

PS2100.03 BUDGET EXECUTION MANUAL



# Change Notice

**DIRECTIVE AFFECTED:** 2100.03  
**CHANGE NOTICE NUMBER:** 02  
**DATE:** 3/8/2001

1. **PURPOSE AND SCOPE.** To revise the Budget Execution Manual to eliminate certain provisions pertaining to the Trust Fund Appropriation, and clarify procedures and requirements related to deficit variances, distribution process of operating plans, Central Office budgeting, and submission of obligational requirements based on assessments of internal controls and Inspector General (IG) Financial Statement Audit recommendations.

2. **SUMMARY OF CHANGES**

- C Budget development and execution requirements (Chapter 12) pertaining to the Trust Fund Appropriation have been removed and will now be addressed by the Trust Fund Branch.
- C Overall controls and responsibilities for monitoring operational (non-salary) obligations and funding at the Central Office are now encumbered at the division level.
- C Cost Center Managers must receive approval from the Controller/Comptroller prior to creating a deficit variance.
- C Deficit authority requests are to be requested by budget activity with required quarterly realignment of deficit variances by sub-budget activity (decision unit) within the Budget Activity to resolve the deficit variances.
- C The Budget Requirements form (BP-184) is no longer required but may continue to be used to identify and transmit annual and quarterly cost center budget requirements. If the BP-184 is not used, regional office and institution Budget and Planning Committees must develop formats and procedures to identify and transmit cost center manager budget requirements.

- C Cost Center Managers are required to submit monthly Fund Control reconciliations to the Controller/Comptroller thru their Associate Warden within 10 working days following the month-end closeout.
- C The BP-183, Budget Distribution Requirements, is required only upon notification of the approved annual allotment.
- C Funding and positions allocated for Drug Abuse Programs cannot be reprogrammed regardless of which appropriation provides resources for these programs (Salaries & Expenses Appropriation or the Violent Crime Reduction Program Appropriation).
- C Institutions and regional offices are no longer required to fund obligations associated with unforeseen events
  - The Annual Workforce Purchase and Utilization Plan may be formulated as a fiscal year summary and/or by quarter.

### 3. TABLE OF CHANGES

| Remove                           | Insert                        |
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| Table of Contents, Pages i-iii   | Table of Contents, Pages i-ii |
| Chapter 1, Pages 3 - 5           | Chapter 1, Pages 3 - 6        |
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| Chapter 12, Exhibits 2 (p.3) & 6 | Chapter 12, Exhibit 3         |
| Chapter 15, Pages 1 - 3          | Chapter 15, Pages 1 - 3       |

### 4. STANDARDS REFERENCED

- a. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4014, 3-4015, 3-4028, 3-4029, 3-4030, and 3-4039
- b. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1A-14, 3-ALDF-1A-15, 3-ALDF-1B-03, and 3-ALDF-1B-13

c. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2CO-1B-03 and 2CO-1B-04

d. American Correctional Association 1st Edition Standards for Adult Correctional Boot Camp Programs: 1-ABC-1A-12, 1-ABC-1B-04, 1-ABC-1B-05, 1-ABC-1B-06, and 1-ABC-1B-13

6. **ACTION.** File this Change Notice in front of PS 2100.03, the Budget Execution Manual.

/s/  
Kathleen Hawk Sawyer  
Director



# Change Notice

**DIRECTIVE AFFECTED:** 2100.03  
**CHANGE NOTICE NUMBER:** CN-01  
**DATE:** 11/9/99

1. **PURPOSE AND SCOPE.** To update the Budget Execution Manual to reflect current regulations, mandates, and requirements of law, and to provide clarification, guidance, and additional requirements relating to:

- Ž proper use of appropriations,
- Ž the Buildings and Facilities (B&F) Appropriation,
- Ž the Violent Crime Reduction Program (VCRP),
- Ž year-end allotments,
- Ž fund control,
- Ž regionally authorized full-time permanent positions,
- Ž reimbursements, and
- Ž non-recurring expenses.

2. **SUMMARY OF CHANGES**

- Ž References to the NIC Appropriation were removed as the NIC Appropriation is now part of the Salaries and Expenses (S&E) Appropriation.
- Ž References to the Violent Crime Reduction Program (VCRP) Appropriation were added as outlined in Public Law 103-322.
- Ž References to the proper use of appropriations were added.
- Ž Reprogramming guidelines were revised to reflect recent revisions to the Department of Justice (DOJ) Budget and Program Execution Call.
- Ž Concepts of obligations incurred were updated to reflect the recent revisions to Office of Management and Budget (OMB) Circular A-34.
- Ž Trust Fund resale items may be excluded from the fund control process.
- Ž Guidelines pertaining to the use of the B&F Appropriation were added.

- Ž A specific tolerance for acceptable differences between Cost Center Manager and Financial Management records in the fund control process was established.
- Ž Guidance regarding year-end allotments and B&F "unobligated balance" carryover was provided.
- Ž Reference to regionally authorized full-time permanent (P01B) positions was added.
- Ž The estimated reimbursements exhibit was updated to account for reimbursements associated with the recycling program.
- Ž Updated membership for the Central Office Budget and Planning Committee.
- Ž Procedures for verifying the validity of budget year reimbursement estimates were outlined to reflect current verification practices.
- Ž Form BP-184 was updated to change refund to receivable and Form BP-183 was changed to reflect its correct title.
- Ž Procedures associated with the approval, documentation, and obligation of non-recurring expenses (e.g., disturbances, natural disasters) were clarified to preclude the practice of using journal vouchers to charge these expenses to the appropriate cost centers.

### 3. TABLE OF CHANGES

| <b>Remove</b>                 | <b>Insert</b>                 |
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| Chapter 12, Pages 5 and 6     | Chapter 12, Pages 5 and 6     |
| Chapter 12, Exhibit 1, Page 1 | Chapter 12, Exhibit 1, Page 1 |
| Chapter 12, Exhibit 2, Page 1 | Chapter 12, Exhibit 2, Page 1 |
| Chapter 12, Exhibit 5         | Chapter 12, Exhibit 5         |
| Chapter 13, Pages 1 and 2     | Chapter 13, Pages 1 and 2     |
| Chapter 15, Pages 1 - 4       | Chapter 15, Pages 1 - 3       |

4. **ACTION.** File this Change Notice in front of Program Statement 2100.03, the Budget Execution Manual.

/s/  
Kathleen Hawk Sawyer  
Director



# Program Statement

OPI: ADM  
NUMBER: 2100.03  
DATE: August 4, 1995  
SUBJECT: Budget Execution Manual

1. PURPOSE AND SCOPE. To provide guidance involving the interpretation and application of budget execution concepts and requirements.
  
2. PROGRAM OBJECTIVES. The expected result of this program is to ensure that the Bureau of Prisons does not exceed obligation, workyear, and position levels prescribed by Congress in Public Law on an annual basis.
  
3. DIRECTIVES AFFECTED
  - a. Directive Rescinded

P.S. 2100.01 Budget Manual (03/01/66)
  
  - b. Directives Referenced

P.S. 1221.60 Directives Management Manual (11/21/94)  
P.S. 2000.02 Accounting Manual (10/15/86)  
P.S. 3000.02 Human Resource Management Manual (11/01/93)  
P.S. 4100.02 BOP Acquisitions (05/03/89)  
P.S. 4200.08 Facilities Operations Manual (09/01/93)  
P.S. 4400.02 Property Management Manual (07/16/90)  
P.S. 4500.03 Trust Fund Management (04/04/89)  
P.S. 4700.03 Food Service Manual (06/10/91)

DOJ Order 2030.4E Control of Funds Under Apportionment (05/05/93)  
OMB Circular A-11 Preparation and Submission of Budget Estimates (07/06/94)  
OMB Circular A-34 Instructions on Budget Execution (10/18/94)

4. STANDARDS REFERENCED

a. American Correctional Association Foundation/Core Standards for Adult Correctional Institutions: C2-4014, and C2-4015

b. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4025, 3-4028, 3-4030, and 3-4040

c. American Correctional Association Foundation/Core Standards for Adult Local Detention Facilities: C2-5021, and C2-5030

d. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1B-01, and 1B-14

e. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2CO-1B-01, 1B-04, and 1C-06

5. ACTION REQUIRED. This directive shall be utilized primarily by Financial Management staff at institutions, regional offices, and the Central Office in the administration of budgeting operations. The Budget Execution Branch and the National Financial Training Center will also use this material to train staff who are involved in the administration of budgeting operations.

\s\  
Kathleen M. Hawk  
Director

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## Chapter 1 - Overview

1. Purpose. The purpose of this chapter is to provide information to facilitate understanding of the budget requirements addressed in this Manual.
2. Background. The budget is much more than a legally binding financial plan. Since funds are always limited, budgeting is a process of choosing among alternative expenditures. This process entails political decision making as well as financial and economic analyses. The federal budget will be the result of the interaction between the Executive Branch (with its many departments and agencies) and Congress (with its system of committees and subcommittees).
3. Bureau Budget Process. Although budgeting is a continuous process, it is best understood in terms of four phases: Budget Development, Congressional Approval, Budget Execution, and Review.

The Bureau's budget development phase begins approximately 18 months before the beginning of the fiscal year. During this time, management identifies initiatives (major projects, new programs, estimated costs, workyears, etc.) that should be included in the Bureau's budget request. Once the initiatives have been consolidated, reviewed, and approved by the Director, the Budget Development Branch adds the projected cost of those initiatives to a "base" (the prior year budget plus annualization and other uncontrollable costs) resulting in the Bureau's proposed operating budget. This data, along with detailed descriptions and justifications for the array of consolidated decision units (prime decision units), is compiled into a document known as the Spring Planning Submission. After review and approval by the Director, the Spring Planning Submission is forwarded to the Department of Justice (DOJ) in May. Final Office of Management and Budget (OMB) figures (allowances) are set during November or December; an appeal process is available where DOJ can argue its case for any deleted or reduced items. After resolution of appeals, the BOP prepares the budget for the President's final review and the budget is submitted to Congress in January.

Once the President's budget has been submitted to Congress, Bureau staff continue to watch carefully as the budget makes its way through the committee process. The Director is called to provide testimony regarding the Bureau's budget submission.

During this time, usually in May, the field (institutions, regional offices, Management and Specialty Training Center (MSTC), and Central Office) begins the process of identifying their budget requirements. The Budget and Planning Committee and the Salary/Work Force Committee meet to review and approve cost center managers budget submissions for the upcoming fiscal year. Regional offices review, approve, and consolidate institution and regional office submissions and forward them to the Budget Execution Branch, Central Office. The Budget Execution Branch, using the Financial Management Information System (FMIS), begins to develop operating plans based on proposed spending levels ("marks") received from Congress during the appropriations process. Those operating plans, distributed to the decision unit level based on equity formulas and regional submissions, are continually revised to reflect the most current anticipated spending level. By October, either the appropriations bill or a continuing resolution has been passed and the fiscal year begins.

If an appropriations bill has been passed by Congress and signed by the President, the allotment procedure begins. Once the operating plans are revised to reflect approved spending levels, the Budget Execution Branch transmits operating plans via FMIS to the regional level which in turn transmits operating plans to the institutional level. As the fiscal year progresses, obligations are monitored at each organizational level to ensure they are within established plans.

The field, through the Budget and Planning Committee, the Salary/Work Force Committee, and other committees, approve and recommend adjustments to established plans due to operational requirements. The Budget Execution Branch may modify operating plans based on the recommendations from the field and may request reapportionment or reprogramming of the Bureau's budget authority to reflect anticipated obligation and reimbursable trends for the remainder of the fiscal year. As the fiscal year draws to a close, the Budget Execution Branch scrutinizes obligations to ensure that the Bureau does not exceed spending levels authorized and, therefore, does not violate the Antideficiency Act.

The Bureau has its own internal review system coordinated by the Program Review Division. This review system entails, in part, an operational review process and a program review process.

An operational review is conducted by individual program areas 10 to 14 months from date of the previous program review. The operational review allows individual program areas at all organizational levels to assess their operations by utilizing national review guidelines to determine if any deviations noted in the previous program reviews have been corrected and if the program areas are functioning according to policy.

A program review is conducted by reviewers from the Program Review Division and staff selected from the institutions, regional offices, Training Centers, and Central Office as subject matter experts. The reviewers, utilizing national review guidelines established during the management assessment process, identify deviations from, and exemplary compliance to, the guidelines.

All Bureau programs are subject to review from the Office of Inspector General (OIG), the General Accounting Office (GAO), and OMB at any time.

4. Delineations of Authority. Unless specified otherwise, the title of Chief Executive Officer (with the exception of the Director, Federal Bureau of Prisons) will be used to identify the executive responsible for overseeing operations at a particular organizational level as follows:

- ! Institutions - Warden, Camp Superintendent
- ! Regional Offices - Regional Director
- \* ! Training Center Region - Director, MSTC \*
- ! Central Office - Deputy Assistant Director, Administration

5. Equity Formulas. To facilitate the process of establishing funding bases for Salaries and Expenses decision units, Central Office program managers, with input from field staff, have created unique formulas. These formulas provide the Central Office with the ability to establish equitable funding bases at the decision unit level automatically. Creation or modification of equity formulas shall be coordinated between the appropriate Central Office program manager and the Chief, Budget Execution Branch.

The factors associated with each equity formula are complex and make an attempt to identify elements (e.g., climate, security level) which are common to all facilities and have a tangible effect on operations. Equity formulas cannot realistically identify every element that has an impact on every facility.

a. Chief Executive Officers at the regional level, absent any restrictions imposed, retain the authority to distribute funds to the institutional level in any manner deemed equitable. Disparities in the computation of equity formulas shall be brought to the attention of the Chief, Budget Execution Branch, prior to approval of the current year budget.

b. For those areas that do not utilize equity formulas, Central Office program managers and the Budget Execution Branch distribute funding according to their established guidelines.

Any disparities in funding levels shall be addressed with the appropriate Central Office program manager.

6. Trust Fund Budgeting. The requirements addressed in this Manual also apply to the Trust Fund Appropriation unless stated otherwise. Procedures that are required but not addressed in this Manual shall be issued by the Chief, Trust Fund Branch.

7. Local Budget Requirements. The requirements addressed in this Manual are **minimum** requirements that shall be met. As such, the field may require specific formats, procedures, and meetings as deemed necessary by the appropriate Chief Executive Officer. However, those requirements shall not conflict nor detract from the requirements addressed in this Manual.

a. Chief Executive Officers at the regional level, absent any restrictions imposed, may specify requirements that shall be complied with by their respective office operations and/or institutions. Requirements and applicable due dates shall be specified in writing. One copy of that document shall be forwarded to the Chief, Budget Execution Branch, and one copy shall be maintained locally for Program and Operational Reviews.

b. Chief Executive Officers at the institutional level, absent any restrictions imposed, may specify requirements that shall be complied with by their institutions. Chief Executive Officers shall ensure that Institution Supplements are developed in accordance with the Directives Management Manual and specify the requirements and applicable due dates.

