

DOE 2200.9B
6-8-92

This page must be kept with DOE 2200.9B, MISCELLANEOUS ACCOUNTING. DOE 2200.9B, MISCELLANEOUS ACCOUNTING, revises DOE 2200.9A to reflect organizational titles, routing symbols, and other editorial revisions required by SEN-6. No substantive changes have been made.



U.S. Department of Energy
Washington, D.C.

ORDER

DOE 2200. 9B

6-8-92

SUBJECT: MISCELLANEOUS ACCOUNTING

1. **PURPOSE.** To provide Department of Energy (DOE) policy and general procedures for payroll accounting (does not include payroll processing procedures), travel and transportation accounting, financial closeout procedures, grant accounting, nuclear waste fund accounting, and other accounting procedures.
2. **CANCELLATIONS.** DOE 2200.9A, MISCELLANEOUS ACCOUNTING, of 3-30-89.
3. **SCOPE.** The provisions of this Order apply to all Departmental elements and integrated contractors performing work for the Departmental provided by law and/or contract and as implemented by the appropriate contracting officer.
4. **APPLICABILITY.** (See DOE 2200.4, ACCOUNTING OVERVIEW, Chapter I, "Introduction," page I-1, paragraph.)
5. **REFERENCE.** DOE 2200.4, Attachment, "References," provides a consolidated listing of authoritative reference sources for all subject matter contained in the accounting directives (DOE 2200 series).
6. **OBJECTIVE.** To ensure that financial procedures are consistent for special types of financial accounting and subject matter unique to certain organizations.
7. **DEFINITIONS.** DOE 2200.4, Attachment, "Definitions," provides a consolidated glossary of financial terms used in the accounting directives. In some instances a term may be defined within the text of an Order where its use is limited to the immediate text.
8. **RESPONSIBILITIES.** DOE 2200.4, Chapter III, "Responsibilities," contains the responsibilities for accounting directives.

BY ORDER OF THE SECRETARY OF ENERGY:



DONALD W. PEARMAN, JR.
Acting Director
Administration and Human
Resource Management

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Chief Financial Officer



TABLE OF CONTENTSCHAPTER I - PAYROLL ACCOUNTING

1.	Introduction	I-1
	a. Purpose	1-1
	b. Applicability	I-1
	c. Policy	1-1
2.	General	1-1
3.	Privacy Act of 1974	I-2
	a. Information Gathering	I-2
	b. Handling and Processing Personal Information	I-2
4.	Internal Control	I-3
5.	Review by Payroll Managers	I-4
6.	Integration with the Accounting System	I-4
7.	Establishing Basic Pay and Basis for and Frequency of Payment	I-4
8.	Payroll Earnings	I-4
	a. General	I-4
	b. Basic Pay	I-5
	c. Compressed Work Schedules	I-5
	d. overtime	I-5
	e. Compensatory Time Off	I-6
	f. Credit Hours	I-7
	g. Negotiated Agreements for Pay	I-7
	h. Backpay	I-7
9.	Payroll Records	I-8
	a. Individual Earnings Record	I-8
	b. Memorandum Individual Earnings and Leave Record	I-8
	c. Employee's Leave Record	I-8
	d. Individual Retirement Record	I-8
	e. Time and Attendance Record	I-8
	f. Withholding Certificate	I-9
10.	Payroll Deductions	I-9
	a. General	I-9
	b. Order of Withholding Precedence for Deductions	I-9
	c. Special Situations-Order of Deductions	I-11
	d. Instructions	I-11
	(1) Civil Service Retirement System and Federal Employees' Retirement System	I-11
	(2) Federal Income Taxes and Federal Insurance Contributions Act Taxes	I-12
	(3) Federal Employees' Health Benefits	I-12
	(4) Federal Employees' Group Life Insurance	I-13
	(5) Claims Due from Employees	I-13
	(6) Delinquent Taxes Due the United States	I-13
	(7) State, City, County, and District of Columbia Income and Employment Taxes	I-13
	(8) Allotments and Assignments of Compensation	I-14
	(9) Benefits for Temporary Employees	I-14

