commitment,
Obligation, and Payment Amounts (D)
(continued)

GSA Order Differences (6) (continued)

the limits stated on the authorization document. When the estimated cost is \$1,000 or less, GSA may incur costs and bill NRC for up to \$100 above the original estimated cost. When the estimated cost exceeds \$1,000, GSA may exceed the estimate by the lesser of \$1,000 or 10 percent. FCOs should allow for these increases when determining funds availability.

Training Differences (7)

The amount obligated for training represents an initial cost estimate, which may require revision upon receipt of an invoice from the training provider. FCOs should allow for these differences when determining funds availability.

Personnel Compensation and Benefits Differences (8)

Payroll costs are estimated and committed based upon prior payroll amounts. As actual payroll costs are incurred, the amount initially committed will differ from the amount reported as obligated on the accounting reports. FCOs should regularly compare actual payroll costs against estimated costs to identify any systematic estimating problems and to ensure that funds are not obligated in excess of those provided in allowances and financial plans.

Time Limits on Obligations (E)

Although most of the NRC's funds are appropriated on a "no-year" basis and do not expire, these funds are apportioned by OMB to the agency on a fiscal-year basis. The apportionment expires at the end of the fiscal year. Allotments are required by the Antideficiency Act and OMB Circular A-11 to be issued within the ceilings of amounts apportioned. Therefore, allotments and allowances also expire at the end of the fiscal year. (1)

Time Limits on Obligations (E) (continued)

Since new obligations may not be incurred against expired allowances, funds allocated against the NRC's no-year funds are available for incurring new obligations only within the fiscal year for which the allowance was made. The unobligated balance in the allowance is carried forward, and may be reallocated and reallocated in the new fiscal year after new apportionment action from OMB. (See Part IX, "Unobligated Carryover Funds," of this handbook for information on the carryover of prior-year unobligated balances.) (2)

Purpose Limitations (F)

The FCO is responsible for reviewing commitment documents and questioning any request for spending that appears to be an inappropriate or unauthorized expenditure. If the FCO suspects that a particular action is improper, the FCO should bring it to the attention of the AFM. Funds should not be certified as available until the issue has been resolved.

Necessary Expenses (1)

NRC is appropriated funds for necessary expenses in carrying out the agency's mission. For an expenditure to be justified as necessary, it must (1) bear a logical relationship to the agency's appropriations; (2) not be prohibited by law; and (3) not be otherwise provided for, that is, it must not be an expenditure that falls within the scope of some other appropriation or statutory funding mechanism. Guidance on allowances and financial plans, including footnote restrictions, provides the basis for determining whether expenditures are appropriate. It is the responsibility of the appropriate management official authorizing the expenditure to use reasonable discretion for determining whether proposed obligations are appropriate and necessary for carrying out the purposes for which NRC funds are appropriated and allocated.

Purpose Limitations (F) (continued)

General Purpose Limitations (2)

Certain uses of funds are generally classified as improper for Federal agencies even when the use may bear a logical relationship to the agency's appropriations. Listed below are some uses of funds that are ordinarily improper except under specific statutory authority:

- Expenditures for entertainment (a)
- Purchase of free food for Government employees at their official duty stations and food for non-Government employees (b)
- Leasing of water coolers and/or purchase of bottled water and cups (c)
- Purchase of personal gifts (d)
- Payment of State and local taxes (e)
- Purchase of seasonal greeting cards (f)
- Payment of fines and penalties incurred as a result of the agency's activities or of its employees (g)
- Payment of membership fees of employees in a society or association (h)

Prior to payment, the Chief of the Payment Policy and Obligation Team, DFS, must review any documents that contain any of the expenditures listed above.

Guidance on Purpose Limitations (3)

Chapter 4 of the Government Accountability Office (GAO) *Principles of Federal Appropriations Law* discusses the availability

Purpose Limitations (F) (continued)

Guidance on Purpose Limitations (3) (continued)

of an appropriation as to its purpose and provides a basic framework for this concept. In addition, it provides guidelines on this subject for the general operating expenses of Federal agencies, including those specified above. When the FCO and the AFM are unable to resolve a funds control issue regarding the availability of funds for travel or payroll, DFS should be consulted. The Funds Control Team (FCT), DPBA, should be consulted on all other questions concerning purposes for which funds may be committed or obligated. All inquiries should be submitted in writing to the appropriate office for resolution before certification of funds availability, obligation, or expenditure.

Advance Payments (G)

An advance is a payment made by NRC to cover a recipient's anticipated expenses or as an advance payment for the cost of goods and services NRC acquires. An advance is differentiated from a prepayment, which is a payment NRC makes to cover certain periodic expenses before the expenses are incurred, such as rent and magazine subscriptions. Any proposed advance payment arrangement must be approved consistent with the following two subsections.

Advance Payments to a Non-Federal Entity for Other Than Grants (1)

In accordance with 31 U.S.C. 3324, an obligation incurred by NRC may provide for making an advance payment only if authorized by a specific appropriation or other law. The Director of DFS must approve any proposed advance payment arrangement unless the arrangement is consistent with advance payment provisions of an NRC management directive, the Federal Acquisition Regulation (48 CFR 32.2), or the NRC Acquisition Regulation (48 CFR 2032.4). However, even if allowed by a specific appropriation or other law, an advance payment should be provided only if there is a compelling business reason to do so.

Advance Payments (G) (continued)

Advance Payments to Another Federal Entity (2)

An interagency agreement entered into by NRC may not provide for NRC making advance payments unless required by statute or the Federal entity providing the goods and services. NRC's policy is not to pay in advance of services rendered or goods provided for interagency agreements. The Director of DFS must approve any proposed interagency agreement that provides for making advance payments to assure that advance payments are actually required and that the interagency agreement provides adequate procedures for making the advance payments, stipulates the submission of cost reports at least quarterly, and stipulates that a refund will be made to NRC promptly upon completion of performance if the advance payments exceed the actual cost of goods and services later provided.

Types of Commitments and Obligations (H)

The following sections describe the various types of commitments and obligations incurred by NRC. (Refer to Exhibit VI-1 for a list of NRC's commitment and obligation documents.)

Simplified Acquisitions (1)

Simplified acquisitions (normally in amounts of \$100,000 or less) may be made by use of purchase orders, blanket purchase agreements, or Government commercial purchase cards. The commitment and obligation of funds for purchases made through these mechanisms include the following procedures:

Purchase Orders (a)

NRC Form 30, "Request for Administrative Services," is generally used for requesting purchases for nonrepetitive needs for \$25,000 or less. NRC Form 400, "Request for Procurement Action

Types of Commitments and
Obligations (H) (continued)

Simplified Acquisitions (1) (continued)

(RFPA)," is used for actions valued at \$25,000 and above. Funds are committed once funds are certified as available on NRC Form 30 or 400. Orders for materials or services are obligations at the time the order is issued, unless formal acceptance by the vendor is required. When acceptance is required, the obligation is recognized upon receipt of the acceptance. Optional Form (OF) 347, "Order for Supplies or Services Schedule," or SF 1449, "Solicitation/Contract/Order for Commercial Items," is the obligating document. Once the form has been signed by an authorized NRC contracting officer and forwarded to the vendor, the total amount is recorded as an obligation in the NRC accounting system.

Blanket Purchase Agreements (b)

A blanket purchase agreement (BPA) is a simplified method of filling anticipated repetitive needs for supplies and services when exact items, quantities, and delivery requirements are not known in advance or may vary considerably. "Charge accounts" are established with qualified sources of supply. BPAs authorize selected individuals to acquire items by placing a telephone call rather than by submitting a written purchase order. A BPA is awarded to a vendor on an OF 347 or a SF 1449. The ceiling amount indicated on the purchase order must be recognized as a commitment of funds once funds are certified as available on the NRC Form 30 or 400. However, the award of the BPA does not create an obligation. The agency is obligated only to the extent actual purchases are made. Obligations are created when calls are made by authorized officials on the appropriate form to place orders. NRC Form 104, "Blanket Purchase Agreement (BPA) Ordering/Receiving Report," is the obligating document. After placing a call, the authorized ordering official will prepare and sign NRC Form 104 and forward a copy to DFS or the appropriate regional office staff for recording into the NRC accounting system.

Types of Commitments and
Obligations (H) (continued)

Simplified Acquisitions (1) (continued)

Modifications to BPAs are initiated on an NRC Form 30. The certification of funds availability is required on the NRC Form 30 to amend the BPA before additional funds may be used.

Purchase Cards (c)

Small or micropurchases may be made using the Governmentwide Smart Pay Purchase Card (purchase card). Funds are certified as available on NRC Form 30 or an equivalent document before an authorized cardholder may make a purchase. An obligation is created at the time a bankcard purchase is made. Before each purchase, the cardholder must assure that adequate committed funds are available for the purpose of the purchase. DFS records purchase card obligations in the NRC accounting system monthly based upon the Statement of Account from the contractor bank annotated with accounting classifications by cardholders and approving officials. See NRC's "Procedures for Use of the U.S. Government Purchase Card," issued by the DC/ADM, for further guidance on the restrictions on use of the purchase card and the responsibilities of cardholders and approving officials. (Also, see Part 10 of MD 11.1.) (i)

A blanket commitment of funds may be made by certifying funds availability on an NRC Form 30 for a category of card purchases that will fall under a unique combination of the following accounting classifications: Budget and Reporting Number, Job Code, and Budget Object Classification (BOCs). The cardholder is responsible for maintaining a log of purchase transactions made against the blanket commitment and a balance of committed funds that have not yet been used for purchases. The cardholder may not make purchases in excess of amounts certified as available on the NRC Form 30 or equivalent document. If a purchase is to be made that falls within the guidelines for permissible card purchases but that will require different accounting classifications

Types of Commitments and
Obligations (H) (continued)

Simplified Acquisitions (1) (continued)

than those used on any blanket commitments, the cardholder must obtain a separate certification of funds under the proposed accounting classifications. For example, if funds have been committed only for the purchase of office supplies under BOC 2610, "Office and Stationery Supplies," the cardholder would have to obtain a new certification of funds before making a purchase for furniture which is chargeable to BOC 3121, "Furniture and Fixtures—Non-Capitalized." (ii)

Contracts (2)

The award of various types of contractual arrangements for obtaining goods and services (usually for purchases greater than \$100,000) are requested on NRC Form 400. Once funds are certified as available on the RFPA, funds are committed. (a)

A contract with a commercial vendor represents a mutually binding legal relationship obligating the seller (vendor) to furnish the supplies or services and the buyer (NRC) to pay for them. This type of contract obligates the Government to an expenditure of funds and, except as otherwise authorized, is in writing (see 48 CFR 2.101). (b)

Contractual documents represent obligations at the time the contract is executed. Generally, contracts are considered executed when signed by both the contractor and an authorized contracting officer. Standard Form (SF) 26, "Award/Contract," or the SF 1449 is the obligating document for the initial award of a contract. Generally, the contractor signs the award document before the contracting officer signs. Therefore, the contracting officer's signature obligates the agency. Executed contracts are recorded as obligations in the NRC accounting system. (c)

The amount of funds recognized as committed and obligated depends upon the type of contract. Contract types available to the

Types of Commitments and
Obligations (H) (continued)

Contracts (2) (continued)

agency may be broadly divided into two classifications: contracts in which the agency's obligation is defined and contracts in which the agency's obligation is indefinite. (d)

Contracts for Definite Quantities (i)

These contracts involve the contractor's agreeing to provide specified goods or services for either an exact amount or a maximum cost amount. The two major types of contracts are fixed price and cost reimbursement.

Fixed Price Contracts (a)

Funds are committed for the total estimated cost once they are certified as available on the RFPA. These funds are obligated when the contract is executed for the total amount stated on the contract.

Cost Reimbursement Contracts (b)

These contracts establish an estimate of total costs for the purpose of obligating funds and establishing a ceiling that the contractor may not exceed. Examples include cost plus fixed fee, cost, cost sharing, cost plus incentive fee, cost plus award fee, time and material, and labor hour contracts. For cost reimbursement contracts, funds are certified for availability on the RFPA and are committed based on the total estimated amount. Funds are obligated when the contract is executed in an amount not in excess of the total estimated costs, including the fixed fee in the case of a cost plus fixed fee contract and the target fee in the case of a cost plus incentive fee contract.

Types of Commitments and
Obligations (H) (continued)

Contracts (2) (continued)

Indefinite Delivery Contracts (ii)

Funds for contracts executed to order indefinite quantities of goods or services are committed once funds are certified on the RFPA. Funds are initially obligated only to the extent that the contract requires the agency to order a minimum quantity. If a minimum quantity amount is not stated on the contract, no obligation has been incurred and no obligation should be recorded until orders are placed. Therefore, funds are initially committed on the RFPA only to the extent that the initial contract obligates NRC.

Open End or Indefinite Quantity Contracts (a)

These contracts include "call" contracts, "options" contracts, basic agreements, basic ordering agreements, and indefinite delivery contracts. These contracts place no obligation on the Government, regardless of its requirements, to place orders beyond any stated minimum quantity. Funds for the stated minimum quantity are committed on the RFPA and obligated upon execution of the contract. Funds for any quantity in excess of the stated minimum are committed on an RFPA and obligated upon issuance of subsequent orders. (1)

An important type of indefinite quantity contract is a basic ordering agreement (BOA). A BOA is a written instrument of understanding that contains terms and conditions and that contemplates future contracts. Funds are obligated when contracting officers issue orders under the BOA. Funds are certified for availability and committed based on the amount for an individual order. (2)

Indefinite delivery contracts are generally not commitments or obligations of the agency at the time of the initial award of the contract because the agency is not required to order any goods or

Types of Commitments and
Obligations (H) (continued)

Contracts (2) (continued)

services (other than any stated minimum). Once a specific order is issued, the agency has incurred an obligation in the amount of the order. (3)

Requirements Contracts (b)

Requirements contracts are indefinite quantity agreements. The Government agrees to purchase all of its needs for the particular item or service during the contract period from the contractor, and the contractor agrees to fill all such needs. The agency does not incur an obligation to pay until a delivery order is issued. Therefore, funds are obligated in the amount of the ceiling price of the delivery order when a contracting officer executes an order. Funds are certified for availability and committed based on the amount for an individual order.

Task Order Contracts (c)

These contracts are generally service-related contracts that are awarded for specific performance periods. Each proposed task order must be certified for funds availability on an RFPA before the order is issued. The amount committed is the amount provided on the RFPA for an individual task order. The award of the task order contract does not result in the obligation of funds, other than the amount of any minimum commitment. Funds are obligated upon award of each individual task order assignment. Each task order assignment is an obligation for the ceiling amount of the order.

Contract Modifications (3)

Requests for contract modifications are prepared using an RFPA. Modifications to commercial contracts are executed on an SF 30, "Amendment of Solicitation/Modification of Contract." Only

Types of Commitments and
Obligations (H) (continued)

Contract Modifications (3) (continued)

authorized contracting officers may enter the agency into contract modifications. Modifications that result in an increase in obligated funds must be preceded by a certification of funds availability. Obligations incurred for contract modifications that change the scope of the contract represent new obligations and are charged to the year in which the modification is executed (date of the contracting officer's signature).

Transfer of Contracts (4)

Commercial contracts or modifications may be transferred from one allowance holder to another or from one allowance to another. Before such a transfer, consult with DPBA regarding any required financial plan change. A request to transfer the administration of a commercial contract is prepared on an RFPA. Transfer requests that will result in a revision to current fiscal year accounting codes assigned to the contract (budget and reporting number, job code), must include a certification of funds availability against the new accounting codes. In addition, the RFPA must include an approval signature of the authorized FCO for the allowance holder who is losing the obligation. Contract transfers are executed as contract modifications on an SF 30 by an authorized contracting officer.

Standard Orders for DOE Work (5)

Orders for work with the DOE or its contractors are issued on NRC Form 173, "Standard Order for DOE Work (SOEW)." Guidance on placing work with DOE and preparing NRC Form 173 is provided in MD 11.7.

Types of Commitments and
Obligations (H) (continued)

Standard Orders for DOE Work (5) (continued)

Commitment of Funds for DOE Work (a)

NRC Form 173 is completed by the NRC office ordering services and must include a certification of funds availability signature. Upon signature by the FCO, the amount of the order is committed. (i)

The "Issuing Authority" block of the NRC Form 173 is signed by NRC office directors, regional administrators, or other management officials delegated authority in accordance with MD 11.7. The signature of the "Issuing Authority" indicates that the services ordered are necessary and are to be used for the performance of functions that have been delegated to him or her. Issuing an NRC Form 173 for an unauthorized purpose is a violation of NRC regulations, and a violation of 31 U.S.C. 1301 if the purpose is not within the scope of available NRC appropriated funds. NRC officials are not authorized to sign an NRC Form 173 without written certification that funds are available in the amount stated on the order. (ii)

Obligation of Funds for DOE Work (b)

After signature by a designated NRC official, the "Standard Order for DOE Work" is forwarded to the appropriate DOE office for acceptance. Upon signature by a DOE representative authorized to accept the order, DOE returns the NRC Form 173 to NRC, including a copy that is sent directly to DFS, which recognizes the document as an obligation. The amount of the order on the NRC Form 173 is recorded as an obligation in the NRC accounting system.

Types of Commitments and
Obligations (H) (continued)

Standard Orders for DOE Work (5) (continued)

Modifications to DOE Orders (c)

Modifications that result in an increase in funds obligated under an existing order (job code) require the issuance of a revised NRC Form 173, which must include a certification of funds availability.

Interagency Agreements Other Than Placement of DOE Work (6)

In addition to standard orders for work with the DOE, the agency may enter into agreements with other Federal agencies to order goods or services. These agreements are generally referred to as interagency agreements. Interagency agreements in which NRC is performing work for other Federal agencies are generally referred to as reimbursable work agreements and are discussed in Part VIII, "Reimbursable Work Performed by NRC for Others," of this handbook. Policy and guidance for placing work with other Federal agencies other than DOE are provided in MD 11.8. See MD 11.8 prior to executing interagency agreements. (a)

Interagency agreements are ordinarily executed on NRC Form 662, "Award of An Interagency Agreement." NRC Form 662 is completed by the NRC office ordering services and must include a certification of funds availability signature before the NRC official authorized to enter NRC into obligation signs it. Upon signature by the FCO, the amount of the order is committed. The "NRC Issuing Authority" block of NRC Form 662 is signed by NRC office directors, regional administrators, or other officials delegated authority in accordance with MD 11.8 to enter the agency into obligation. Offices that have not been delegated authority to enter into interagency agreements must request that a contracting officer in DC/ADM award the interagency agreement. The signatures of the NRC obligating official and the representative of the other Federal agency accepting the agreement creates an

Types of Commitments and
Obligations (H) (continued)

**Interagency Agreements Other Than Placement of DOE Work
(6) (continued)**

obligation of funds. The requesting office shall work closely and coordinate procurement activities with the allowance financial management team in their offices before making representations to outside organizations. This close coordination should ensure that commitments and obligations, including modifications, are processed in a timely and accurate manner before commencement or continuation of work. (b)

Pre-award documentation and processes for establishing interagency agreements typically involve preparation of statements of work, independent cost estimates, a request for proposal, and so on. However, certain circumstances may result in a streamlined process where some or many of these processes are not necessary (see MD 11.8 for these exceptions and special considerations). In these cases or instances in which another agency does not use NRC Form 662, a document is created that will represent a binding agreement. The availability of funds must be certified on the interagency agreement document before the NRC official authorized to enter the agency into the agreement signs it. Once the document has been completed with all required approvals, the amount is recorded as an obligation in the NRC accounting system. (c)

Required approvals for the interagency agreement documents, in addition to a certification of funds availability, include the administrative approval by an NRC office director, regional administrator, or contracting officer authorized to enter the agency into an interagency agreement and the signature of a representative of the other agency authorized to accept the agreement. Offices that have not been delegated authority to enter into interagency agreements must coordinate with a contracting officer within DC/ADM to execute the interagency agreement document. (d)

Types of Commitments and
Obligations (H) (continued)

**Interagency Agreements Other Than Placement of DOE Work
(6) (continued)**

After signature by an authorized NRC official, the agreement document or the NRC Form 662 is forwarded to the other agency for acceptance. Upon signature by the Federal agency representative authorized to accept the order, the allowance holder funding the agreement or the DC/ADM contracting officer who signed the agreement is responsible for ensuring that a copy of the accepted interagency agreement or NRC Form 662 is promptly forwarded to DFS to be recognized as an obligation in the NRC accounting system. Work shall not begin before the funds are obligated. (e)

Work that results in an increase in funds obligated requires the issuance of an amendment or modification document referencing the original agreement and explaining the increase in funds or a revised NRC Form 662. The modification must include a new certification of funds availability and the appropriate obligating signatures. Work is not authorized to continue until the amendment or modification is signed. (f)

The following funds control data is required on all interagency agreements: (g)

- Legal authority for NRC to enter into the interagency agreement. In the absence of specific legal authority, the other Federal agency may be prohibited from performing the work or may be prohibited from retaining reimbursements from NRC for the work performed. Examples of legal authority to enter into interagency agreements include the Economy Act and Section 205(e) of the Energy Reorganization Act of 1974. (i)
- Specific description of the goods or services to be provided or work to be performed. The agreement should include or

Types of Commitments and
Obligations (H) (continued)

Interagency Agreements Other Than Placement of DOE Work
(6) (continued)

reference a complete and final statement of work or services to be performed. (ii)

- Justification for acquiring services of another Federal agency (see MD 11.8 for justification procedures and requirements). (iii)
- Period of performance, including the expiration date of the agreement. The period of performance must include sufficient time to perform the requested work or services. (iv)
- Total estimated cost to be reimbursed for the work or services to be performed. If the agreement calls for reimbursement of supporting administrative overhead costs, the basis for estimating the overhead costs must be included in the agreement. (v)
- Requirements for quarterly cost reports from the agency providing goods or services to NRC. A copy of the reports shall be forwarded to DFS to assist in the liquidation of unexpended obligations. Program offices should indicate approval of cost reports by signing them before forwarding to DFS. (See Part V of MD 11.8 for more detailed requirements for status reports.) (vi)
- NRC accounting classifications to be charged for the commitment and the obligation (appropriation, budget and reporting classification, job code, budget object classification (BOC), and document number). Any statutory limitations or other restrictions on the use of the funds should also be stated. (vii)

Types of Commitments and
Obligations (H) (continued)

**Interagency Agreements Other Than Placement of DOE Work
(6) (continued)**

- Certification of funds availability signifying that funds from the appropriate NRC allowance have been committed for the agreement. (viii)
- Procedures for the other agency to bill NRC to obtain reimbursement. These procedures would include NRC's billing address, a requirement that the final bill be indicated as such, and any other data required by DFS. (ix)
- Signature of an NRC official authorized to enter into the interagency agreement. (x)
- Signature of the representative of the other agency authorized to accept the agreement. This acceptance signature on a completed agreement document results in an obligation of NRC funds. (xi)

Interagency Agreements for GSA Technology Services (7)

When NRC enters into interagency agreements with GSA's Federal Technology Service for information technology services, ordinarily NRC Form 662 is not used. In most cases, funds are certified as available on the "Task/Funds Certification Order Between the General Services Administration and the Nuclear Regulatory Commission" form. Funds are obligated once a GSA official signs the "GSA Federal Technology Service Fund Determination Form" indicating acceptance of work. Both forms must be forwarded together by an Office of Information Services (OIS) project officer to DFS and the requesting office as the support documentation for the obligation of funds.

