

## CHAPTER 4 ACCOUNTING SYSTEMS AND ORGANIZATION

1. **INTRODUCTION AND PURPOSE.** This chapter describes the Departmental finance and accounting organizational structure and the primary accounting system.
  - a. **Applicability.** This chapter applies to all Departmental elements to include contractors as listed under item 2 of this chapter. The Power Marketing Administrations (PMAs) are subject to all financial policies and procedures of the Department of Energy (DOE) unless these policies and procedures are superseded by the Federal Columbia River Transmission System Act, the Government Corporation Control Act, or other statutory authority. When in conflict with the provisions of this chapter, PMAs shall observe the policies and meet the reporting requirements of the Federal Energy Regulatory Commission (FERC) and other industry standards.
  - b. **Policies.** Departmental policies regarding accounting systems and organization are as follows:
    - (1) To accurately record on a timely basis financial information consistent with the Statement of Federal Financial Accounting Standards (SFFAS) and, in the absence of SFFAS, the Government Accountability Office (GAO) Policy and Procedures Manual and generally accepted accounting principles;
    - (2) To maintain a reliable, complete, and verifiable accounting system on an accrual accounting basis;
    - (3) To maintain a single integrated financial management system, which contains adequate internal controls that serves program management, budgetary, and accounting needs;
    - (4) To support reporting to the Office of Management and Budget (OMB), the Department of the Treasury (Treasury), Office of Personnel Management (OPM), General Services Administration (GSA), and other Agencies as required;
    - (5) To support internal reporting to DOE management;
    - (6) To ensure that obligations and payments do not exceed funds appropriated by Congress;
    - (7) To ensure that integrated contractors' customary accounting practices conform with generally accepted accounting principles; contain sufficient details to account for all DOE funds, assets, liabilities, revenues/reimbursements and costs; produce accurate results; and provide the necessary DOE financial reports in conjunction with provisions of the DOE Financial Management Handbook; and

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- (8) To ensure that contractors comply with the standards of the Cost Accounting Standards Board when such standards are required to be followed under the terms of the contract.

2. **ACCOUNTING STRUCTURE.** Under the Department's accounting structure, the Office of the Chief Financial Officer (CFO) directs, manages, and provides policy guidance and oversight of DOE financial management personnel, activities, and operations. The Energy Finance Accounting Service Center (EFASC) provides various centralized accounting functions for the Department as provided in 2.b below. The Oak Ridge Financial Service Center (ORFSC) provides centralized disbursement functions for vendor and certain miscellaneous payments; and the National Nuclear Security Administration (NNSA) Office of Field Financial Management (OFFM) provides centralized nuclear material accounting. Individual field elements provide their own funds control at the allottee level and have the option to provide their own cost accumulation functions or to obtain these services from EFASC. Integrated contractors provide certain financial deliverables directly to DOE HQ such as their Standard Accounting and Reporting System File. However, other accounting/financial information or reports, such as their Treasury Report on Receivables and Debt Collection Activities are sent to the Field CFO before submission to DOE HQ. Integrated contractors maintain separate sets of accounts for recording and reporting transactions under their contracts in accordance with DOE accounting practices and procedures. The accounts are integrated with those of DOE. The PMAs report summary-level accounting information to the Office of Financial Control and Reporting (OFC&R) through their Standard General Ledger (SGL) crosswalk component.
- a. **Departmental Accounting.** The CFO is responsible for formulating, executing, analyzing, and preparing the Department's budget; developing Department-wide accounting and financial policies and procedures; and performing Department-wide accounting and reporting.
- b. **Service Centers.** EFASC, ORFSC, and the NNSA Office of Field Financial Management (OFFM) have been designated to provide certain accounting functions for their own elements as well as for other field elements. These functions are as follows:

EFASC	ORFSC	NNSA Office of Field Financial Management (OFFM)
Processing and accounting permanent change of station	Vendor and Miscellaneous Payments	Nuclear Material Accounting
Processing and accounting accounts receivable activities	Reimbursing travelers for temporary duty and local travel	
Payroll liaison and accounting	Treasury Automated Standard Application for Payment (ASAP) System processing	

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<b>EFASC</b>	<b>ORFSC</b>	<b>NNSA Office of Field Financial Management (OFFM)</b>
Intergovernmental and foreign disbursements	Prompt Payment Reporting	
Financial reporting to Treasury		
Perform or Oversee month-end & year-end processes and closings		
Cost functions		