11.	Payroll Vouchers	1-14
12.	Taxation of Noncash Fringe Benefits	1-14
13.	Voluntary Leave Transfer Program	1-15
14.	Service Credit	1-15
	a. Service Credit Deposits Under the Civil Service Retirement System for Post-1956 Military Service	1-15
	b. Service Credit Deposits Under the Federal Employees Retirement System for Post-1956 Military Service	1-16
	c. Creditable Service Toward Retirement for Members of the Cadet Nurse Corps	1-16
	d. Creditable Service for National Guard Technicians Under the Civil Service Retirement System and the Federal Employees Retirement System	1-16
	e. Creditable Service with a Nonappropriated-Fund Instrumentality	1-17
	f. Creditable Service with a Nonappropriated-Fund Instrumentality Under the Federal Employees' Retirement System	1-18
15.	Thrift Savings Plan	1-18
	a. Federal Employees' Retirement System	1-18
	b. Civil Service Retirement System	1-18
	c. Requirements for Contributions	1-18
16.	Allowances and Differentials at Foreign, Nonforeign , and Remote-Worksite Posts of Duty	1-18
	a. Foreign Allowances and Differentials	1-18
	(1) Authorities	1-18
	(2) Documentation	1-19
	(3) Advances	1-19
	(4) Federal Income Tax Withholdings	1-19
	(5) Report	1-20
	(6) Program Charges	1-20
	b. Nonforeign Allowances and Differentials	1-20
	(1) Authorities	1-20
	(2) Documentation	1-20
	(3) Advances	1-20
	(4) Maximum Payment	1-20
	(5) Federal Income Tax Withholdings	1-20
	(6) Program Charges	1-20
	c. Employees Detailed to Foreign and Nonforeign Posts	1-20
	d. Allowances Based on Duty at Remote Worksites	1-21
	(1) Authorities	1-21
	(2) Documentation	1-21
	(3) Conditions Under Which the Allowance Applies	1-21
	(4) Prescribed Rates	I-22
	(5) Advances	I-22
	(6) Federal Income Tax Withholdings	I-22
	(7) Program Charges	I-22
17.	Payments for Unemployment Compensation	I-22
	a. Headquarters Payroll and Bonneville Power Administration Payroll	I-22

- b. Office of Headquarters Accounting Operations and Bonneville Power Administration Payroll I -23
- c. Servicing Personnel Offices I -24
- 18. Lump-Sum Annual Leave Payments I -25
 - a. Employees Separated from Federal Service I -25
 - b. Survivors of Deceased Employees I -25
 - c. Computation of Lump-Sum Annual Leave Payment I -25
 - d. Withholdings from Lump-Sum Payments I -25
- 19. Court Leave I -25
- 20. Employees Transferred to International Organizations I -26
 - a. Payment by a Transferred Employee I -27
 - b. Accounting I -27
 - (1) Deposit of Employees Payments I -27
 - (2) **Payments** to Office of Personnel Management I -27
 - (3) Contributions by DOE I -27
 - (4) Memorandum Individual Earnings and Leave Record I -27
- 21. Reemployment from an International Organization I -28
 - a. Entitlement I -28
 - b. Computation of Allowance I -28
 - (1) Federal Government I -28
 - (2) International Organizations I -28
 - c. Employee Actions While on Transfer I -29
 - d. DOE Actions While an Employee Is on Transfer I -29
- 22. Military Leave I -29
- 23. Employees Assigned Under the Intergovernmental Personnel Act I -29
 - a. Detail I -29
 - b. Assignment on Leave Without Pay I -30
 - c. Exceptions I -30
- 24. Responsibilities for Final Pay I -30
- 25. Employees Who Die in **Service** I -31
 - a. Procedure I -31
 - b. Designation of Beneficiary I -31
 - c. Unpaid Compensation I -31
 - d. Employee's Death I -32
 - e. Doubtful Claims I -32
 - f. Claims Involving Minors or Incompetents I -32
 - g. Return of **Unnegotiated** Government Checks I -32
 - h. Disbursement Voucher I -33

CHAPTER II - TRANSPORTATION ACCOUNTING

(Reserved)

CHAPTER III - FINANCIAL CLOSEOUT

- 1. Introduction II I-1
 - a. Background II I-1

	b. Appl i cability	III-1
2.	Policy	III-1
3.	Types of Contractual Instruments	III-1
	a. Acquisition Instruments	III-2
	(1) Cost Reimbursement Contracts	III-2
	(2) Firm Fixed Price	III-2
	(3) Purchase Order, Blanket Purchase Order, Del i very Order, or Other Fixed -Price Arrangements	III-2
	(4) Interagency Agreement	III -2
	b. Assistance Instruments	III-3
	(1) Cooperative Agreement	III-3
	(2) Grant	III -3
	(3) Loan or Loan Guarantees	III-3
4.	Stages of Closeout	III-3
	a. Physically Completed Contracts	III-3
	b. Administrative Closeout	III-3
	c. Closed Contracts	III-3
5.	Termination	III-3
6.	Timing Standards	III-4
7.	Responsibilities	III-4
	a. Admini stering Offi ce	III -4
	b. Contracting Officer	III-4
	c. Contracting Offi cer's Representative	III-4
	d. Field Element Chief Financi al Offi cer	III-4
8.	Closeout Documents	III-5
	a. Summary Settlement Statement	III-5
	b. COR Acceptance	III-5
	c. Contractor Release	III-5
	d. Contractor Assignment	III-5
	e. Documents and Records Certifi cate	III-5
	f. Property Certifi cate	III-5
	g. Property Clearance	III-5
	h. Patent Certifi cate	III-5
	i. Patent Clearance	III-5
	j. Office of Scientifi c and Techni cal Informati on Clearance	III-5
	k. Security Clearance	III-5
	1. Financi al Clearance	III-6
	m. Final Invoice	III-6
	n. CO Certifi cation	III-6
9.	Financi al Clearance	III-6
	a. Contract Closeout Package	III-6
	b. Financi al Concurrence	III -6
	(1) Review and Reconciliation of Financi al Records	III-6
	(2) Review of Contractor Closeout Documents	III-6
	(3) Review of Final Contract Modi fication	III-6
	(4) Revi ew of Final Invoice	III -6
10.	Financi al Closeout	III-6
	a. Settlement Objectives	III-6
	(1) Financi al Settlement	III-7
	(2) Accounting Settlement	III -7
	b. Recovery of Advances	III -8