8. Automation. Automation of tasks specified in this Manual is encouraged. Field staff are encouraged to suggest, develop, and utilize automated programs if those programs are practical and meet the requirements of policy.

a. If an automated budget program is approved for Bureau-wide implementation, then that program is the only program authorized to perform the task for which it was designed and **shall** be used by those facilities who choose automation as the method of performing that task.

\* 9. Central Office Budgeting. Unless specifically stated otherwise, the level of overall controls and responsibilities for monitoring operational (non-salary) obligations and funding is to be encumbered at the division level. However, requirements pertaining to reprogramming and deficit variances are to remain consistent with the provisions stipulated in Chapters 5 and 6.

The Salary/Workforce Utilization Committee is responsible for monitoring salary obligations and funding at the Budget Activity and sub-budget activity (decision unit) level.

a. Deputy Assistant Directors are to serve as Budget Committee members and are responsible for approving funding levels for their respective divisional cost centers based on the divisional distribution the Central Office Business Office provides. Final fund distributions in FMIS must be made in accordance with the funding levels approved by the Deputy Assistant Directors.

b. Central Office Cost Center Managers are responsible for executing their cost center plans as outlined in Chapter 4 (fund control), Chapter 5 (deficit variances), and Chapter 12 (budget development and execution requirements). \*

10. Buildings and Facilities Budgeting. The requirements addressed in this Manual also apply to the Buildings and Facilities appropriation unless stated otherwise. Special procedures that are required but not addressed in this Manual shall be issued by the Chief, Budget Execution Branch, and/or the Chief, Facilities Management, as appropriate.

\* 11. Drug Abuse Program Budgeting. Funding and positions allocated for the Drug Abuse Program, regardless of the appropriation, are strictly for meeting the mandates for which this program was created and may not be reprogrammed or supplemented from other sources unless otherwise provided for. Furthermore, the use of staff who occupy positions in this program for purposes other than that specified by Bureau policy is restricted. For additional information and guidance, refer to the Drug Abuse Program Manual. \*

12. Use of Appropriations. One of the primary responsibilities of all Chief Executive Officers and Financial Managers is to ensure that Federal funds are spent in a manner consistent with the purposes of each appropriation authorized by Congress for the Bureau's use. Use of funds for purposes other than those specified in an appropriation's authorizing language constitutes an improper use of that appropriation. The improper use of a current year, prior year, or expired appropriation is a violation of 31 U.S.C. 1301(a) and 31 U.S.C. 1502(a). For additional information and guidance, refer to the Program Statement on the Use of Appropriations.

13. Records Retention. The agency's budget preparation presentation and apportionment must be maintained in accordance with General Records Schedule 5 (Exhibit 1). The Archivist of the United States issues General Records Schedules (GRS) to provide disposal authorization for temporary records common to several or all Federal Government agencies. Use of the GRS has been legally mandatory since 1978.

The disposal authorizations must be used by a Federal agency to the greatest extent possible. For more information contact the National Archives and Records Administration, Publications Distribution (NECD), Room G-9, Washington DC 20408.

BUDGET RECORDS GENERAL RECORDS SCHEDULE RETENTION

| ITEM NO. | <u>DESCRIPTION OF RECORDS</u>   | <u>AUTHORIZED DISPOSITION</u>  |
|----------|---|--|
| 1.       | <u>Budget Correspondence Files.</u><br><br>Correspondence files in formally organized budget offices pertaining to routine administration, internal procedures, and other matters not covered elsewhere in this schedule. <b>Excluding</b> files relating to agency policy and procedure maintained in formally organized budget offices.                               | Destroy when 2 years old.  |
| 2.       | <u>Budget Background Records.</u><br><br>Cost statements, rough data and similar materials accumulated in preparing annual budget estimates, including duplicates of budget estimates and justifications and related appropriation language sheets, narrative statements, and related schedules; and originating offices copies of reports submitted to budget offices. | Destroy 1 year after the close of the fiscal year covered by the budget.       |
| 3.       | <u>Budget Reports Files.</u><br><br>Periodic reports on the status of appropriation accounts and apportionment.<br><br>a. Annual report<br>(end of fiscal year).<br>b. All other reports.   | Destroy when 5 years old.<br>Destroy 3 years after the End of the fiscal year. |
| 4.       | <u>Budget Apportionment Files.</u><br><br>Apportionment and reapportionment schedules, proposing quarterly obligations under each authorized appropriation.   | Destroy 2 years after the close of the fiscal year.                            |

[**Note:** The following budget files are not covered by the GRS:

- ! Budget office correspondence or subject files documenting budget policy and procedures and reflecting policy decisions affecting expenditures for agency programs.
  
- ! Budget estimates and justifications of formally organized budget offices at the bureau (or equivalent) or higher organizational level. Depending on agency record keeping practices and patterns of documentation, these records may have archival value and must be scheduled by submitting an SF 115 to NARA.]

Chapter 2 - Requirements and Penalties of Law

1. Purpose. The purpose of this chapter is to present certain legal requirements that shall be satisfied with regard to incurring, recording, and reporting obligations.

2. Incurring Obligations

a. Requirements of Law. The Revised Statutes (31 U.S.C.) prescribe that every officer or employee of the United States is strictly prohibited from performing certain acts as follows:

(1) Creating or authorizing an obligation under, or from making or authorizing an expenditure from, any appropriation or fund in excess of the amount legally available under that appropriation (Section 1341).

(2) Involving the Government in any contract or other obligation for the payment of money for any purpose in advance of an appropriation unless such individual contract or obligation is specifically authorized by law (Section 1341).

(3) Accepting voluntary service for the United States and from employing personal service in excess of that authorized by law except in cases of emergency involving the safety of human life or the protection of property (Section 1342).

(4) Creating or authorizing any obligation or making any disbursement in excess of an apportionment or reapportionment or in excess of the amount permitted by regulations (Section 1517).

b. Penalties for Violation of Law. Any officer or employee of the United States who violates the law is subject to the penalties prescribed under 31 U.S.C., Section 1519 as follows:

(1) Appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.

(2) Upon conviction, impose a fine not to exceed \$5,000 and/or imprisonment not to exceed two years.

(3) Violations of Section 1517 shall be reported through the Director of the Office of Management and Budget (OMB), the President of the United States, and Congress.

(a) Report to the Director. The Chief Executive Officer (the "allottee") having management responsibility for the Central Office, MSTC, or a region (regional office and the institutions within that region) shall report immediately, in writing, to the Director of the Bureau of Prisons all real violations exceeding one-half dollar and all pertinent facts of the violation.

(b) Report to the Regional Director. The Chief Executive Officer (the "allottee") having management responsibility for an institution operated by the Bureau of Prisons shall report immediately, in writing, to the Regional Director all real violations exceeding one-half dollar and all pertinent facts of the violation.

### 3. Recording and Reporting Obligations

a. Requirements of Law. Requirements governing the recording and reporting of financial transactions as obligations are prescribed in Section 1311 of the Supplemental Appropriations Act of 1955, 31 U.S.C. 1501(a), as follows:

(1) No amount shall be recorded as an obligation of the Government of the United States unless it is supported by documentary evidence of:

(a) a binding agreement in writing between the parties for a purpose authorized by law executed before the expiration of the period of availability for obligation of the fund or appropriation concerned for specific goods to be delivered, real property to be purchased or leased, or work to be performed; or

(b) a valid loan agreement, showing the amount of the loan to be made and the terms of repayment thereof; or

(c) an order required by law to be placed with a Government agency; or

(d) an order issued pursuant to a law authorizing purchases without advertising when necessitated by public exigency, for perishable subsistence supplies, or within specific monetary limitations; or

(e) a grant or subsidy payable: from appropriations made for payment of, or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulae prescribed by law; or pursuant to agreement authorized, or plans approved in accordance with and authorized, by law; or

(f) a liability which may result from pending litigation brought under authority of law; or

(g) employment or services of persons or expenses of travel in accordance with law, and services performed by public utilities; or

(h) any other legal liability of the United States against an appropriation or fund legally available therefore.

(2) Title 31 of the United States Code also prescribes that:

(a) The head of each Federal agency shall report that any statement of obligations furnished to OMB or to Congress consists only of valid obligations as defined in section 3.a.(1) above (Sections 1108, 1501).

(b) Each report to OMB shall be certified and supported by records evidencing the amounts which are reported as having been obligated. Certifications and records shall be retained in the agency for purposes of audit and reconciliation. Officials designated by the agency head to make certifications may not redelegate that responsibility (Section 1108).

(c) Any appropriation or fund which is limited for obligation purposes to a definite period of time is not available for expenditure after the expiration of such period, except for the liquidation for amounts obligated in accordance with 31 U.S.C., 1108 (Section 1502).

Chapter 3 - Concept of Obligations Incurred

1. Purpose. The purpose of this chapter concerns the application of the concept of obligations incurred to various transactions as set forth in Office of Management and Budget (OMB) Circular No. A-34.

2. Background. The OMB in Circular A-34, has defined obligations incurred as amounts of transactions during a given period which require payments during the same or a future period. Such amounts include disbursements not preceded by the recording of obligations, except advances for travel, and reflect adjustments for differences between obligations previously recorded and actual disbursements.

3. Application of the Concept of Obligations Incurred

\* a. Personal Services and Benefits. As a general rule, personal services and benefits include amounts earned by employees and others during the reporting period. Charges based on salaries and wages (such as living and quarters allowances, equalization allowances under 5 U.S.C. 3373, the employer's share of contributions to the retirement fund, insurance premiums, and FICA taxes) are obligations at the time they are earned. Other allowances (such as uniform allowances, incentive awards) are obligations when they become payable to the employee.

(1) Severance pay is reported as an obligation of the pay period covered, on a pay period by pay period basis, as it is earned. \*

\* (2) Authorized reimbursable expenses estimated to be paid to employees for real estate, temporary subsistence, and other expenses incident to relocation at the request of the Federal Government are reported as an obligation when the individual travel orders are approved. These obligations shall be reviewed periodically and updated to reflect actual requirements. \*

\* (3) Annual leave is not to be reported as an obligation until it becomes due and payable as terminal leave or taken in lieu of a lump sum payment. However, transfers of people from revolving funds to non-revolving funds shall be accompanied by transfers of budgetary resources in the amount of any funded annual leave, but the resources must be credited to miscellaneous receipts.

b. Travel and Transportation. As a general rule, include amounts for travel and transportation that are needed during the reporting period and:

- (4) for which a valid contract for services has been made, or
- (5) for which travel and transportation expenses have been incurred.

A valid contract is a binding agreement for specific services. Transportation requisitions, Government Bills of Lading (GBL), and shipping orders **are not** binding agreements for specific goods or services.

Travel and transportation expenses incident to dislocation at the request of the Federal Government are to be reported as an obligation on the basis of individual travel orders. The same reasons specified in 3.a. above for the treatment of personal benefits incident to dislocation at the request of the Federal Government apply. \*

c. Communications, Utilities, and Rents. Include amounts for services received or amounts owed for the use of property during the reporting period. If bills are rendered for a period beginning in one month and ending in the following month, the services received subsequent to the latest billing date need not be included.

(1) An obligation for communication services and utilities shall be entered for the portion of the month not covered by a billing. The obligation shall be based on the best information available (meter reading when practical).

(a) Under 31 U.S.C. 1308, in making payments for utilities where the quantity is based on meter readings, the entire payment for a billing period which begins in one fiscal year and ends in another is chargeable to appropriations current at the end of the billing period.

(b) If the charge covers several fiscal years, 31 U.S.C. 1308 does not apply. A charge covering several fiscal years must be prorated so that the charge to any one fiscal year appropriation will not exceed the cost of the service for a one-year period ending in that fiscal year.

\* (2) Generally, for contracts involving recurring services (such as rent), the contracts are to cover only the period funded and obligations are recorded for the full amount of the contract for these services. \*

\* d. Printing and Reproduction, Other Contractual Services, Supplies and Materials, and Equipment. Include orders placed and contracts awarded. 31 U.S.C. § 1501 requires documentary evidence of binding agreements, orders, or other legal liabilities before an amount may be recorded as an obligation.

In reporting orders for supplies and services, the general rule for lawfully obligating a fiscal year appropriation is that the supplies or services ordered are intended to meet a bona fide need of the fiscal year in which the need arises or to replace stock used in that fiscal year.

The head of an executive agency may enter into a contract for severable services for a period that begins in one fiscal year and ends in the next fiscal year provided that the contract period does not exceed one year.

Administrative commitments in the form of requisitions within an agency, invitations for bids, or any other action short of a binding contract, order, or other similar agreement are not reported as obligations. Regarding specific types of contracts \* and orders, the following procedures shall be observed:

(1) Cost-Plus-Fixed-Fee and Other Types of Contracts Without a Fixed Price. Include obligations on the basis of the total estimated costs of contracts (including fixed fees). This figure shall be reported for the month during which the contract is let, and subsequent adjustments upward or downward in the estimated cost (or the fixed fee) shall be reflected in subsequent reports. If a maximum price is stated, the maximum amount shall be reported at the time the contract is let.

(2) Fixed Price Contract With Escalation, Price Redetermination, and Incentive Provisions. Report the fixed price stated in the contract, or the target or billing price in the case of a contract with an incentive clause.

\* (3) Continuing Contracts Subject to the Availability of Appropriations. Report as an obligation the Federal Government's total estimated liability, such as the amount which the contractor has been notified is available for payment under the particular contract, and any potential Federal Government cancellation and/or termination costs. The reported amount is to be modified based on any subsequent agreements. \*

(4) Letters of Intent. Where such letters constitute binding agreements under which the contractor is authorized to proceed, obligations are to cover the maximum liability indicated in the letters. If the letters merely indicate an intention on the part of the Federal Government to enter into a contractual relationship at a later date, the amounts involved are not to be treated as obligations. The maximum liability under a letter of intent shall be the amount necessary to cover expenses which the contractor is authorized to incur prior to the execution of a definitive contract.

\* (5) Contracts for Variable Quantities. When a contract cites several quantities as alternatives, report only the amount for the quantity specified for delivery, exclusive of permitted variations. Contracts that provide for delivery only when and if requested by the Federal Government, when the Government assumes no specific obligation, only orders for delivery shall be reported.

(6) Purchase Orders. Include orders under which the Federal Government assumes a specific obligation for material or services not reflected in the items described above. \*

(7) Orders Required by Law to be Placed with Another Federal Government Agency. When an agency is required by law or regulation to place certain orders with another Government agency, such orders are recorded as obligations of the ordering agency at the time the order is issued. This includes orders placed with the General Services Administration (GSA) by agencies with limited exemption from procurement under the Federal Property and Administrative Services Act of 1949 as amended.