Types of Commitments and
Obligations (H) (continued)

**Interagency Agreements for the Detail of Employees to NRC
(8)**

Interagency agreements to obtain the services of an employee of another Federal agency require an agreement containing the same basic elements as described above. The amount to be committed and obligated for the agreement is generally the employee's salary and benefits costs for the period of the detail. During the detail, the employee continues to be paid by the lending agency, which bills NRC for payroll costs incurred. Interagency agreements that do not require NRC to reimburse the lending agency for the direct salary and benefits costs of the employee require the prior approval of the Director of DPBA. (a)

The NRC office benefitting from the services of the employee will be charged for the costs of the detail. Obligations for employee details from other Federal agencies are charged to budget object classification 1181, Payments for Reimbursable Details. After funds are certified by the appropriate FCO, the Director of HR is authorized to sign the agreement on behalf of NRC. The Inspector General is authorized to sign agreements on behalf of NRC for employee details funded by the Office of the Inspector General Appropriation. (See MD 10.1, "Appointments, General Employment Issues, Details, and Position Changes.") (b)

The employee detail is not authorized to commence until the interagency agreement is signed by a representative of the other agency authorized to accept the agreement. (c)

Intergovernmental Personnel Act Assignments (9)

Employees of State or local governments and institutes of higher education may be assigned to NRC on a reimbursable or a nonreimbursable basis under the authority of the Intergovernmental Personnel Act (IPA) (5 U.S.C. 3374). IPA assignments are documented by NRC Form 769, "Assignment

Types of Commitments and
Obligations (H) (continued)

Intergovernmental Personnel Act Assignments (9) (continued)

Agreement." The following financial information must be included on assignment agreements that obligate NRC funds: (a)

- Total estimated cost to be reimbursed for the employee's assignment to NRC. These costs are normally for direct salaries and benefits but might also include travel. The assignment agreement should clearly state if and how travel costs will be paid (either direct reimbursement to the employee or reimbursement to the lending agency). Assignment agreements that do not require NRC to reimburse the lending agency for the direct salary and benefits costs of the employee require the prior approval of the Director of DPBA. (i)
- Share each agency agrees to pay for the cost of the assignment. (ii)
- NRC accounting classifications to be charged for the commitment and the obligation (appropriation, budget and reporting classification, job code, budget object classification [BOC], and document number). Salaries and benefits costs are charged to BOC 1180, Other Than Federal Employees. Travel costs are charged to the appropriate BOC under major object class 2100, Travel and Transportation of Persons. (iii)
- Procedures for the other agency to bill NRC to obtain reimbursement. These procedures would include NRC's billing address, a requirement that the final bill be indicated as such, and any other data required by DFS. (iv)
- Certification of funds availability signifying that funds from the appropriate NRC allowance have been committed for the agreement. This certification must precede the signature of the NRC office director authorized to enter into the agreement. (v)

Types of Commitments and
Obligations (H) (continued)

Intergovernmental Personnel Act Assignments (9) (continued)

- Signatures by representatives of both agencies authorized to accept the agreement. These acceptance signatures on the completed assignment agreement result in an obligation of NRC funds. The Director of HR is authorized to sign the agreement on behalf of NRC. The Inspector General has been delegated this authority as well under the Inspector General Act, Section 6(a)(9). (vi)

The NRC allowance holder benefitting from the services of the employee will be charged for the costs of the agreement and is responsible for ensuring that a copy of the accepted assignment agreement is promptly forwarded to DFS to be recognized as an obligation in the NRC accounting system. An IPA assignment may not extend beyond 4 consecutive years whether the assignment is intermittent, part time, or full time. (b)

International Implementing Agreements (10)

NRC enters into agreements with foreign organizations that obligate funds. Examples of these agreements include NRC financial contributions to projects funded by several foreign governments and situations in which NRC is ordering specific research services from a research laboratory associated with a foreign government. Agreements with foreign organizations should include similar basic elements that are required for interagency agreements between NRC and other Federal agencies, such as legal authority, description of goods or services provided, the period of performance, total estimated costs, the signature of the NRC obligating official authorized to enter into the international implementing agreement, and the signature of the representative of the international organization authorized to accept the agreement. In addition, agreements that include financial data must be clear regarding whether they obligate NRC funds. There must be supporting documentation reflecting the certification of

Types of Commitments and
Obligations (H) (continued)

International Implementing Agreements (10) (continued)

funds availability before the authorized NRC official signs an agreement that will obligate NRC funds or a formal notification to obligate funds. An NRC official must have a written delegation of authority to sign international agreements that obligate NRC funds. The EDO has the authority to sign and obligate funds for international implementing agreements. (a)

The following is guidance regarding acceptable approaches to obligating NRC funds through international implementing agreements: (b)

- **Agreements With Conditional Funding.** An agreement may state that NRC funding is provided "subject to the availability of funds." This statement generally applies to multi-year agreements where funds are obligated incrementally over a period of time. In this situation, NRC has not obligated funds upon signature of the agreement. Agreements conditioned upon the availability of funds should state the mechanism that will be used to eventually obligate funds. The agreement should state that NRC will issue a formal notice or amendment to the agreement once funds are available to be obligated. Funds must be certified as available prior to issuing such a notice or amendment. Formal notification documents must be signed by an authorized obligating official. Further, an agreement or formal notification document should indicate that the foreign organization must not incur costs beyond the amount of funds that NRC has notified them are available. There must be supporting documentation reflecting that funds were certified for availability for the amount specified under the terms of the agreement. (i)
- **Agreements That Obligate Funds.** Agreements that are written with the intention of obligating funds must be supported by a certification of fund availability in the full amount of funds

Types of Commitments and
Obligations (H) (continued)

International Implementing Agreements (10) (continued)

provided. An agreement signed by both the authorized NRC obligating official and an authorized official of the foreign organization represents an obligation of NRC funds and must be forwarded to DFS/CFO to be recorded as an obligation. (ii)

Should additional funds not specified on the original agreement or notification document be required, an amendment or modification to the agreement should be written and signed by both agencies to obligate additional funds. Work is not authorized to continue until the amendment or modification is signed. (c)

Interagency Orders Required by Law (11)

In some instances, orders for supplies or services are required by law to be placed with certain Federal agencies charged with Governmentwide responsibilities. Examples are building services supplied by the General Services Administration (GSA), printing services supplied by the Government Printing Office (GPO), and security investigations performed by the Office of Personnel Management (OPM) and the Federal Bureau of Investigation (FBI). When such interagency orders are issued, they represent obligations and are recorded in the NRC accounting system. (Also, see MD 11.8.)

Orders for Building Services

Orders for building services such as alterations are made directly to lessors contracted with GSA on GSA Form 300, "Order for Supplies and Services." A completed GSA Form 300 must include a valid certification of funds availability (commitment) and the signature of a "contracting/ordering officer" designated by the Director of the Office of Administration (ADM). Upon issuance, the amount on the GSA Form 300 is recorded as an obligation in the NRC accounting system. Upon performance, the contractor directly invoices NRC. (a)

Types of Commitments and
Obligations (H) (continued)

Interagency Orders Required by Law (11) (continued)

Orders for building services made directly to GSA are made on GSA Form 2957, "Reimbursable Work Authorization." A completed GSA Form 2957 must include a valid certification of funds availability (commitment) and the signature of an "ordering agency official" designated by the Director of ADM. Upon issuance, the amount on the GSA Form 2957 is recorded as an obligation in the NRC accounting system. Upon performance, GSA charges NRC through an intragovernmental billing process. (b)

Travel and Change of Station (12)

Travel costs are paid out of the Central, Inspector General, and regional allowances, and change of station costs are paid out of the Central and Inspector General allowances. Certification of funds availability can only be made by those individuals authorized to certify funds for these allowances. Funds allocated for travel are committed and obligated for the following types of actions:

Temporary Duty Travel (a)

Funds for temporary duty travel are committed once the FCO certifies that funds are available. The FCO signs an NRC Form 279, "Official Travel Authorization," in the Certification of Funds/Authorization box. The total estimated cost is then recorded as a commitment. Travel is obligated when travel expenses have been incurred. However, travel costs are usually estimated and recorded as an obligation before the actual expenses are incurred. NRC Form 279 is the obligating document. Once the form has been completed with all required approvals, the estimated cost is recorded as an obligation in the NRC accounting system. Required approvals include the certification of funds, availability, authorization, and the administrative approval signatures in compliance with MD 14.1. A travel voucher may be paid in excess

Types of Commitments and
Obligations (H) (continued)

Travel and Change of Station (12) (continued)

of the amount obligated when the excess amount is \$500 or less. When actual costs exceed amounts initially committed and obligated, these amounts must be adjusted upward in the allowance holder's records to reflect the total amount paid. (i)

A trip that begins in one fiscal year and ends in the following fiscal year will result in obligations being split between the fiscal years. Costs are allocated to the fiscal year current at the time the expenses are incurred. However, tickets for round-trip transportation are charged to the fiscal year current at the time the trip begins (70 Comptroller General [Comp. Gen.] 469 (1991)). See year-end instructions from DFM for further guidance. (ii)

Local Travel (b)

Generally, funds for local travel are not committed. However, it may be necessary to set aside funds as a program value (e.g., estimated budgeted amount) in the allowance holder's funds control records to ensure that sufficient funds are available in the current allowance for local travel. Local travel costs are obligated when expenses have been incurred. SF 1164, "Claim for Reimbursement for Expenditures on Official Business," is the obligating document. Once the form has been completed with an approving official signature, it is submitted to DFS for payment and recorded as an obligation and expenditure in the NRC accounting system. Obligated amounts reported on accounting system reports should be reviewed and recorded in the allowance holder's records on a regular basis to ensure the accuracy of availability balances.

Change of Station (c)

After ensuring that funds are available, the FCO signs the funds certification block on NRC Form 279A, "Official Travel

Types of Commitments and
Obligations (H) (continued)

Travel and Change of Station (12) (continued)

Authorization, Change of Station," and records the estimated costs as a commitment. Change of station costs are paid out of the NRC Central and the Inspector General allowances. The certification of funds availability can only be made by those individuals delegated the authority, in writing, to certify funds for the NRC Central and the Inspector General allowances. Costs associated with the relocation of employees are obligated when the travel authorization is issued (64 Comp. Gen. 45 (1984)), except for relocation services provided by a commercial vendor. Obligations for anticipated relocation services are incurred when a delivery order is placed for specific services against an indefinite quantity contract (66 Comp. Gen. 554 (1987)). Once NRC Form 279A has been completed with all required approvals, the estimated total cost to NRC of the relocation is recorded as an obligation in the NRC accounting system. Required approvals include a certification of funds availability, administrative approval, and a certification of authorization. (i)

Change of station obligations may include amounts for personnel benefits, transportation, and contractual services, as well as for travel costs. All of these costs are estimated and recorded as an obligation when the NRC Form 279A is issued. (ii)

Transportation of Household Goods (13)

Transportation of household goods for change of station are certified for funds availability and committed on an NRC Form 279A. Unless there is a binding contract for specific services, transportation of goods is obligated when the expenses of transportation have been incurred. Therefore, the signed "NRC Request/Order for Transportation Services" form does not represent an obligation until transportation services have been performed; however, this form is recognized as an estimated obligation when issued. It must be supported by an NRC

Types of Commitments and
Obligations (H) (continued)

Transportation of Household Goods (13) (continued)

Form 279A. NRC Form 30 is used for certifying funds availability for transportation of household goods that is not supporting movement of goods under change of station orders. Obligations are recorded in the NRC accounting system upon the acceptance signature of the contractor. These estimated amounts are subsequently adjusted for actual obligation amounts upon payment. At fiscal year end, the amount obligated is adjusted to recognize an estimated amount of requests/orders for transportation services issued for which transportation services have actually been performed. (a)

Transportation of household goods under a change of station is an exception to this policy. In that case, the total estimated cost of transportation is committed and recorded as an obligation against funds available when the change of station travel authorization is issued. (b)

Rent (14)

The majority of the agency's building rental costs are paid to the GSA on a monthly basis. GSA bills and collects from NRC using an intragovernmental billing process called the Intra-governmental Payment and Collection System (IPAC). Funds are committed using a miscellaneous commitment document (see Part VI, Section (I), of this handbook). Obligations for rental payments to GSA are recognized upon payment. The paid IPAC billing statement is the documentation for recording obligations for rent in the NRC accounting system. Obligations and payments recorded are distributed to the headquarters and regional allowances chargeable for the rental costs. (a)

Other rental costs for facilities are recognized as obligations on the basis of the contractual terms of the lease (see MD 4.1, "Accounting Policy and Practices"). (b)

Types of Commitments and
Obligations (H) (continued)

Communications, Utilities, and Computer Time-Sharing (15)

Examples of these charges include telephone services, gas, electricity, water, postage, sewer charges, and other metered services. Government agencies are not required to enter into contracts with public utilities when charges are based on rates that are fixed by regulatory bodies. However, contracts may be used, and this is the general practice at NRC, if desired by the utility or the agency. (a)

When there is no contract or purchase order, funds are committed for these charges using a miscellaneous commitment document as described in Section (I) of Part VI of this handbook. Obligations are recorded on the basis of services actually performed. (b)

If there is a contract or a purchase order, funds are committed using an NRC Form 400 or an NRC Form 30, as previously discussed. The amount committed is the estimated cost of the service for the period to be covered by the contract or purchase order. Obligations are recorded on the basis of services actually performed or as a monthly estimate on the basis of historical costs. (c)

Personnel Compensation and Benefits (16)

Personnel compensation and benefits are certified for funds availability and committed using a miscellaneous commitment document (see Part VI, Section (I)). Obligations are incurred as amounts are earned by employees. At the end of each month, the actual amount paid by the agency and an estimate of the amount earned, but not yet paid, is recorded as an obligation in the NRC accounting system. Severance pay to former employees is obligated on a pay period by pay period basis. (a)

The majority of the agency's personnel compensation and benefits costs are paid through the biweekly payroll. Examples of these

Types of Commitments and
Obligations (H) (continued)

Personnel Compensation and Benefits (16) (continued)

payments include employee salaries, payments to consultants, agency contributions to retirement funds, agency contributions for health benefits, and Federal Insurance Contributions Act (FICA) taxes. Documentation supporting obligations for payroll include employee time cards; NRC Form 148, "Voucher for Professional Services" (vouchers for consultants); benefit documents; SF 50, "Notification of Personnel Action"; and official accounting reports. (b)

Additional compensation and benefit costs are incurred for purposes such as incentive awards and relocation bonuses. These amounts are obligations when they become payable to the employee. (c)

Cash Awards (i)

Nominations for cash awards and instant cash awards are submitted by the offices on an SF 52, "Request for Personnel Action," to HR. HR processes the award on an SF 50. The allowance holder certifies funds availability using a miscellaneous commitment document for an estimated amount. (See Section VI (I), "Creation of Miscellaneous Commitment Documents.") Cash awards to employees are obligations when payable to the employee, that is, when the SF 50 is executed. DFS uses the payroll general ledger interface to record the obligation and payment in the NRC accounting system. The effective date on the SF 50 determines the fiscal year under which the obligation should be charged. See MD 10.72, "Incentive Awards," for further guidance on cash awards.

Relocation Bonuses, Recruitment Bonuses, and Referral Awards (ii)

Funds are committed upon certification of funds availability on the SF 52. The certification of these funds is limited to those FCOs

Types of Commitments and
Obligations (H) (continued)

Personnel Compensation and Benefits (16) (continued)

authorized to certify funds for the NRC Central and OIG allowances. Awards and bonuses are obligations when payable to the employee. The bonuses are payable when a memorandum requesting the use of pay authority for a bonus is fully approved, a service obligation agreement is signed by the employee, and an SF 50 is issued by HR. MD 10.44, "Relocation Bonus Program," and MD 10.48, "Recruitment Bonus Program," detail the review and approvals required before a payment will be made. Approvals must also include a valid certification of funds availability. The effective date on the SF 50 determines the fiscal year in which to charge the obligation. If the effective date is determined to be in the fiscal year following the year the funds were initially certified as available, HR will obtain a new certification of funds availability from OCFO or OIG before issuing the SF 50.

Training (17)

Training funds are committed once funds are certified for availability on NRC Form 368, "Training Request and Authorization." Training is recorded as an obligation when the NRC Form 368 is fully authorized. This authorization must include signatures by the employee, the employee's immediate supervisor, the office authorizing official, and the FCO. (a)

The date of the funds certification normally determines the fiscal year allowance to which to charge the obligation. Training beginning in a new fiscal year is chargeable to the prior-year allowance if all of the following conditions are met: (1) the NRC Form 368 is fully authorized (including funds certification) by September 30; (2) the training has been identified as a need of the prior fiscal year; (3) scheduling a date in the next fiscal year was beyond the agency's control; and (4) the time between procurement and performance is not excessive (70 Comp. Gen. 296 (1991)). (b)

Types of Commitments and
Obligations (H) (continued)

Training (17) (continued)

The requesting office training coordinator must be notified of all training cancellations to prevent the agency from incurring unnecessary cancellation charges. (c)

Grants and Cooperative Agreements (18)

Grants and cooperative agreements are recorded as obligations based upon an agreement authorized by law. These agreements require the signature of an authorized official in DC/ADM. (a)

Requests to award a grant are prepared on an NRC Form 400, RFPA. Once funds are certified as available on the RFPA, funds are committed. The "NRC Notice of Grant Award" is the obligating document. Generally, the grantee signs the award document before the DC/ADM grant officer. Therefore, the grant officer's signature obligates the agency. (b)

Requests to award cooperative agreements are also prepared on an RFPA. Once funds are certified as available on the RFPA, funds are committed. The SF 30, "Amendment of Solicitation/Modification of Contract," is the obligating document. Generally, the recipient of the cooperative agreement signs the SF 30 before the DC/ADM contracting officer signs. Therefore, the contracting officer's signature obligates the agency. (c)

Fully signed grants and cooperative agreements are recorded as obligations in the NRC accounting system. (d)

Official Representation (19)

An NRC Form 30 is used for authorizing the use of funds appropriated by Congress for expenses qualifying as official representation and entertainment. Funds are committed, once certified as available by an authorized FCO on the NRC Form 30.