- c. Government -Owned Property 111-8
- d. Management and Operating Contractor Property II I-8
- e. Final Payment 111-8
- f. Closing **C**hecks-**P**aied **L**etters of Credit II I-8
- g. Financial Reports and Statements I I I-9
- h. Documents and Records Disposition 11 I-9
- 11. Integrated Contracts 111-9
 - a. Undelivered Savings Bonds of Contractor Employees II I-9
 - b. Other Outstanding or **U**ncl aimed Items II I-9
 - c. Insurance III-10
 - d. Pension Funds II I-10
- 12. **M**iscel **l**aneous Closeout Items III-10
 - a. Contract Transfers III-10
 - b. Terminated or Expi red Contracts I I I-10
- 13. Subcontracts-Closeout Responsibility II I-10
- 14. Financial Retirement III-10
 - a. Physical Record Retirement III -10
 - b. Electronic Records Retirement III-11
 - c. Departmental Integrated Standardized Core Accounting System Retirement II1-11

CHAPTER IV - GRANTS AND COOPERATIVE AGREEMENTS

- 1. Introduction IV-1
 - a. Purpose IV-1
 - b. Background IV-1
 - c. Defi ni ti ons IV-1
 - (1) Grant IV-1
 - (2) Cooperative Agreement IV-1
 - (3) Assi stance Agreement IV-1
 - (4) Award IV-1
 - (5) Reci pi ent IV-1
 - d. Applicability IV-1
- 2. Pol i Cy IV-2
 - a. **A**dmini strative Control of Funds IV-2
 - b. Obligations IV-2
- 3. Accounting Procedures IV-2
 - a. Recording of Obligations IV-2
 - b. **D**eobligations IV-2
 - c. Payments IV-3
 - (1) Timing of Payments IV-3
 - (2) Disbursement Methods IV-3
 - (3) Payments to Financial Assi stance Reci pi ents IV-4
 - (4) Wi thheld Payments IV-4
 - d. Cash Management IV-4
 - e. Program Income IV-5
 - f. Other **R**ecipients/**R**efunds IV-6
 - g. Adjustments IV-6
 - h. Financial Reporting IV-6

4.	Cost Principles and Allowable Costs	IV-7
	a. Review of Allowable Costs	IV-7
	b. Cost Sharing	IV-8
5.	Miscellaneous Accounting	IV-8
	a. Property Accounting	IV-8
	(1) property	IV-8
	(2) Furnished Property	IV-8
	(3) Acquired Property	IV-8
	(4) Real Property	IV-8
	(5) Annual Reporting	IV-9
	b. Closeout	IV-9
	(1) Adjustments	IV-9
	(2) Financial Procedures	IV-9
	(3) Subsequent Disclosures	IV-9

CHAPTER V - FINANCIAL MANAGEMENT OF OIL OVERCHARGE MONEYS

(Reserved)

CHAPTER VI - NUCLEAR WASTE FUND

1.	Introduction	VI-1
	a. Purpose	VI-1
	b. Applicability	VI-1
	c. Background	VI-1
2.	References	VI-2
3.	Definitions	VI-4
4.	Responsibilities	VI-7
5.	Budgeting, Funding, and Financing	VI-10
	a. Budget Formulation	VI-10
	b. Budget Execution	VI-10
	c. Financing	VI-10
	d. Funds	VI-11
	(1) Interim Storage	VI-11
	(2) Nuclear Waste	VI-11
	e. Appropriation	VI-11
	f. Plant and Capital Equipment	VI-11
	(1) Acquisitions	VI-11
	(2) Dedicated and Borrowed Property	VI-12
6.	Administrative Cost	VI-12
	a. General	VI-12
	b. Policy	VI-12
	(1) Personnel	VI-12
	(2) Administrative	VI-13
	c. Headquarters	VI-13
	d. Field Operations	VI-14
	e. Personnel Costs Procedures	VI-14