(8) Orders Involving Deliveries of Stock From Other Appropriations or Funds. The inclusion of an amount as an obligation where an order is placed for deliveries of stock from other appropriations or funds (other than those covered by (7) above) depends largely upon the capacity in which the supplying activity functions with respect to the particular transaction.

(a) Where an order involves common-use standard stock items that the supplying activity has on hand or on order for prompt delivery at published prices, the obligation is incurred at the time the order is placed by the requisitioning activity.

(b) Where an order involves stock items (other than those covered by (8)(a) above), the obligation is incurred by the requisitioning activity at the time of issuance of a formal notification from the supplying activity that such items are on hand or on order and will be released for prompt delivery.

(c) Where an order involves execution of a specific contract, the obligation is incurred by the requisitioning activity at the time the contract is entered into by the supplying activity. Agencies may elect to record the obligations for such orders at the time the order is placed with the supplying activity. In those cases, adjustments shall be made at the end of the fiscal year so that the only obligations that remain recorded are those for which contracts have been entered into by the supplying activity.

\* (9) Other Intra-government Orders. Include orders placed and accepted under 41 U.S.C. § 23, pursuant to the Economy Act (31 U.S.C. § 1535) and similar legislation. It should be noted that amounts obligated pursuant to orders under the Economy Act are available for obligation by the receiving agency only for the same period as the account from which the amounts are withdrawn. \*

e. Land and Structures. Include contracts entered into for procuring land and interest in land, buildings and other structures, additions to buildings, nonstructural improvements, and fixed equipment.

(1) An estimated amount shall be included for the price of the land when the Attorney General is requested to start condemnation proceedings, adjusted to the amount of the payment to be held in escrow, where there is a declaration of taking.

\* (2) For lease-purchase contracts, obligations are recorded in the amount of the lease payments' present value discounted using the Treasury interest rate used to calculate the budget authority provided for the purchase. During the lease period, report obligations equal to the imputed interest costs (i.e., the financing costs Treasury would have incurred if it had issued the debt to acquire the asset). \*

f. Claims. No tort claim shall be considered as an obligation until it has been approved for payment. Approved torts are payable from current appropriations. Where it is believed claims are meritorious, administratively sufficient amounts should be reserved to cover the contingent liability.

g. Interest and Dividends. Include the amount of interest owed or dividends declared during the reporting period.

h. Investments in U.S. Securities. U.S. securities consist of public debt securities and securities issued by Federal Government agencies. When authorized by law, balances may be invested in these securities to earn interest income. Because cash does not leave the Treasury, for budget execution purposes, the portion of the balance used to purchase the U.S. securities continue to be shown as balances.

(1) When funds are invested in a U.S. security, the principal transaction is treated as an exchange of assets as follows: no obligation is recorded, the levels of unobligated and obligated balances of budgetary resources do not change, cash balances are reduced by the purchase price and holdings of U.S. securities are increased by the par (face or nominal) value of the security acquired, and amounts invested are reported, without distinction, as part of the balances reported on apportionment and reporting forms.

(2) When a U.S. security is sold or redeemed, the principal transaction is treated as follows: no obligation or outlay is recorded, the levels of unobligated and obligated balances of budgetary resources do not change, and holdings of U.S. securities are decreased by par (face or nominal) value of the security acquired and cash balances shall be increased by the par value of the security.

(3) Interest, earned discounts, and premiums are recorded as increases and decreases, as appropriate, in the receipts of special and trust funds, and are combined and recorded on a net basis as interest on investments.

(a) When a security is purchased for an amount less than the par value, the difference is recorded as a negative adjustment to par value.

(b) When a security is purchased for an amount greater than the par value, the difference is recorded as a negative adjustment to earnings.

(c) When a security is sold for an amount less than par value, the difference is recorded as a positive amount if it is a gain and a negative amount if it is a loss.

(d) When a security is sold for an amount greater than par value, the difference is recorded as a positive amount if it is a gain and a negative amount if it is a loss.

(e) Nominal or stated amount of interest received or anticipated during the year is recorded as a positive amount.

Chapter 4 - Controlling, Recording, and Reporting Obligations

1. Purpose. The purpose of this chapter is to present designations of responsibilities and duties for controlling, recording, and reporting obligations for month-end Financial Management Information System (FMIS) closeout. Control is maintained effectively through a systematic designation of responsibilities and assignment of duties for the execution of specific actions which incorporate elements and features of management control over funds.

2. Responsibilities

a. The Chief Executive Officer, who is the allottee of each institution or regional office (including the Central Office, the Management and Specialty Training Center (MSTC), and the Staff Training Academy (STA) as appropriate, is responsible for ensuring that obligations are accurately controlled, recorded, and reported as required in Chapters 2 and 3. This responsibility cannot be delegated.

(1) It is the responsibility of the Chief Executive Officer to ensure that all obligating documents such as contracts, purchase orders, travel authorizations, etc., are validated under the supervision of the Controller/Comptroller to indicate that funds are available in the applicable account prior to the creation of a legal obligation.

\* (2) The Chief Executive Officer must designate individuals as cost center managers annually. For the Central Office, the designation of cost center managers must be made in cooperation with the Deputy Assistant Director from each division. This designation is to be in writing and is effective for one fiscal year.

The Controller/Comptroller is responsible for maintaining a current listing of cost center managers for updates annually by the CEO.

\*

b. The Controller/Comptroller has the overall responsibility for ensuring that all obligation documents are certified (signed) and assigned fund control numbers by Cost Center Managers indicating funds are available in the applicable account prior to creation of obligations. In addition, the Controller/Comptroller is responsible for ensuring that obligation and operating status reports are made available to Cost Center Managers to assist them with rectifying variances in fund control records.

c. Cost Center Managers are individually responsible for assigning fund control numbers to all obligation documents and for certifying that funds are available in their respective cost centers prior to the creation of obligations. Specifically, Cost Center Managers are responsible for the following:

(1) Memorandum records, in order to avoid over-obligation of funds available, shall be maintained and updated to reflect status of fund availability on an "up-to-the minute" basis.

\* (2) The system used to maintain memorandum records is to consist of individual logs for each project in the Buildings and Facilities (B&F) Appropriation, and for each cost center for all other appropriations unless otherwise stated. The automated BOP Fund Control System should be used this purpose. \*

(3) All obligation documents shall be certified and assigned fund control numbers prior to procurement action. This allows for determination of funds availability before any procurement action is taken, including the assignment of purchase request numbers. Obligation documents for the purchase of Trust Fund resale items may be entered into fund control to generate YREGDOC numbers but do not require reconciliation to FMIS.

(4) Each source document pertaining to: any cost center shall contain an accurate accounting classification code; a Central Office, Regional Office, and National Training cost center shall be supported by documentation authorizing obligation against those cost centers, and; a National Programs cost center shall contain the proper project number and shall be certified to indicate that the obligation is valid and proper.

(5) All source documents (such as government bills of lading, government transportation requests, travel authorizations, purchase requests (including cash and Government Charge Card purchases), BP-281s, BP-134s, etc.) shall be certified and assigned fund control numbers prior to obligation.

(6) Journal Vouchers (JVs) affecting budgetary resources of individual cost centers shall be certified and assigned fund control numbers by the appropriate Cost Center Manager.

(7) Inmate Performance Pay shall be certified and assigned fund control number(s) by the appropriate Cost Center Manager prior to posting to Inmate Deposit Fund accounts.

\* (8) Adjusting entries must be required when the estimated amount on the source document is different from the confirmed or actual amount. Discounts are to be deducted when making

adjustments to the fund control logs. This includes Decentralized Vendor Payment Module (DVP) transactions and cash purchases. \*

(9) B&F obligations shall be charged to the appropriate project and decision unit for which an operating plan has been established and shall not exceed funds available unless approved, **in writing**, by the Regional Facilities Administrator or the Chief, Facilities Management. Obligations charged to a project at or by multiple locations shall be handled in accordance with the Program Statement on Buildings and Facilities Projects Closure. Employee relocation expenses chargeable to the B&F appropriation shall be obligated by the Consolidated Relocation Section.

\* (10) Differences between Cost Center Manager records and Financial Management records must be researched and reconciled by Cost Center Managers within 5% or \$500, whichever is less (\$25,000 or 5% whichever is less for B&F "Z" projects), to the month-end Financial Management Information System (FMIS) fund status report(s).

Cost Center Managers must submit their monthly reconciliations to the Controller/Comptroller, through their respective Associate Warden/Deputy Regional Director, within 10 working days following the month-end closeout.

For the Central Office, Cost Center Managers must submit a copy of their monthly reconciliations to their respective Deputy Assistant Director or designee. Deputy Assistant Directors, or their designees, must submit the monthly reconciliation certifications to Financial Management.

Financial Management is to prepare and provide a listing of outstanding reconciliations to the Institution/Regional Office Executive Staff by the 20<sup>th</sup> day of the month (for the previous month-end reconciliation). Financial Management must maintain these reconciliations for a period of one year.

3. Review of Obligations. At the close of each monthly accounting cycle, the Controller/Comptroller must ensure that obligations are reviewed for the following common deficiencies by executing the indicated FMIS Distributed Budget Module (DBM) report(s). Coding errors and deficits are to be identified and appropriate action initiated to rectify those deficiencies.

The DBM reports must be maintained monthly along with supporting documentation which indicates the errors identified, corrective action taken, and justification for any deficits.

a. Deficit variances for all appropriations (see Chapter 5, page 5) - \$RSTAT, \$REGBFQ\_ (B&F only), and \$DEFAULTH. FMIS Accounting Module Expenditure and Allotment Reports must be used to obtain the status of expired (prior-year Salaries & Expenses) appropriations.

b. Inappropriate appropriation, sub-budget activity, cost center relationship; Inappropriate object class -\$APPCD

c. Improper use of S&E national projects, i.e., S&E projects used without prior authorization, project obligations with inappropriate appropriation, sub-budget activity, cost center, and object class relationships (see Chapter 15, page 3)-\$PROJREV \*

Chapter 5 - Receiving and Accounting for Funds

1. Purpose. The purpose of this chapter is to delineate responsibilities for receiving and accounting for funds in the Bureau of Prisons.

2. Background. The Bureau of Prisons obtains initial spending authority through appropriations authorized by Congress. The appropriations under which the Bureau is financed are as follows:

- a. 15\*1060 - Salaries and Expenses (S & E)
- b. 15X1003 - Buildings and Facilities (B & F)
- \* c. 15X8600 - Violent Crime Reduction Program (VCRP) \*
- d. 15X8408 - Trust Fund (TF)
- e. 15X5094 - Asset Forfeiture Fund (AFF)
- \* f. 15\*/\*1060 - Salaries and Expenses (S & E) Prior-Year Carryover \*

\* = insert last digit of applicable fiscal year(s) (1998 = 8)

3. Budget Authority. Budget authority is provided by law to enter into obligations that will result in immediate or future outlays involving Federal Government funds. The basic forms of budget authority are appropriations, authority to borrow, and contract authority. Budget authority may be classified by the period of availability (1-year, multiple-year, no-year) and by the manner of determining the amount available (definite, indefinite).

a. Forms of Budget Authority. An appropriation is an authorization by an act of Congress that permits Federal agencies to incur obligations and to make payments out of the U.S. Treasury for specified purposes. An appropriation should follow enactment of authorizing legislation. Appropriations represent limitations of amounts that agencies may obligate during the period of time specified in the respective appropriations acts.

The authority to borrow, also referred to as borrowing authority or authority to spend debt receipts, is statutory authority that permits a Federal agency to incur obligations and to make payments for specified purposes out of borrowed monies.

Contract authority permits obligations to be incurred in advance of appropriations or in anticipation of receipts to be credited to a revolving fund or other account. By definition, contract authority is unfunded and shall subsequently be funded by an appropriation to liquidate obligations incurred under the contract authority, or by the collection and use of receipts.

b. Period of Availability. One-year (annual) authority is budget authority that is available for obligation only during a specified fiscal year and expires at the end of that time.

Multiple-year authority is budget authority that is available for a specified period of time in excess of one fiscal year. This authority generally takes the form of 2-year, 3-year, etc., availability, but may cover periods that do not coincide with the start or end of a fiscal year.

No-year authority is budget authority that remains available for obligation for an indefinite period of time, usually until the objectives for which the authority was made available are attained.

c. Determination of Amount. Definite authority is budget authority that is stated as a specific sum at the time the authority is granted. This includes authority stated as "not to exceed" a specified amount.

Indefinite authority is budget authority for which a specific sum is not stated and is determined by other factors such as receipts from a certain source or obligations incurred.

4. Continuing Resolutions. A continuing resolution is legislation enacted by Congress to provide budget authority for Federal agencies to continue operations until the regular appropriations are enacted. The continuing resolution allows agencies to incur obligations at a specified level, usually the lower of the prior year level, the House "mark", or the Senate "mark".

a. In the event that a continuing resolution has been enacted by Congress, the Assistant Director for Administration shall notify the field that the Bureau will be operating under a continuing resolution and shall also specify the period of the continuing resolution and any guidelines which shall be followed.

(1) If required, the Budget Execution Branch shall establish and distribute operating plans to the regional level based on guidelines stipulated in the continuing resolution legislation and/or guidelines mandated by OMB or DOJ.

(a) Operating plans shall be established by the regional level for the period of the continuing resolution and distributed to the institutions in the same manner as regular operating plans. As periods of the continuing resolution change, so shall the operating plans change to provide funding through the affected period.

(b) Upon receipt of the continuing resolution operating plan(s), Budget and Planning Committee meetings shall

be conducted. Projected obligations, receivables, etc., shall be prorated for the period of the continuing resolution only.

(2) If operating plans are not issued by the Budget Execution Branch during the period of the continuing resolution, Budget and Planning Committee meetings need not be held. However, absence of operating plans during the period of the continuing resolution does not relieve staff of the responsibility for maintaining sound financial management.

(a) Upon notification by the Budget Execution Branch of the enactment of continuing resolution legislation, the field, through whatever means deemed appropriate (e.g., memorandum, letter, Budget and Planning Committee meeting), shall notify the individual program areas within their domain of the continuing resolution and any guidelines which shall be followed during that period.

5. Appropriations Warrant. Following the enactment of appropriations, the Treasury Department, upon the approval of the Comptroller General, issues an Appropriation Warrant (TFS-6201) to the Department of Justice. The Appropriation Warrant reflects the appropriation symbol and the individual amounts appropriated by Congress.