Types of Commitments and Obligations (H) (continued)

Official Representation (19) (continued)

Funds certification is limited to those persons authorized to certify funds availability for the NRC Central allowance. The FCO must ensure that use of the funding falls within the requirements set forth in MD 5.4, "Official Representation Expenses," and that the correct approval signatures are acquired before certifying funds availability. (a)

Costs for official entertainment are normally considered obligated when expenses have been incurred. Once the NRC Form 30 has been completed with all required approvals, the estimated cost amount is recorded as an obligation in the NRC accounting system. (b)

When required by DC/ADM, an OF 347 will be issued for the official representation event. In this situation, the amount on the OF 347 is recorded as an obligation. (c)

Adjustments to amounts committed are based on the actual obligations and expenditures. (d)

Creation of Miscellaneous Commitment Documents (I)

Unlike most NRC spending actions, no preobligation or commitment documents exist for GSA rental charges, certain interagency orders, certain public utilities, postage, or payroll. To ensure that funds will be available once the obligation and expenditure has occurred, funds must be reserved using a miscellaneous commitment document. Offices allocated funds for such purposes are responsible for creating these documents. The document must include—(1)

Creation of Miscellaneous Commitment Documents (I) (continued)

- The period of performance (a)
- An estimated dollar amount (b)
- The appropriate accounting classifications (appropriation, budget and reporting classification, job code, BOC, and commitment document number) (c)
- The FCO's statement for certifying the availability of funds, signature, and date of certification (d)

When it is difficult to determine the precise amount of NRC's commitments for certain transactions, the FCO must ensure that funds are available to cover NRC's potential liability. The FCO must determine the amounts to be reserved or committed based on relevant current and historical data for the various types of transactions involved. These commitments must be reviewed on an ongoing basis. (2)

Commitments should be adjusted to reflect the actual costs. Recertification of funds availability is required for charges that exceed amounts previously committed. (3)

Reconciliations and Verifications (J)

General (1)

Even though allowance holders have the primary responsibility for ensuring that funds are not overcommitted or overobligated, the official records of allotments, allowances, commitments, obligations, and payments must be maintained in the NRC accounting system. To ensure proper funds control and accurate financial reporting, DFM and the allowance holders share the responsibility to reconcile the data in the allowance holder's funds control records to the data in the official NRC accounting system. (a)

Reconciliations and Verifications (J)

(continued)

General (1) (continued)

Allowance holders must conduct a monthly reconciliation of their funds control records with the NRC accounting system. DFM will provide allowance holders online access to accounting reports from the NRC accounting system for reconciliation with commitment and obligation information recorded in the allowance holder's funds control records. During the review, the validity of all obligations should be substantiated and adjustments completed. Allowance holders should maintain written documentation of the monthly reconciliation and verification of data. Discrepancies found that require correction of accounting system records should be reported to DFM as a part of the reconciliation process. (b)

If obligations on accounting reports have been properly adjusted to reflect actual costs or payments more or less than the original obligation, the obligated amount reported in the allowance holder's funds control records should be adjusted. (This adjustment is common when actual travel costs exceed or fall short of the amount authorized.) When adjustments result in significant increases or decreases, the transaction must be traced and the appropriate documentation supporting the adjustments (e.g., contract modifications) should be obtained for proper verification. (c)

Commitment amounts should equal or exceed amounts obligated. If an obligation exceeds the amount committed, the commitment amount must be adjusted in the allowance holder's records. (d)

Guidelines for Reconciling and Verifying the Allowance Holder's Funds Control Records (2)

The following guidelines should be followed when reconciling and verifying the allowance holder's funds control records:

Reconciliations and Verifications (J)
(continued)

Guidelines for Reconciling and Verifying the Allowance Holder's Funds Control Records (2) (continued)

- Verify that information recorded in the allowance holder's funds control records matches information specified on commitment and/or obligation documents. (a)
- Consider time lags when reconciling accounts. The information in the allowance holder's funds control records will usually be more current than that in the NRC accounting system. A time lag usually occurs between the time a spending request is actually obligated and when it is recorded in the NRC accounting system. (b)
- Compare fiscal-year-to-date allowance, program value, commitment, and obligation amounts on accounting reports to those on the allowance holder's funds control records. If amounts differ, review appropriate source documents to determine the correct amounts. When necessary, request source documents from DFS, DC/ADM, or program offices for justifying adjustments and modifications. (c)
- Verify that accounting classification information (e.g., budget and reporting (B&R) numbers, job codes, BOCs, etc.) is complete and accurate. (d)
- Review the costs and payment amounts provided on detailed accounting reports and compare to commitments and obligations recorded in the allowance holder's funds control records in order to determine if adjustments are necessary because of overestimations or underestimations of commitments and obligations. When necessary, investigate and make the appropriate adjustments. (e)
- Identify and document all discrepancies. (f)

Exhibit VI-1 Summary of the NRC's Commitment and Obligation Documents

Spending Action	Commitment		Obligation	
	Form Number	Document Title	Form Number	Document Title
Purchase Orders	NRC Form 400 (\$25,000 & above)	"Request for Procurement Action (RFPA)"	Optional Form 347	"Order for Supplies or Services"
	NRC Form 30 (\$25,000 or less)	"Request for Administrative Services"	or SF 1449	"Solicitation/ Contract/Order for Commercial Items"
Blanket Purchase Agreements	NRC Form 30	"Request for Administrative Services"	Optional Form 347	"Order for Supplies or Services"
	NRC Form 400	"Request for Procurement Action (RFPA)"	NRC Form 104 or SF 1449	"Blanket Purchase Agreement (BPA) Ordering/ Receiving Report" "Solicitation/ Contract/Order for Commercial Items"
Purchase Cards	NRC Form 30	"Request for Administrative Services"	None	Statement of Account
Commercial Contracts	NRC Form 400	"Request for Procurement Action (RFPA)"	SF 26	"Award/Contract"
			or SF 1449	"Solicitation/ Contract/Order for Commercial Items"

Exhibit VI-1 (continued)

Spending Action	Commitment		Obligation	
	Form Number	Document Title	Form Number	Document Title
Contract Modifications	NRC Form 400	"Request for Procurement Action (RFPA)"	SF 30	"Amendment of Solicitation/ Modification of Contract"
Department of Energy Work Orders	NRC Form 173	"Standard Order for DOE Work (SOEW)"	NRC Form 173	"Standard Order for DOE Work (SOEW)"
Interagency Agreements (Other than DOE)	NRC Form 662	"Award of an Interagency Agreement"	NRC Form 662	"Award of an Interagency Agreement"
	None	or Interagency Agreement (prepared by both agencies)	None	or Interagency Agreement (prepared by both agencies)
Interagency Agreements for Federal Employee Details to NRC	None	Interagency agreement (prepared by both agencies)	None	Interagency agreement (prepared by both agencies)
Intergovernmental Personnel Act Assignments	NRC Form 769	"Assignment Agreement"	NRC Form 769	"Assignment Agreement"
International Implementing Agreements	None	International implementing agreement (prepared by both agencies)	None	International implementing agreement (prepared by both agencies)
Interagency Orders Required by Law—Orders for Building Services to Lessor	GSA Form 300-1	"Order for Supplies and Services"	GSA Form 300-1	"Order for Supplies and Services"
	or GSA Form 2957	or "Reimbursable Work Authorization"	or GSA Form 2957	or "Reimbursable Work Authorization"

Exhibit VI-1 (continued)

Spending Action	Commitment		Obligation	
	Form Number	Document Title	Form Number	Document Title
Interagency Orders Required by Law—Orders to GSA	GSA Form 2957	"Reimbursable Work Authorization"	GSA Form 2957	"Reimbursable Work Authorization"
Temporary Duty Travel	NRC Form 279	"Official Travel Authorization"	NRC Form 279	"Official Travel Authorization"
Local Travel	None	None	SF 1164	"Claim for Reimbursement for Expenditures on Official Business"
Change of Station	NRC Form 279A	"Official Travel Authorization, Change of Station"	NRC Form 279A	"Official Travel Authorization, Change of Station"
Transportation of Goods	NRC Form 30 or NRC Form 279A	"Request for Administrative Services" or "Official Travel Authorization, Change of Station"	NRC Form NRC Form 279A	"NRC Request/Order for Transportation Services" or "Official Travel Authorization, Change of Station"
Rent	None	Miscellaneous commitment document	IPAC Document from GSA	"Intragovernmental Payment and Collection System" Transaction
Communications and Utilities (when not supported by a purchase order or contract)	None	Miscellaneous Commitment Document	None	Invoices

Exhibit VI-1 (continued)

Spending Action	Commitment		Obligation	
	Form Number	Document Title	Form Number	Document Title
Personnel Compensation and Benefits	None	Miscellaneous Commitment Document	NRC Form 148	"Voucher for Professional Services"
			SF 50	"Notification of Personnel Action"
			None	Time cards
			None	Payroll Reports
Relocation Bonuses	SF 52	"Request for Personnel Action"	SF 50	"Notification of Personnel Action"
Training	NRC Form 368	"Training Request and Authorization"	NRC Form 368	"Training Request and Authorization"
Grants	NRC Form 400	"Request for Procurement Action (RFPA)"	None	"NRC Notice of Grant Award"
Cooperative Agreements	None	"NRC Request for Assistance Action (RFAA)"	SF 30	"Amendment of Solicitation/Modification of Contract"
Official Representation	NRC Form 30	"Request for Administrative Services"	NRC Form 30	"Request for Administrative Services"
			or Optional Form 347	"Order for Supplies or Services"
			or SF 1449	"Solicitation/Contract/Order for Commercial Items"

Part VII Deobligation of Funds

Overview (A)

Part VII defines deobligation of funds, explains allowance holder responsibilities for deobligation actions, and addresses documentation and reporting requirements for deobligations. It also describes the types of deobligation transactions and summarizes the general rules for reusing deobligated funds.

Deobligations (B)

A deobligation is the cancellation or downward adjustment of a previously recorded obligation. A deobligation may result from a cancellation of a project or contract, price revisions, or corrections of estimated amounts previously recorded as obligations.

General Rules for Deobligations (1)

In general, the rules for obligation also apply to deobligation. Deobligations are generally authorized by the same officials who incurred the obligations and are supported by documentation in the same manner as the original obligation (see Part VI, "Commitment and Obligation of Funds," of this handbook). A proper and unpaid obligation may not be deobligated without a valid reason. Absent a valid reason, it is improper to deobligate solely to free funds for new obligations.

Allowance Holder Responsibilities for Deobligations (2)

Allowance holders and their staffs are responsible for reviewing obligations incurred against their allowances to identify amounts to be deobligated. This responsibility includes reviewing unpaid obligations to identify goods and services not yet received that are no longer needed. Allowance holder offices are also responsible for initiating appropriate action to deobligate funds. Examples of

Deobligations (B) (continued)

Allowance Holder Responsibilities for Deobligations (2) (continued)

allowance holder actions to initiate the deobligation process include requesting the contracting officer to execute an appropriate contractual instrument (i.e., contract modification or purchase order); executing an NRC Form 173, "Standard Order for Department of Energy (DOE) Work (SOEW)," for orders placed with the DOE; or notifying the Division of Financial Services (DFS) that all payments have been made against a procurement.

Documentation and Financial Reporting of Deobligations (3)

The documentation used to support a deobligation depends on the method used to originally obligate the funds. For example, funds obligated under a commercial contract could be deobligated by execution of a contractual document such as an SF 30, "Amendment of Solicitation/Modification of Contract." Funds obligated under NRC Form 173 are deobligated by executing another NRC Form 173. After the appropriate documentation is fully executed and has been forwarded to DFS, the deobligation is recorded in the NRC accounting system. (a)

Although the deobligation occurs when the appropriate documentation is executed, funds are available for reobligation only after the deobligation is recorded in the NRC accounting system and any required allowance action is completed. If the deobligation process is completed during the fiscal year in which the funds were originally obligated, the deobligated funds are available for reobligation without further allowance of funds. However, these funds should be reobligated only after the allowance holder has ensured that DFS has recorded the deobligation transaction in the NRC accounting system. If funds are deobligated after the end of the fiscal year, the funds must be reallocated by the Division of Planning, Budget, and Analysis (DPBA) before they can be committed or obligated again. DPBA

Deobligations (B) (continued)

Documentation and Financial Reporting of Deobligations (3) (continued)

will not reallocate the funds unless the deobligation is properly documented and reflected in the NRC accounting system. (b)

Types of Deobligations (C)

The following sections describe policies and procedures for deobligating the most common types of agency obligations.

Temporary Duty Travel (TDY) Deobligations (1)

Travel funds are deobligated when a trip is cancelled or when the actual cost of the trip is less than the original estimated obligation. Travel cancelled before incurring any costs is documented on a "Cancelled" NRC Form 279, "Official Travel Authorization." Costs for transportation tickets are deobligated after the agency's Travel Management Center (TMC) contractor has issued a credit to eliminate the charges. Allowance holders should recognize deobligations for cancelled transportation tickets only after they are identified in the NRC accounting system reports.

Adjusting Overestimated Travel Obligations (2)

DFS uses the travel voucher submitted by the traveler and the bill submitted by the TMC for a transportation ticket to determine the actual cost of the travel. Upon payment of amounts due to the traveler, DFS will adjust the amount obligated against the travel authorization for subsistence and incidental charges. Upon payment of the transportation ticket, DFS will adjust the amount obligated for the common carrier charges. The allowance holders should not assume that amounts claimed on travel vouchers will be the same as amounts approved by the Payment Policy and Obligations Team, DFS, for reimbursement. Allowance holders should recognize deobligated amounts in their accounting records after they are identified in the NRC accounting system reports.

Types of Deobligations (C) (continued)

Deobligating Blanket Travel (3)

Travel authorizations for blanket travel are issued quarterly. Amounts are deobligated by DFS at the end of the fiscal year to the extent that expenses have not been incurred.

Deobligating Change of Station Funds (4)

Excess amounts obligated for change of station are deobligated after DFS determines that all valid claims for reimbursement have been made.

Deobligating Purchase Orders (5)

DFS will process a final payment to the vendor when all goods and services ordered are received. The final payment results in any adjustments to the amount obligated. In addition, allowance holders should notify DFS of all open purchase orders that are no longer required. DFS and the allowance holder shall coordinate on the decision to deobligate purchase orders. Allowance holders should recognize deobligated amounts only after they are identified in the NRC accounting system.

Deobligating Contracts (6)

Conditions for deobligating funds are created when contracts are closed out, when individual orders of indefinite quantity contracts are completed, and when active contracts are modified. The general rule for deobligation of funds obligated under a contract is that funds are deobligated using a similar contractual document.

Deobligations During Contract Closeout (7)

After completion of a contract, the Division of Contracts, Office of Administration (DC/ADM), with the assistance of the sponsoring technical office, determines that the contract is complete and ready to be closed out. Completion occurs when all required

Types of Deobligations (C) (continued)

Deobligations During Contract Closeout (7) (continued)

goods and services have been received and accepted, the option provisions of the contract expire, the contract period of performance ends, or the Government gives notice of contract termination. At the outset of this process, DC/ADM, in conjunction with the allowance holder, should conduct an initial contract funds status review and, where appropriate, identify excess funds that could be deobligated. This review should be completed within 90 days of completion of the contract. DC/ADM, working with the technical office, must complete an administrative closeout as required by the Federal Acquisition Regulations (48 CFR 4.804). Administrative closeout procedures include ensuring that the following actions are completed: contract audit, contractor's closing statement, submission of the contractor's final invoice, and a contract funds review and deobligation of any excess funds.(a)

Timing of authorizing the deobligation depends on the type of contract and the unique circumstances. Amounts are recognized as deobligations when stated on a formal document, such as an SF 30 or a letter signed by an authorized contracting officer. (b)

During the closeout process, DC/ADM may identify that additional funds need to be obligated and paid against a contract that has an insufficient unpaid obligation balance. This situation may occur because funds had previously been deobligated with an SF 30 and the subsequent final closeout audit identified additional funds due the contractor. In this situation, the Director of DC/ADM will request that the Director of DPBA allocate additional funds to the NRC Central allowance holder. Upon issuance of the allowance, the funds certifying official (FCO) certifies funds availability on a "Request for Procurement Action" (NRC Form 400). The NRC Form 400 is forwarded to DC/ADM to support issuance of an SF 30 to obligate the additional funds. (c)

Types of Deobligations (C) (continued)

Deobligating Orders Under Indefinite Quantity Contracts (8)

Individual orders under indefinite quantity contracts, such as task orders, are unique contracts for a specific purpose. With completion of the order, the specific purpose has been accomplished. Any uncosted obligation amount under the order must be formally deobligated with a document such as an SF 30, signed by an authorized contracting officer.

Deobligations When Active Contracts Are Modified (9)

Contract modifications resulting in deobligations of amounts for reasons such as a change in scope, correction of estimates, or termination for convenience are executed by the authorized contracting officer on an SF 30. These types of transactions may be initiated by contracting officers, or by project officers on an NRC Form 400. The amount on the SF 30 represents a deobligation and is recorded in the NRC accounting system.

Deobligating Standard Orders for DOE Work (10)

Allowance holders should promptly identify completed DOE work projects with unexpended obligations and funds that are no longer required. The NRC ordering office negotiates with the appropriate DOE field office the amount to be deobligated. Offices in the NRC Central allowance should coordinate with the NRC Central allowance financial manager for determining amounts to be deobligated. Upon agreement of an amount, the ordering office issues a signed NRC Form 173 to the appropriate DOE field office for acceptance. Upon signature of the appropriate DOE official, the NRC Form 173 represents a deobligation of funds and is recorded in the NRC accounting system. This process should generally be completed within 90 days of the expiration of the agreement or completion of the work.

Types of Deobligations (C) (continued)

Deobligating Interagency Agreements (11)

Interagency agreements, other than standard orders for work with DOE, are deobligated ordinarily using NRC Form 662, "Award of an Interagency Agreement," or subject to the specific terms of each nonstandard agreement document. (Also, see Management Directive [MD] 11.8, "NRC Procedures for Placement and Monitoring Work With Other Federal Agencies Other Than DOE," Part VI, "Closing Out Interagency Agreements.") Employee details and agreements under the Economy Act (31 U.S.C. 1535) are subject to additional policy provisions.

Deobligating Employee Details (a)

Uncosted obligations for interagency agreements for the detail of employees to NRC may be deobligated after receipt of written assurance from the lending agency that all bills to NRC have been issued.

Economy Act Deobligations (b)

For interagency agreements obligated under the authority of the Economy Act against fiscal year (1-year) appropriations, NRC funds must be deobligated for amounts the performing agency has not obligated under the agreement by the end of the fiscal year.

Reducing Unexpended Obligations (D)

Unexpended obligations are obligations incurred for which goods or services have not been received and payments have not been made by NRC. To assist in ensuring that unexpended balances are reasonably stated, the following provisions for reducing unexpended obligations have been implemented for temporary duty travel, training, purchase orders, commercial contracts, orders for DOE work, and interagency agreements. The purpose of this effort is to more properly reflect the agency's obligation balances. Allowance holders should perform regular reviews of

Reducing Unexpended Obligations (D)
(continued)

these balances during the fiscal year with particular emphasis on inactive unexpended obligations from prior fiscal years. Aggressive followup will assist in prompt deobligation of excess balances.

Sunset Provisions for Temporary Duty Travel, Training Requests, and Purchase Orders (1)

All unexpended obligations for temporary duty travel, training, and purchase orders dating back more than 1 fiscal year will be deobligated every October. DFS will notify allowance holders in advance of the deobligation. If an office determines that it is essential that the unexpended obligation should remain active, a justification must be provided to DFS. For example, in October 2007, all orders funded by FY 2006 and prior obligations will be deobligated by DFS. (a)

If, at a later date, it is determined that a valid invoice needs to be paid on an order that was previously deobligated, an obligation for the invoiced amount will be established and charged against the allowance current at the time of the determination. Offices are still responsible for submitting appropriate documentation to DFS to deobligate excess funds as soon as they are determined to be unneeded. (b)

Limited Period of Performance for Commercial Contracts, DOE Work Orders, and Interagency Agreements (2)

The period of performance for commercial contracts, orders for DOE work, and interagency agreements is generally limited to 5 years. This limit should facilitate the closeout of unexpended obligations. Commercial contracts and DOE work orders will be closed out in accordance with MD 11.1, "NRC Acquisition of Supplies and Services," MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," and MD 11.8.

Reusing Deobligated Funds (E)

Availability of deobligated funds for new obligations depends on the type of funds and the timing of the deobligation. General rules regarding the availability of deobligations are shown in Table VII-1.

**Table VII-1 Availability of Deobligated Funds
 for Future Obligations**

<ul style="list-style-type: none"> • During the Current Fiscal Year 	<ul style="list-style-type: none"> • Funds deobligated and recorded in the NRC accounting system during the fiscal year in which they are allocated are available to the allowance holder for new obligations.
<ul style="list-style-type: none"> • After the End of Current Fiscal Year 	<ul style="list-style-type: none"> • Funds from the agency's no-year appropriations deobligated after the end of the fiscal year in which the funds were allocated remain available to the agency after new apportionment action by OMB, reallocation by the CFO, and reallocation by the Director of DPBA. • Funds for reimbursable work deobligated after the end of the fiscal year in which they are allocated remain available to the agency to support the specific reimbursable work agreement if (1) the reimbursable agreement's period of performance has not expired and (2) the appropriation or other funds source providing the reimbursable funds have not expired. These funds require new apportionment action by OMB, a subsequent reallocation by OCFO and a reallocation by DPBA before they may be committed or obligated.
<ul style="list-style-type: none"> • After Expiration of Original Period of Availability 	<ul style="list-style-type: none"> • Funds deobligated after the expiration of the original period of availability are not available for further obligation.

Part VIII

Reimbursable Work Performed by NRC for Others

Overview (A)

Part VIII defines reimbursable work, including the legal criteria for acceptance. It summarizes the laws that pertain to reimbursable work, defines reimbursable agreements, describes processing procedures for reimbursable agreements, discusses the different types of reimbursable work, and identifies costs to be reimbursed. In addition, this part discusses reimbursement for the detail of employees within NRC and NRC's full-cost recovery policy. Please refer to the "USNRC Reimbursable Work Procedures Manual" for more detailed procedures on reimbursable work agreements. A copy of this manual may be obtained from the Funds Control Team, Division of Planning, Budget, and Analysis, Office of the Chief Financial Officer (FCT/DPBA/OCFO).

Definition of Reimbursable Work (B)

General (1)

Reimbursable work consists of services NRC performs for an outside organization and for which it is entitled to reimbursement. Federal and non-Federal organizations may order reimbursable work. Reimbursable work performed by NRC is financed with funds of the ordering Federal agency or by a cash advance from a non-Federal organization and represents additional funding in excess of the agency's appropriated funds.