6-8-92

f.	Accounting for Leave. Awards, Bonuses, and Compensatory Time	VI-15
	(1) Full-Time Personnel	VI-15
	(2) Other-Than-Full-Time Personnel	VI-15
7.	Accounting	VI-16
	a. General	VI-16
	b. Administrative Control of Funds	VI-16
	c. Revenue Recognition	VI-16
	d. Collections	VI-16
	e. Debts	VI-17
	f. Authorizations, Obligations, Costs, and Disbursements	VI-17
	g. Plant and Capital Equipment	VI-17
8.	Appropriated Debt, Borrowing, and Repayment	VI-18
	a. General	VI-18
	b. Appropriated Debt	VI-19
	c. Borrowing	VI-19
	(1) Term	VI-19
	(2) Interest Rate	VI-19
	(3) Debt Repayment (principal and Interest)	VI-19
9.	Cash Management	VI-20
	a. General	VI-20
	b. Documentation	VI-20
	(1) Cash Flow Analysis	VI-20
	(2) Investment Plan	VI-20
	(3) Program Operating plan	VI-20
	c. Process	VI-21
	d. Investments	VI-21
	(1) General	VI-21
	(2) Type	VI-21
	(3) Investment Strategy	VI-22
	e. Requirements	VI-22
	(1) Disbursement Reporting	VI-22
	(2) Reconciliation	VI-22
10.	Reporting and Auditing	VI-22
	a. Reports	VI-22
	(1) Internal	VI-22
	(2) External	VI-22
	(3) Other External Reports	VI-23
	b. Auditing	VI-23

CHAPTER VII - TRANSFERS

(Reserved)



CHAPTER I
PAYROLL ACCOUNTING

1. INTRODUCTION.

- a. **Purpose.** This chapter outlines the general principles and procedures for preparing payrolls and maintaining pay and leave records for civilian employees of DOE whether they are paid on a per annum, a per hour, or a per day basis, as prescribed in the General Accounting Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies, Title 6, "Pay, Leave, and Allowances."
- b. **Applicability.** The applicability of this chapter is specified in DOE 2200.4, ACCOUNTING OVERVIEW, Chapter I, "Introduction," paragraph.
- c. **Policy.**
- (1) Payroll offices shall make prompt payment in the proper amount to all persons entitled to be paid, in compliance with applicable laws, regulations, and legal decisions.
 - (2) Payroll offices shall prepare adequate and reliable payroll records promptly.
 - (3) Payroll offices shall make prompt accounting for and disposition of all authorized deductions from gross pay.
 - (4) Payroll offices shall maintain adequate control over payroll-related documents and provide for proper retention and disposition of all payroll-related documents.
 - (5) Payroll offices shall maintain individual pay records to show gross compensation (including allowances) by type and amount, deductions (including allotments) by type and amount, and net pay for each pay period.

2. GENERAL.

- a. The principles and standards in the GAO Policy and Procedures Manual for Guidance of Federal Agencies are applicable as basic requirements to the payroll system. However, GAO recognizes that circumstances may require or justify departures in some instances. Such departures must have the prior approval of the Comptroller General. The responsibility for prescribing the use of standard forms is assumed by the following agencies, which will issue the regulations pertaining to their use: the Office of Personnel Management (OPM), the Department of the Treasury, and the Department of State. These agencies generally may make changes in the forms without approval of the Comptroller General, provided that such changes are consistent with the basic principles and standards set forth in title 6 of the GAO Manual.

- b. Payroll operations are **governed in** various respects **by regulations issued by OPM**; Federal, and other taxing authorities; the Department of the Treasury; the Department of State; the Office of Management and Budget; the **Department of Labor**; and decisions of the **Comptroller General**. Payroll supervisors and personnel are responsible for keeping themselves informed of the various regulations.
- c. DOE officials delegated responsibility under the provisions of **DOE 3600.1B, TIME AND ATTENDANCE REPORTING**, of 2-11-91, and paragraphs **6c and d** of **DOE 3550.1A, PAY ADMINISTRATION AND HOURS OF DUTY**, of 12-22-87, shall provide copies of current delegations to the payroll office.

3. PRIVACY ACT OF 1974.

- a. Information Gathering. The Privacy Act of 1974 (Public Law 93-579) establishes certain minimum information-gathering standards for all agencies to protect the privacy and due-process rights of individuals and to ensure that surrender of personal information is made with informed consent or with some guarantees of the uses and confidentiality of the information. The act charges each agency to do the following:
 - (1) **Collect**, solicit, and maintain only personal information that irrelevant and necessary **for a** statutory purpose of the agency;
 - (2) As far as impracticable, prevent hearsay and inaccuracies by collecting information directly from the people involved; and
 - (3) Inform people requested or required to reveal information about themselves whether their disclosure is **mandatory or** voluntary, what uses and penalties are involved, and what confidentiality guarantees surround the information once the Government acquires it.
- b. Handling and Processing Personal Information. The act establishes certain minimum standards for handling and processing personal information maintained in the databanks and systems of the executive branch, for preserving **the security** of the computerized or manual system, and for safeguarding **the confidentiality** of the information. To this end, it requires every department and agency to ensure, by whatever **steps** it deems necessary, the following:
 - (1) That the information that it keeps, discloses, or circulates about citizens is as accurate, complete, timely, and relevant to the agency's needs as possible;
 - (2) That it refrains from disclosing information on individuals unless **it is** necessary for personnel actions, payroll transactions, or other employee duties;
 - (3) That it refrains from making information available outside the agency without the consent of the employee and proper guarantees, unless

pursuant to open-records laws or unless the information is required for certain law enforcement or other purposes:

- (4) That it takes certain administrative actions to keep account of the people and organizations that have access **to the** system or file and to keep account of disclosures and uses made of the information:
- (5) That it establishes rules of **conduct with** regard **to the** ethical and legal **obligations in** developing and operating a **computerized or** other data system and in handling personal data and that it takes action to instruct all employees in such duties;
- (6) That **it does** not sell or rent the names or addresses of people whose files it holds; and
- (7) That it issues appropriate **administrative** orders, provides personnel sanctions, and establishes appropriate technical and physical safeguards to ensure the security of the information system and the confidentiality of the information.

4. INTERNAL CONTROL.

- a. An effective system of internal control is an extremely important factor in the successful performance of payroll functions, which should be independent of personnel functions. The personnel office shall furnish the payroll office with written authorization for each addition to or deletion from the payroll or change in rate of pay, and the payroll office shall retain a copy of the **authorization** in the **employee's** payroll file. For employee-initiated adjustments, **such as** savings bond deductions or allotment changes, the employee shall furnish written authorization to the payroll office. Personnel performing the payroll accounting activity shall not perform the function of preparing time and attendance reports.
- b. Distribution of earnings and leave statements shall **be made by** an **employee who** knows the **identities of** the employees to whom the statements are being **delivered**. Undelivered statements should be mailed to employees by the timekeepers.
- c. The payroll office shall ensure that payroll data are processed accurately, that delegations of authority as specified **in paragraphs 6c** and of **DOE 3550.1A, PAY ADMINISTRATION AND HOURS OF DUTY**, are maintained (see **paragraph 2c**, above), that documentation for the payroll (time and attendance reports and leave authorizations) is approved and **authorized by** appropriate DOE officials, and that changes generated by payroll source documents received from the personnel office or the employee are reviewed sufficiently to ensure their accuracy and acceptability.
- d. The payroll office shall provide summary reports of each **employee's** leave and overtime records to the head of the employee's **division or office or to a** designee, for appropriate review and verification.

5. **REVIEW BY PAYROLL MANAGERS.** Payroll managers shall review their operations continually and adjust thereto to be as **efficient**, effective, and economical as possible. Managers shall ensure that payroll systems are **in** accord with legal requirements.
6. **INTEGRATION WITH THE ACCOUNTING SYSTEM.** **PAY/PERS** is the Departmental system that integrates payroll and personnel **functions into a** single database, at the two Departmental payroll offices located at Headquarters and at the Bonneville Power Administration. **Time and attendance are maintained at each field site and transmitted electronically** to the payroll offices. **PAY/PERS**, operated by Headquarters, feeds data to the Labor Distribution System and to the Energy Manpower/ Personnel Resources Information System. The Labor Distribution System classifies **and aligns** man-hours and associated personal **services** and benefits costs to the **Department's** organizational structure and also correlates these costs to the budget and **accounting** controls. The Labor Distribution System translates and **distributes** payroll data into **information** used to satisfy budgetary, accounting, and management reporting requirements. Through **a series** of edits and tables, the payroll data are modified, expanded, and summarized into transactions **to permit** interface with the Departmental Integrated Standardized Core Accounting System. **PAY/PERS**, operated by the Bonneville Power Administration, interfaces with the **Bonneville Power Administration Labor Distribution System** and the Bonneville Power Administration Financial Management Information System.
7. **ESTABLISHING BASIC PAY AND BASIS FOR AND FREQUENCY OF PAYMENT.**
 - a. Documentation required for establishing the basic pay and changes **in the basic** pay of each employee **is** Standard Form 50 (SF-50), "Notification of Personnel Action."
 - b. The personnel **office** shall prepare documents **establishing basic** pay (see paragraph 7a) **in accordance with** the current OPM Salary Table, the Executive Salary Schedules, **various wage-fixing** authorities for **locality** rate pay, and the **Fair** Labor Standards Act.
 - c. The Department shall pay **the net** pay due the Secretary semi-monthly, by check. The Department shall **pay the net pay due** all other employees (**per annum**, per day, per hour) bi-weekly, by check **or direct deposit** to the employees' **financial institutions, as specified.**
8. **PAYROLL EARNINGS.**
 - a. **General.**
 - (1) The **basic statutes** governing computation **of earnings** are **contained in** **Title 5**, Chapter 53, "Pay Rates and Systems"; Chapter 54, "Merit Pay"; Chapter 55, Subchapter, "Premium Pay"; Chapter 59, "Allowances"; and Chapter 61, "Hours of Work", of the United States Code (5 U.S.C. 53, 54, 55V, 59, 61).
 - (2) **Specific** regulations appear **in title 5 of the** Code of Federal Regulations (5 CFR) and **in** the Federal Personnel Manual (FPM).