6. Apportionment. After receipt of the Advice of Allotment from the Department of Justice (DOJ), the Budget Execution Branch, through the Director, Bureau of Prisons, submits an Apportionment and Reapportionment Schedule (SF-132) to request apportionments in accordance with OMB Circular A-34.

a. An SF-132 shall be prepared for each appropriation authorized by Congress and shall reflect budgetary resources (budget authority, unobligated balances, reimbursements, recoveries of prior year obligations, portion not available pursuant to public law, and any restorations and/or writeoffs) and application (distribution) of budgetary resources by quarter (to include pending rescissions, deferrals, and unapportioned balances of revolving funds).

b. Completed SF-132's shall be submitted to OMB, through DOJ, for approval. Upon approval, the Bureau of Prisons receives the authority to incur obligations against the appropriation.

\* 7. Operating Plans. After receipt of apportionment, the Director, Bureau of Prisons, through the Chief, Budget Execution Branch, provides obligational authority to each Regional Director by means of operating plans. Operating plans are controlled and

accounted for at the national, regional (including the Central Office and Training Centers), and institutional levels. \*

a. Operating Plan Holder (OPH). Operating Plan Holders (OPH) are responsible for control of all obligational authority at their level. At the institution, regional office, Training Centers, and Central Office levels, the Chief Executive Officer is the OPH; at the agency level, the Director, Federal Bureau of Prisons, is the OPH. Each OPH is responsible for any violations under 31 U.S.C. 1517.

\* b. Distribution Process. All operating plans and adjustments (allotments) shall be distributed using procedures developed for the Distributed Budget Module (DBM) of the Financial Management Information System (FMIS), and the FMIS Accounting Module.

(1) The Budget Execution Branch must distribute operating plans and adjustments to the regional level into cost center "undistributed" by sub-budget activity (decision unit) and region.

(2) Regional offices (including the Training Center Region and the Central Office) must distribute operating plans and adjustments to the institutional level. Amounts distributed to institutions are to be placed into cost center "undistributed" by sub-budget activity (decision unit) by institution.

For the B&F appropriation, the Regional Budget Analyst must provide an FMIS generated transaction listing for B&F allotments to the Regional Facilities Administrator for signature before the allotments are processed.

For the Central Office, amounts distributed must be placed into the designated division-level cost centers.

For the Training Center Region and Regional Offices (for regional office operations), amounts distributed must be placed in the appropriate cost centers.

Institutions must distribute amounts from cost center "undistributed" to the appropriate cost centers.

(3) Amounts held in reserves must be placed into the appropriate "reserves" project code. Obligations may **not** be made to "reserves" project codes.

(4) The Budget Analyst must sign the transaction listing generated by FMIS, as a result of the distribution of funds in 7.b.(2), and forward it to the Accounting Supervisor for support of the required accounting system entries. It is the Accounting Supervisor's responsibility to ensure that batch transactions for operating plans and adjustments are entered into the FMIS Accounting Module within the time frames specified in the Accounting Management Manual. The Budget Analyst must maintain a copy of the transaction listing.

(5) At the end of each month, the Budget Analyst must execute the appropriate Budget Form 3 (BF-3) (FMIS report \$BF30\_\_\_). The amounts contained thereon must be verified to ensure agreement with the total of the transaction listings processed during the month. The BF-3 is to be numbered by institution or regional office designation, numerical sequence, and fiscal year (e.g., P0614-01-5).

For updates to the operating plan, the BF-3 must be supported by copies of the transaction listings stipulated in section 7.b.(4) above. Reasons for updates are to be provided in the "Remarks" section of the BF-3. The BF-3 is to be signed by Budget and Planning Committee members, excluding Cost Center Managers. For the Central Office, the BF-3 is to be signed by Budget and Planning Committee members, excluding Deputy Assistant Directors.

The Accounting Supervisor must maintain the original, along with the supporting transaction listings, for official support of accounting system transactions. The Budget Analyst must maintain a copy, along with the supporting transaction listings. \*

c. Advances. Operating plan advances shall be requested by the Chief Executive Officer at the institutional level from the Chief Executive Officer at the regional level. The regional office has the authority to make advances if sufficient resources are available at the regional level. Requests by the regional offices, Training Center Region, and Central Office for advances shall be directed to the Chief, Budget Execution Branch, before the 15th of the third month of a quarter.

\* d. Deficit Variances. At the quarter-end and year-end, each appropriation, whether current by Budget Activity (also referred to as Primary Decision Unit) or expired (total overall), must reflect operating plans equal to or in excess of obligations.

Budget Activity - Inmate Care and Programs:

- Sub-budget Activity A - Food and Farm Services
- Sub-budget Activity B - Medical Services
- Sub-budget Activity C - Inmate Services
- Sub-budget Activity F - Unit Management/ISM/DAP/IPP
- Sub-budget Activity G - Education
- Sub-budget Activity H - Recreation
- Sub-budget Activity J - Religious Services
- Sub-budget Activity K - Psychology Services

Budget Activity - Institution Security and Administration:

- Sub-budget Activity E - Institution Security
- Sub-budget Activity M - Institution Administration
- Sub-budget Activity N - Employee Development
- Sub-budget Activity P - Institution Maintenance

Budget Activity - Contract Confinement:

- Sub-budget Activity D - State and Local Contracts
- Sub-budget Activity R - Community Corrections Management
- Sub-budget Activity S - Privately Owned & Operated  
Facilities
- Sub-budget Activity T - Community Corrections Centers
- Sub-budget Activity T - Privatized BOP Facilities/NIC

Budget Activity - Management and Administration:

- Sub-budget Activity X - Management and Administration

Sub-Budget Activity (decision unit) deficits within a Budget Activity can exist as long as the overall Budget Activity reflects an operating plan equal to or in excess of the obligations for the quarter/year-end accounting cycle. Deficit authority requests in these cases do not need to be submitted, however, funding within the Budget Activity should be realigned during the next quarter to eliminate the Sub-Budget Activity deficit variance.

The responsibility to manage salary fund variances resides with the Salary/Workforce Utilization Committee (see Chapter 10).

Individual Cost Center Managers are responsible for managing operating funds variances (see Chapter 4).

Deficit authority approval is required for all B&F projects that are anticipated to incur deficit balances regardless of the overall status of the sub-budget activity (also referred to as decision unit).

(1) Procedures. Requests to reflect deficit variances in Budget Activities (i.e., Inmate Care & Programs, Institutions Security & Administration, Contract Confinement and Institution Administration) for the quarter/year-end must be made in writing **prior** to the close of the quarter/year-end accounting cycle (i.e., the date FMIS closes for that period). Requests must state specific amounts to the nearest \$100. Responses are to be returned prior to the close of the quarter/year-end accounting cycle in the Financial Management Information System for the specified period. This may sometimes be up to five days or so after the last calendar day of the month. Responses must specify the "actual" amount of deficit authority approved.

(a) Cost Center Managers, prior to creating a deficit variance in FMIS and/or fund control, must forward a request which provides a justification for the projected deficit and a plan of action to eliminate the projected deficit to the Controller. The Controller will review the request with the local institution Executive Staff and recommend approval/disapproval. For Central Office Cost Center Managers, the appropriate Deputy Assistant Director must approve the request prior to its submission to the Central Office Controller. If approved, the Controller is to state the amount to the nearest \$100 in a memorandum to the Cost Center Manager.

(b) Controllers must coordinate their requests, by budget activity, through their Wardens, for submission to their Regional Comptrollers. Regional Comptrollers must coordinate their responses through their Regional Director. All requests should include a plan to resolve deficits prior to year-end. If approved, the Regional Comptroller must state the amount to the nearest \$100 in a memorandum to the Controller. A copy of the memorandum must be attached to the final fund status report for the quarter.

(c) Regional Offices, the MSTC, and the Central Office Business Office must forward their requests to the Chief, Budget Execution Branch. Requests pertaining to the Trust Fund Appropriation are to be forwarded to the Chief, Trust Fund Branch. If approved, the Chief, Budget Execution Branch, must state the amount to the nearest \$100 in a memorandum to the Comptroller. Responses are to be returned prior to the close of the quarter/year-end accounting cycle in the FMIS for the specified period.

This may sometimes be up to five days or so after the last calendar day of the month.

Responses must specify the "actual" amount of deficit authority approved. A copy of the memorandum must be attached to the final fund status report for the quarter. \*

e. Year-end Allotments. Office of Management and Budget, Department of Justice, and Bureau procurement regulations provide instructions regarding fourth quarter procurement actions and obligations. These instructions not only limit the amount of obligations during the fourth quarter, but also establish lead times and cut-off dates for accepting and processing procurement requests that require use of expiring current year funds. As such, all fiscal resources must be allotted and made available for use prior to the cut-off date to allow for procurement lead-time. For additional information regarding fourth quarter procurement actions, cut-off dates, and lead-times, refer to the Program Statement on BOP Acquisitions.

(1) The Budget Execution Branch shall distribute all necessary and remaining allotments for the current fiscal year to the Regional Offices no later than one week prior to the procurement cut-off date. Any Regional Office request, to include the Central Office Business Office and the Training Center Region, for an emergency allotment subsequent to the distribution of the final allotment shall be submitted, under signature of the Regional Comptroller, Training Center Controller, or Central Office Controller, as appropriate, to the Chief, Budget Execution Branch, for consideration.

(2) Regional Offices, including the Central Office Business Office and the Training Center Region, shall distribute all final allotments to their institutions prior to the procurement cut-off date with consideration to procurement lead time. Any institution request for an emergency allotment subsequent to the distribution of the final allotment must be submitted, under the Controller's signature, to the Regional Comptroller for consideration.

f. B&F Funds Accountability and Carryover. The "no-year" budget authority provided by Congress for the B&F Appropriation allows the Bureau to fund facilities' new construction, repairs, and improvements without the need to seek renewal of budgetary authority for those projects. Since the scope of those projects usually extend beyond the end of the fiscal year, special procedures are necessary to account for operating plans and

obligations associated with those projects. For additional information, refer to the Program Statements on the Facility Operations Manual and the Buildings and Facilities Projects Closure.

(1) Prior to the close of each quarter and fiscal year, Institution Controllers and Regional Comptrollers must ensure:

(a) each project reflects the approved operating plan,

(b) the operating plan for each project, by decision unit and object class code, is equal to or is in excess of the obligations incurred against the project,

(c) the operating plan for each project is distributed to and obligations are charged against the proper decision unit and object class codes,

(d) the funds status reflected in FMIS for each project are in agreement, and

(e) each project is closed in accordance with the Program Statement on Buildings and Facilities Projects Closure.

(2) Once the requirements stipulated in f.(1) above have been satisfied, and upon receipt and verification of the final obligations for the fiscal year, the Budget Execution Branch commences with the carryover of unobligated balances to the new fiscal year. This process is independent of the allotment of any and all new budget authority granted by Congress for the new fiscal year.

(3) Regional Offices must commence with the transfer of unobligated balances to their institutions upon notification and in accordance with any and all instructions provided by the Budget Execution Branch. Allotments for the preceding and current fiscal year may not be processed until the carryover procedures are completed.

(4) The FMIS entries required as a result of the carryover process must be accomplished in accordance with the instructions specified in 7.b. above and the Accounting Management Manual.

Chapter 6 - Reprogramming

1. Purpose. Presented in this chapter are reporting requirements that relate to the reprogramming of funds by budget activity, sub-budget activity (decision unit), and the authority, responsibilities, and procedures to satisfy those requirements.

2. Definition. The process of reprogramming has been defined as those shifts of funds within the legal confines of an appropriation account which do not change either the total amount available in the account or any of the purposes for which the appropriation is legally available. A reprogramming action arises from a conscious decision to reallocate resources or an unforeseen need to respond to operational requirements.

3. Requirements of Congress. The Department of Justice must notify the Appropriations Committees of both Houses of Congress of any reprogrammings 15 days prior if the reprogrammings:

a. make available for obligation or expenditure funds provided for under current appropriation acts, previous appropriation acts to fund agencies under the current appropriation acts, or from any accounts in the U.S. Treasury derived by the collection of fees available to the agencies that:

(1) creates new programs;

(2) eliminates a program, project, or activity;

(3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted;

(4) relocates an office or employees;

(5) reorganizes offices, programs, or activities; or

(6) contracts out or privatizes any functions or activities presently performed by Federal employees;

b. make available for obligation or expenditure funds in excess of \$500,000 or 10 per cent, whichever is less, provided for under current appropriation acts, previous appropriation acts to fund agencies under the current appropriation acts, or from any accounts in the U.S. Treasury derived by the collection of fees available to the agencies that:

(1) augments existing programs, projects, or activities;

(2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or

(3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress.

4. Identification of Budget Activities and Sub-Budget Activities

a. The Congressional reporting requirement applies to each budget activity in the Salaries and Expenses Appropriation as identified below. Sub-budget activities (decision units) are for internal BOP reporting requirements only:

Budget Activity - Inmate Care and Programs:

Sub-budget Activity A - Food and Farm Services  
Sub-budget Activity B - Medical Services  
Sub-budget Activity C - Inmate Services  
Sub-budget Activity F - Unit Management/ISM/DAP/IPP  
Sub-budget Activity G - Education  
Sub-budget Activity H - Recreation  
Sub-budget Activity J - Religious Services  
Sub-budget Activity K - Psychology Services

Budget Activity - Institution Security and Administration:

Sub-budget Activity E - Institution Security  
Sub-budget Activity M - Institution Administration  
Sub-budget Activity N - Employee Development  
Sub-budget Activity P - Institution Maintenance

Budget Activity - Contract Confinement:

Sub-budget Activity D - State and Local Contracts  
Sub-budget Activity R - Community Corrections Management  
\* Sub-budget Activity S - Privately Owned & Operated Facilities \*

Sub-budget Activity T - Community Corrections Centers  
\* Sub-budget Activity T - Privatized BOP Facilities/NIC \*

Budget Activity - Management and Administration:

Sub-budget Activity X - Management and Administration

b. Buildings and Facilities Appropriation - for use in the Congressional Budget and for purposes of reporting reprogramming actions to Congress, budget activities and sub-budget activities are synonymous and shall be used in the Buildings and Facilities Appropriation as follows:

\* Decision Unit 2 - Planning, Site Acquisition, New Construction, and Expansion \*

Decision Unit 3 - Modernization and Repair of Existing Facilities

**Note:** New construction and expansions which do **not** add capacity are reported under Decision Unit 3.

5. Authorities and Responsibilities for Reprogramming

a. The Director, Bureau of Prisons, is responsible for assuring compliance with the Congressional reporting requirement for reprogramming.

b. The Assistant Director for Administration is responsible for directing the actions necessary to achieve compliance with the reporting requirements of Congress.

6. Authorities and Responsibilities to Monitor Reprogramming

a. The Chief, Budget Execution Branch, has overall authority and responsibility for coordinating and monitoring reprogramming of funds between budget activities, sub-budget activities, and object codes. The Chief, Budget Execution Branch, receives and reviews reports relating to reprogramming of funds within the Bureau of Prisons.

b. Each Regional Comptroller is responsible for coordinating requests, under signature of the Regional Director, for reprogramming of funds within the region.

c. The Controller, Management and Specialty Training Center (MSTC), is responsible for controlling and monitoring reprogramming of funds for the operation of the Training Center Region.