Legal Authority To Accept Reimbursable Work (2)

In general, reimbursable work that NRC provides for an outside organization is part of that organization's mission, not the NRC's mission. If NRC accepts reimbursement without statutory

Definition of Reimbursable Work (B) (continued)

Legal Authority To Accept Reimbursable Work (2) (continued)

authorization for an activity for which the agency's appropriations are normally provided, the agency may have improperly augmented its appropriated funds. Performing work outside the scope of the agency's authorizing and appropriation legislation requires specific statutory authority. Table VIII-1 summarizes the laws that provide authority for NRC to perform reimbursable work. Before accepting a reimbursable agreement, the agency must review the specific legal authority for performing the work. (a)

The most common source of authority for a Federal agency to perform reimbursable work for another Federal agency is the Economy Act. The Economy Act allows Federal agencies to obtain goods and services from other Federal agencies where the agency requesting the goods and services determines that the work or goods cannot be done or provided as conveniently or economically by a commercial enterprise. A reimbursable agreement made under the authority of the Economy Act obligates an appropriation of the ordering agency. NRC's use of these funds is subject to any condition or limitation applicable to the funds. For example, if the ordering agency's funds are from a 1-year appropriation, the NRC's use of the funds is also subject to the restrictions associated with 1-year appropriations. NRC could not obligate funds against an agreement beyond the end of the fiscal year for which funds were provided without a revised agreement providing funds for the new fiscal year. (b)

Definition of Reimbursable Work (B) (continued)

Legal Authority To Accept Reimbursable Work (2) (continued)

Table VIII-1 Summary of Laws Related to
 Reimbursable Work

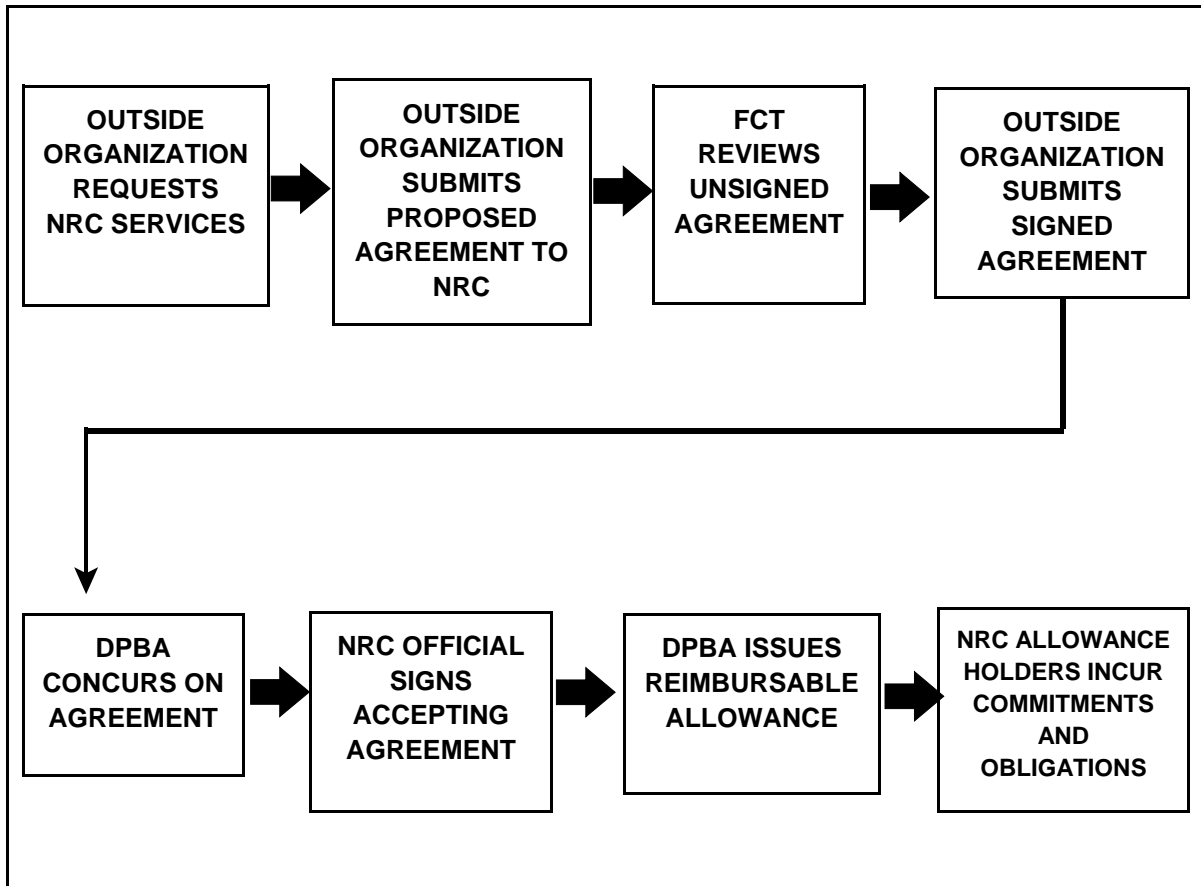
<ul style="list-style-type: none"> • Economy Act 	<ul style="list-style-type: none"> • Authorizes Federal agencies to enter into reimbursable agreements with other Federal agencies (31 U.S.C. 1535). • Provides for crediting collections for reimbursable work to the performing agency's appropriation.
<ul style="list-style-type: none"> • Intergovernmental Cooperation Act of 1968 	<ul style="list-style-type: none"> • Authorizes Federal agencies to provide reimbursable specialized or technical services to States and local governments (31 U.S.C. 6505).
<ul style="list-style-type: none"> • Intergovernmental Personnel Act (IPA) 	<ul style="list-style-type: none"> • Authorizes employees to be detailed to a State or local government on a reimbursable basis (5 U.S.C. 3373).
<ul style="list-style-type: none"> • Details to International Organizations 	<ul style="list-style-type: none"> • Authorizes employees to be detailed to an international organization on a reimbursable basis (5 U.S.C. 3373).
<ul style="list-style-type: none"> • Government Employees Training Act 	<ul style="list-style-type: none"> • Authorizes employees to accept payment of travel expenses for attendance at meetings if the donor is a tax-exempt nonprofit organization (5 U.S.C. 4111). • Does not authorize the NRC to accept the funds (55 Comp. Gen. 1293 (1976)). Therefore travel paid by an outside organization under the provisions of 5 U.S.C. 4111 is not reimbursable work for NRC and is not charged to the NRC's reimbursable allowance but it is payable directly to employees of the NRC.
<ul style="list-style-type: none"> • NRC Salaries and Expenses Appropriation Legislation 	<ul style="list-style-type: none"> • Provides NRC authority to retain and use moneys received for the cooperative nuclear safety research program, services rendered to foreign governments, State governments, and international organizations, and the material and information access authorization programs, including criminal history checks (42 U.S.C. 5852).

Processing Procedures for
 Reimbursable Agreements (C)

To commit and obligate funds for reimbursable work, allowance holders must have a reimbursable agreement and a reimbursable allowance on their Advice of Allowances and Financial Plan. Table VIII-2 shows the reimbursable work agreement process.

Processing Procedures for
Reimbursable Agreements (C) (continued)

Table VIII-2 Reimbursable Work Agreements



Reimbursable Agreements (1)

A reimbursable agreement represents a contract between NRC and another Federal or non-Federal agency to provide work for reimbursement. Advance payments are required from non-Federal organizations to preclude the use of the NRC's appropriated funds to finance reimbursable work and to protect the agency from incurring uncollectible receivables. Amounts contained in the reimbursable agreement or amounts advanced (for non-Federal organizations) form the basis for DPBA to issue reimbursable allowances.

Processing Procedures for
Reimbursable Agreements (C) (continued)

Initiating Reimbursable Agreements (2)

Reimbursable agreements are normally initiated by the outside organization desiring to order goods or services from NRC. When the outside organization is a Federal agency or other governmental entity, the reimbursable work agreement is generally documented in the form of an interagency agreement. Reimbursable agreements with private organizations require a similar type of agreement. Unsigned draft agreement documents should be forwarded to FCT/DPBA/OCFO to be reviewed for adequate financial provisions. (a)

Upon agreement by both parties to the language in the draft agreement document, the outside organization should sign the agreement. For reimbursable work for another Federal agency, the agreement signed by the other agency indicates that the other agency has allotted and reserved funds for the project. For reimbursable work for a non-Federal organization, the agreement signed by the non-Federal organization must include an advance of funds to meet the entire cost of the project at least through the end of the fiscal year. Work to be performed in future fiscal years must be financed by additional advances received before the performance of the work. (b)

Requirements for a Complete Reimbursable Agreement (3)

The reimbursable agreement is a contractual document that must include the following information:

- Legal authority for NRC to perform the reimbursable work. In the absence of specific legal authority, NRC may be prohibited from performing the work or retaining reimbursements for the work performed. (a)
- Specific description of the goods or services to be provided or the work to be performed. The agreement should include or

Processing Procedures for
Reimbursable Agreements (C) (continued)

Requirements for a Complete Reimbursable Agreement (3)
(continued)

reference a complete and final statement of work or services to be performed. (b)

- Period of performance, including the expiration date of the agreement. The period of performance must include sufficient time to perform the requested work or services. If, during performance of the agreement, a determination is made that an extension will be required, a formal modification to the agreement will be necessary. (c)
- Total estimated reimbursable cost of the work or services to be performed. The basis for the cost estimate must be included in the agreement. For example, if the agreement calls for reimbursement for the detail of an NRC employee to an outside agency, the agreement must include the amount of time to be worked and the relevant employee salary and benefit costs. If the agreement calls for reimbursement of NRC's full costs, this fact should be clearly stated. For example, the agreement would state that NRC is charging for direct professional staff time on the basis of the hourly rate as established in 10 CFR Part 170, in addition to any contractor costs incurred to perform services. If foreign travel costs exist as a result of the agreement, these costs should be reimbursed as well. The agreement must clearly specify if less than full agency costs are to be charged. See Section (F) of this part for guidance on the costs to be recovered in reimbursable agreements. Refer to the "USNRC Reimbursable Work Procedures Manual" for policy on estimating NRC full costs. (d)
- Procedures for NRC to obtain reimbursement. For reimbursable work for other Federal agencies, the procedures must include billing instructions. For reimbursable work for

Processing Procedures for
Reimbursable Agreements (C) (continued)

Requirements for a Complete Reimbursable Agreement (3)
(continued)

non-Federal organizations, the procedures must provide for the receipt of an advance of funds by the Division of Financial Management (DFM) before the performance of work. The procedures also provide for the settlement of any differences at the end of the agreement. If the actual cost of the agreement is less than the amount of the advance, the agreement may need to provide for the return of excess funds. The agreement should also provide for NRC to bill the outside organization if the actual cost exceeds the amount of the advance. (e)

- Any purpose, time, or amount limitations imposed on the funds. (f)
- The other agency's appropriation account and other relevant accounting classification data (for reimbursable agreements for other Federal agencies). (g)
- Signature by an official of the outside organization authorized to enter the organization into the reimbursable agreement. (h)
- Concurrence signature by the Director of DPBA. Concurrence by DPBA is required before an authorized NRC official may sign accepting the agreement. The Director of DPBA will not concur on proposed reimbursable agreements for the recovery of less than full costs that are not exempt from the agency's full-cost recovery policy. (See Section (F) of this part.) (i)
- Signature of the NRC official authorized to accept the agreement. For agreements with other governmental entities, acceptance must be completed before the expiration of the period of availability for obligation of the appropriations or funds of the other agency. Agreements for the detail of NRC employees to another Federal agency are executed by the

Processing Procedures for
Reimbursable Agreements (C) (continued)

Requirements for a Complete Reimbursable Agreement (3)
(continued)

NRC Inspector General (IG) for employees of OIG and by the Director of the Office of Human Resources (HR) for all other employee details (see Management Directive [MD] 10.1, "Appointments, General Employment Issues, Details, and Position Changes"). Other agreements may be executed by authorized contracting officers or designated NRC office directors, as specified in Volume 9, "NRC Organization and Functions," of the NRC Management Directives System. (j)

Memoranda of Understanding (4)

A memorandum of understanding (MOU) is a written agreement broadly stating basic understandings and describing a mechanism for coordinating activities to be engaged in by the agency and an outside organization. An MOU is generally not a binding contract and does not represent a complete reimbursable agreement. The MOU would only constitute a valid reimbursable agreement if it contained the required information stated above. If reimbursement is required for goods or services to be provided, the MOU would be followed with a reimbursable agreement document that provides for ordering specific goods or services, a period of performance, and a total estimated cost for the work or services to be performed.

Review of Agreements by the Office of the Chief Financial Officer (5)

Reimbursable agreement documents signed by the ordering organization are forwarded to the Director of DPBA for concurrence before acceptance by NRC. As part of this concurrence, DPBA may forward a copy of the document to and consult with the Division of Financial Services (DFS) and DFM to verify that the following information is acceptable: billing

Processing Procedures for
Reimbursable Agreements (C) (continued)

Review of Agreements by the Office of the Chief Financial Officer (5) (continued)

procedure, amount for employee details, estimated travel costs for reimbursable travel, and evidence of advance receipt of funds for agreements with non-Federal organizations. Upon consultation with DFS and DFM and verification by DPBA that adequate reimbursable budgetary resources have been apportioned to support the agreement, the Director of DPBA will concur on the agreement. The document is returned to the appropriate NRC office for acceptance. This policy also applies to agreements for which NRC is to perform work for another agency involving issuance of a nonexpenditure transfer of funds (see Section (E) of this part).

Acceptance of Reimbursable Work (6)

After signature by the outside organization ordering goods or services and the concurrence signature of the Director of DPBA, the authorized NRC official may sign accepting the agreement. The NRC's acceptance signature creates a contract for NRC to provide goods or perform services and an obligation for the outside organization to pay authorized costs incurred by NRC. Copies of the signed agreement must be promptly forwarded to the Financial Statement and Reconciliation Team, DFM; the Funds Control Team, DPBA; and the outside organization. In addition, the allowance holder or the allowance financial manager (AFM) responsible for obligating funds against the reimbursable agreement must forward the accepted agreement to the Director of DPBA. If the outside organization is another Federal agency, the other agency records the accepted agreement as an obligation in its accounting system to support subsequent bills from NRC.

Processing Procedures for
Reimbursable Agreements (C) (continued)

Recording Reimbursable Agreement Transactions (7)

Fully signed reimbursable agreements and modifications to existing reimbursable agreements are recorded by FSRT/DFM/OCFO in the official accounting system as reimbursable authority received. FCT/DPBA/OCFO reallocates unobligated carryover funding for reimbursable agreements at the beginning of each fiscal year.

Reimbursable Advice of Allowance and Financial Plan (8)

Once DPBA receives the accepted agreement, an allowance will be issued. The submission of an NRC Form 289A, "Request for Financial Plan Changes," is not required. The reimbursable allowance and financial plan authorizes the commitment and obligation of funds for the specific reimbursable agreement. With the exception of cooperative research agreements (CRA), DPBA will assign a unique budget and reporting (B&R) number for all new reimbursable agreements at the time the allowance is issued. If the terms of the reimbursable agreement provide for continued performance in the following fiscal year, a new reimbursable allowance may be required in the new fiscal year.

Commitment and Obligation of Funds for Reimbursable Work (9)

Commitments and obligations are incurred by NRC as actions are taken to perform work under the agreement. Administrative control of funds policies, limitations, and restrictions contained in Part V, "Allowance and Financial Plan Process," of this handbook must be observed for reimbursable allowances and financial plans. Reimbursable work is not authorized to start before issuance of the reimbursable allowance. Commitments or obligations may not exceed the amount of the agreement or the reimbursable allowance. If the reimbursable allowance includes funds for more than one reimbursable agreement, each agreement represents a

Processing Procedures for
Reimbursable Agreements (C) (continued)

**Commitment and Obligation of Funds for Reimbursable Work
(9) (continued)**

separate funds ceiling. Allowance holders may not commit or obligate reimbursable funds allocated for a specific agreement to support other reimbursable agreements. Obligations incurred against reimbursable funds for purposes other than those provided on an allowance and financial plan is an unauthorized use of funds and is a potential violation of 31 U.S.C. 1301. OIG will be advised of instances of overobligation of fund limitations that result in an Antideficiency Act violation.

Modifying Reimbursable Agreements (10)

Modifications to reimbursable agreements are required to change the scope of work, extend the period of performance, and change the total estimated cost of the work or services to be performed. Modifications to reimbursable agreements are processed in the same manner as previously described. If it is determined that the cost of performance has increased, a modification to the agreement must be fully executed and a reimbursable allowance must be issued before NRC commits or obligates funds in excess of the original cost ceiling. (a)

All modifications to reimbursable agreements should be submitted to the FCT for review. Modifications that increase or decrease the funding level provided by reimbursable agreement require the advance concurrence signature of the Director of DPBA. (b)

Collection of Funds for Reimbursable Work (11)

The procedures for the collection of funds for reimbursable work depend upon whether the ordering organization is another Federal agency or is non-Federal.

Processing Procedures for
Reimbursable Agreements (C) (continued)

Collection of Funds for Reimbursable Work (11) (continued)

Federal Work (a)

As costs are incurred by NRC, DFM will create a receivable in the NRC accounting system and will issue bills to the ordering agency in accordance with the terms of the agreement. Upon collection of all costs incurred under the agreement and the deobligation of any uncosted obligations, any remaining unobligated allowance balance will be withdrawn by DPBA (if the allowance has not already expired).

Non-Federal Work (b)

As costs are incurred by NRC, they are applied against the agency's liability to return unused funds to the outside organization. Upon completion of the agreement and the deobligation of any uncosted obligations, the unobligated allowance balance is withdrawn and the difference between the advance received and the costs incurred may need to be returned to the outside organization.

Roles and Responsibilities (12)

There are various roles and responsibilities associated with executing and monitoring reimbursable work agreements. (a)

In the performing office, the technical monitors serve as the point of contact for negotiating reimbursable work agreements and subsequently arrange to have the agreed-upon work or services performed by NRC. In addition, administrative monitors may support the technical monitors by maintaining the status of funds availability and performing other agreed-upon administrative tasks. If no administrative monitor is designated, the technical monitor is also responsible for the administrative functions. Allowance holder staff manage allowances of reimbursable funds for staff costs and contractual support. (b)

Processing Procedures for
Reimbursable Agreements (C) (continued)

Roles and Responsibilities (12) (continued)

DPBA serves as the oversight office for managing NRC's reimbursable funding while coordinating OMB apportionment and the ultimate issuance of funds prior to performance of the reimbursable work. (c)

DFM verifies that reimbursable agreements have acceptable billing procedures, amounts for employee details, estimated travel costs for reimbursable travel, and evidence of advance receipt of funds for agreements with non-Federal organizations before forwarding them for signature by DPBA. In addition, DFM records reimbursable budget authority in the NRC accounting system; maintains control of and reports monthly on advance payments to the administrative monitor and DPBA; and deposits receipt funds and advance payments in NRC appropriation or deposit fund accounts. DFM also bills sponsoring Federal organizations for reimbursable work performed via the Intragovernmental Payment and Collection System (IPAC) or by using an SF 1080; updates the NRC accounting system with all obligations, expenditures, billing, and collection transactions; receives copies of staff labor hours reported from the administrative monitors; and reclassifies expenditures, when necessary. (Please refer to Section VI of the "USNRC Reimbursable Work Procedures Manual" on detailed instructions on how to track staff hours for full-cost reimbursable agreements.) (d)

The Division of Contracts (DC/ADM) contracting officers have authority to execute interagency agreements or modify existing interagency agreements described in Section 3.2 of M.D. 11.1, "NRC Acquisition of Supplies and Services." The authority to enter into, modify, or terminate interagency agreements has been delegated by the Chairman to the CFO and the CIO and by the Executive Director for Operations (EDO) to certain office directors and regional administrators. DC/ADM contracting officers serve as agents for interagency agreements for those office directors and

Processing Procedures for
Reimbursable Agreements (C) (continued)

Roles and Responsibilities (12) (continued)

regional administrators who do not have this delegated authority. The IG has been delegated this authority as well under the Inspector General Act, Section 6(a)(9). (e)

Those responsible for entering NRC into a reimbursable agreement should ensure that NRC recovers full costs (with minor exceptions) in performing work for others. (f)

Types of Reimbursable Work (D)

The following sections discuss unique aspects of various types of reimbursable work agreements.

Reimbursable Work Involving NRC Staff Time (1)

Reimbursable agreements that provide for the reimbursement of full costs will normally require the charging of NRC staff time. After execution of the reimbursable agreement, the reimbursable funding for NRC staff time costs is allocated to the allowance holder office that has the lead responsibility for performing the work. The allowance holder certifies funds (i.e., commits funds) for the portion of the reimbursable funding to be used for NRC staff costs, split among the following Budget Object Classifications (BOCs): (a)

- BOC 1110 (salaries) (i)
- BOC 1210 (benefits) (ii)
- BOC 2690 (overhead) (iii)

The office with the lead responsibility for performing the reimbursable work is responsible for establishing one or more unique Activity Codes within the agency's Human Resources Management System (HRMS) that tie to the Planned Activity/B&R code established for the reimbursable agreement. These codes

Types of Reimbursable Work (D) (continued)

Reimbursable Work Involving NRC Staff Time (1) (continued)

should be used by staff in all NRC offices who are performing work on the reimbursable agreement. (b)

The direct professional staff hours worked by technical staff are charged in HRMS to the Activity Codes established for the reimbursable agreement. Limited exceptions to this rule may be approved by OCFO when management personnel are performing direct technical work. At the end of each quarter, the lead performing office is responsible for reviewing the hours charged to the reimbursable agreement by all NRC offices. This review should include taking any actions to correct data recorded in HRMS. Each fiscal year, DPBA will advise offices of the specific quarterly deadlines. (c)

The direct hours reported to DFM each quarter result in costs that are charged to the reimbursable agreement. Hours reported are converted by DFM into obligations and expenditures against the commitment of reimbursable funds made by the allowance holder with the lead responsibility for the reimbursable agreement. DFM also takes action to bill the ordering agency for these expenditures. Hours are charged using the same hourly rates used for billing NRC licenses that are documented in 10 CFR Part 170. Each fiscal year, DPBA will advise offices of the effective date of the annual revisions to the hourly rates. (See "USNRC Reimbursable Work Procedures Manual" for further details.) (d)

Reimbursable Work Involving Contractual Services (2)

A reimbursable work agreement may require that the agency enter into commercial contracts or standard orders for the Department of Energy (DOE) work. After execution of the reimbursable work agreement and receipt of a specific reimbursable allowance and financial plan, the allowance holder may certify funds availability on requests for procurement action (NRC Form 400) or standard orders for DOE work (NRC Form 173) against the reimbursable allowance.