- c. Field Element Financial Services.** Although the Service Centers provide accounting and disbursement support, each field element independently monitors and controls the activities that affect their accounts. In addition, each field element performs all functions and responsibilities not provided by the Service Centers. Field elements:
- (1) Establish and allocate reimbursable orders<sup>1</sup>;
  - (2) Create and monitor commitments and obligations and ensure proper allocation of obligational activity;
  - (3) Ensure that integrated contractors maintain detailed records of transactions to fully support Standard Accounting and Reporting System (STARS) summary balances;
  - (4) Support financial reports sent directly to external agencies with detailed transactions and summary balances in STARS;
  - (5) Ensure that the accounting practices and procedures of integrated contractors are acceptable to DOE. When the terms of the contract require compliance with the standards of the Cost Accounting Standards Board, follow the provisions of 48 CFR 30, chapter 1, for management and operating contracts; and
  - (6) Ensure that integrated contractors submit monthly and yearly STARS financial data which conform to established time-frames, system edits and tie points, as well other requirements specified by DOE Headquarters (HQ);
- d. Power Marketing Administrations.** The PMA financial offices are responsible for planning, budgeting, funds control, accounting, and reporting.
- (1) **Revenues.** Most revenues from PMA sales of power are deposited in Treasury as proprietary receipts, and annual appropriations are used to operate these

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<sup>1</sup> For many offices, Field elements accept reimbursable orders (documents) for their sites- Budget/Accounting Offices certify, establish, and allocate funds by reimbursable order in STARS.

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administrations. The revenues from portions of the Western Area Power Administration are deposited in revolving funds.

(2) **Accounting.** Summarized accounting information is reported to the OFCR for subsequent reporting to Central Agencies.

e. **Federal Energy Regulatory Commission.** FERC is an independent regulatory agency operating under DOE but not subject to Departmental policies and procedures. FERC accounting data is reported to the OFCR for subsequent reporting to Central Agencies.

f. **Integrated Contractors.**

(1) **Operational Relationship with DOE.** The integrated contractors develop financial and accounting data supporting their operation, maintenance, and general technical support of DOE-owned or DOE-controlled research, development, special production, or testing establishments. The operational relationship has the following characteristics:

- (a) The contractor has little financial risk;
- (b) The contractor ensures the proper use of public funds;
- (c) The contractor must maintain a separate set of accounts and records for recording and reporting all business transactions under the DOE Contract; and
- (d) The contractor maintains accounts integrated with DOE reciprocal accounts that conform to generally accepted accounting principles, produce accurate results, and provide the necessary DOE Financial reports.

g. **Non-Integrated Site Facility Management Contractors & Non-Facility Management Contractors**

(1) **Operational Relationship to DOE.** Non-Integrated Site Facility Management Contractors & Non-Facility Management Contractors shall follow the applicable accounting standards and procedures as provided in their contracts. Some of these accounting and processes may entail: (1) maintaining payment cleared funding/Automated Standard Application for Payments (ASAP) 1031 accounts, (2) maintaining subsidiary accounts; (3) producing accurate results; and (4) providing key financial reports to DOE.

### 3. SINGLE INTEGRATED FINANCIAL MANAGEMENT SYSTEM.

a. **Functions.** The single integrated financial management system is an automated system that serves the entire DOE, including the PMAs. The system produces external reports that consolidate data from all Departmental elements.

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- b. Integration – iManage Program.** The iManage Program is the Department’s solution for managing enterprise-wide systems and data. iManage is responsible for consolidating and streamlining Department-wide systems and business processes in order to integrate financial, budgetary, procurement, personnel, program and performance information. iManage is supported at the core by a central data warehouse that links common data elements from each of the Department’s business systems and supports both external and internal reporting.
- c. Components.** The components of the single integrated financial management system are the (STARS), Corporate Human Resource Information System (CHRIS), the Vendor Inquiry Payment Electronic Reporting System (VIPERS) along with the Vendor Invoice Approval System (VIAS), the Strategic Integrated Procurement Enterprise System (STRIPES), Funds Distribution System (FDS), eTravel (GovTrip), and the iManage Data Warehouse (IDW).
- (1) **STARS:** STARS provides DOE with a comprehensive and responsive financial management system that is the foundation for linking budget formulation, budget execution, financial accounting, financial reporting, cost accounting, and performance measurement. The system processes Departmental accounting information, including general ledger, purchasing, accounts payable, accounts receivable, and fixed assets. The system also includes budget execution functionality associated with recording appropriations, apportionments, allotments, allocations, and provides funds control for commitments, obligations, costs, and payments. STARS is used by all DOE HQ and Field Organizations except for the PMAs and FERC. STARS generates DOE’s annual Consolidated Financial Statements, which include the PMA and FERC data. STARS uses Oracle Federal Financials and is dependent on a combination of manual data entry and a series of system interfaces to collect and report accounting information. (See Attachment 4-2 for a listing and description of system interfaces).
- (2) **CHRIS:** Human capital management component of iManage. Single, integrated Human Resource (HR) system created through a phased approach to provide the highest quality HR information and services to the Department’s executives, managers, and employees. The primary objectives for CHRIS are to enhance operational efficiencies; reduce paperwork; eliminate redundant information systems; eliminate non-value added work; and provide information necessary to make informed human resource management decisions. The Department’s Employee Self Service capability, which is a major part of CHRIS, provides many online services to employees and managers.
- (3) **VIPERS/VIAS –** VIPERS provide DOE vendors a mechanism to submit invoices for payment to the ORFSC. VIAS will notify approving officials of proper invoices that are ready for review and approval. Approving officials then access VIAS to