\* d. The Controller, Central Office Business Office, is responsible for controlling and monitoring reprogramming of funds for operating the Central Office. \*

e. The Budget Development Branch, in collaboration with the Budget Execution Branch, prepares Congressional reprogramming documentation and justification.

f. The Chief, Trust Fund Branch, is responsible for controlling and monitoring reprogramming of funds for the operation of the Trust Fund Program within the Bureau of Prisons.

7. Special Reporting Within the Bureau of Prisons. If an adjustment is anticipated to any fiscal year budget activity, sub-budget activity, or object class during the operating period, the responsible authority (as defined above) shall submit a request for reprogramming, via FMIS, to the Chief, Budget Execution Branch, no later than the first day of the third month of the quarter the anticipated adjustment is expected to occur.

a. The request shall reflect each annual budget activity and/or sub-budget activity amount, the proposed adjustment for each, a full narrative explanation of the reasons for each adjustment, and any possible future adjustments.

b. The appropriate Assistant Director or Regional Director shall immediately report and provide a full explanation in writing to the Assistant Director for Administration if any of the following occur:

(1) A reprogramming action for any amount if such action would have the effect of requiring significant funding in future years.

(2) An increase in funds or personnel for any project or activity for which funds have been denied or restricted.

(3) Creating a new program or augmenting an existing program.

(4) Relocating an office or employees as defined in section 3.a.(5) above.

8. Procedures for Requesting Reprogramming

a. Requests for reprogramming shall be entered into FMIS, Version 70, at the institution level by the 15th day of the second month of each quarter.

(1) Requested reprogramming of positions shall be entered by decision unit under the appropriate position object class code (P01, P01A, etc.).

(2) Requested reprogramming of workyears shall be entered by decision unit under the appropriate FTE object class code (1FTE, etc.). Workyears shall be prorated from the first pay period of the quarter following the reprogramming request.

(3) Requested reprogramming of funds shall be entered by decision unit under the appropriate object class code.

b. Regional offices shall assess institution requests for review and adjustment by the end of the second month of each quarter. Requests that can be offset against each other shall be handled by the region.

(1) Requests that the region can fund from their reserves and offset against known regional needs shall be removed from the system and accomplished by the region.

(2) Upon completion of all actions by the regions and institutions, regions shall copy Versions 70 from the institution disks to the region disks for access by the Budget Execution Branch.

c. The Budget Execution Branch shall access regional (including the Training Center Region and Central Office) disks by the 5th day of the third month of each quarter for review of requested reprogramming. Requests that can be accomplished within established limitations shall be turned around to the regions by the end of the third month of the quarter.

d. Emergency requests for reprogramming may be approved for non-salary funds or position/workyears.

(1) Emergency requests for non-salary fund reprogramming shall be made via telephone to the regional comptroller after making appropriate FMIS entries. The Regional Comptroller shall review the emergency request and determine if the requested action can be handled by the region. If the Comptroller cannot effect the reprogramming, the Chief, Budget Execution Branch, shall be contacted and informed of the circumstances. Normally, the Budget Execution Branch has the capability to remedy emergency requests by internal reprogramming or by an advance of funds from one quarter to another.

(2) Emergency requests for position/workyear reprogramming between decision units are accomplished only by the Budget Execution Branch. Requests shall be accompanied by a copy of the SF-52 (Request for Personnel Action) prior to the reprogramming.

Chapter 7 - Full Time Equivalency (FTE) Employment Controls

1. Purpose. Presented in this chapter are definitions relating to the Full Time Equivalency (FTE) system, which is an employment control system that translates the utilization of staffing into workyears as a method of determining whether an agency accomplishes its mission.

2. Background. The FTE System became effective on October 1, 1981 and was implemented by the Office of Management and Budget (OMB) in coordination with the Office of Personnel Management (OPM). Under this system, an agency is given a total workyear ceiling that cannot be exceeded for the fiscal year. The total workyear ceiling is divided into two categories: Full Time Permanent (FTP) and Other than Full Time Permanent (O/FTP).

3. Definitions

a. Workyear - normally consists of 2080 hours of paid employment and is determined by the number of compensable work days in a year. For earnings purposes, 2087 hours is used.

b. Paid Employment - consists of all regularly scheduled hours including hours paid for annual, sick, holiday, and other paid leave but excludes hours paid at overtime rates, terminal leave hours, and hours worked and earned as compensatory time.

c. Full Time Permanent (FTP) - comprised of all paid employment by full time employees who have permanent appointments (designated as 1FTE in FMIS).

d. Other than Full Time Permanent (O/FTP) - comprised of all paid employment by full time employees with temporary appointments, and part time employees with either permanent or temporary appointments (designated as 2FTE in FMIS).

e. Full Time Employee - an employee who is regularly scheduled to work the number of hours (over 32 hours) and days required for his/her employment group or class.

f. Part Time Employee - an employee who is regularly scheduled to work between 16 and 32 hours per week.

g. Permanent Appointment - an appointment in which the employee serves under tenure group 1, 2, 4, 5, 6, or 7 as defined in 5 CFR 340.202.

h. Temporary Appointment - an appointment in which the employee serves under tenure group 0, 3, 8, or 9 as defined in 5 CFR 340.202.

## Chapter 8 - Position Control

1. Purpose. Presented in this chapter are definitions and delineations of responsibilities and duties relating to the position control system in the Bureau of Prisons.
2. Background. The position control system is maintained in the Financial Management Information System (FMIS) by Financial Management staff at all organizational levels. Although Financial Management staff have the overall responsibility of updating the system, Human Resource Management and UNICOR staff have specific responsibilities as outlined below.
3. Responsibilities. The position control system is comprised of two separate and distinct functions: position accounting (P0) and position management (PZ).

a. With the exception of UNICOR, the position accounting function is the responsibility of Financial Management and is monitored at the decision unit level; the position management function is the responsibility of Human Resource Management and is monitored at the decision unit and cost center levels.

b. Concerning UNICOR, the position accounting function is the responsibility of the Office of the Associate Commissioner and is monitored at the division level; the position management function is the responsibility of Human Resource Management and is monitored at the division level.

4. Position Accounting. It is the responsibility of Financial Management to maintain the files associated with the position accounting (P0) function of the position control system.

a. The Budget Execution Branch shall key all changes (with the exception of region authorized positions) to the P0 files in FMIS for the S&E, B&F, Trust Fund, PHS, and FPI Appropriations.

(1) Changes to the P0 file for the S&E Appropriation will be made under the direction of the Resource Management Subcommittee and approved by the Director.

(2) Changes to the P0 file for the B&F Appropriation shall be made under the direction of the Assistant Director for Administration.

(3) Changes to the P0 file for the Trust Fund Appropriation shall be made under the direction of the Assistant Director for Administration.

(4) Changes to the P0 file for Public Health Service (PHS) shall be made under the direction of the Assistant Director, Health Services Division.

(5) Changes to the P0 file for the UNICOR Appropriation shall be made under the direction of the Assistant Director, UNICOR.

\*

b. Position Accounting Codes. To facilitate the process of maintaining the position accounting (P0) files, unique FMIS codes have been established to identify specific types of positions used in the Bureau. Those positions, and their associated FMIS codes, are as follows:

(1) Full-Time Permanent (FTP) (P01, P01A). These positions are established through Congressional authorization (P01), and Bureau (Executive Staff) authorization (P01A).

Regional Authorized Full-Time Permanent (P01B). These Full-Time positions are established not to exceed one fiscal year. Regional Directors must prepare a justification and Request for Personnel Action (SF-52) for all regionally authorized positions and forward these documents to the Assistant Director for Administration for concurrence. \*

(2) Bureau Authorized Temporary (P02). These Other than Full-Time positions are approved by the Resource Management Subcommittee and are established not to exceed one fiscal year. Employees under this appointment are not eligible to receive Government-supported benefits. Extensions of previously approved P02 positions beyond the fiscal year shall be approved by the appropriate Assistant Director. The maximum cumulative time limit for Bureau authorized temporary positions is two years.

(3) Regional Authorized Temporary (P03). These Other than Full-Time positions are approved by the Regional Director and are established not to exceed one fiscal year. Employees under this appointment are not eligible to receive Government-supported benefits. Extensions of previously approved P03 positions beyond the fiscal year shall be approved by the Regional Director. The maximum cumulative time limit for Regional authorized temporary positions is two years.

(4) Public Health Service Permanent (P04). These positions, established when Public Health Service personnel are assigned to a facility, are approved by the Assistant Director, Health Services Division. Since PHS personnel are assigned in lieu of non-PHS personnel (and vice-versa), P01 and P04 positions shall be exchanged on a one-for-one basis as needed.

(5) Public Health Service Temporary (P05) - these positions are established by the Resource Management Subcommittee and are monitored by the Assistant Director, Health Services Division. These positions are established for temporary duty assignment of PHS personnel. These positions are not exchanged as specified in section 4.b.(4) above.

(6) Term Appointments (P06) - these positions are approved by the Resource Management Subcommittee and are established for a specified period of more than one year but no more than four years. Employees under term appointments are eligible for Government-supported benefits.

(7) Stay-in-School Program (P07) - these positions are approved by the appropriate Assistant Director based on guidelines established by the Resource Management Subcommittee. These positions have the same restrictions as P02 positions.

(8) Co-ops and Interns (P08) - these positions are approved by the appropriate Assistant Director, based on guidelines established by the Resource Management Subcommittee, and are monitored by the Staffing Section, Human Resource Management Division. These positions have the same restrictions as P02 positions.

(9) Bureau Controlled Permanent (P09, P09A) - these positions are in essence P01s/P01As which are the responsibility of Central Office program management areas. These positions are established at institutions and are used primarily for the Bureau's trainee programs.

5. Position Management. It is the responsibility of Human Resource Management to maintain the files associated with the position management (PZ) function of the position control system.

a. Human Resource Managers are responsible for reviewing, at least monthly, the PZ files at their location to ensure that the files are current and accurate. Financial Management shall provide Human Resource Managers with the FMIS reports necessary to facilitate the review process.

b. Human Resource Managers shall provide Financial Management authorization to key changes to the PZ files in FMIS for the S&E, B&F, Trust Fund, NIC, and UNICOR appropriations (see Exhibit 1).

(1) Copies of SF-52s authorizing changes to the PZ file shall be attached to the authorization. This procedure is essential for verification of the position listing printout as well as for the establishment of an audit trail.

c. The Budget Execution Branch shall be responsible for maintaining the PZ file for the Public Health Service.

d. Dictionary of Titles (PZ Dictionary). The PZ dictionary contains all of the object class code (OCCD) titles required to maintain a current PZ file. This dictionary is maintained in FMIS and may be printed as needed (refer to the DBM User's Manual). Each entry in the dictionary contains a twelve character code and a code title:

Example:

| <u>Code</u>  | <u>Title</u> |
|--------------|--------------|
| PZ1G00070705 | CORR OFFICER |

The first two characters (PZ) define the FMIS file; the third character (1) defines the type of position (1 = P01 or P01A, 2 = P02, etc.); the fourth character (G) defines the pay schedule (G = General Schedule, etc.); characters 5,6,7, and 8 define the job classification series (0007 = Correctional Worker); the ninth and tenth characters (07) define the grade of the position; and the eleventh and twelfth characters (05) generate the title.

(1) Pay and Position Management, Human Resource Management Division, retains the authority to request changes. Requests for changes shall be directed to the Chief, Pay and Position Management through Regional Human Resource Managers.

(2) The Budget Execution Branch shall effect changes to the dictionary upon written authorization from Pay and Position Management. Pay and Position Management shall provide a memorandum to the Budget Execution Branch to support changes to the dictionary. This memorandum, signed by the Chief, Pay and Position Management, shall include the OCCD code, the associated title, and the action to be accomplished (add/delete) in regard to the code.

6. Position Accounting/Position Management Relationship. Although position accounting and position management functions are separate and distinct, the data entered for one function has a corresponding relationship to the data entered for the other function. The chart provided below displays those relationships:

| <u>Type of Position</u> | <u>Position</u>   | <u>Position Management</u> |             |             |             |
|-------------------------|-------------------|----------------------------|-------------|-------------|-------------|
|                         | <u>Accounting</u> | <u>QTR1</u>                | <u>QTR2</u> | <u>QTR3</u> | <u>QTR4</u> |
| Congressional FTP       | P01               | PZ1                        |             |             |             |
| Bureau FTP              | P01A              |                            | PZ1         |             |             |
| * Regional FTP          | P01B              |                            |             | PZ1         | *           |
| Bureau Temporary        | P02               | PZ2                        |             |             |             |
| Region Temporary        | P03               | PZ3                        |             |             |             |
| PHS FTP                 | P04               | PZ4                        |             |             |             |
| PHS Temporary           | P05               | PZ5                        |             |             |             |
| Term Appointments       | P06               | PZ6                        |             |             |             |
| Stay-in-School          | P07               | PZ7                        |             |             |             |
| Co-ops, Interns         | P08               | PZ8                        |             |             |             |
| Bureau Controlled       |                   |                            |             |             |             |
| Congressional FTP       | P09               | PZ9                        |             |             |             |
| Bureau FTP              | P09A              |                            | PZ9         |             |             |

7. Reconciliation of P0 and PZ Files. It is the responsibility of Financial Management to produce FMIS P0/PZ reconciliation and PZ file reports to assist in maintaining a current PZ file at each location.

a. The reconciliation and PZ file report for each appropriation shall be produced and provided to Human Resource Managers at least monthly.

b. Changes to the PZ file requested by Human Resource Managers (see Exhibit 1) shall be returned to Financial Management for entry into FMIS.

c. After changes are keyed by Financial Management, updated reconciliation and PZ file reports shall be produced. The reconciliation report shall be signed by Controllers or Comptrollers (as appropriate) and Human Resource Managers. The signed original shall be maintained by Financial Management and a copy provided to Human Resource Managers.

d. The PZ file, locally and region-wide, shall be current and in balance with the P0 file by the close of business on the last working day of each month.



**U.S. Department of Justice**  
Federal Bureau of Prisons

**MEMORANDUM FOR THE CONTROLLER**

FROM: Human Resource Manager

SUBJECT: Updating of PZ File Information

Please make the following changes to the PZ files as indicated below.