Types of Reimbursable Work (D) (continued)

Reimbursable Travel (3)

Travel Costs (a)

A reimbursable work agreement may require that NRC incur travel costs. After execution of the reimbursable agreement and receipt of a specific reimbursable allowance and financial plan, the allowance holder may certify funds availability on NRC travel authorizations (NRC Form 279) against the reimbursable allowance.

Travel Reimbursements From Other Organizations (b)

NRC may accept reimbursement of travel expenses from other organizations to advise or lecture in conferences, meetings, or training programs. In such cases, NRC is not required to recover the salaries and benefits (S&B) or overhead costs associated with the travel. Offers by non-Federal organizations to reimburse travel costs may not be accepted as reimbursable work unless there is appropriate statutory authority. See Section (B)(2), "Legal Authority To Accept Reimbursable Work," of this part.

Travel Reimbursements From Foreign Governments and International Organizations (c)

Upon invitation, NRC may accept reimbursements from the International Atomic Energy Agency (IAEA), other international organizations, and foreign governments for travel expenses. In these situations, NRC travelers will initially charge travel expenses to NRC appropriated funds assigned to the Office of International Programs (OIP). Reimbursements are received after the travel has occurred from the outside organization. The collections result in corresponding deobligations of travel funding at the end of each quarter. See "USNRC Reimbursable Work Procedures Manual" for further details.

Types of Reimbursable Work (D) (continued)

Reimbursable Travel (3) (continued)

Travel Reimbursements From Domestic Nonprofit Organizations (d)

Upon invitation, an NRC traveler may accept direct reimbursements from domestic organizations exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. In this situation, the funds or in-kind expenses received from the nonprofit organization are provided directly to the traveler. NRC does not account for the travel as reimbursable funding. Since the traveler is on official NRC business, an NRC Form 279 is required with a \$0 cost estimate and a notation that the outside organization is reimbursing the traveler directly.

Nonreimbursable Employee Details to Other Federal Agencies (4)

When an employee is detailed from NRC to another Federal agency, the employee's salary and benefits are normally funded on a reimbursable basis. Except under limited circumstances, nonreimbursable details of employees from one agency to another may be a violation of 31 U.S.C. 1301 and may unlawfully augment the appropriations of the agency making use of the detailed employees (64 Comp. Gen. 370 (1985)). These circumstances are as follows: (a)

- Nonreimbursable details that pertain to matters similar or related to those ordinarily handled by the lending agency (NRC) and will aid the lending agency in accomplishing a purpose for which the appropriations are provided or (i)
- When the fiscal impact on the lending agency's appropriation is negligible. In order to have a negligible impact, a detail ordinarily will not extend beyond 1 year. (ii)

Types of Reimbursable Work (D) (continued)

Nonreimbursable Employee Details to Other Federal Agencies (4) (continued)

The specifics of the proposed work to be performed must be submitted to the Director of DPBA in writing before commencement of the detail. Information provided should include the purpose and duration of the detail or work to be performed, the benefit to NRC, and the number of employees involved. All proposed details of NRC employees on a nonreimbursable basis must be approved in advance by the Director of DPBA. See Section (D)(13) of this part on general policy associated with reimbursable work agreements with OIG. (b)

Procedures for Executing Reimbursable Details to Other Federal Agencies (5)

Reimbursable details require a reimbursable interagency agreement document. The employee is paid by NRC, who bills the other agency on a periodic basis after payroll costs have been incurred. All salaries and benefits amounts associated with reimbursable employee details are allocated to the allowance holders' offices where the employee works. If the estimated total cost of the agreement increases, a modification to the agreement must be fully executed and a reimbursable allowance must be issued before permitting the detail to continue beyond the original ending date and before incurring payroll commitments or obligations in excess of the original cost ceiling. (a)

Reimbursable agreements for employee details to other Federal agencies are executed by using the same process previously described. The proposed agreement document signed by the other agency requires the concurrence signature of the Director of DPBA. Before this concurrence, DPBA will request verification of the salaries and benefits costs stated on the agreement from DFS. HR and OIG must have the concurrence of the Director of DPBA before executing the agreement. (b)

Types of Reimbursable Work (D)
(continued)

Procedures for Executing Reimbursable Details to Other Federal Agencies (5) (continued)

After the Director of HR or the IG signs the agreement, a copy must be forwarded to the FCT, DPBA. Once FCT receives the accepted agreement, an allowance will be issued. Upon issuance of the reimbursable allowance, the funds certifying official (FCO) will certify funds availability in the amount of the agreement. The agreement, accompanied by a certification of funds availability, is then forwarded to DFM to support charging payroll obligations and payments against the reimbursable allowance. In addition, details for partial reimbursement of less than the direct salaries and benefit costs of the employees generally will require an exception to the NRC's policy of recovering full agency costs (see Section (F) of this part). (c)

Details of NRC Employees to State Governments (6)

Reimbursable details to State governments require a reimbursable agreement and an advance of funds. All proposed details of NRC employees on a nonreimbursable basis must be approved in advance by the Director of DPBA. Additional guidance on reimbursable details to State governments may be found in MD 10.1, "Appointments, General Employment Issues, Details, and Position Changes."

Agreement States Training (7)

The Commission has implemented a requirement that under certain circumstances determined by the Office of State and Tribal Programs (STP), Agreement States reimburse NRC for a share of the costs of attending NRC technical training courses. Under this policy, Agreement States reimburse NRC for a portion of the contractual support costs required to present technical training. Collections from Agreement States result in corresponding quarterly deobligations of funds charged to the HR technical training program.

Types of Reimbursable Work (D)
(continued)

Details of NRC Employees to International Organizations (8)

Reimbursable details to an international organization require a reimbursable agreement and an advance of funds. All proposed details of NRC employees on a nonreimbursable basis must be approved in advance by the Director of DPBA. Additional guidance on details to international organizations may be found in MD 10.2, "Staffing Assistance for International Organizations."

Details of Employees Within NRC (9)

When an NRC employee is detailed to or is performing work for another NRC organization funded from a different funds source, the employee's salary and benefits costs during the period of performance are normally charged to the receiving organization's funds source. NRC's employee salary and benefits costs are charged as obligations and payments against the specific appropriation or fund an employee's work supports. For example, costs for employees of OIG are charged to the OIG appropriation. Charging an employee's salary and benefits to a funds source other than that that benefits from the employee's services may represent an improper augmentation of the benefitting funds source. Salaries and benefits costs are charged to the following funds sources: (a)

- **Office of the Inspector General Appropriation.** The OIG appropriation is charged for salaries and benefits costs of the employees of OIG. (i)
- **Nuclear Waste Fund.** The NRC's salary and expenses appropriation includes an amount derived from the Nuclear Waste Fund. Salaries and benefits for NRC employees whose activities support high-level nuclear waste regulation are charged against this amount. (ii)

Types of Reimbursable Work (D)
(continued)

Details of Employees Within NRC (9) (continued)

- **General Fund.** NRC's S&E appropriation includes funds specifically appropriated to NRC that are derived from the General Fund of the United States Treasury. These funds are excluded from license fee recovery. When specified by statute, the salaries and benefits for NRC employees whose activities support these specific projects are charged against these funds. (iii)
- **Fee-Based Funds Under the S&E Appropriation.** These are funds from the agency's S&E appropriation that are subject to license fee recovery. Funds designated as official representation and funds derived from the NWF and General Fund are excluded. (iv)

Under certain circumstances, an employee may be detailed to an NRC organization funded from a different funds source without charging the receiving organization's funds source. In this case, the work performance is considered to be nonreimbursable. The exceptions for qualifying as a nonreimbursable detail are the same as stated in 64 Comp. Gen. 370 (1985) referenced in Section (D)(3), "Nonreimbursable Employee Details to Other Federal Agencies," of this part. All proposed nonreimbursable work to be performed by an employee within the agency must be reviewed and approved by OCFO on a case-by-case basis. The specifics of the proposed work to be performed must be submitted to the Director of DPBA in writing before commencement of the work. Information provided should include the purpose and duration of the details, work to be performed, the number of employees involved, and any other pertinent facts. Refer to Section (D)(13) for policy associated with OIG nonreimbursable details. (b)

Cooperative Research Agreements (CRAs) (10)

NRC is authorized by permanent legislation (Section 506 of the FY 1999 Energy and Water Development Appropriation Act,

Types of Reimbursable Work (D)
(continued)

Cooperative Research Agreements (CRAs) (10) (continued)

42 U.S.C. 5852(C) to receive, retain, and use funds from foreign entities for the cooperative nuclear safety research program. Cooperative research funding can also be accepted from domestic entities under certain circumstances when approved by the Office of the General Counsel (OGC). These foreign contributions are provided to NRC in return for access to information that has been developed and continues to arise from the NRC research programs prior to final publication and release to the public domain. The contributions are intended to support broad safety research programs and also allow the foreign entity direct participation in the execution of the research program. (a)

For funds control purposes, the CRA is categorized as a type of reimbursable agreement. However, the full-cost recovery policy, outlined in Section F of this part, does not apply to foreign cooperative research agreements since such funding represents a statutory exception for NRC to supplement its appropriations to perform work that is a part of its statutory mission. (b)

A CRA must be executed between NRC and the foreign entity. The agreement should be accompanied or followed by an advance of funds to meet the cost of the work to be performed or the financial obligations specified in the agreement. The CRA should include a description of the goods or services to be rendered; the period of performance; the total estimated financial contributions for the cooperative effort to be provided under the agreement; any limitations imposed on the funds; the appropriate signature of an official of the foreign entity; and the signature of the NRC official authorized to accept the agreement. OGC must review the agreement before NRC acceptance. (c)

A copy of the signed CRA must be forwarded by the Program Management, Policy Development and Analysis Staff, Office of Nuclear Regulatory Research (PMDA/RES) to the Financial Statement and Reconciliation Team, DFM, upon acceptance by

Types of Reimbursable Work (D)
(continued)

Cooperative Research Agreements (CRAs) (10) (continued)

NRC and the foreign party. Once the FCT/DPBA/OCFO receives a signed copy of the agreement from DFM and the Accounts Receivable Team verifies the receipt of funds, an allowance will be issued to the RES allowance holder. Allowances are issued to RES on a periodic basis. Unlike other reimbursable allowances, an AAFP that contains a CRA allowance authorizes the commitment and obligation of funds for the total amount specified on the AAFP for CRAs. After issuance of the reimbursable allowance, the allowance holder may certify funds on the appropriate commitment document against the reimbursable allowance. Most of the advances are used to finance work placed at the DOE using standard orders for DOE work (NRC Form 173). For those agreements that clearly call for services or work to be performed on a cost basis or for the return of unused funds to the foreign entity, a unique budget and reporting number should be established. These agreements will be treated in the same manner as other reimbursable agreements as specified in Section (C) of this part. (d)

The Criminal History Program and the Material and Information Access Authorization Programs (11)

NRC is authorized by legislation to receive and retain funds for the criminal history program (CHP), the material access authorization program (MAAP), and the information access authorization program (IAAP).

Criminal History Program (CHP) (a)

NRC requires licensees and applicants for a license who are to be granted unescorted access to a nuclear power facility or access to Safeguards Information to undergo a Federal Bureau of Investigation (FBI) criminal history fingerprint check. NRC is

Types of Reimbursable Work (D)
(continued)

The Criminal History Program and the Material and Information Access Authorization Programs (11) (continued)

designated by legislation to collect fingerprint cards from licensees, submit fingerprint cards to the FBI, and provide the results of the fingerprint checks to the licensee. The cost of an identification and records check is paid by the licensee or applicant in advance of work performed. These advance payments are used to reimburse NRC for payments made to the FBI for criminal history checks, NRC salaries and benefits costs associated with processing these costs, and for other contracted services related to program administration. (i)

A reimbursable allowance with estimated amounts for the CHP will be issued to the Office of Administration (ADM) allowance holder as a part of the quarterly allowance process. If it is determined that the current amount allocated is insufficient to cover future commitments and obligations, the ADM allowance holder shall request an increase in the amount of reimbursable authority using an NRC Form 289A, "Request for Financial Plan Changes." The allowance holder must restrict obligations to the lesser of the amount of reimbursable authority (i.e., the estimated amount provided in the advice of allowance) or reimbursable resources actually available (i.e., actual cash receipts collected in fees) for obligation. Funds for FBI criminal history checks and reimbursable FTE costs may be certified for availability on a miscellaneous commitment document (see Section (VI) (I) of this handbook) against the reimbursable allowance. For contracted services, funds will be committed on the appropriate commitment document. (ii)

The Material Access Authorization Program (MAAP) and the Information Access Authorization Program (IAAP) (b)

NRC requires licensee personnel, licensee contractors or agents, and other individuals who require access to or control over special nuclear materials or to certain classified information to undergo

Types of Reimbursable Work (D)
(continued)

The Criminal History Program and the Material and Information Access Authorization Programs (11) (continued)

the necessary background investigations before issuance of a clearance for access authorization. The cost of a background investigation is paid by the licensee or applicant in advance of work performed. Each application must be accompanied by a remittance. These advance payments are used to reimburse the NRC for payments made to OPM for the background investigations and to pay for other necessary costs. (i)

A reimbursable allowance with estimated amounts for MAAP and IAAP will be issued to ADM during the quarterly allowance process. If it is determined that the current amount allocated is insufficient to cover future commitments and obligations, the ADM allowance holder shall request an increase in the amount of reimbursable authority using an NRC Form 289A. The allowance holder must restrict obligations to the lesser of the amount of reimbursable authority (i.e., the estimated amount provided in the advice of allowance) or reimbursable resources actually available (i.e., actual cash receipts collected in fees) for obligation. Funds for OPM background investigations and reimbursable FTE costs may be certified for availability on a miscellaneous commitment document (see Section VI (I) of this handbook) against the reimbursable allowance. For contracted services, funds will be committed on the appropriate commitment document. (ii)

Salaries and Benefits Costs for CHP and MAAP (12)

CHP and MAAP funding is used to finance the salaries and benefits costs that administer programs. At the end of each fiscal quarter, FCT/DPBA/OCFO identifies FTE and salaries and benefits (S&B) costs for these staff from agency cost accounting reports. FCT/DPBA/OCFO advises the pertinent allowance holder office of amounts to commit against CHP and MAAP funds. FSRT/DFM/OCFO then records an accounting entry to obligate

Types of Reimbursable Work (D)
(continued)

Salaries and Benefits Costs for CHP and MAAP (12)
(continued)

and expend against the reimbursable allowance and deobligate against the fee-based B&R number initially charged to fund the S&B costs.

OIG Reimbursable Agreements (13)

The NRC IG or designee executes agreements where OIG provides services to other organizations. All proposed OIG reimbursable or nonreimbursable agreements will be coordinated with DPBA to ensure compliance with financial requirements. DPBA will review to ensure that such agreements are executed consistent with apportionments of funds from OMB and are in compliance with Federal financial management statutes, such as the Economy Act or the Intergovernmental Personnel Act (IPA). For confidential nonreimbursable employee details, OIG should indicate, at a minimum, whether the details meet the mission of OIG and whether the fiscal impact is negligible (duration is less than 1 year). The agency's full-cost recovery policy in Section F of this part is not applicable for reimbursable agreements executed by OIG.

Nonexpenditure Transfers (E)

In addition to funding from reimbursable work, NRC receives nonexpenditure transfers from other Federal agencies to perform work (see Section III (E)(3)). Nonexpenditure transfers are generally documented by an interagency agreement. The interagency agreement includes many of the same provisions found in interagency reimbursable agreements. Interagency agreements to transfer or allocate funds from another Federal agency to NRC must be reviewed, early on, by FCT/DPBA, and require the concurrence of the Director of DPBA before an authorized NRC official may sign accepting the agreement. (1)

Nonexpenditure Transfers (E) (continued)

Once signed by both agencies, interagency agreements to transfer funds must be forwarded promptly to the Financial Statement and Reconciliation Team (FSRT), FCT/DPBA/DFS, and the other Federal agency. In addition to the signed agreement, FSRT must receive a completed SF 1151, "Nonexpenditure Transfer Authorization," to transfer the funds before DPBA issues an allowance of funds. (2)

Nonexpenditure transfers are subject to the following policies for reimbursable agreements: (3)

- The transfer must fund the NRC's full costs of providing services, unless excepted as provided in Section (F) of this part. (a)
- The transferred funds are subject to the purpose, time, and amount limitations associated with the transferring appropriation and any restrictions specified by the transferring agency. (b)
- Work may not commence before DPBA issues a specific transfer allowance. Commitments and obligations must not exceed the amount of the agreement or the allowance. (c)
- An obligation incurred against transferred funds for purposes other than those provided on the allowance or financial plan is an unauthorized use of funds and is a potential violation of 31 U.S.C. 1301. (d)

Costs To Be Reimbursed (F)

Reimbursable agreements for NRC to perform work that is not a part of its statutory mission and for which NRC receives no appropriations should provide for the recovery of full costs to NRC. This policy also applies to agreements for which NRC is to perform work for another Federal agency funded by a nonexpenditure transfer of funds to NRC.

Costs To Be Reimbursed (F) (continued)

Cost Recovery for Reimbursable Agreements (1)

Outside organizations are charged for reimbursable work based on the type of reimbursable agreement. For reimbursable details to other Federal agencies, the other Federal agency is charged the salaries and benefits costs NRC incurs for those employees. For reimbursable work NRC performs for both Federal and non-Federal organizations, NRC recovers full agency costs by charging the rate charged NRC licensees in effect at the time the work is performed. Use of the license fee rate recovers direct salaries and benefits costs, travel, and a share of agency overhead (overhead salaries and benefits, and contractor support for general and administrative activities). This rate is applied to the direct professional staff-hours expended by NRC staff to determine NRC costs to be reimbursed by other organizations. In addition, the costs NRC incurs for direct contractor support and foreign travel in the performance of reimbursable work also are charged. See the "USNRC Reimbursable Work Procedures Manual" for more detailed operating procedures for the recovery of full costs on reimbursable agreements.

Exceptions to Full-Cost Recovery (2)

In general, NRC will recover full agency costs in performing work for others. This rule will not apply when— (a)

- There is a statutory requirement that NRC perform the work on a nonreimbursable basis or for less than full cost. (i)
- The work supports an NRC license, certificate, or approval held by a Federal agency for which NRC imposes an annual fee under 10 CFR Part 171. (ii)
- The Commission grants a waiver of recovery of full costs. (iii)

Costs To Be Reimbursed (F) (continued)

Exceptions to Full-Cost Recovery (2) (continued)

In some cases, recovery of less than full agency costs or performance of work on a nonreimbursable basis must be specified in the reimbursable agreement. (b)

Requesting Waiver of Full-Cost Recovery (3)

An NRC office may be requested to perform services for another Federal agency or other organization for less than full-cost reimbursement. In response to such a request, the NRC office may either— (a)

- Advise the other organization that NRC cannot perform the requested services absent an agreement reimbursing NRC's full costs or (i)
- Request the Commission to waive the recovery of full costs for this work. (ii)

Should a full-cost recovery waiver be desired, the NRC performing office is responsible for initiating the waiver request to the Commission. The request should explain the rationale for why NRC should perform the work for less than full-cost reimbursement. Potential issues to address in a waiver request would include whether NRC had budgeted to perform these services and the relationship of the work, if any, to NRC's mission. Waiver requests must be coordinated with OCFO and OGC. (b)

Part IX

Unobligated Carryover Funds

Overview (A)

Part IX defines the types of unobligated carryover funds. It includes information on determining timely commitment of funds and procedures for carrying over uncommitted unobligated and committed unobligated funds for use in a new fiscal year. Carryover reporting and requesting policies are summarized, followed by a description of how carryover requirements vary by type and use of fund.

Unobligated Carryover Funds (B)

NRC's salaries and expenses and Office of the Inspector General appropriations are provided with no-year budget authority. This creates circumstances in which the agency may carry over funds that were not obligated before the end of the fiscal year for use in the new fiscal year. The NRC's funds that are candidates for carryover can be divided into two categories:

- Uncommitted unobligated carryover
- Committed unobligated carryover

Uncommitted Unobligated Carryover (1)

Uncommitted unobligated carryover represents those funds that are uncommitted as well as unobligated at the end of the fiscal year. The NRC's use of these funds is subject to congressional reprogramming approval as described in Part V, "Allowance and Financial Plan Process," of this handbook. These funds may be reallocated and reallocated in the new fiscal year only after reapportionment by the Office of Management and Budget (OMB) (see Part III, "The NRC's Financial Resources," of this handbook). Once these funds are reapportioned, reallocated, and reallocated,

Unobligated Carryover Funds (B)
(continued)

Uncommitted Unobligated Carryover (1) (continued)

they may be used to fund new commitments and obligations during the fiscal year in which the reapportionment, reallocation, and reallocation processes take place.