- (3) Further Interpretation of these regulations **is contained in FPM** Supplements 990-2. 'Hours of Duty, Pay, and Leave. Annotated.' and 532-1, "Federal **Wage** System. - and **FPM Chapters** 550. 'pay **Administration**"; 551. "Pay Administration Under the Fair Labor Standards **Act**"; 610, "Hours of Duty"; and 630. 'Absence and **Leave.**"
- (4) **Implementation of** the above **regulations is** contained in **DOE 3540.1A**, PERFORMANCE MANAGEMENT AND RECOGNITION SYSTEM; **DOE 3550.1A**, PAY ADMINISTRATION AND HOURS OF DUTY; **DOE 3600.1B**, TIME AND ATTENDANCE REPORTING; and **DOE 3630.1B**, LEAVE ADMINISTRATION.
- b. **Basic Pay.** For pay computation purposes, annual rates of basic pay cover payment for employment **during 52 basic** administrative workweeks **of 40** hours. When **it is** necessary for **computation of** pay to convert an annual rate **of basic** pay to a **basic** hourly, weekly, or biweekly rate, the following **rules** apply:
- (1) To derive an hourly rate, **divide** the annual rate by 2.087.
 - (2) To derive **a weekly or biweekly** rate, multiply the hourly rate **by 40 or 80**, as applicable.
- c. **Compressed Work Schedules.**
- (1) "**Compressed schedule**" is defined as follows:
 - (a) In the case of **a full-time employee**, an **80-hour** biweekly basic work requirement that is scheduled for less than **10** workdays.
 - (b) In the case of **part-time employee**, a **biweekly** basic work requirement of less than 80 hours that is scheduled for less than **10** workdays.
 - (2) 'Overtime hours- **is** defined as any hours in excess of those specified hours that constitute the compressed schedule.
- d. **Overtime.**
- (1) Overtime work may be ordered or approved only **in writing by an officer or** employee **to whom this** authority has been specifically delegated (see paragraphs **6c** and **d** of DOE 3550 **.1A**).
 - (2) The Department shall pay for hours officially ordered or approved for work performed **in excess of 40 hours in** an administrative workweek **or in** excess **of 8** hours **in** a day at the following rates (for compressed work schedules, overtime hours are any hours in excess of those specified hours that constitute the compressed schedule):
 - (a) For an employee whose basic pay is at a rate that does not exceed the minimum **rate of** basic pay for **GS-10**, the overtime hourly rate of pay is **1.5 times** the hourly rate of basic pay.

- (b) For an employee whose basic pay **is at a rate** that exceeds **the minimum** rate of basic pay for **GS-10**, the overtime hourly rate **of pay is 1.5 times the** hourly rate of **the minimum** rate of **basic pay for GS-10**.
- (c) Employees with a Fair Labor Standards Act classification of "non-exempt" are not subject to **the limitations** of paragraphs **8d(2)(a)** and (b).
- (3) Under **5 U.S.C.**, an employee's absence from duty on authorized leave with pay does not reduce the amount of overtime **pay to** which the employee is entitled. For overtime administered under the Fair Labor Standards Act, see instructions **contained in the 551 series of FPM**.
- (4) Aggregate pay under **5 U.S.C.** may not **be paid** in excess of the statutory **limit specified in 5 U.S.C. 5547**. Payroll systems shall ensure that the statutory **limit** is not exceeded.

e. Compensatory Time Off.

- (1) Compensatory **time** off for **periods of irregular or** occasional overtime has the same statutory **limits** as described in paragraph **8d(4)**.
- (2) The **earnings limitation** formula for compensatory time off **is** as follows:

Base pay for GS-15/10	Base pay for employee being paid overtime	Maximum permissible overtime payment for General Schedule and similar employees
Maximum permissible overtime payment	+ Maximum rate payable for overtime at GS-10/1	- Maximum number of hours of compensatory time allowed (rounded down)

- (3) The following **is an example of the earnings limitation** formula (rates may not recurrent) converted to compensatory **time applied to a GS-14/8** employee who has worked overtime and reached **the ceiling**:

\$3,082.08 (base pay - for GS-15/10)	\$2,485.96 (base pay - for GS-14/8)	\$596.12 (maximum overtime payment)
\$596.12 (maximum overtime payment)	+ \$20.36 (maximum overtime rate for GS-10/1)	- 29 hours (maximum hours of compensatory time allowed)