ADD

| <u>Appcd</u> | <u>DU</u> | <u>Cost Center</u> | <u>OCCD</u> | <u>QTR</u> | <u>Quantity</u> |
|--------------|-----------|--------------------|-------------|------------|-----------------|
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |

DELETE

| <u>Appcd</u> | <u>DU</u> | <u>Cost Center</u> | <u>OCCD</u> | <u>QTR</u> | <u>Quantity</u> |
|--------------|-----------|--------------------|-------------|------------|-----------------|
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |
| _____        | _____     | _____              | _____       | _____      | _____           |

( ) REQUIRED SF52s ATTACHED

Chapter 9 - Budget and Planning Committee

1. Purpose. The purpose of this chapter is to delineate the duties and responsibilities of the Budget and Planning Committee. The Budget and Planning Committee is an integral part of the process involving the receipt and accountability of funds.
2. Responsibilities. The Budget and Planning Committee shall be responsible for the following:
  - a. establishing guidelines for use by cost center managers in formulating annual budget submissions to the Budget and Planning Committee;
  - b. reviewing and approving annual and quarterly budgets for **all** appropriations;
  - c. formulating the B&F program for the ensuing fiscal year as required in the Facilities Operations Manual;
  - d. reviewing and approving the annual allocation and each continuing resolution allocation;
  - e. preparing supporting justification statements for each decision unit consistent with those furnished by cost center managers and with institutional, regional, and Bureau objectives for future year(s) resource requirements;
  - f. effecting distribution of allotted resources (including positions) to individual cost centers;
  - g. providing direction and guidance for resource utilization to cost center managers;
  - h. reviewing and taking appropriate action on Committee recommendations and identified surplus and/or deficit conditions;
  - i. approving redistribution of resources between cost centers and requesting regional office or Budget Execution Branch approval for redistribution of resources between decision units;
  - j. approving individual cost centers to exceed funds available if the integrity of the decision unit can be maintained and requesting regional or Budget Execution Branch approval for individual sub-budget activities (decision units) to exceed funds available if the integrity of the operating plan at the Budget Activity level(s) can be maintained, and;
  - k. reviewing and approving the results and budget submissions of the Salary/Work Force Utilization Committee, Work Programming Committee, and other committees.

3. Membership. For institutions, regional offices, the Management and Specialty Training Center (MSTC), and the Staff Training Academy (STA), the Budget and Planning Committee shall be comprised of, but not limited to, the following as appropriate:

- ! Chief Executive Officer (Chair)
- ! Associate Wardens/Deputy Regional Directors/Assistant Directors, MSTC and STA
- ! Controller/Comptroller (BAO in absence of a Controller)
- ! Cost Center Managers
- ! Resource Staff - Budget Analyst
- ! Recorder - designated by the Chair

For the Central Office, the Budget and Planning Committee shall be comprised of, but not limited to, the following:

- ! Sr. Deputy Assistant Director, Admin Division (Chair)
- ! Deputy Assistant Directors (all divisions)
- ! Controller
- ! Resource Staff - Budget Analysts
- ! Recorder - designated by the Chair
- ! Chief, Finance Branch
- ! Deputy Chief, Finance Branch

\*

\*

4. Agenda. An agenda shall be prepared under signature of the Committee Chair and shall be distributed to all members of the Committee at least three working days prior to the meeting. The agenda shall include, but not limited to, the following: the date, time, and location of the meeting; the type of meeting (annual, emergency, etc.); the purpose of meeting; and reference to, and explanation of, any advance material included.

5. Advance Material. Advance material shall be included with the agenda. Advance material shall be comprised of, but not limited to, the following:

a. Annually. Advance material for annual meetings shall include synopses of: cost center manager submissions for **all** appropriations (the appropriate FMIS report \$IPCA or \$RBCA may be used for this purpose - refer to the DBM User's Manual); submissions of equipment items to be considered for the Equipment Priority List; submissions of position allocation and staffing requirements; and projected receivables.

b. Semiannually. Advance material for semiannual meetings shall include synopses of: cost center manager requirements for **all** appropriations (the appropriate FMIS report \$IPC or \$RBC may be used for this purpose - refer to the DBM User's Manual); justifications for new equipment items; and projected receivables.

6. Cost Center Manager Responsibilities. Cost Center Managers are required to review the agenda, advance material, and open obligations prior to the meetings. This review is necessary to: become familiar with the data that will be considered at the meetings; ensure that obligations against the cost centers are valid; and determine accurate current funds availability.

a. Cost Center Managers anticipating deficit variances shall prepare the document(s) necessary to request permission to exceed funds available and address how those variances will be eliminated.

7. Meetings. The Budget and Planning Committee shall meet annually and semiannually for the purposes specified, as appropriate, in section 2. above. Annual Budget and Planning Committee meetings may be held in conjunction with the semiannual meetings. At the discretion of the Chief Executive Officer, the Budget and Planning Committee may be held as two separate committees (Budget Committee and Planning Committee) as specified in section 9. below.

8. Minutes. Minutes shall address all recommendations made by the Budget and Planning Committee and shall include pertinent discussions and conclusions reached, particularly those involving actions to utilize surpluses or eliminate deficits, and reprogramming. Minutes shall be prepared under signature of the Chief Executive Officer and copies provided to all Budget and Planning Committee members.

a. One copy of the minutes shall be forwarded to the Regional Comptroller (institution meetings) or the Chief, Budget Execution Branch, (regional, Central Office, and MSTC meetings) following the meeting. One copy of the minutes shall be maintained locally to facilitate Program and Operational Reviews.

9. Separation of Committees. If two separate committees are to be held, as determined in section 7. above, the following provisions apply:

a. The Planning Committee shall be responsible for: formulating annual and quarterly budgets; reviewing position allocation and staffing requirements; reviewing the existing Equipment Priority List and recommending approval of new equipment items to be added to the Equipment Priority List; recommending redistribution of funds between cost centers within the same decision unit; and initiating requests for redistribution of funds between decision units.

b. The Planning Committee shall be comprised of, but not limited to, the following: Controller/Comptroller (Chair); Assistant Controller/Assistant Comptroller; Cost Center Managers; Resource Staff (Budget Analyst); and Recorder (designated by the Controller/Comptroller). The Budget Committee membership shall be as stated in section 3. above, excluding Cost Center Managers.

c. Agendas and advance material shall be required for Planning Committee meetings but are not required for Budget Committee meetings.

d. The Planning Committee shall meet: annually for the purpose of reviewing annual submissions and formulating recommendations for review by the Budget Committee; semiannually; and to resolve local problems or at the discretion of the Chief Executive Officer.

e. Planning Committee minutes shall address those items stated in section 8. above. Minutes shall be prepared under signature of the Controller/Comptroller to the Chief Executive Officer and copies provided to all Planning Committee members. One copy of the minutes shall be maintained locally to facilitate Program and Operational Reviews.

f. The Budget Committee shall meet to review and take appropriate action on the recommendations made by the Planning Committee. Budget Committee minutes shall be prepared in accordance with section 8. above.

Chapter 10 - Salary/Work Force Utilization Committee

1. Purpose. This chapter addresses the duties and responsibilities of the Salary/Work Force Utilization Committee.

2. Background. Workyears and associated salary funding represent a significant portion of the Bureau's total budget; therefore, thorough planning, monitoring, and reporting of the utilization and distribution of staff resources on an ongoing basis is necessary to promote the most cost effective approach to mission accomplishment and is the responsibility of **all** managers. Actual control of workyears and salary funds rests with the regional offices, who are encouraged to redelegate the responsibility to individual facilities.

3. Responsibilities. All institutions and regional offices, the Management and Specialty Training Center (MSTC), Staff Training Academy (STA), and the Central Office shall establish Salary/Work Force Utilization Committees for their respective areas. Individual responsibilities of Chief Executive Officers, Human Resource Managers, Financial Managers, Supervisors, and Department Heads are as outlined in the Human Resource Management Manual. The Salary/Work Force Utilization Committee is responsible for the following:

a. Annually: At the start of the fiscal year, formulate a comprehensive and precise Work Force Purchase and Utilization Plan (Staffing Plan). Salary requirements shall be projected as a fiscal year summary or by quarter and must be based on:

- ! allotted salaries or projected allocation of salaries;
- ! historic turnover data;
- ! known and anticipated vacancies;
- ! workload decreases or increases;
- ! mission and/or program changes;
- ! number of pay periods and holidays in the year;
- ! projected overtime and identified peak overtime periods;
- ! projected surplus/deficit conditions;
- ! actions to eliminate projected variances and the impact of such actions, and;
- ! other data and input deemed appropriate.

b. Quarterly. The Salary/Work Force Utilization Committee shall meet quarterly to update the Staffing Plan and has the responsibility to:

(1) Review all written short-range and long-range operation plans of each department to assess work force needs, projected changes in workload requirements, and review available departmental rosters to determine if positions and salaries are efficiently utilized.

(2) Review actual and projected overtime and explore methods of eliminating unnecessary overtime.

(3) Review program review reports to determine current levels of efficiency, work force needs, and identify management and/or training related problems which may impact negatively on the program areas or on the utilization of staff.

(4) Recommend **specific** actions to eliminate projected salary deficits or to utilize projected surpluses.

(5) Recommend consolidation of functions, reorganization, elimination of duplicate work and excess supervisory layering, and other means to reduce staff needs.

In addition, the regional Salary/Work Force Utilization Committee has the responsibility to:

(6) Develop work force impact assessments for all expansion, renovation, and remodeling projects for existing facilities, and develop work force need proposals for new institutions prior to finalization of construction and/or acquisition plans.

(7) Review minutes of all institution Salary/Work Force Utilization Committee meetings for the quarter.

(8) Review salary and workyear allocations and usage, identify any end-of-quarter surpluses or deficits, review all institutions' ensuing quarterly plans, and project any end-of-year surpluses or deficits.

(9) Assess region-wide staffing needs, establish a priority list of needs, and recommend reallocation of available or identified resources to meet those needs.

(10) Submit requests to the Resource Management Subcommittee for positions, workyears, and/or salaries if the region is not able to identify resources for additional needs.

c. Salary Planning. Salary expenditures shall be monitored quarterly and projected for the entire fiscal year. A separate projection for regular salaries, overtime, premium pay, and

\*

\*

\* benefits shall be maintained. Consideration shall also be given to the impact of terminal leave payments, incentive awards, vacancies, part-time employees, promotions, pay increases, etc. Projections shall be accomplished frequently and shall include comparisons between projected and actual amounts. Regional Offices must monitor regional workyear usage quarterly. \*

4. Membership. For institutions and regional offices, the Salary/Work Force Utilization Committee shall be comprised of, but not limited to, the following as appropriate:

- ! Chief Executive Officer (Chair)
- ! Associate Wardens/Assistant Regional Directors
- ! Human Resource Manager/Human Resource Administrator
- ! Controller/Comptroller (BAO in absence of a Controller)
- ! Captain/Correctional Services Administrator
- ! Resource Staff - Budget Analyst
- ! Recorder - designated by the Chair

For the Central Office and the Training Centers, the Salary/Work Force Utilization Committee shall be comprised of, but not limited to, the following as appropriate:

- ! Chief Executive Officer (Training Centers only - Chair)
- ! Chief, Finance Branch (Central Office only - Chair)
- ! Assistant Directors (Training Centers only)
- ! Human Resource Manager
- ! Controller (STA only - Financial Program Manager)
- ! Resource Staff - Budget Analyst(s)
- ! Recorder - designated by the Chair

5. Meetings. The Salary/Work Force Utilization Committee shall meet annually and quarterly for the purposes specified in section 3. The annual Salary/Work Force Utilization Committee meeting may be held in conjunction with a quarterly meeting.

6. Minutes. Minutes shall address all recommendations made, particularly those involving actions to utilize surpluses or eliminate deficits, and reprogramming. Minutes shall be prepared under signature of the Chief Executive Officer and copies provided to all Salary/Work Force Utilization Committee members.

One copy of the minutes shall be forwarded to the Regional Comptroller (institution meetings) or the Chief, Budget Execution Branch, (regional, Central Office, and Training Center meetings) following the meeting. One copy of the minutes shall be maintained locally to facilitate Program and Operational Reviews.

Chapter 11 - Reserved

Chapter 12 - Budget Development and Execution Requirements

1. Purpose. This chapter sets forth the duties, responsibilities, and procedures involving the formulation of budget development and execution requirements.
2. Background. Formulation of financial plans is essential to a carefully planned and coordinated program and shall be developed to embrace every phase of an activity's operation. It is imperative that realistic and complete plans be prepared as they will be used as guides during the entire fiscal year. However, the plans shall be flexible enough to change with fluctuating requirements; therefore, quarterly plans shall be formulated in such a way as to cover anticipated requirements for the particular period. Regional offices are encouraged to review institution budget submissions prior to allocation of funds, rather than basing allocations solely on Central Office equity formulas, to ensure that sufficient funds are provided for accomplishment of program goals and objectives.
3. Responsibilities. The successful development and execution of the financial plan is the responsibility of the cost center managers who comprise the Budget and Planning Committee and the Chief Executive Officer who is the Operating Plan Holder (OPH). Properly prepared budget exhibits are essential components of the budget process in that they reflect operational requirements of each program area and are used as a basis for "bottom-up" management decision making.
  - a. Cost center managers are responsible for the following:
    - (1) furnishing realistic annual estimates of resource needs to meet objectives based on Bureau, regional office, and institution program goals and quarterly breakdowns supportable by previous obligation history and within available funds;
    - (2) providing estimates that identify program initiatives and, based on reliable cost information, funds required to finance operations;
    - (3) determining how additional funds will be spent or in what areas reductions in obligations will be required to permit the management of programs within funds available;
    - (4) managing program funds within funds allotted unless written approval has been granted by the Budget and Planning Committee to exceed funds available (the obligational limitation established for a decision unit may not be exceeded as a result of local authorization furnished to a cost center), and;

(5) ensuring that obligations against their cost centers are valid, current funds availability is known, and notifying the Controller/Comptroller and the Budget and Planning Committee of changes from the authorized operating plan.

b. Financial Management is responsible for the following:

(1) providing assistance and training to all staff responsible for budget formulation and execution;

(2) utilizing the Financial Management Information System (FMIS), as well as past experience, to furnish information and expertise to manage available resources;

(3) consolidating cost center budgets into an overall budget by sub-budget activity (decision unit);

(4) presenting all cost center budget requests to the Budget and Planning Committee, and;

(5) formalizing and forwarding Budget and Planning Committee actions and/or recommendations to the regional office or Budget Execution Branch.

\* 4. Budget Requirements. Documentation must be prepared to request operating plans (annually) and identify obligational requirements (for the period considered) by object class for each cost center that anticipates obligations for the period specified. The BP-184 (Exhibit 1) may be used for this purpose, however, the regional office or institution, as appropriate, must determine the formats and methods to be used.