Carryover of Unobligated Reimbursable Funds

Unobligated reimbursable work may be carried over and reallocated by the Division of Planning, Budget, and Analysis (DPBA) when the following conditions are met:

- OMB provides adequate apportionment authority to NRC. (a)
- The source of reimbursable funds has not expired. For example, a reimbursable work agreement with another Federal agency financed by the other agency's 1-year appropriation is not usually available for obligation in the following fiscal year. (b)
- The period of performance of the reimbursable agreement has not expired. (c)
- Adequate funds have been advanced to NRC for agreements with non-Federal organizations. (d)
- The year-end NRC accounting reports indicate an adequate balance of unobligated funds against the reimbursable agreement. (e)

Committed Unobligated Carryover (2)

Committed unobligated carryover, also referred to as "committed carryover," represents the unobligated balance brought forward to the new fiscal year for the purpose of funding prior-year commitments. This balance represents those funds that were certified as available, and formally committed, but unobligated in

Unobligated Carryover Funds (B)
(continued)

Committed Unobligated Carryover (2) (continued)

the NRC accounting system by fiscal year-end. As noted in Part V of this handbook, allocated funds are available for obligation only during the fiscal year for which they are allocated. Thus, any committed funds that remain unobligated at the end of the prior fiscal year may not be obligated after the close of the fiscal year. Use of these funds in the new fiscal year is not subject to congressional reprogramming approval, but they must be reappropriated by OMB, reallocated, and reallocated by NRC. The funds must have been committed in a timely manner for obligation during the fiscal year in which allocated to qualify as committed unobligated carryover. Generally, a commitment must be made by August 5 to be considered timely. This policy is not applicable to unobligated carryover of reimbursable funding.

Requesting Committed Unobligated Carryover for Contracts and Small Purchases (a)

Allowance holders, the Division of Contracts (DC/ADM), and DPBA have a shared responsibility in ensuring that committed unobligated funds for contracts and small purchases are carried over into the new fiscal year in a manner that ensures proper administrative control of funds and continued accomplishment of the NRC mission.

Role of the Division of Contracts (DC/ADM) (i)

At the start of the new fiscal year, DC/ADM provides to DPBA a listing of contracts and purchase orders for which funds were certified in a timely manner but were not obligated before the end of the fiscal year. The listing identifies— (a)

- The NRC organization or funding office requesting funding in the new fiscal year for spending actions identified as committed carryover (1)

Unobligated Carryover Funds (B)
(continued)

Committed Unobligated Carryover (2) (continued)

- The request for procurement action (RFPA) and small purchase request document numbers (2)
- A description of the requested goods and services (3)
- The amounts certified for funds availability in the prior fiscal year (4)

This information is obtained from actual source documents (e.g., prior fiscal year RFPA's and small purchase requests) and communication with the various program offices. (b)

Regional Office Role (ii)

Regional office allowance financial managers (AFMs) submit their requests for carryover of committed funds to the Director of DPBA. Requests include—

- Description of requested goods and services (a)
- Amount of carryover funds requested (b)
- Copies of commitment documents that have been administratively approved, certified for funds availability, and issued in a timely manner before the end of the fiscal year. (c)

Role of the Allowance Holder and the Division of Planning, Budget, and Analysis (DPBA) (iii)

Allowance holders are responsible for verifying information provided in DC/ADM's listing of committed unobligated procurement actions. DPBA is responsible for determining the amount of committed unobligated carryover based on information provided by the appropriate NRC offices. Headquarters and

Unobligated Carryover Funds (B)
(continued)

Committed Unobligated Carryover (2) (continued)

regional offices and DPBA analysts should regularly coordinate cancellations or other status changes of committed unobligated funds requested for carryover.

Requesting Other Committed Carryover (b)

A need may exist to carry over funding for unobligated commitments for actions other than commercial procurements. For example, a "Standard Order for DOE (Department of Energy) Work (SOEW)" (NRC Form 173) may be in the process of being executed at the end of the fiscal year. Funds for the order are committed after proper certification of funds availability and the NRC Form 173 is signed by the appropriate NRC official. This form is then forwarded to DOE for acceptance. If a signed copy is not received by NRC before the end of the fiscal year, the actual obligation will not take place until DOE signs the agreement in the new fiscal year. These funds could be classified as committed unobligated carryover. In this and similar cases, the allowance holder should submit a memorandum to DPBA requesting carryover to the new fiscal year. The information provided should comply with those procedures required for the regional offices, as previously stated.

Allocating Committed Carryover (c)

The committed unobligated carryover balance for each allowance holder is determined by DPBA based on the information provided by DC/ADM, the AFMs, and year-end accounting reports. Allowance holder unobligated balances in year-end reports are compared to the carryover requests to ensure that funds will not be overcommitted, in which case such funds would not be reallocated to the original allowance holder. The committed unobligated carryover funds are submitted to OMB for reapportionment, which are included as a portion in the overall

Unobligated Carryover Funds (B)
(continued)

Committed Unobligated Carryover (2) (continued)

unobligated carryover amount. Once reallocated, DPBA then issues allowances. These funds must be recertified for funds availability and must be utilized in a manner consistent with the limitations and restrictions specified on applicable allowances and financial plans.

Part X Financial Management

Overview (A)

Part X explains the principles and methods that can be used for properly managing financial resources within NRC. This part discusses the responsibilities of those who manage public resources, and it addresses the questions "What is good financial management?" and "How does one know if one is doing it right?"

Introduction (B)

The Chairman, the Chief Financial Officer (CFO), the Deputy CFO (DCFO), the agency allottee, the agency allowance holders, the allowance financial managers (AFMs), and the funds certifying officials (FCOs) all have responsibilities for ensuring that the NRC practices good financial management. Good financial management extends beyond the proper control of funds during budget execution, and it includes the responsibility for ensuring that the appropriate resources (dollars and full-time-equivalent [FTE] positions) required for conducting the mission of NRC are included in the agency's planning and budgeting. It also includes the responsibility for ensuring that the agency gets what it pays for and that the results of expending resources (e.g., contract dollars, travel funds, and FTEs) are what NRC needs to accomplish its mission. Clearly, these latter responsibilities involve project managers, contract officers, and managers at all levels within the agency. The following sections are designed to help managers understand and fulfill their financial management responsibilities.

Principles of Good Financial Management (C)

Those who are responsible for public resources have a special duty to safeguard the resources entrusted to them and to use them properly. Poor financial management by NRC can undermine

Principles of Good Financial Management (C)
(continued)

the public's confidence that the agency is effectively accomplishing its health, safety, and security mission. NRC managers must ensure that public funds are used only for authorized purposes and that they are used economically, efficiently, and within established limits. Toward these ends, NRC applies six principles of good financial management. The application of each of these principles is discussed in the following sections.

Planning Principle (1)

Basis of NRC's Planning (a)

Good financial management begins with good planning. NRC's planning should be based on sound assumptions and accurate information, and should provide the foundation for the entire fiscal process. Resource requests must be consistent with program goals and planning assumptions, and must consider current financial status. Plans should be developed for the commitment and obligation of funds based on program needs, procurement lead times, and the need for continuity of funding.

Measures of Good Performance for Planning
<ul style="list-style-type: none">• Procurement plans for the subsequent fiscal year incorporate well-thought out strategies for procuring goods and services.• Requests for procurement actions are planned in advance and submitted to the Division of Contracts, Office of Administration (DC/ADM), in a timely manner to minimize the need for immediate procurement.• Actual commitments and obligations are less than those projected on the allowance holder's commitment and obligation profiles by no more than 10 percent each month.

Principles of Good Financial Management (C)
(continued)

Planning Principle (1) (continued)

Planning Results (b)

Good planning is required to determine the resources needed to accomplish which activities in which time frame. This planning, accomplished as part of the agency's annual planning and budget formulation process and following the appropriation of funds by Congress, is required to ensure that resources are utilized effectively and efficiently to accomplish the agency's mission.

Planning and Budget Formulation (c)

The CFO conducts the Planning, Budgeting and Performance Management (PBPM) Process in conjunction with the Executive Director for Operations (EDO). In response to a budget call, offices submit estimates of resource requirements and planned activities based on Commission policy guidance. A proposed budget is submitted to the Chairman and subsequently to the Commission for review. (i)

All agency offices and managers have a vested interest in ensuring that the strategic planning and budget formulation process specifies appropriate program planning assumptions and resource requirements necessary to conduct the agency's programs. When developing budget estimates, managers should carefully evaluate— (ii)

- Workload forecasts considering uncertainty, historical trends, and regulatory changes (a)
- Resource requirements considering available funding and anticipated expenditures (b)

For example, managers should ask the following key questions— (iii)

Principles of Good Financial Management (C)
(continued)

Planning Principle (1) (continued)

- When is the earliest time that funds must be committed (certified as available) to meet program needs, procurement lead times, and the need for continuity of funding? (a)
- What is the current year financial status for each project (e.g., the amount of the unliquidated obligations)? (b)
- Based on the anticipated monthly expenditure rates, are more funds required for the project during the budget year? If so, how much? (c)

OCFO is responsible for budgeting the funds required to pay all agency employees, except for the Office of the Inspector General (OIG), which formulates its own budget estimates in conjunction with the Division of Planning, Budget, and Analysis (DPBA). However, the office estimates of required FTE staff resources form the basis for the OCFO estimate of salaries and benefits. Further, an annual agency FTE ceiling may be specified by OMB. Thus, it is essential that agency managers take care in estimating FTE requirements as well as funding requirements during the planning and budgeting process. (iv)

Based on the Commission's decision on the proposed budget, the agency's budget request (the Blue Book) is prepared for submission to OMB in early September. After receiving a final OMB budget mark (rating), the agency's budget request (the Green Book) is prepared for submission to Congress in early February. Congressional and Presidential action in the form of an appropriation act closes the budget formulation phase and sets the stage for the budget execution phase that begins on October 1. (v)

Principles of Good Financial Management (C)
(continued)

Planning Principle (1) (continued)

Planning and Budget Execution (d)

Procurement Plans (i)

Planning for budget execution is essential. Offices should maximize the use of available funds by applying them to identified programmatic requirements as early in the fiscal year as possible. Each office should develop a procurement plan to ensure that the necessary actions are planned in time to acquire contractor assistance and assistance from other Government agencies, when needed. This planning will allow NRC staff to initiate known procurement actions with sufficient lead times to result in obligations early in the fiscal year. Offices should include all projects identified in budget projections in their procurement plans.
(a)

Information contained in procurement plans can be used in offices' advance procurement plans (APPs). DC/ADM annually issues specific guidance for developing the APP (also, see Management Directive [MD] 11.1, "NRC Acquisition of Supplies and Services"). Offices also should recognize the uncertainty inherent in estimating costs and the possibility of unanticipated projects that may arise during the fiscal year. Thus, they should review both their procurement plans and APPs periodically to ensure planned contracting activities are current, consistent with the agency's budget, and that procurement actions are being submitted on time to DC/ADM. (b)

Continuity of Funding (ii)

During the budget execution fiscal year, sufficient funds should be obligated on each project to cover planned expenditures during the current fiscal year and to provide for continuity of funding into the next fiscal year. Generally, any funds in excess of those

Principles of Good Financial Management (C)
(continued)

Planning Principle (1) (continued)

requirements should not be obligated on that project. Further, deobligations should be processed in cases where obligated funds are determined to exceed project requirements. Projecting expenditures for contract support funds requires the project manager to determine when the work must start (new projects or new tasks), and the anticipated level of funding required (staff year expenditures by the contractor times the rate of funding per staff-year, plus travel, equipment, supplies, subcontract expenses [if any], contractor overhead, and profit) on a time-phased basis, including when the project will end. (a)

Providing for continuity of funding means ensuring that there are sufficient funds obligated on a contract to provide for expenditures in a future fiscal year until new funds can be obligated for that fiscal year. The amount to be obligated for that purpose depends on the assumptions made regarding the availability of funds for the next fiscal year and the procurement lead times for obligating the funds. On average, a general rule of thumb is to allow enough unliquidated obligations at the end of a fiscal year to fund projected expenditures for 30 to 60 days into the next fiscal year to ensure continuity of funding. (b)

Funding Requirements (iii)

During the budget execution fiscal year, appropriate changes to financial plans and allowances should be requested by allowance holders in a timely manner consistent with changing program needs, any need for congressional reprogramming approval, and the annual midyear resource review. (a)

In determining funding requirements, agency managers should be aware that all obligations must be applied to fulfill valid agency needs, not just for the purpose of obligating funds. Further, obligations for the fourth quarter of the fiscal year should not

Principles of Good Financial Management (C)
(continued)

Planning Principle (1) (continued)

exceed the average for the first three quarters, except where seasonal requirements, essential program objectives, or lead times justify a higher level. (b)

If agency allowance holders do not have a valid requirement for all the funds that are or will be allocated to them, they should advise DPBA as soon as possible so that funds can be reprogrammed to satisfy other requirements in the agency. (c)

Midyear Resource Review (iv)

Each year the agency conducts a midyear review of the current status of its resources and examines the need for any reprogramming to meet its operational requirements. This review is conducted at approximately the midpoint of each fiscal year. As part of this review, offices should examine all of their currently available funds as sources for potential internal reprogramming to cover the highest priority efforts. If the examination of available resources reveals that funds are in excess of an office's need, DPBA should be notified so that appropriate action can be taken to make funds available for other critical unfunded requirements of the agency. If, after thoroughly examining all available resources and applying them to the highest priority work, an office has critical unfunded requirements, the office should submit these requirements to DPBA, along with narrative describing the benefit to the agency of performing the activity. The resource reallocation recommendations resulting from the midyear resource review are submitted to the Commission for approval. Specific instructions for the Midyear Resource Review process is issued by the CFO each fiscal year.

Principles of Good Financial Management (C)
(continued)

Control Principle (2)

Appropriate Controls (a)

Good financial management requires good financial control. Appropriate, cost-effective controls throughout the financial management process ensure adequate accounting of funds expended, prevent overobligation of funds and inappropriate expenditures, facilitate early identification of funds that should be reallocated, and produce valuable information for the planning process.

Measure of Good Performance for Control

- Written delegation of authority to certify funds and manage office allowances is executed before carrying out funds control duties and responsibilities.
- Funds are never committed or obligated in excess of funding restrictions on office advice of allowances and financial plans (AAFPs).
- Funds control records and accounting reports reflect accurate and current balances of agency funds, and the allowance holder's funds control process provides sufficient information to adequately track commitments, determine funds availability, and perform financial reconciliations.
- Financial reconciliations of agency accounting reports and individual office records are done monthly, and any differences identified are resolved promptly. Discrepancies that require correction of accounting system records are reported to the Division of Financial Management (DFM) as a part of the monthly certification of accounting reports in a timely manner.
- Financial management reviews are conducted by OCFO and agency allowance holders.

Principles of Good Financial Management (C)
(continued)

Control Principle (2) (continued)

Control Results (b)

Good financial management requires adequate controls over financial management activities. Controls are required at all levels to prevent unauthorized use of funds, to ensure adequate accounting of funds expended, and to ensure that financial management issues identified in reviews and audits are properly addressed. Agency allowance holders, AFMs, and FCOs are responsible for maintaining funds controls over allowances, commitments, and obligations of funds to ensure compliance with applicable Federal laws, policies, and procedures.

Major Statutes (c)

Two major statutes impacting funds control are the Antideficiency Act and Section 1301(a) of Title 31 of the *United States Code* otherwise known as the "Purpose Statute." The Antideficiency Act prohibits Federal officials from making or authorizing obligations or expenditures in excess of the amount available in an appropriation, fund, apportionment, or allotment and requires agencies to establish a system for the administrative control of funds. The "Purpose Statute" states that public funds may be used only for the purposes for which they were appropriated. (See Part II of this handbook for more information on legal requirements for funds control.)

Administrative Control of Funds Process (d)

As a part of the budget execution process, funds appropriated by Congress, with the exception of those appropriated from the Nuclear Waste Fund, are apportioned to the NRC by OMB, usually in quarterly increments. The OMB-approved apportionment provides approval to obligate funds within the limits of the amount apportioned. The CFO issues allotments to the Director of DPBA

Principles of Good Financial Management (C)
(continued)

Control Principle (2) (continued)

within the limits of the OMB apportionment. DPBA issues financial plans and allowances to NRC allowance holders within the limits of the allotments. Allowance holders are responsible for certifying the availability of funds (i.e., committing funds) to ensure that obligations and expenditures do not exceed amounts provided in their allowances, and for maintaining the detailed procedures necessary to implement proper funds control within their organizations. Allowance holders, primarily the office directors, regional administrators, and the Inspector General, may commit agency funds up to the limits of their AAFPs. (i)

Although allowance holders are expected to manage funds within the ceilings established in their AAFPs, changes to AAFPs may be required during the course of the fiscal year. Requests for changes to AAFPs are made by the allowance holder or AFM to the Director of DPBA. AAFPs are required when there is reprogramming of funds between the major NRC programs (e.g., the Nuclear Reactor Safety Program and the Nuclear Materials and Waste Safety Program) and the financial plan line. AAFPs are also required when there is a reallocation of FTEs. (ii)

If the net of reprogramming actions for the Nuclear Reactor Safety Program, the Nuclear Materials and Waste Safety Program, or OIG is increased or decreased by more than \$1,000,000 in one quarter, this action requires prior congressional approval. Also, congressional approval is required before transferring funds to new programmatic efforts not identified in NRC's budget justification or legislative history of the appropriation act. DPBA can usually approve changes within 7 working days of receipt of a request. However, those AAFP requests requiring congressional approval could take approximately 2 to 3 months to process. Offices should plan ahead, as much as possible, providing enough lead time as congressional approval might be necessary. (iii)

Principles of Good Financial Management (C)
(continued)

Control Principle (2) (continued)

Funds must be obligated within the limits of amounts certified as available. In some cases, an obligation may exceed the amount committed. For example, the amount of funds obligated on a purchase order may exceed the commitment by 10 percent or \$100, whichever is greater. However, the additional amount obligated may not exceed \$2,500. See Section VI(D), "Differences Between Commitment, Obligation, and Payment Amounts." (iv)

Modifications to contracts and other spending actions must occur before continuing work on a particular project or activity. Costs are incurred against agency obligations and result in payments against the obligations. Agency allowance holders have the responsibility of conducting monthly reconciliations of their funds control records with the NRC accounting system records (see Section VI(J) of this handbook). Any discrepancies found via the reconciliation process that require correction of accounting system records must be reported to DFM as a part of the monthly certification of accounting reports. (v)

Potential Problem (e)

Agency allowance holders should periodically ask the following questions: (i)

- Have internal financial controls within the allowance holder's office been reviewed recently (i.e., within the last year)? (a)
- Do such reviews indicate that controls are adequate to prevent unauthorized use of funds, to ensure adequate accounting for funds expended, and to ensure that issues identified in financial management reviews are properly addressed? (b)
- If not, have action plans been developed for mitigation of weaknesses? (c)

Principles of Good Financial Management (C)
(continued)

Control Principle (2) (continued)

- Is corrective action being accomplished promptly? (d)

If the answer to any of these questions is no, that is an indication of a potential problem. (ii)

Financial Management Reviews (f)

To satisfy requirements for ensuring appropriate internal financial controls pursuant to the Chief Financial Officers Act, DPBA will be initiating financial management reviews. The purpose of these reviews will be to evaluate the adequacy of agency policy guidance as well as the adequacy of each allowance holder's process and procedures to ensure that funds are properly managed and are used in accordance with statutory authorization, OMB regulations, and NRC policies. The review will primarily focus on NRC's "Principles of Good Financial Management." Reviews will be conducted jointly by OCFO and staff from allowance holder offices. (i)

Internal management control reviews, discussed in MD 4.4, "Management Controls," differ from the financial management reviews that will be conducted by DPBA and the allowance holders. The former focuses on protecting resources and programs against waste, fraud, and abuse. The latter focuses on evaluating the adequacy of agency policy guidance and each allowance holders' processes and procedures as they relate to the policy and guidance in this handbook and NRC's "Principles of Good Financial Management." (ii)

The financial management reviews may not necessarily satisfy all of the requirements specified in NRC's internal control program (see MD 4.4) for internal control reviews. However, to avoid duplication of effort, a financial management review could serve as a source of information for a particular internal management

Principles of Good Financial Management (C)
(continued)

Control Principle (2) (continued)

control review. As specified in Handbook 4.4, agency managers should avoid duplicating reviews that assess management controls and should coordinate their management control efforts with other evaluations to the extent practicable. (iii)

Communication Principle (3)

Good financial management requires good communication among those involved in the financial management process. Complete, accurate, and timely financial information must be readily available, and financial implications must be considered in decisionmaking. Financial systems should be integrated and meet both agency and office data needs. New information and ideas must be shared throughout the organization.

Measures of Good Performance for Communication
<ul style="list-style-type: none">• The Commission is informed of significant resource reallocations in a timely manner.• Allowance holders and the OCFO maintain good communication by coordinating the review of NRC staff papers, information provided to external organizations, reimbursable work agreements, financial plan changes, and so forth, early on.• Requests for financial plan changes contain explanations that include the reason for an increase or decrease in the office allowance and the impact on NRC's budget.

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

Reporting Resource Reallocations to the Commission (a)

Senior Management (i)

Senior management is responsible for reporting resource reallocations to the Commission for the purpose of including the Commission in significant reallocation and reprogramming actions.