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- disapprove or approve an invoice for payment. The VIAS System also provides the approving official with historical reports to assist with the payment approval process.
- (4) **STRIPES:** STRIPES encompasses activities required or directly associated with planning, awarding, and administering various unclassified acquisition and financial assistance instruments. In general terms, the required activities are comprised of the following functions: acquisition/financial assistance planning; pre-solicitation documentation generation; solicitation development; evaluation and award; administration, including the housing of award documentation to support the payment approval process and instrument closeout. STRIPES uses Oracle Application Server's Enterprise Service Bus (ESB) component to facilitate integration with STARS, and future planned integrations with the Power Marketing Administration (PMA) financial management systems.
- (5) **FDS:** FDS is an unclassified, centralized, online, interactive database and report retrieval financial system that provides for the receipt, control, and distribution of all obligational authority available to DOE. FDS fulfills the mission to provide for the distribution of all obligational authority made available to DOE for the fiscal year. At each stage in this process, specific controls, ceilings, and limitations are imposed on the use of the funds. FDS is used to establish and maintain these controls at the Departmental level to ensure that legal, Congressional, OMB and internal ceilings and limitations are not exceeded. FDS is the means by which officials within DOE (allottees) are delegated the authority to incur obligations within a specific amount pursuant to OMB apportionment or reappportionment action or other statutory authority making funds available for obligation. The Advice of Allotment transmits the obligational authority available and displays any legal limitations imposed on the use of the funds.
- (6) **eTravel (GovTrip):** eTravel (GovTrip) is GSA-managed government initiative providing a collaborative, interagency program for agency travel services. Its purpose is to realize cost-savings and increased service associated with a common, automated, and integrated approach to managing the travel function of the federal government's civilian agencies. eTravel services are commercially hosted to minimize technology costs to the government and guarantee refreshed functionality. GovTrip is owned and operated by Northrop Grumman Mission Systems (NGMS) and hosted at their facility. GovTrip provides federal travelers the ability to manage their travel from end-to-end through a common, web based, government-wide service that integrates: 1) travel planning and cost estimating, 2) travel authorization, 3) reservations, 4) filing, processing, and approving official travel, 5) travel voucher/reimbursement, and 6) reporting.
- (7) **IDW:** IDW is a central data warehouse linking common data element from multiple DOE corporate business systems including human resources, payroll, travel, procurement and financial management (accounting and budget) systems. Data is integrated, aggregated and summarized to provide mission critical reporting and

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query capability. IDW utilizes the Business Intelligence (BI) reporting tool to create interactive dashboards, reports, charts and ad-hoc analysis.

Other corporate systems that are integral to these systems are:

- (8) **DOEInfo** - DOEInfo is the departmental system that integrates payroll information from the Defense Finance and Accounting Services (DFAS) and the CHRIS employee information into a single repository. Another key component of DOEInfo is the Payroll Labor Distribution System (PLDS). PLDS takes input from the Defense Civilian Pay System (DCPS) gross pay reconciliation file, and adjustments entered by EFASC payroll accountants. This information is interfaced into STARS to record total obligations, costs and payments related to DOE employees' salaries and benefits.
- (9) **iBudget**: iBudget will be the Department's integrated budget formulation and budget execution system. iBudget will standardize budget formulation; streamline budget execution processes; integrated budget and performance data; consolidate corporate budget data; provide analytic capability for "slice/dice" and "what-if" projections; and integration with other business management and Field systems.

Currently, other budgetary systems being used include the Department's Budget Execution and Reporting System (BEARS) and the Funds Control Distribution System (FCDS):

(a) **BEARS**. The BEARS application is an iManage budget tool utilized to plan, streamline and maintain strict funds control, develop and issue financial plans to contractors, upload allocation/obligation data to STARS, download obligation and cost data from STARS, produce analytical budget reports, and assist Management in the analysis of budget and accounting data. Currently, Oak Ridge Office, Office of Scientific and Technical Information (OSTI), Strategic Petroleum Reserve Office (SPRO), Savannah River Site, Environmental Management Consolidated Business Center (Ohio), Idaho Office, Richland Office/Office of River Protection, and Golden Field Office utilize the BEARS application.