Regional Offices and institutions choosing alternative formats and methods must develop written guidelines and procedures in accordance with Chapter 1., section 7.

a. Cost center managers are responsible for:

C submitting documentation for each cost center they are requesting an annual operating plan for at the time annual requirements are formulated and,

C submitting documentation for each cost center they anticipate obligations will be incurred for the period considered (anticipated quarterly or biannual requirements).

b. Financial Management is responsible for maintaining the documentation locally to facilitate Program and Operational Reviews. \*

5. Budget Distribution Requirements. The BP-183 (Exhibit 2) must be completed for each cost center that operating plans are requested for and is used to specify quarterly fund distributions by object class of approved operating plans. Fund distributions must be based on actual fund requirements (e.g., advance procurements, seasonal demands, fourth quarter obligation limitations, bulk purchases, etc.) and not simply one-fourth of the annual amount.

a. Cost center managers (Deputy Assistant Directors or designees at the Central Office) are responsible for: completing a BP-183 to provide for and support the distribution of the initial operating plan in FMIS; completing a revised BP-183 to effect a change in quarterly distributions; ensuring that all blanks are completed and signatures are obtained; and verifying the mathematical accuracy of all columns.

b. Financial Management is responsible for: providing cost center managers with a BP-183 for each cost center they are responsible for at the time annual requirements are approved; and providing a BP-183 to cost center managers wishing to effect a change in quarterly distributions. The BP-183, and all supporting documentation, shall be maintained locally to facilitate Program and Operational Reviews.

6. Equipment Requirements. This budgeting procedure is established to eliminate special allotments for equipment. Institutions are advised not to rely on the Central Office or regional offices for special allotments for equipment during or at the end of each fiscal year (except as indicated below). Newly added items or changing priorities would require substitution of one item for another item(s) during the year without recourse to special funding assistance.

The Central Office, Training Center Region, or regional offices shall consider funding of any item for which the need could not be anticipated (refer to Chapter 15 for further guidance with requesting equipment funds).

a. Responsibilities

(1) Cost center managers are responsible for: preparing, on an annual basis, a listing of their equipment needs in priority order; and presenting their requests to the Budget and Planning

Committee through the Inventory Management Specialist (surplus screening) and the Controller/Comptroller. Each item on the listing shall be substantiated by a justification statement.

(2) Financial Management is responsible for: consolidating, on an annual basis, cost center manager priority listings for consideration by the Budget and Planning Committee in formulating an equipment priority listing; and properly completing Exhibit 3. Current Year allocation and obligation data shall be analyzed to determine if equipment funds are being utilized to the maximum extent possible.

(3) The Chief Executive Officer shall determine the priority of **justified** equipment needs to be placed on Exhibit 3 "Equipment Priority List".

7. Reimbursement Estimates. Reimbursements reported on this exhibit are included in the Bureau's total budgetary resources. Income earned or collections falling short of established estimates require downward adjustments and withdrawals of that portion of the allocation that represents anticipated reimbursements. As such, it is imperative that due care is exercised in formulating and revising reimbursement estimates for the fiscal year. It is the responsibility of Financial Management to complete Exhibits 4 and 5.

a. Definition. Reimbursements are earnings or collections from sales of commodities and services furnished or to be furnished. Reimbursements do **not** represent a correction or adjustment of previously recorded disbursements.

Reimbursements constitute a restoration of the original amount appropriated by Congress and are subject to apportionment by OMB. Examples of reimbursements include: payments received for boarding non-Federal prisoners, sales of meal tickets, sale of utilities produced by the Bureau to UNICOR, and payments received for staff housing rentals.

Conversely, refunds are recoveries of amounts paid in error and advances. Refunds shall be directly related to a previously recorded disbursement and is a reduction of such disbursement. Refunds are not subject to apportionment by OMB. Examples of refunds include: repaid travel advances, overpayments to vendors, and jury fees.

b. Instructions. Instructions for completing required exhibits are as follows:

- (1) Exhibit 4 - "Rental Staff Housing Reimbursements"

(a) Enter the institution name and the ensuing fiscal year (budget year).

(b) Enter the number of applicable units and the total annual rental value amount of those units.

(c) List all anticipated vacancies using known changes and/or using an average of vacancies for the past three years. The amount for vacancies is calculated by multiplying the number of units by the applicable monthly rate by the number of months the unit(s) will be vacant. Units with identical rental rates and months vacant may be grouped together.

(d) Net Rental Reimbursements is the result of Total Reductions subtracted from Total Full Value - All Units and represents the amount of anticipated rental deductions for the budget year and shall be entered under Sub-Group "E2", Exhibit 5.

(e) Enter the amount of payroll deductions for rentals reported on the ASPM for NFC Pay Period 10 or DOJ Pay Period 12 and multiply that amount by 26.

(f) Difference is the result of Payroll Deduction for Rentals subtracted from Net Rental Reimbursements.

(g) If the Difference amount is greater than  $\pm 5\%$  of the Net Rental Reimbursements amount, that variance, if correct, shall be justified or explained in the space provided.

(h) The employee who prepared the exhibit shall sign in the space provided; the Controller shall sign indicating the exhibit has been reviewed and approved.

(2) Exhibit 5 - "Summary, Estimate of Reimbursements"

(a) Enter the institution name and budget year.

(b) Enter the total value of applicable anticipated reimbursements. **Note:** The amount for Sub-Group "E2" shall be the same as the amount calculated for Net Rental Reimbursements in Exhibit 4, "Rental Staff Housing Requirements". **Do not include refunds.**

(c) The employee who prepared the exhibit shall sign in the space provided; the Controller shall sign in the space provided indicating the exhibit has been approved.

(d) Exhibit 5 shall be transmitted by institution Controllers to the regional offices by July 1. Regional, Training Center Region, and Central Office summaries shall be transmitted to the Chief, Budget Execution Branch, no later than July 14.

c. Verification. The reimbursements estimated in Exhibit 5 shall be accounted for and controlled in accordance with the Accounting Management Manual and as follows:

(1) Differences in excess of +/- five percent between the Exhibit 5 estimates and the earned reimbursements shown in FMIS or FMS for the prior year must be documented and justified.

(2) Reimbursement estimates are to be adjusted during the fiscal year to reflect the rate at which reimbursements are earned and are anticipated for the remainder of the fiscal year.

\* (3) Reimbursement collection rates and outstanding billings should be reviewed throughout the fiscal year for all appropriations (as applicable) current and/or prior. Follow-up on outstanding collections should be coordinated through accounting staff to the appropriate party (documented in writing) to ensure collections are received.

If after a period of time in which several attempts to obtain collection have been unsuccessful, the institutions or region should contact the appropriate staff at the next management level (regional office or central office) to initiate debt collection procedures (treasury off-set). \*

(4) Payroll deductions for staff quarters rentals as shown in the most recent Accounting Station Posting Media (ASPM) are to be compared to and in agreement with the rental rates shown in the memorandum from the Chief, Property and Procurement Branch.

Form BP-S184.021 BUDGET REQUIREMENTS is available on BOPDOCS.

Instructions for completing the BP-184:

- (1) Institution - self explanatory
- (2) Requirements for F.Y. - insert the fiscal year for which the form applies.
- (3) Period Considered - state the budget period being considered. (Annual, semi-annual, etc.)
- (4) Estimated population - this applies only to those cost centers whose operating plans are based on population. If the population used is different from the established annual estimated population, the reason for the difference shall be documented.
- (5) Per Capita Base - this applies only to those cost centers whose operating plans are based on population. The cost center per capita base shown in the Budget Execution or Regional Budget Planning Manual.
- (6) Decision Unit - self explanatory.
- (7) Cost Center - self explanatory.
- (8) Cost Center Title - state the cost center name.
- (9) Supervisor - the signature of the cost center manager's immediate supervisor to indicate review and concurrence.
- (10) Prepared by - the signature of the cost center manager to indicate that the requirements reflected have been reviewed and are correct.
- (11) Column 1 "Object Class" - indicates the FMIS major object class code.
- (12) Column 2 "Description" - short title for the major object classes in Column 1.
- (13) Column 3 "Current Operating Plan" - for the annual BP-184, this represents the prior year initial operating plan as completed by the Budget Analyst. Otherwise, this represents the operating plan for the period considered as completed by the Budget Analyst using the \$IOP4 report.
- (14) Column 4 "Total Requirement" - to be completed by the cost center manager and indicates required funding for the period being considered. Requirements other than annual for Object Class 26.0 "Supplies per:BP-281 &/or shall be supported by amounts reflected on the BP-281 and/or BP-134 (refer to the BOP Acquisitions Manual). Requests for Purchase that were submitted, but not processed, in the prior period must be included in the total reflected in this column.
- (15) Column 5 "Planning Committee Adjustments" - to be completed by the Budget Analyst and indicates the amount of adjustment recommended by the Planning Committee. Adjustments shall be substantiated by Planning Committee minutes.
- (16) Column 6 "Budget Committee Adjustments" - to be completed by the Budget Analyst and indicates the amount of adjustment approved by the Budget Committee. Adjustments shall be substantiated by Budget Committee meeting minutes.
- (17) Column 7 "Approved Operating Plan" - to be completed by the Budget Analyst and is the result of adding the total in Column 4 to the adjustments in Column 6. If approved requirements exceed the amounts in Column 3, the Budget Analyst shall be prepared to indicate the action which will be taken to reduce expenditures or obtain additional funding.
- (18) Block 8 "Receivables" - to be completed by the cost center manager in conjunction with the Budget Analyst. The amounts shall reflect known and estimated receivables applicable to the period being considered.
- (19) Justification of Requirements - a separate paper (to be attached to the BP-184) is used by cost center managers to justify increases or decreases in quarterly and/or annual requirements. Justifications shall be in sufficient detail and shall include the probable impact on the program should the requested adjustment be disapproved.

Notes and remarks:

Form BP-S183.021 BUDGET DISTRIBUTION REQUIREMENTS is available on BOPDOCS.

Instructions for completing the BP-183:

- (1) Institution - self explanatory
- (2) Requirements for F.Y. - insert the fiscal year for which the form applies.
- (3) Annual or Amended - state whether the form is an annual or an amended BP-183.
- (4) Estimated population - this applies only to those cost centers whose operating plans are based on population. If the population used is different from the established annual estimated population, the reason for the difference shall be documented.
- (5) Per Capita Base - this applies only to those cost centers whose operating plans are based on population. The cost center per capita base shown in the Budget Execution or Regional Budget Planning Manual.
- (6) Decision Unit - self explanatory.
- (7) Cost Center - self explanatory.
- (8) Cost Center Title - state the cost center name.
- (9) Supervisor - the signature of the cost center manager's immediate supervisor to indicate review and concurrence.
- (10) Prepared by - the signature of the cost center manager to indicate that the requirements reflected have been reviewed and are correct.
- (11) Column 1 "Object Class" - indicates the FMIS major object class code.
- (12) Column 2 "Description" - short title for the major object classes in Column 1.
- (13) Column 3 "Approved Operating Plan" - for the annual BP-183, this represents the operating plan approved on the annual BP-184 and is completed by the Budget Analyst. For the amended BP-183, this represents the operating plan approved on the annual BP-184, plus additional funding received and/or cumulative distribution changes.
- (14) Columns 4, 5, 6, and 7 "1st, 2nd, 3rd, 4th Quarter Requirement" - for the annual BP-183, these represent quarterly distributions of the amounts in Column 3 and are completed by the cost center manager. For the quarterly amended BP-183 (if required), these represent revised quarterly distributions of the amounts in Column 3 and are completed by the cost center manager. Either dollar amounts or percentages of the quarterly distributions shall be used.



RENTAL STAFF HOUSING REIMBURSEMENTS

Institution \_\_\_\_\_

Budget Year \_\_\_\_\_

D  
)

Housekeeping Units (# ) \_\_\_\_\_

BOQ and Non-Housekeeping Units (# ) \_\_\_\_\_

Total Full Value - All Units \_\_\_\_\_

Less - Anticipated Vacancies (# of Units x Rate x Months Vacant):

|       |   |       |   |       |       |
|-------|---|-------|---|-------|-------|
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |
| _____ | x | _____ | x | _____ | _____ |

Total Reductions \_\_\_\_\_

Net Rental Reimbursements (enter as "E2", Exhibit 5) \_\_\_\_\_

Payroll Deduction for Rentals (NFC PP10 or DOJ PP12) \_\_\_\_\_

Difference \_\_\_\_\_

Justification/Explanation (if Difference is greater than ± 5%):

Prepared By: \_\_\_\_\_

Controller/Business Manager \_\_\_\_\_

**SUMMARY**  
**ESTIMATE OF REIMBURSEMENTS**

| Institution _____          |           | Budget Year _____     |     |       |             |   |
|----------------------------|-----------|-----------------------|-----|-------|-------------|---|
| Control Group              | Sub-Group | Description           | D/U | OCCD  | Total Value |   |
| "A" State Billings         | "A1"      | STATE INMATE OTHER    | 1   | 11.1  | _____       |   |
|                            | "A1"      | NIC                   | 1   | 25.0  | _____       |   |
| "B" Other Fed Agencies     | "B1"      | US CT CVL CNTR        | 1   | 11.1  | _____       |   |
|                            | "B2"      | INS DETAINEE          | 1   | 11.1  | _____       |   |
|                            | "B3"      | GSA CHICAGO           | 3   | 23.3  | _____       |   |
| "D" UNICOR                 | "D1"      | IND UTILITIES         | P   | 23.3  | _____       |   |
|                            | "D2"      | IND BLDG MAINT        | P   | 26.0  | _____       |   |
|                            | "D3"      | IND VEHL MAINT        | P   | 26.0  | _____       |   |
| "E" Miscellaneous          | "E1"      | MEAL TICKETS          | A   | 26.0  | _____       |   |
|                            | "E1"      | COIF                  | F   | 26.0  | _____       |   |
|                            | "E2"      | RENTAL OF RES         | P   | 23.3  | _____       |   |
|                            | "E3"      | PERSONAL PROPERTY     |     | 31.0  | _____       |   |
| *                          | "E6"      | RECYCLE INCOME        | M   | 26.0  | _____       | * |
|                            | "E7"      | COST OF INCARCERATION |     |       | _____       |   |
| "F" Farm Operations        | "F1"      | FARM BY-PROD          | A   | 26.0  | _____       |   |
|                            | "F2"      | FARM LIVESTOCK        | A   | 26.0  | _____       |   |
|                            | "F3"      | FARM MILK             | A   | 26.0  | _____       |   |
|                            | "F4"      | FARM CROPS            | A   | 26.0  | _____       |   |
|                            | "F5"      | FARM PROPERTY         | A   | 31.0  | _____       |   |
| Total - All Reimbursements |           |                       |     | ===== |             |   |

Prepared By:

Controller/Business Manager



ITEMIZED ESTIMATE: (Itemized renovation/construction estimate)

Include with the planning format an itemized cost estimate, excluding equipment. This itemized estimate is very important to allow appropriate review by management and to determine the feasibility of financing the plan.

