

Reclamation Manual

Directives and Standards

Subject: Instructions on Budgeting for Operation and Maintenance – Estimates, Schedules, and Supporting Documents

Purpose: To establish the requirement for the budgeting and scheduling of all work under the Operation and Maintenance Appropriation and the preparation of supporting documents.

Authority: Listed in Chapter 1 (BGT 01-01)

Contact: Program, Budget, and Liaison Group, W-6300

1. **Scope.** Estimates of the annual cost of operation and maintenance (O&M) are required for each project, program, or activity operated by Reclamation. These estimates cover the current year, budget year, and budget year plus four, thus providing the basis for the annual budget and target levels for the out years. The estimates shall include all costs for O&M necessary to continue the project in an efficient operating condition. They shall also include estimates of replacements and additions necessary to the operating plant. Estimates for all work shall be included whether financed from O&M appropriations, revenues, or other Federal and non-Federal funding. In connection with projects under construction for which O&M funds are required, the construction budget shall be used for all completion work of facilities and items that may properly be made a part of the total repayment obligation even though used or performed by O&M financed personnel.
 - A. **Responsibility and Approval.** The Regional Directors and/or Office Heads are responsible for the adequacy of all O&M estimates in their areas of responsibility.
 - B. **Preparation.** The O&M estimates shall be prepared under the direction of the supervisors most closely related to the working level of the operating divisions or units of each project.
 - C. **Estimating Criteria and Guidelines.** The prior and current year costs shall be considered as a reference for future year estimating. Estimates are to be prepared in accordance with other budget guidance in the Reclamation Manual.
 - D. **Program and Budget Handbook.** Specific information on the development of the information for the Operation and Maintenance Program is contained in Reclamation's Program and Budget Handbook. All Offices will follow the procedures listed there in the preparation of their program documents.

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2. **Program Coordination.** The Program, Budget, and Liaison Group, in the Commissioner's Office, is responsible for carrying out the policy for Reclamation's Operation and Maintenance Program in the Budget Process, and for administration and oversight of the program.