Commission Thresholds (ii)

The Commission's policy on thresholds for including the Commission in significant reallocation and reprogramming actions is to—

- ensure the Commission decides resource reallocations that modify or establish policy (a)
- inform the Commission of significant resource reallocations (b)
- allow the staff to efficiently make timely day-to-day resource reallocation decisions to implement Commission policy and programs (c)

Resource Reallocations in the President's Budget (iii)

Resource allocation changes to all planned activities in the annual President's budget will be included as an appendix to the next year's budget documents provided to the Commission for decision. In addition to the appendix, the memorandum forwarding the budget to the Commission will highlight changes that have policy implications and have not been previously decided by the Commission. The CFO annual budget formulation guidance will include specific instructions on the information offices are to provide on such reallocations.

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

Appropriation Reductions (iv)

The agency's budget request is submitted to Congress as part of the President's budget in February. If the NRC's appropriation is less than its budget request, the CFO will inform the Commission of the allocation of appropriation reductions that are \$500,000 or more in contract support/travel costs, or four or more FTEs. If these reductions raise policy or have major program impact, the CFO will forward recommendations to the Commission for approval.

Impact on Midyear Resource Review (v)

Recommendations resulting from the Midyear Resource Review will be submitted to the Commission for approval. (For more information on the Midyear Resource Review, see Section (C)(1)(d)(iv) of this part.)

Emergent Issues Meetings (vi)

The EDO, the CFO and the Deputy EDOs periodically meet with the Commissioners to discuss emergent work that could result in resource changes during the budget execution year or subsequent years. Those meetings should include a discussion on specific resource reallocations that are planned or are being considered to handle emergent issues during the budget execution year.

Significant Resource Reallocation (vii)

The Commission will be informed by memorandum of significant resource reallocations (increases or decreases) between programs or planned activities within an office, or between offices, during budget execution that are \$500,000 or more in contract support/travel costs, or four or more FTEs. The threshold applies

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

to each specific decision to reallocate resources. Resource reallocation actions should not be split to avoid exceeding the threshold. (a)

For resource reallocations, a memorandum should be forwarded to the Commission within 4 weeks of the decision to reallocate and should include a discussion on why the reallocation was needed, specific sources(s) of the reallocation, and the substantive program implications. EDO offices should prepare the memorandum for the EDO's signature and the CFO's concurrence. Commission-level office directors should submit the memorandum to the Commission with CFO concurrence (Exhibit X-1). Each office is responsible for maintaining a current balance of office resources by planned activity and the various programs that take into consideration all reallocations – those above and below the threshold stipulated by the Commission. The initial baseline to begin each year's budget execution is the President's budget revised to reflect Commission-approved resource allocation changes. (See Section X (C)(3)(a)(iii), "Resource Reallocations in the President's Budget.") (b)

Less Significant Resource Reallocation (viii)

Senior managers should inform the Commission during their periodic meetings of changes during budget execution between the various program levels or planned activities within their office, and resource reallocations between offices that involve activities known to be of Commission interest. This information should also be provided to the Commission in a note from Commission-level office directors or the Assistant for Operations, Office of the Executive Director for Operations, for EDO offices. Offices should report resource reallocation that are less than \$500,000 for contract support/travel costs, or fewer than four FTEs on the

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

"Resource Changes That Are Less Than \$500,000 for Contract Support/Travel Costs, or Fewer Than Four FTEs" form (Exhibit X-2) within 2 weeks of the decision to reallocate. (a)

Questions concerning guidelines on resource reallocations should be addressed to the Director of DPBA. (b)

Commission Papers Discussing Resources on Financial Management (b)

Early coordination with the OCFO staff will facilitate concurrence. If resources are an integral part of the Commission paper, the resource impacts of the action proposed in the paper should be addressed in a separate "Resources" section. (i)

Commission papers or COMSECYs with resource implications must be submitted to OCFO for review and concurrence. Papers that have no resource implications should not be submitted to OCFO. If requested, and as time allows, OCFO/DPBA analysts will provide early assistance with Commission papers, before the paper is formally submitted for concurrence. OCFO early assistance is most useful for unusual resource issues. (ii)

The resource sections of Commission papers and COMSECYs that involve resource reallocation during the budget execution year should include a discussion on estimated resource needs, both contract dollars and FTEs. This discussion should include the cost of all options presented. For the recommended option, an explanation of how it will be funded should be provided. The explanation should include the amount currently included in the budget and the amount of additional resource required. Specific source(s) of any reallocation should also be identified, along with a discussion on the substantive program implications. In determining resource reallocation recommendations, the staff

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

should consider common prioritization. Resource needs of all offices involved should be identified. See Section (C)(3)(a) of this part for additional instructions on reporting resource reallocations to the Commission. (iii)

All Commission papers and COMSECYs that have resource implications should be provided to OCFO for review and concurrence. Once OCFO concurs, the following statement should be included in the coordination section of the Commission paper: "OCFO has reviewed this paper for resource implications and has no objections." See MD and Handbook 4.7, "NRC Long-Range Planning, Programming, and Budget Formulation," for more detailed instructions on Commission papers with resource implications. (iv)

Budget and Financial Management Information Provided to External Organizations (c)

For information that NRC provides to external organizations concerning the NRC's budget and financial management, offices must obtain OCFO concurrence, as appropriate. No statement of concurrence or coordination need appear in information to be provided externally. DPBA will provide timely feedback to other offices regarding the appropriate approach to be used in any particular paper.

Lines of Communications (d)

Open lines of communication between the OCFO, allowance holders, and their financial management staffs are very important. If allowance holders are to be informed in a timely manner about financial status and financial problems, it is essential that AFMs and FCOs know that allowance holders are interested in what is going on and will support their financial management staffs when the need arises. The same is true for the relationship between the

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

AFMs and the FCOs. Good communication is also essential between the allowance holder's financial staff and program staff.

Agency Accounting Database (e)

Good communicating also includes making complete, accurate, and timely financial information readily available to agency managers. The primary source of such information is the NRC accounting system. While OCFO has overall responsibility for maintaining the agency accounting database, that responsibility is shared with the allowance holder financial management staffs. The latter are the source of much of the information entered into the NRC accounting system, either directly by the allowance holder personnel or by DFM and Division of Financial Services (DFS) personnel on the basis of their inputs. As stated in previous sections of this handbook, timely and accurate data input or transmittal to DFS by allowance holder personnel is essential to the accuracy of financial reports. DFM and DFS are dedicated to ensuring that complete, timely, and accurate financial information is available to support decisions by agency managers.

Changes to the Basis of Budget Estimates and Assumptions (f)

Allowance holders and their staff also should notify DPBA of changes to the basis of budget estimates and assumptions as a result of unanticipated events that occur during the fiscal year. These changes also should be included in AAFP change requests when explaining the impact on NRC's budget.

Financial Managers Council (FMC) (g)

Everyone benefits when new financial management information and ideas are shared throughout the organization. Toward this

Principles of Good Financial Management (C)
(continued)

Communication Principle (3) (continued)

end, NRC has created the FMC to facilitate such information exchange. Chaired by the DCFO and with representation from each allowance holder office, the council meets periodically. The FMC provides the forum to—

- Share information on agency financial management policy, systems, and procedures (i)
- Share information about good financial management techniques and technology (ii)
- Discuss strategies to achieve agency financial management goals (iii)
- Discuss and resolve common operational issues (iv)
- Act as a catalyst for mutual recognition of program and financial management roles in NRC financial management (v)

Cost-Effectiveness Principle (4)

Good financial management balances expenditures and results. Managers at all levels must ensure that NRC gets what it pays for and that the results are what NRC needs to accomplish its mission. Ongoing projects should be evaluated to ensure results justify continued funding. Appropriate precautions ensure that waste is avoided. To ensure maximum utility of available resources, funds should be obligated as early as practical during the fiscal year, and excess funds should be deobligated as soon as practical after project completion.

Principles of Good Financial Management (C)
(continued)

Cost-Effectiveness Principle (4) (continued)

Measures of Good Performance for Cost-Effectiveness
<ul style="list-style-type: none">• Sixty-five percent of available funds are obligated by midyear. For ADM, Central Allowance (CEN), OIG, and regional offices, this performance measure requires that 50 percent of available funds are obligated by midyear.• Unliquidated obligations plus distributed unobligated funds (expressed in months of projected expenditures) are equal to or less than the number of months remaining in the current fiscal year plus four.• Unliquidated obligations older than 1 fiscal year are being held for final payment or awaiting deobligation in the closeout process.• Statements of work for the Department of Energy (DOE) and contractor goods and services are well-thought-out and clearly written to ensure NRC gets what it pays for.

Use Minimum Resources (a)

The agency should use the minimum resources necessary to effectively accomplish the agency's regulatory mission. Agency managers are responsible for ensuring that budgetary resources (e.g., dollars and FTEs) are best utilized to support program requirements to accomplish the agency's mission. NRC project managers, operating in conjunction with agency contracting officials, are responsible for ensuring that the agency gets what it contracts for. Another aspect of getting what NRC pays for relates to the prices the agency pays for what it buys. One means of ensuring fair prices is by using competition in procuring supplies and contract assistance. In the absence of competition, good

Principles of Good Financial Management (C)
(continued)

Cost-Effectiveness Principle (4) (continued)

independent government cost estimates provide a basis for evaluating proposed costs for procurements (e.g., by DOE laboratories). Thus, it is important that project managers prepare well-thought-out statements of work with well-defined scopes. It is equally important to practice good project management once the contract is executed.

Maximize Use of Funds (b)

Agency financial managers should maximize the use of the funds that they have available. This means only funds that are required should be obligated, the required funds should be obligated as early as possible during the fiscal year, and excess funds should be deobligated as soon as practical. To accomplish these objectives, agency financial managers should ensure that funds are committed and obligated as early as possible during the fiscal year, consistent with program requirements, procurement lead times, continuity of funding needs, and any constraints as a result of the quarterly apportionment and allotment of funds. (i)

This effort requires close interaction with project managers, who know when contract support is required. Project managers need to understand the budget formulation and budget execution processes as they relate to the availability of FTEs and the funding for contract support and travel. Furthermore, project managers should conduct routine reviews of project milestones, deliverables, and expenditures. (For further guidance on monitoring contractor performance, see MD 11.1, "NRC Acquisition of Supplies and Services," MD 11.7, "NRC Procedures for Placement and Monitoring of Work With the U.S. Department of Energy (DOE)," and MD 11.8, "NRC Procedures for Placement and Monitoring Work With Other Federal Agencies Other Than DOE.") (ii)

Principles of Good Financial Management (C)
(continued)

Cost-Effectiveness Principle (4) (continued)

Months of Projected Expenditures as a Measure of Performance (c)

One measure of financial management performance is the amount of total funds available (unliquidated obligations plus distributed unobligated funds) to the allowance holder expressed in months of projected expenditures. In determining a desired number, one must consider the number of months remaining in the current fiscal year, the necessity for continuity of funding, the lag time in reporting contractor costs, and the lag time in realizing deobligations at the completion of contract efforts. The objective is to provide for 30 to 60 days of continuity of funding into a new fiscal year with the recognition of a 2-month lag in reporting of contractor costs. (i)

Project managers need to apply this measure on a task-by-task or project-by-project basis. Agency financial managers need to apply this measure to the office's overall contract support funding. As a general rule, the total available funds (expressed in months of projected expenditures) should equal the number of months remaining in the current year plus four. The NRC Budget Execution Report summarizes total available funds on a monthly basis for the agency's major allowance holders. Detailed reports are available from the agency's accounting system. (ii)

Deobligate Excess Funds (d)

The allowance holder staff, working with the appropriate project managers, also should ensure that excess funds are deobligated as soon as is practical after project completion (see Part VII of this handbook). Funds should be deobligated as soon as they are no longer necessary to cover planned expenditures. More specifically, MD 11.7 and Section VII(C)(10) of this handbook specify that

Principles of Good Financial Management (C)
(continued)

Cost-Effectiveness Principle (4) (continued)

deobligations for DOE projects should generally be completed within 90 days of the expiration of the agreement or completion of the work (unless a commercial subcontractor is involved). (i)

For commercial contracts, Section VII(C)(7) of this handbook stipulates that at the onset of the contract closeout process, DC/ADM, in conjunction with the allowance holder, should conduct an initial contract funds status review and, where appropriate, identify excess funds that could be deobligated. This review should be completed within 90 days of completion of the contract. Although inactivity for several months does not in all cases indicate that funds should be deobligated, transactions associated with this data should be reviewed to determine whether deobligation is appropriate. Detailed reports are available from the agency's accounting system. (ii)

Evaluation Principle (5)

Good financial management requires periodic evaluation of performance against meaningful financial and program performance measures. Such performance assessment should evaluate planned versus actual program results and compare program costs with program accomplishments.

Principles of Good Financial Management (C)
(continued)

Evaluation Principle (5) (continued)

Measures of Good Performance Evaluation
<ul style="list-style-type: none">• Managers evaluate ongoing projects periodically to confirm that the results from such projects justify continued funding.• Issues and problems revealed from the offices' program evaluations, financial management reviews, and internal management control reviews are addressed promptly and corrective action is implemented immediately.• Results from program evaluations are used in the decisionmaking process before continuing funding of projects.

Evaluation of Ongoing Projects (a)

Managers should evaluate ongoing projects periodically to confirm that the results from such projects justify continued funding. Although this can be done at any time, the annual strategic planning and budget formulation process affords an annual opportunity to assess each project. It also provides a good framework for comparing and ranking the merits of various projects to ensure the most return on the investment from available resources. The more difficult problem is determining which marginal projects should be eliminated to accommodate resource constraints. Managers at all levels must ensure that NRC gets what it pays for.

Evaluation of Programs (b)

Program performance must be evaluated and measured against pre-established goals, measuring the resources that are being expended to accomplish those goals, and deciding whether the

Principles of Good Financial Management (C)
(continued)

Evaluation Principle (5) (continued)

return on investment is worth the resources being invested. Implicit in this evaluation process is the assumption that the agency gets what it pays for and that the agency maximizes the utility of available funds. (i)

Once actual program performance is compared to program goals, managers should determine whether it makes sense to continue with an existing program from a programmatic and cost-effective perspective. Managers should ascertain whether corrective action is necessary to effectively implement the program. If corrective action is required, changes should be made to bring performance in line with the program goals. The assessment also can be useful in determining whether new goals should be established. Information obtained from evaluating a program should be used to assess program effectiveness in achieving the desired outcomes and to frame an assessment of what the program activity is or is not accomplishing. Without program evaluation, there is no way to be certain that the program is useful, provides a benefit, or is necessary. Results from program evaluations should lead to better decisionmaking for NRC managers. (ii)

Personnel Principle (6)

Good financial management is the product of competent and motivated people. Those who are given financial management responsibility must have integrity, dedication, and be well trained and qualified. They must have authority that is commensurate with their responsibility, and they must be recognized when achieving superior performance.

Principles of Good Financial Management (C)
(continued)

Personnel Principle (6) (continued)

Measures of Good Performance for Personnel
<ul style="list-style-type: none">• Employees who perform financial management functions are recognized for achieving superior performance through appropriate personnel actions.• Agency managers and employees who are engaged in financial management functions attend financial management training.

Appropriate Training (a)

Agency managers must ensure that those who are given financial management responsibility have the appropriate qualifications and receive proper training. Section IV(G) of this handbook delineates specific qualification and training requirements for AFMs and FCOs. In addition to the NRC courses, financial management personnel should be encouraged and provided the opportunity to take advantage of the many available continuing professional education opportunities. Questions regarding the availability of such training opportunities should be referred to the Office of Human Resources, Human Resources Development, or the Funds Control Team (FCT).

Authority (b)

Employees must have authority that is commensurate with their responsibility. Sections IV(E)(1) and IV(F)(1) of this handbook address specific delegations of authority to AFMs and FCOs. In addition to such formal delegations, senior managers must, by their actions, demonstrate their support for those employees who have been assigned the responsibility for ensuring proper financial management.

Exhibit X-1

Memorandum to Commission on Significant Resource Reallocations Sample Format

MEMORANDUM TO: Chairman
Commissioners

FROM: [This sender should be a Commission-level office director;
for EDO offices, this memorandum will be prepared for the
EDO's signature]

SUBJECT: SIGNIFICANT RESOURCE REALLOCATION

This memorandum informs you of a significant resource reallocation within (between) the Office(s) of _____ for the [fill in the Tier 2 program, the Tier 3 program, or the planned activity].

[Describe why the resource reallocation was needed.]

[Identify the resources of the reallocation.]

[Discuss substantive program implications.]

cc: EDO [or if the memorandum is from the EDO, list the appropriate DEDO(s)]
Office director(s)
[The appropriate manager(s) in the affected program(s).]

Obtain CFO concurrence.

Exhibit X-2

Resource Changes That Are Less Than \$500,000 for Contract Support/Travel Costs or Fewer Than Four FTEs

OFFICE: _____

Area of Interest Below Threshold					
Tier 2 Program/Tier 3 Program/Planned Activity:					
Resource Change		Beginning Balance		Revised Balance	
\$ (K)	FTE	\$ (K)	FTE	\$ (K)	FTE
Explanation of Resource Change:					

Guidance for less significant reallocations form.

The Commission has asked to be kept informed, in writing, of less significant resource reallocations in areas of particular interest to them as expressed during periodic meetings with office directors (ODs). Therefore, this information will be transmitted to the Commission on a routine basis using a standard note sent by ODs of Commission-level offices or the Assistant for Operations (Commissioner Assistants note) for EDO offices.

Each office will be responsible for providing information on this form on reallocations in areas of interest that are less than \$500,000, or fewer than four FTEs. At the time of the reallocation, the form should be completed and forwarded, as discussed below, to ensure timely notification of the Commission.

Commission-level offices should forward their reallocation forms to the Commission and send a copy to the CFO and OEDO. EDO offices should forward their reallocation forms to OEDO and send a copy to the CFO.

Part XI

Nuclear Waste Fund Policy

Overview (A)

Part XI provides guidance on charging costs to the NRC Nuclear Waste Fund (NWF), establishes effective management controls over costs charged to the NWF, and provides tools to monitor utilization of the NWF.

Introduction (B)

NRC receives NWF resources from congressional appropriations for the sole purpose of fulfilling its regulatory responsibilities under the Nuclear Waste Policy Act (NWPA). The NWF may not be used to fund any of NRC's other activities and programs. The agency budgets for its NWPA work within the High-Level Waste Program (HLW Program). Costs of activities associated with NRC's HLW Program are charged to the NWF. Offices are not permitted to use other funding sources for HLW activities without approval from OCFO.

General Funds Control Policies (C)

General funds control policies for NWF activities include the following:

- All work directly supporting the NRC HLW Program must be charged to the NWF. (1)
- Only work authorized by the NWPA may be charged to the NWF. (2)
- Offices are responsible for managing funds and full-time-equivalent (FTE) allocations within amounts provided in their allowances. If dollars and/or FTEs are insufficient to cover

General Funds Control Policies (C)
(continued)

NWF-related costs, offices must reallocate NWF resources internally. Offices with critical unfunded requirements should contact the Director of the Division of Planning, Budget, and Analysis (DPBA). (3)

- Offices are expected to review financial reports and monitor their NWF usage. (4)
- Salaries and benefits (S&B) costs charged to the NWF include the costs of both direct and indirect FTEs in the offices that perform work on the HLW Program. Total agency indirect S&B costs chargeable to the NWF in a fiscal year are limited to the amount for indirect NWF S&B in the President's budget as revised to reflect Commission-approved resource allocation changes. (5)
- A portion of the NRC's Management and Support (M&S) costs are charged to the NWF. The amount of M&S costs charged to the NWF in a fiscal year is limited to its pro rata share of the amount for M&S costs in the President's budget as revised to reflect Commission-approved resource allocation changes. (6)

Charging Travel and Contract
Support to the NWF (D)

Offices should charge HLW-related travel to the NWF and charge mixed-usage travel (i.e., NWPA and non-NWPA) to non-HLW activity accounting codes. (1)

Contracts that support both HLW activity and non-HLW activity should be funded in a manner that will ensure that HLW costs are charged to HLW accounting codes and non-HLW costs are charged to non-HLW accounting codes. Contract costs that cannot be discretely split between HLW and non-HLW should be charged as follows: (2)

Charging Travel and Contract
Support to the NWF (D) (continued)

- Charge the HLW Program when the activity would not have been undertaken in the absence of the HLW Program. (a)
- Charge non-HLW funding when the contract would have been undertaken in the absence of the HLW Program. (b)

Charging Time for High-Level
Waste in the Human Resources
Management System (HRMS) (E)

In order to obtain consistent data on FTEs and salaries and benefits (S&B) chargeable to the NWF, guidelines for reporting time in the HRMS are as follows:

- All work authorized by the NWPA should be charged to HLW program activity. (1)
- Only work directly supporting the NRC's HLW Program is chargeable to HLW Program Planned Activities. Staff time associated with an activity that benefits both the HLW Program and a non-HLW Program should be split between the two programs, when possible. Staff time that benefits both HLW and non-HLW activities and cannot be discretely split between the two should be charged as follows: (2)
 - Charge HLW when the activity is being undertaken primarily because of HLW Program requirements. (a)
 - Charge non-HLW activities when the activity would have been undertaken in the absence of the HLW Program. (b)
- The HLW Program is established in the Budget and Reporting Number Structure Guide under the Nuclear Materials and

Charging Time for High-Level
Waste in the Human Resources
Management System (HRMS) (E)
(continued)

Waste Safety Program. All time directly chargeable to HLW must be charged to planned activities in the HLW Program. (3)

- Direct staff should use existing HLW codes to capture staff time expenditures. When existing activity codes are not available, lead reviewers should establish new activity codes to capture staff time expenditures for any HLW work and give the HRMS activity codes to staff providing technical assistance within or outside their organization. (4)
- Consistent with OCFO Time and Labor Policy, office overhead staff associated with HLW Program activities should charge the standard codes established for overhead time. (See the HRMS Web link on the NRC Internal Home Page.) OCFO will subsequently allocate a portion of this time to the NWF. (5)
- Staff time (to include employee details and rotations to other NRC offices) that directly supports the HLW Program must be charged to the NWF. Supervisors, upon giving work assignments, should clearly communicate to employees whether their effort directly supports HLW Program activities or their effort is for the primary purpose of developing the staff's technical skills, that is, training. Staff time associated with training and staff development activities must be recorded to the HRMS "Training and Staff Development" activity code and not charged to direct HLW Program activities. OCFO will subsequently allocate a portion of this time to the NWF. (6)
- All time directly charged to the HLW Program, as well as allocations of administrative and other labor time computed by OCFO, is chargeable to the NWF. (7)

Funds Control for NWF FTEs and Salaries and Benefits (F)

Throughout the fiscal year, DPBA/OCFO and allowance holders are expected to monitor HLW FTE utilization. The Advice of Allowances and Financial Plans (AAFPs) include FTE allocations for each fund source (i.e., Fee-Based, NWF, and Reimbursement). AAFP are updated to reflect any changes in FTE allocations. The S&B dollars associated with FTEs are allocated to the Central Allowance. Offices are responsible for— (1)

- Ensuring that their actual NWF FTE usage does not exceed the NWF allocation provided in the advice of allowances. (a)
- Establishing a monthly NWF FTE spending utilization plan and providing this information to the DPBA Funds Control Team at the beginning of the fiscal year for inclusion in the monthly Budget Execution Report (BER). (b)

An office that does not have budgeted NWF FTEs is not permitted to work on HLW activities until NWF FTEs are allocated to the office. Normally, the additional FTEs are funded by a transfer from the office that is benefitting from the work. The additional FTEs must support both the direct time to be worked, as well as a sufficient allocation of indirect time. (2)

Requests for FTE changes must be submitted to the Director of DPBA. NWF FTE changes may be made in fractional amounts using one decimal place. (Non-NWF FTE requests must be made in whole numbers, not partial FTEs.) Requests for FTE changes can only be made by the office director. Transfers between offices must be requested by both office directors. Once transfers are approved by DPBA, DPBA updates the budget formulation system and issues revised allowances to affected offices. (3)

OCFO provides offices with cost accounting reports on at least a monthly basis, which include NWF FTE usage. Offices are required

Funds Control for NWF FTEs and
Salaries and Benefits (F)
(continued)

to review these reports to monitor their HLW FTE usage and to initiate requests to DPBA/OCFO for any needed transfers between offices to accommodate details, rotational assignments, or change in FTE allocations. (4)

DPBA Monitoring of NWF Obligations (G)

Throughout the fiscal year, DPBA monitors the overall obligation of funds against NRC's NWF appropriation. Should the obligation rate indicate a potential funding shortfall, actions will be initiated to either reallocate other NWF resources within the HLW Program or reduce the rate of HLW obligations.