ITEMIZED EQUIPMENT LIST: (Itemized sales unit equipment list/cost)

Include with the planning format an itemized list of equipment you need to purchase, including replacement equipment and the current estimated cost. Submit available specifications, drawings, brochures, etc., for the equipment and an equipment justification as required by current policy.

TARGET DATE: (Statement of proposed target date)

Indicate when renovation/construction would be most appropriate for your institution after funds are approved and authorization to proceed is given. Would work be done "in-house" or by contract and why? Is there other renovation/construction taking place that the sales unit plan could or should be incorporated with, etc.?

FUNDING: (Joint funding effort)

Include a statement if other than Trust Fund funds (15X8408) are available for all or a portion of your proposed plan. Joint funded efforts may be approved earlier or have a higher priority than all 15X8408 funded.

MISCELLANEOUS: (Statement(s) of interest or concern)

Include any relevant statements, ideas, recommendations, etc., to assist in the review and approval of your plan.

Chapter 13 - Salary Budget Information

1. Purpose. The purpose of this chapter is to identify procedures in obtaining estimates of the maximum workyears and dollars needed for the budget year (BY) and to assemble information for use in making allocations.

2. Background. Obtaining the most current and accurate information available is necessary to ensure that resources are allocated according to need. The information provided by completing this exhibit shall be used to determine workyear levels and funding allocations for 11.1 and 12.1 object class codes. Other salary requirements will be determined by equity formulas. Results shall be rounded to the nearest \$100.

3. Instructions

a. Exhibit 1, Attachment A:

\* (1) Line 1: Actual 11.1 disbursements from Accounting Station Posting Media (ASPM), Summary Level 3, Pay Period (PP) 10 (sub-objects 1125, 1129, 1130, 1135, 1148, 1149, 1163, 1191, and 1196). \*

(2) Line 2: Hours worked for 11.1 disbursements from ASPM for PP10.

(3) Line 3: ASPM adjustments for dollars.

(4) Line 4: ASPM adjustments for hours (e.g., employees paid in wrong decision unit, paid in 11.3 but should be paid in 11.1, paid in 11.1 but should be paid in 11.3, etc.).

(5) Line 5: Dollar amount for PP10 vacancies.

(6) Line 6: Hours for PP10 vacancies.

(7) Line 7: Actual 12.0 disbursements from ASPM (sub-objects 1200, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1231, and 1242).

(8) Line 8: Actual Thrift Savings Plan (TSP) disbursements from ASPM (sub-objects 1227, 1228, and 1229). Data for this line is for informational purposes only and shall not be adjusted.

b. Exhibit 1, Attachment B:

(1) Line A: Add Lines 2, 4, and 6 of Attachment A and divide by 80 (result shall equal authorized P01, P01A, P09, and P09A positions combined).

(2) Line B: Add Lines 1, 3, and 5 of Attachment A and multiply by 26.

(3) Line C: Multiply Line B by 1%.

(4) Line D: Add Line B and Line C.

(5) Line E: Divide Line D by Line A.

(6) Line F: Divide Line 7 by Line 1 of Attachment A and multiply by 100.

4. Transmittal Procedures. Exhibit 1 (Attachment A and Attachment B) shall be transmitted by institution Controllers to the regional Comptrollers by July 1. Regional, Management and Specialty Training Center (MSTC), and Central Office summaries shall be transmitted to the Budget Execution Branch no later than July 14.

SALARY INFORMATION

|                              |               |       |       |       |                    |
|------------------------------|---------------|-------|-------|-------|--------------------|
| Institution _____            |               |       |       |       | Current Year _____ |
| Date _____                   |               |       |       |       | Budget Year _____  |
|                              | Decision Unit |       |       |       | Total              |
|                              | _____         | _____ | _____ | _____ | _____              |
| 1. Reg. Sal                  | _____         | _____ | _____ | _____ | _____              |
| 2. Reg. Hours                | _____         | _____ | _____ | _____ | _____              |
| 3. ASPM ADJ \$               | _____         | _____ | _____ | _____ | _____              |
| 4. ASPM ADJ<br>Hours         | _____         | _____ | _____ | _____ | _____              |
| 5. Vacancies \$              | _____         | _____ | _____ | _____ | _____              |
| 6. Vacancies<br>Hours        | _____         | _____ | _____ | _____ | _____              |
| 7. Personnel<br>Benefits     | _____         | _____ | _____ | _____ | _____              |
| 8. Thrift<br>Savings<br>Plan | _____         | _____ | _____ | _____ | _____              |

BUDGET YEAR SALARY REQUIREMENTS

Institution \_\_\_\_\_ Current Year \_\_\_\_\_  
 Date \_\_\_\_\_ Budget Year \_\_\_\_\_

|                             | Decision Unit |       |       |       | Total |
|-----------------------------|---------------|-------|-------|-------|-------|
|                             | _____         | _____ | _____ | _____ |       |
| A. Maximum Workyear Need BY | _____         | _____ | _____ | _____ | _____ |
| B. Salaries                 | _____         | _____ | _____ | _____ | _____ |
| C. Periodic Step Increase   | _____         | _____ | _____ | _____ | _____ |
| D. Total Salaries           | _____         | _____ | _____ | _____ | _____ |
| E. Workyear Cost            | _____         | _____ | _____ | _____ | _____ |
| F. Benefits Percentage      | _____         | _____ | _____ | _____ | _____ |

Chapter 14 - Wage Board Increases

1. Purpose. The purpose of this chapter is to provide the means to request additional funding associated with increases in salary rates of the Federal Wage Board System Rate Schedule.

2. Background. Since funding for Wage Board salary rate increases is not included in the initial allotment, it is necessary to request funding to cover the costs associated with those increases. It is the responsibility of Financial Management to complete Exhibit 1 (Attachments A and B) within 30 days of the effective date of the salary increase. Salary rate increases associated with the Trust Fund appropriation shall be completed on a separate exhibit.

3. Instructions

a. Exhibit 1, Attachment A "Wage Board Increase":

(1) Enter the institution name, current fiscal year, the effective date of the salary rate increase, and hours remaining in the current fiscal year.

(2) Enter the decision unit affected by the increase.

(3) Enter the grade and step affected by the increase.

(4) Enter the number of employees in the grade and step specified.

(5) Comparing the new Rate Schedule with the old Rate Schedule, compute the hourly increase for each applicable grade and step.

(6) Compute the Increase by multiplying the hourly increase by the number of employees specified.

(7) Current Funding Required is the Increase times the number of hours remaining in the fiscal year from the date the salary rate increase is effective (the number of pay periods remaining times 80 hours).

(8) Annual Funding Required is the Increase times the number of hours in the ensuing fiscal year (26 pay periods multiplied by 80 hours).

(9) Subtotals of Current Funding Required and Annual Funding Required amounts are required for each decision unit.

(10) Personnel benefits percentage is determined by utilizing the most current ASPM and dividing total 1200 object class charges by total 1100 object class charges for each applicable decision unit. That percentage shall be applied to the subtotals and the result entered in the space provided.

(11) The subtotal amounts and the personnel benefits calculated shall be added together to arrive at total costs for the decision unit.

(12) Grand totals of all decision units shall be calculated.

(13) The employee who prepared the exhibit shall sign the form and forward it to the Controller for review and approval.

b. Exhibit 1, Attachment B "Distribution of Funds, Wage Board Increase":

(1) Enter the institution name, the current fiscal year, and the effective date of the salary rate increase.

(2) Amounts determined in Attachment A of this exhibit shall be distributed, by decision unit, by object class, and by quarter.

(3) If the effective date of increase is after the submission of the Salary Budget Information exhibits (Chapter 14), then each institution affected will prepare a separate Attachment B for the remainder of the current fiscal year and for the ensuing fiscal year.

4. Transmittal Procedures. Exhibit 1, Attachments A and B, and new Wage Schedules shall be forwarded to the Regional Comptroller for review. The regional office shall forward the exhibits and Wage Schedules to the Chief, Budget Execution Branch. Exhibits pertaining to the Trust Fund Appropriation shall be forwarded to the Chief, Trust Fund Branch.

**WAGE BOARD INCREASE**

Institution \_\_\_\_\_  
 Effective Date \_\_\_\_\_

Fiscal Year \_\_\_\_\_  
 Hours Remaining \_\_\_\_\_

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| D/U                               | Grade/<br>Step | Number<br>of<br>Employees * | Hourly<br>Increase | Increase | Current<br>Funding<br>Required | Annual<br>Funding<br>Required |
|-----------------------------------|----------------|-----------------------------|--------------------|----------|--------------------------------|-------------------------------|
| Subtotal                          |                |                             |                    |          |                                |                               |
| Plus: _____% - Personnel Benefits |                |                             |                    |          |                                |                               |
| Total D/U                         |                |                             |                    |          |                                |                               |
|                                   |                |                             |                    |          |                                |                               |
| Subtotal                          |                |                             |                    |          |                                |                               |
| Plus: _____% - Personnel Benefits |                |                             |                    |          |                                |                               |
| Total D/U                         |                |                             |                    |          |                                |                               |
| Grand Total                       |                |                             |                    |          |                                |                               |

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Prepared By: \_\_\_\_\_

Approved By: (Controller/Business Manager) \_\_\_\_\_

\* NUMBER OF EMPLOYEES SHOULD BALANCE TO YOUR \$POS3 PZ REPORT

DISTRIBUTION OF FUNDS  
WAGE BOARD INCREASE

Institution \_\_\_\_\_

Fiscal Year \_\_\_\_\_

Effective Date \_\_\_\_\_

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| Decision<br>Unit | Object<br>Class | First<br>Quarter | Second<br>Quarter | Third<br>Quarter | Fourth<br>Quarter | Total |
|------------------|-----------------|------------------|-------------------|------------------|-------------------|-------|
|------------------|-----------------|------------------|-------------------|------------------|-------------------|-------|

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Chapter 15 - Special Funding Requests

1. Purpose. The purpose of this chapter is to establish procedures for special funding of equipment, task forces, non-recurring expenses, identified projects, special requests by Central Office, Training Center Region, and Regional Offices, and employee transfer expenses.

2. Equipment. Regions are expected to adjust the priorities of their S&E budgets to accomplish any unplanned but necessary equipment purchases under \$20,000. Equipment items with a cost of \$20,000 or more per item or group of like items shall be requested by the Regional Director to the Assistant Director for Administration.

a. The request shall list the specific type of equipment to be purchased, indicate the total amount of funding required, and specify the total amount of equipment items recommended for cancellation or deferral. The net amount requested shall be the result of the total amount of cancellations/deferrals subtracted from the total amount of funding required.

(1) The request shall be substantiated by a detailed justification statement which includes a list of all equipment items for all institutions within the region for which funding has been made available but obligation of those funds has not occurred. The list shall also include reserves held by the region. The Regional Director's assessment of the impact of cancellations or deferrals of equipment purchases shall also be provided.

b. The Assistant Director for Administration shall review the merits of the request. If approved, the amount and funding source shall be indicated.

3. Task Forces. It is the practice of the Director, Bureau of Prisons, to establish and fund special task forces to make detailed studies and evaluations of problem areas.

a. The task force Chair is responsible for notifying the Chief, Budget Execution Branch, of the establishment of the approved task force, and for compiling a budget estimate for the task force operation.

(1) A memorandum stipulating the nature of the task force, the amount of anticipated obligations, the length of time the task force is required, and the name of the task force Chair shall be forwarded to the Chief, Budget Execution Branch, prior to the commencement of task force operations.

b. The Budget Execution Branch, upon receipt of the required information from the task force chair, shall assign a special project number.

4. Non-recurring Expenses. During the course of a fiscal year, events occur (e.g., disturbances, natural disasters, etc.) which could not be foreseen. Historically, those occurrences have required fiscal resources above and beyond established operating bases. As such, institutions and regions may request project numbers. These project numbers provide the ability to track the costs associated with specific events and provide a basis for additional funding allocations.

a. If an event occurs where anticipated obligations may exceed \$2,000, the Controller shall request a project number through the Regional Comptroller. The Regional Comptroller is to notify the Chief, Budget Execution Branch, of the need for a project number. The Chief, Budget Execution Branch, reviews the request and, if approved, notifies the Regional Comptroller of the project number and any special obligating instructions (e.g., types of obligations approved, limitations). All obligations associated with the unforeseen event must be coded to the project number issued, and cost center 22U\* (\* appropriate sub-budget activity).

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A memorandum from the Regional Comptroller stipulating the nature of the event, the amount and type of anticipated obligations (e.g., overtime, travel), and the length of time obligations are expected to be incurred must be forwarded to the Chief, Budget Execution Branch, when the project number is issued to the Regional Comptroller, or soon thereafter depending on the nature of the circumstances surrounding the incident.

b. Institution Controllers and Regional Comptrollers shall ensure that obligations charged to approved projects are fully documented, supportable, and consistent with the justifications approved and any special obligating instructions issued by the Chief, Budget Execution Branch. Regional Comptrollers shall review all project obligations within their respective regions and provide revised estimates to the Chief, Budget Execution Branch, for consideration and, in the case of upward revisions, approval to further incur obligations against the projects.

5. Identified Projects. In contrast to projects established for non-recurring events, projects have been established to capture the costs associated with recurring programs that have national impact (e.g., airlift, bus, etc.). Obligations for those projects shall be charged against the appropriate decision unit

and cost center 22U\* unless specified otherwise as below or by special obligating instructions provided by the Chief, Budget Execution Branch.

| <u>Project</u> | <u>Objective</u>          | <u>Cost Center</u> |
|----------------|---------------------------|--------------------|
| 09D            | WITSEC Protection         | 22AE               |
| 35C            | Bus Operations            | *                  |
| 46C            | Airlift Operations        | *                  |
| 98C            | Emergency Medical Airlift | 22AB               |

\* Use appropriate local cost center codes

6. Cut-Off Date. A cut-off date of September 15 of each fiscal year is established for use of National Program-level cost centers. Obligations for on-going projects beyond this cut-off date will be accrued and entered into FMIS by the cut-off date. Any obligations not in FMIS by this date are the responsibility of the institutions or regional offices involved.

7. Special Requests by Central or Regional Offices. If a Central Office or Regional Office program manager requests participation of institution and regional office personnel to assist in effecting program functions (e.g., Program Reviews, travel), the program manager shall issue a memorandum to the institutions and regional offices citing the FMIS accounting classification code authorizing the use of the Central Office or Regional Office cost center. The memorandum shall be maintained in a manner to readily support the obligation authorized. Institutions are authorized to carry negative balances for any obligation that is properly documented by Central Office or Regional Office authorization.

8. Employee Transfer Expenses. All employee relocation expenses shall be obligated by the Consolidated Relocation Section. Unless otherwise provided, funds will not be allocated to the institutions and Regional Office for relocation expenses.