(b) **FCDS**. FCDS is an unclassified, real-time system that primarily performs the Allottee's Administrative Control of Funds function. In summary, FCDS provides an Allottee with early funds control detection prior to any formal recording in any I-Manage (STARS or STRIPES) system and a funds distribution functionality that is not duplicated in any I-Manage system; generally, FCDS: a) detects errors and records the HQ AFP, b) allocates Allotments accordingly, c) establishes subordinate budget authority and allotment controls, d) performs "what- if" scenarios before formal recording of results in an I-Manage system, e) plans and certifies funds availability, f) edits data entry upon input, g) records entries that cannot be recorded in any I-Manage system, h) distributes allotments via funding authorizations such as Local AFPs, i) supports Integrated Contractor funding modifications, j) generates

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and transmits accounting entries through an interface into STARS, k) supplements STARS and IDW reports, and l) controls user access.

FCDS is electronically linked to STARS from two perspectives: 1) through an interface to feed allocation and obligation accounting entries and 2) valid value tables.

FCDS is administered and operated by the field Allottee organization, typically the Budget organization. NNSA and DOE's Chicago office utilize FCDS.



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ATTACHMENT 4-1  
I-Manage Architecture

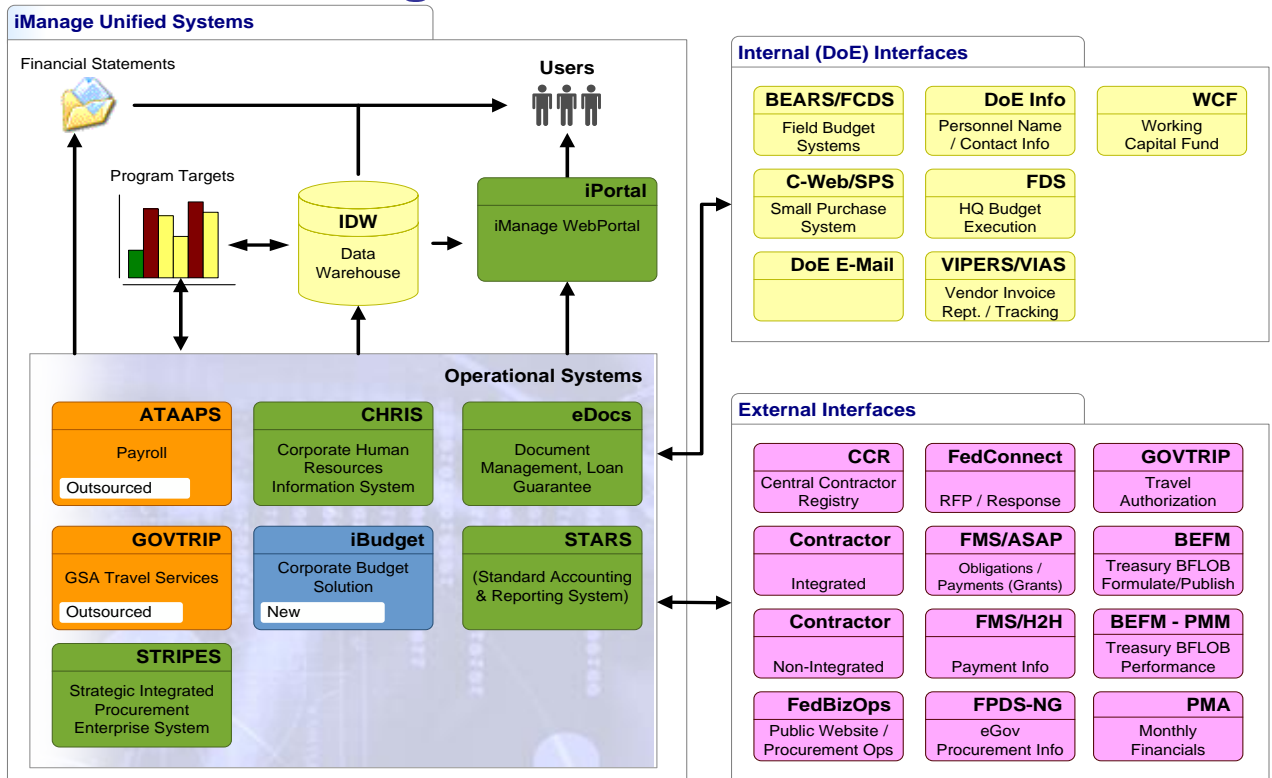


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**iManage**

Connecting Our People  
Simplifying Our Work  
Liberating Our Data

**iManage Architecture Overview**



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ATTACHMENT 4-2  
STARS Interfaces



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**iManage STARS Interface Chart**