Acronyms and Abbreviations

AAFP	Advice of Allowances and Financial Plan
ADM	Office of Administration
AFM	allowance financial manager
AID	Agency for International Development
B&R	budget and reporting classification
BER	Budget Execution Report
BOA	basic ordering agreement
BOC	budget object classification
BPA	blanket purchase agreement
BPOT	Budget Policy and Operations Team (NRC)
CEN	Central Allowance (NRC)
CFO	Chief Financial Officer
CFR	<i>Code of Federal Regulations</i>
CHP	Criminal History Program
CIO	Chief Information Officer
CO	contracting officer
Comp. Gen.	published Comptroller General decision
CRA	cooperative research agreement
DC/ADM	Division of Contracts/Office of Administration (NRC)
DFM	Division of Financial Management (NRC)
DFS	Division of Financial Services (NRC)
DOE	Department of Energy
DOJ	Department of Justice
DPBA	Division of Planning, Budget, and Analysis (NRC)
EDO	Executive Director for Operations (NRC)
FBI	Federal Bureau of Investigation
FCO	funds certifying official
FCT	Funds Control Team (NRC)
FFS	Federal Financial System
FICA	Federal Insurance Contributions Act
FMS	Financial Management Service
FSRT	Financial Statement and Reconciliation Team
FTE	full-time-equivalent position (hours)
FY	fiscal year

Acronyms and Abbreviations (continued)

GAO	Government Accountability Office
GBL	Government bill of lading
GPO	Government Printing Office
GSA	General Services Administration
HLW	high-level waste
HR	Office of Human Resources (NRC)
HRMS	Human Resources Management System
IAAP	Information Access Authorization Program
IPAC	Intragovernmental Payment and Collection System
MAAP	Material Access Authorization Program
MC	manual chapter
MD	management directive
MOU	memorandum of understanding
NRC	Nuclear Regulatory Commission
NSIR	Office of Nuclear Safety and Incident Response (NRC)
NWF	Nuclear Waste Fund
NWPA	Nuclear Waste Policy Act
OCFO	Office of the Chief Financial Officer
OIG	Office of the Inspector General (NRC)
OIS	Office of Information Services (NRC)
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PART	Program Assessment Rating Tool
RFAA	request for assistance action
RFP	request for proposal
RFPA	request for procurement action
S&B	salaries and benefits
S&E	salaries and expenses (appropriation)
SES	Senior Executive Service
SF	standard form
SIBAC	Simplified Intragovernmental Billing and Collection System
TDY	temporary duty travel
TMC	Travel Management Center
U.S.C.	<i>United States Code</i>

Glossary

Administrative control of funds. See "Funds control."

Administrative division or subdivision of funds. Any distribution of an appropriation or fund. Overobligation or overexpenditure of the following administrative divisions of funds are always violations of the Antideficiency Act: apportionments and allotments. Overobligation or overexpenditure of other administrative divisions of funds are violations of the act only when the overobligation results in the overobligation of an apportionment or allotment, but are considered violations of NRC funds control policies and procedures.

Advances. Payments made in contemplation of the later delivery of goods, services, or other assets. An advance payment does not become expended until there is delivery of goods, services, or other assets.

Advice of allotments. An advice of allotments document provides authority to the Director of the Division of Planning, Budget, and Analysis to incur obligations and make expenditures within specified amounts. An advice of allotments may contain more than one allotment. Incurring obligations in advance of or in excess of an allotment amount currently provided for on the advice of allotments is a violation of the Antideficiency Act.

Advice of allowances and financial plan (AAFP). The AAFP is an allocation of funds below the allotment level. The form is divided into two sections:

1. Advice of Allowances. The advice of allowances section provides authority to an authorized allowance holder to incur obligations and make expenditures within specified amounts. An advice of allowances may contain more than one allowance. Incurring obligations in advance or in excess of an allowance amount currently provided for on

Glossary (continued)

the advice of allowances does not necessarily result in a violation of the Antideficiency Act; however, it is a violation of NRC's administrative control of funds policies and procedures.

2. **Financial Plan.** The financial plan delineates the planned annual allocation of funds to allowance holders consistent with the budget. Each allowance holder is responsible for ensuring compliance with the funding limitations specified in the current financial plan. While exceeding financial plan restrictions does not necessarily result in a violation of the Antideficiency Act, such action is a violation of NRC's administrative control of funds policies and procedures.

Agency limitation. For fund control purposes, an agency limitation is any administrative division or subdivision of funds made by agency officials that restricts the use of Government funds.

Allocate. The act of issuing advice of allowances and financial plans from the Director of the Division of Planning, Budget, and Analysis, Office of the Chief Financial Officer, to agency allowance holders .

Allotment. Authority delegated by the agency head (or other authorized designee) to agency employees (allottees) to incur obligations within a specified amount, pursuant to apportionment or reapportionment by the Office of Management and Budget or other statutory authority making funds available for obligation. Incurring obligations in advance of or in excess of an allotment is a violation of the Antideficiency Act.

Allowance financial manager (AFM). The AFM is responsible for and has authority to perform the following duties: manage the allowance holder office's process for the administrative control of allocated funds and ensure that the process complies with

Glossary (continued)

the requirements contained in Management Directive 4.2, develop and maintain funding plans and strategies, ensure that allocated funds are economically and efficiently used, certify availability of funds within the allowance(s), and supervise allowance holder staff responsible for the administrative control of allocated funds.

Allowance holders. Agency officials delegated authority by the Director of the Division of Planning, Budget, and Analysis are allocated funds for use in implementing their program and administrative responsibilities. These officials are referred to as "allowance holders."

Antideficiency Act. Legislation enacted by Congress to prevent the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds; to fix responsibility within an agency for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment or in excess of other subdivisions established pursuant to 31 U.S.C. 1514; and to assist in bringing about the most effective and economical use of appropriations and funds. The act is recodified as Sections 1341(a), 1342, 1514, and 1517(a) of Title 31 of the *U.S. Code*.

Apportionment. A distribution made by the Office of Management and Budget of amounts available for obligation in appropriation or fund accounts into amounts available for specified time periods, activities, projects, objects, or combinations thereof. The amounts apportioned limit the amounts of obligations that may be incurred.

Appropriation. An act of Congress that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes during the period specified in the appropriation acts. An appropriation act usually follows enactment of authorizing legislation.

Glossary (continued)

Base table. A document that displays appropriated funds available for obligation by the agency at a level of detail consistent with congressional requirements. It is the controlling document that provides the basis for NRC allowances and financial plans.

Budget and reporting classifications. NRC's budget and reporting (B&R) classification structure provides a framework for controlling funds in a manner consistent with the structure in the NRC budget. In addition, the B&R structure defines responsibilities of allowance holders for funding obligations for particular purposes. B&R numbers are specified to the following level of detail:

Position 1:	Budget Fiscal Year
Positions 2, 3:	Allowance Holder Designation
Positions 4, 5:	Funds Type
Position 6:	Program in the NRC Budget
Position 7, 8:	Subprogram/Sub-subprogram
Positions 9, 10, 11:	Planned Activity in the NRC Budget

Budget authority. Authority provided by law to enter into obligations that result in outlays of Government funds. An appropriation is the most common means of providing budget authority. NRC's new budget authority represents those funds appropriated by Congress for the current fiscal year.

Budgetary resources. Amounts available to enter into obligations for specified purposes in a given year. They include new budgetary authority, available unobligated balances at the beginning of the year, reimbursements and other income, recoveries of prior-year obligations, and restorations.

Glossary (continued)

Certification of funds availability. The formal acknowledgment by the funds certifying official (FCO) that sufficient funds are available in the current allowance for entering into obligations. This acknowledgment is evidenced by the signature of the FCO on an appropriate commitment document before execution of an obligation. The certification of funds is the act of committing funds.

Commitment. An administrative reservation of funds for an estimated amount and a specific purpose, based upon the intent to obligate at a future time. A commitment is accomplished in anticipation of approved authorizations, contractual awards, purchase orders, or other spending actions. A commitment can be viewed as a proposed obligation, recorded in the accounting records in advance of becoming a valid obligation. A commitment occurs once the initial validation of funds occurs, that is, the certification of the availability of funds.

Commitment document. A document that contains a certification of funds availability statement and a signature. It serves as the source document for recording commitments and as evidence for obligating officials that funds are available for a proposed obligation.

Committed unobligated carryover (committed carryover). The unobligated balance brought forward to the new fiscal year for the purpose of funding prior-year commitments. This balance represents those funds that were certified as available, and formally committed, but unobligated in the NRC accounting system by fiscal year-end.

Continuing resolution. Legislation enacted by Congress to provide appropriations on a temporary basis until a regular appropriation bill is enacted. Continuing resolutions are intended to keep existing Federal programs functioning after the expiration of prior-year budget authority.

Glossary (continued)

Contract support funds. Funds provided for entering into contractual obligations, such as purchase orders, commercial contracts, interagency agreements, and standard orders for work with the Department of Energy. These funds are provided on the financial plans of NRC offices and regions for the execution of NRC's major programs and for administrative activities that support the agency.

Costs. See "Expended."

Decommitment. The cancellation or downward adjustment of a previously recorded commitment.

Deferral. The withholding or delaying of obligation or expenditure of budget authority or any other type of executive action that effectively precludes the obligation or expenditure of budget authority. Deferrals may not extend beyond the end of a fiscal year.

Deficiency appropriation. A type of supplemental appropriation that provides the funds necessary to cover obligations that have been incurred in excess of available funds. Deficiency appropriations are necessitated by violations of the Antideficiency Act.

Deobligation. The cancellation or downward adjustment of a previously recorded obligation. Deobligation may be attributable to the cancellation of a project or contract, price revisions, or corrections of estimated amounts previously recorded as obligations.

Economy Act. Legislation enacted by Congress that authorizes a Federal agency to place reimbursable agreements for work or services with other Federal agencies and provides that collections for such work shall be credited to the performing agency's appropriation in which the costs were incurred (31 U.S.C. 1535). A reimbursable agreement made under the

Glossary (continued)

authority of the Economy Act obligates an appropriation of the ordering agency.

Expended. The value of goods and services used, consumed, given away, or lost (or destroyed) by an agency of the Government within a given period, regardless of when ordered, received, or paid for. Expended amounts generally will be based upon the concepts used by the agency's accounting system.

Expenditures. The issuance of checks, the disbursement of cash, or the making of an electronic funds transfer to liquidate (pay) obligations.

Fiduciary Responsibility. The accountability of allottees and allowance holders for funds entrusted to them. Funds appropriated and apportioned to the agency are allotted and allocated to agency officials who are then authorized to enter into commitments and obligations. These agency officials assume fiduciary responsibility for funds allotted and allocated to them.

Financial plans. See "Advice of allowances and financial plan (AAFP)."

Footnotes to allowances and financial plans. Restrictions on the uses of funds contained in the appropriation acts or other legislation are detailed in footnotes to the advice of allowances and financial plan. In addition, footnotes may provide additional description of the purpose for which funds have been allocated, such as reimbursable work or committed carryover.

Funds certifying official (FCO). Performs the daily tasks necessary for controlling funds. The FCO is delegated the authority to certify that sufficient funds are available in the current allowance for entering into obligations. The FCO acknowledges this certification by signing the appropriate

Glossary (continued)

commitment document before the creation of an obligation on behalf of NRC. The allowance holders, allowance financial managers, and other staff members delegated responsibility for the certification of funds are referred to in this handbook as "FCOs."

Funds control (administrative control of funds). The allotment financial management process implements NRC's system for the administrative control of funds. The purposes of this process are to ensure that (a) funds are used only for authorized purposes; (b) funds are economically and efficiently used; (c) obligations and expenditures do not exceed the amounts appropriated, apportioned, allotted, allocated, and specified as statutory limitations; and (d) funds are not reserved or otherwise withheld without congressional knowledge and approval.

Funds source. The allotments and advice of allowances and financial plan form provides funds to the allottee and allowance holders broken down into the fund sources from which the funds were derived. The allottee and allowance holders are permitted to obligate funds only for purposes appropriate to the funds sources for which they have received funds. The following funds sources may be provided for on the advice of allotments and the advice of allowances: General funds, the Nuclear Waste Fund, official representation, reimbursable work, General Services Administration transfer appropriations, and the Agency for International Development transfer funds.

Impoundment. Any action or inaction by an officer or employee of the Federal Government that is intended to withhold the obligation or expenditure of budget authority (see "Deferral" and "Rescission").

Interagency agreement. An agreement between NRC and another Federal agency in which an agency agrees to provide goods or perform services for the other agency. An interagency

Glossary (continued)

agreement in which NRC is ordering goods or services from another Federal agency represents an NRC obligation upon acceptance by the other Federal agency. An interagency agreement in which NRC agrees to provide goods or perform work for other Federal agencies is generally referred to as a reimbursable work agreement.

Job code. A financial code that defines a specific NRC project. All NRC commitment and obligation transactions require the designation of a job code. Each job code ties to a unique budget and reporting classification. Job codes consist of five characters.

Memorandum of understanding (MOU). A written agreement broadly stating basic understandings and describing a mechanism for coordinating activities to be engaged in by the agency and an outside organization.

Nonexpenditure transactions. Transactions among appropriation and fund accounts that do not represent payments for goods and services received or to be received but serve only to adjust the amounts available in the accounts for making payments. These transactions transfer all or part of the budget authority from one account to another in the same year the authority was made available.

No-year appropriation. An appropriation that is available for obligation for an indefinite period, or until the agency head or the President determines that the purposes for which the appropriation was made have been carried out or when no disbursements are made against the appropriation for 2 consecutive fiscal years.

NRC budget. The NRC budget is submitted to the Office of Management and Budget and the Congress, and provides the basis for assessing NRC's progress in achieving agency goals.

Glossary (continued)

The NRC budget provides a plan of expenditure allocated into the programs of the agency.

Object classifications. Obligations may be classified based upon the objective of the transaction. Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget," prescribes a standard system of object classifications that the agency must use for reporting obligations to both OMB and the Treasury. NRC financial codes that implement this standard system are referred to as budget object classifications (BOCs).

Obligating document. A document that is used to record an obligation in the NRC accounting system. This documentation normally requires the signature of an authorized obligating official. In certain cases, the commitment document is also the obligating document. Documentary requirements for obligations are provided in 31 U.S.C. 1501.

Obligating official. An official delegated authority to incur obligations on behalf of NRC. The authority to enter the agency into an obligation is different from the authority to certify the availability of funds under an allowance or the management authority to approve the purpose of the proposed obligation.

Obligation. An action that creates a liability or definite promise on the part of the Government to make a payment at some later time. The initial recognition of an obligation occurs when the order is placed or the contract is executed, even though the actual payment may not take place until the following fiscal year. Obligations must be supported by appropriate documentation, such as written binding agreements, purchase orders, travel authorizations, grant awards, and so forth, and retained in the agency records to facilitate audit and reconciliation.

Glossary (continued)

Official NRC accounting system. The NRC's official accounting system is maintained by the Division of Financial Management. This system provides the official source of data on obligations and payments incurred for both internal management reporting and reporting to external organizations, such as the Office of Management and Budget, the Treasury, and Congress.

One-year appropriation. An appropriation that is available for obligation only during a specific fiscal year and expires at the end of the fiscal year for which it was provided. It is also known as a fiscal year or annual appropriation.

Outlay. See "Expenditures."

Payments. See "Expenditures."

Program code. A code that represents the last six positions of the budget and reporting classification number. Program codes provide a framework for controlling funds in a manner consistent with the structure specified in the NRC budget.

Program value. The annual amount budgeted on the allowance holder's financial plan for commitments and obligations against a job code. The sum of an allowance holder's program value amounts equals the total "Current Plan" amount on the allowance holder's financial plan.

Reapportionment. A revision approved by the Office of Management and Budget of a previous apportionment for an appropriation or fund account. This approved revision would ordinarily cover the same period, project, or activity covered in the original apportionment.

Receivables. Amounts recorded in asset accounts of the NRC accounting system that represent claims against others for the future receipt of money, goods, or services.

Glossary (continued)

Recoveries of prior-year obligations. Amounts made available in NRC's no-year appropriations through (a) downward adjustments of prior-year obligations and (b) downward adjustments for the difference between obligations previously recorded and outlays made in payment thereof.

Reimbursable agreement. Documentation of an agreement to perform reimbursable work.

Reimbursable authority. Reimbursable allowances and financial plans represent authority to incur commitments and obligations for the specific purpose of a reimbursable agreement.

Reimbursable budgetary resources. A reimbursable agreement between NRC and another Federal agency that represents a valid obligation of the other agency is a budgetary resource, to the extent that NRC will incur obligations within the period of availability of the other Federal agency's funds. A reimbursable agreement between NRC and a non-Federal organization for which advance payment has been made is also a budgetary resource.

Reimbursable work. Performance of work or services for an outside organization for which NRC is entitled to reimbursement. The outside organization ordering reimbursable work from NRC may be either another Federal agency or a non-Federal organization. Reimbursable work is distinguished from the agency's regular programs because it represents additional funding in excess of the agency's appropriated funds. Reimbursable work or services performed by NRC are financed by the funds of the ordering Federal agency or by a cash advance from a non-Federal organization. In general, reimbursable work that NRC provides for an outside organization is part of the outside organization's mission, not the NRC's mission.

Glossary (continued)

Reprogramming. The utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation. It involves formal notification and, in some instances, opportunity for disapproval by the appropriate congressional committees. Financial plan changes may be subject to congressional reprogramming constraints.

Rescission. The cancellation of budget authority previously provided by Congress before that authority would otherwise expire. The President is required to advise Congress of any proposed rescissions in a special message.

Supplemental appropriation. An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide budget authority in addition to the current appropriation.

Uncosted obligations. The difference between recorded obligations and costs, from inception to date. The term is usually used in reference to a specific procurement action. Uncosted obligations may or may not be equal to unpaid obligations. Uncosted obligations represent orders and services that have not yet been delivered or performed.

Unobligated carryover. Funds derived from no-year budget authority that are not obligated before the end of the fiscal year may be brought forward or "carried over" for use into the next fiscal year. Unobligated carryover consists of two categories: uncommitted unobligated carryover and committed unobligated carryover (committed carryover).

Unpaid obligations. Obligations incurred against which payments have not been made. Payments include advances. When costs are recorded at the time of payment, unpaid obligations will be equal to uncosted obligations. In those cases in which payments are made subsequent to the recording of costs, unpaid obligations will be greater than uncosted obligations.

Glossary (continued)

Unpaid obligations are sometimes called "unliquidated obligations."

Warrants. Documents issued pursuant to law by the Treasury Department that establish the amount of money authorized to be withdrawn from the Treasury.