- (4) When an employee **has not** used compensatory **time within** 26 pay periods from **the pay period in which it** was earned, the Department shall pay the employee automatically for overtime worked at the **rate in** effect when the overtime was earned. The Department must pay an employee **who is** separated from DOE and transferred to another agency for unused compensatory **time to** the **employee's** credit. (See paragraphs **10e(1)** and (3) of DOE **3550.1A.**)

f. **Credit Hours.**

- (1) **"Credit** hours- under the Alternative Work Schedule **Law are defined** as hours of work **within** the tour of duty that are **in excess of an employee's basic** work requirement and that the employee elects **to work so** as to vary the length of **a workday** or a workweek.
- (2) **A full-time** employee may accumulate **up to 24** hours for carryover from one biweekly pay period to **a subsequent** biweekly pay period.
- (3) **Credit hours** for part-time employee **are limited on a pro rata** basis.
- (4) **Credit hours** earned are **nonovertime** work hours **in excess of scheduled** hours in the **biweekly pay period** in which they were worked. The employee shall **receive no additional** pay for credit hours earned, and the payroll office shall **credit** such hours to the employee's account.
- (5) Credit hours used **are considered** apart of the **basic work requirement** (**nonovertime** work) in the **biweekly** pay period **to which** they are applied. An employee is entitled to the employee's basic rate of pay for such credit hours. Credit hours shall not be used by an employee to increase **entitlement to** overtime pay.
- (6) An employee shall not be paid Sunday pay or holiday pay for credit hours.
- (7) An employee shall be **paid** for accumulated **credit hours** at the employee's current **rate of pay** as soon as the employee **is no longer allowed to work under a credit** hour system. For a **full-time** employee, payment for accumulated credit hours **is limited to** not more than 24 hours. For part-time employee, payment for accumulated credit hours **is limited based on a pro rata** portion of the employee's **biweekly** work requirement.
- g. **Negotiated Agreements for Pay.** Several of the power marketing **administrations** negotiate agreements for pay with labor **unions**. These Federal workers **are paid according** to the terms of the agreements **or final administrative** action taken and approved by appropriate authority.
- h. **Backpay.** When an employee **is** awarded **backpay** to correct **an unjustified** or unwarranted personnel **action**, the **backpay** shall accrue **interest beginning** on the date or dates on which the employee would have **received** the pay, allowances, and differentials **if the unjustified** or unwarranted personnel **action, including administrative** error, had not occurred. The rate or rates used to compute the interest payment shall be the annual percentage **rate or** rates established by the Secretary of the Treasury as the overpayment rate under 26 **U.S.C.**

6621(a)(1). Interest shall be compounded daily based on **365 (366 in a leap year) days in a year**. For additional details, see **Federal Register** (46 FR 58275 of 12-1-81, 53 FR 18072 of 5-20-88, 53 FR 45886 of 11-15-88, and 5 CFR 550.805 and 550.806.

9. **PAYROLL RECORDS.**

- a. **Individual Earnings Record.** The payroll office shall maintain an individual earnings record for each employee, showing the details of the employee's earnings, deductions, and net pay for each pay period. The earnings record shall serve as the source for the following:
- (1) Preparation of **SF-2806, "Individual Retirement Record (CARS),"** and **SF-3100, "Individual Retirement Record (FERS),"** which is posted when the employee is separated or transferred to another Federal agency;
 - (2) Reporting taxable wages under the Federal Insurance Contributions Act;
 - (3) Preparation of Form **W-2, "Wage and Tax Statement,"** for Federal income taxes and State, city, and District of Columbia Income and employment taxes withheld; and
 - (4) Reporting to State employment security agencies (SESA's) under the Federal Employees Unemployment Compensation Law (5 U.S.C. 8501 et seq.).
- b. **Memorandum Individual Earnings and Leave Record.** The payroll office shall maintain a memorandum individual earnings and leave record for each employee transferred to an International organization and for each employee assigned under the Intergovernmental Personnel Act.
- c. **Employee's Leave Record.** The payroll office shall maintain an employee's leave record for each employee who is subject to the Annual and Sick Leave Act of 1951, showing the hours of leave earned and used: the balances of annual leave, sick leave, compensatory time off, leave without pay, military, court, and home leave; annual leave restored to a separate leave account; religious compensatory time; donated leave; and FECA (Federal Employee Compensation Act on-the-job injury).
- d. **Individual Retirement Record.** The payroll office shall maintain an Individual Retirement Record for each employee subject to CSRS or FERS, including any employee transferred to international organizations who elects to participate. Each record consists of a chronological service history and cumulative deductions and payments to OPM during prior pay years.
- e. **Time and Attendance Record.** Each administrative office or other designated unit shall maintain a time and attendance record on a daily basis for each employee in such office, and it shall furnish a report to the payroll office each pay period, showing the hours of duty, attendance, leave taken, overtime worked, and any other authorized premium pay for each employees required by DOE 3600, 16, TIME AND ATTENDANCE REPORTING.

7. Withholding Certificate. Each employee shall submit Form W-4, "Withholding Certificate," to the payroll office. Withholding of Federal income tax is based upon the submission by an employee of a form W-4 that indicates the number of exemptions to be used in the calculation of tax to be withheld and the dollar amount to be withheld in addition to calculated withholdings based upon exemptions, or exemption from any withholding. The Internal Revenue Service (IRS) has amended 26 CFR 31 and 37 to require an employer to submit a copy of any form W-4 to IRS if an employee claims more than 10 exemptions or claims exemption from withholding and the wages from the employer usually exceed \$200 per week. After review of form W-4, IRS may advise the employer to disregard it if it contains materially incorrect information. In this case, the employer shall obtain a revised form W-4 from the employee and submit a copy to IRS.

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- a. General. Title 6, section 5, of the GAO Policy and Procedures Manual for Guidance of Federal Agencies contains the basic principles governing payroll deductions. Specific instructions and requirements are contained in part 3 of the Treasury Financial Manual (TFM) and in the FPM supplements referenced below.
- b. Order of Withholding Precedence for Deductions. If the gross pay of an employee is not sufficient to permit all deductions, both mandatory and voluntary, to be made, the following order of withholding precedence shall apply unless a bankruptcy court has specified otherwise under the bankruptcy laws of 11 U.S.C., in which case the court's order must be followed (in this context, "gross pay" is defined as remuneration for personal services and includes regular or base pay, overtime pay, holiday pay, bonuses, shift differential, and other pay components; it does not include allowances, such as cost-of-living allowances; post differential; or allowances related to travel, housing, or education):
 - (1) Retirement contributions, including those withheld under the Federal Employees' Retirement System Act of 1986 (5 U.S.C. 8334, "Civil Service Retirement System," and 5 U.S.C. 8422, "Federal Employees' Retirement System").
 - (2) Federal Insurance Contributions Act tax or Medicare Act tax (26 U.S.C. 3102, 3121).
 - (3) Current Federal income tax authorized or required by law or IRS regulations to be withheld (includes any amounts voluntarily authorized by an employee in excess of the minimum withholding required) (26 U.S.C. 3402).
 - (4) Health insurance premiums for the current pay period and, if owed by the employee, for up to four pay periods immediately preceding the current period (health insurance premiums for more than four pay periods before the current period must be deducted under paragraph 10b(8)) (5 U.S.C. 8906).
 - (5) Basic group life insurance premiums (5 U.S.C. 8707).

- (6) State income tax authorized or required by law to be withheld (5 U.S.C. 5517).
- (7) Local income tax authorized or required by law to be withheld (5 U.S.C. 5520).
- (8) Mandatory repayments of indebtedness to the United States (excluding that permitting IRS levy for back Federal income taxes), under the following conditions:
 - (a) The amounts to be withheld and their duration must be determined under the limitations and due-process provisions of applicable law, such as that provided in references given in paragraphs 10b(8)(b) and (c).
 - (b) When multiple deductions are required to satisfy various indebtednesses to the United States and an employee's available gross pay subject to deduction is insufficient to allow all such deductions, priority must be determined by DOE in accordance with the best interest of the United States. Debts to be collected normally are subject to a statute of limitations, and deductions for debts for which the applicable statute of limitations would bar collection first should be made before deductions for debts under statutes of limitations that would allow more time before barring collection (5 U.S.C. 5514, 5522, 5705, 5724; 31 U.S.C. 3716).
 - (c) The payroll office shall withhold pay or salary offsets to correct pay for erroneous computations and withholding of insurance benefits for four or fewer pay periods as part of health or life insurance premiums, as appropriate, in that order of precedence. Offsets and withholdings for older insurance collections properly are withheld in accordance with this paragraph (5 CFR K550.1104c).
- (9) Garnishment for alimony and child support payments (if there are multiple garnishments for these payments, the payroll office shall withhold those filed earliest first; for any garnishment involving both alimony and child support, if gross pay is not sufficient for both, the payroll office must pay proportionate shares of the alimony and of the child support required by the garnishment to the extent that gross pay is available) (42 U.S.C. 659, 661(c)). See DOE 2200.11, PROCESSING GARNISHMENT ORDERS FOR CHILD SUPPORT AND/OR ALIMONY, of 2-12-88.
- (10) Court-ordered bankruptcy payments under 11 U.S.C.
- (11) Optional life insurance and accidental death and dismemberment insurance premiums under the OPM life insurance program (5 U.S.C. 8714a-c).
- (12) Voluntary repayments of indebtedness to the United States, in the order specified by the employee (these payments are separate from the mandatory payments set forth in paragraphs 10b(8) and (14)) (5 U.S.C. 5514, 5525; 31 U.S.C. 3716).

- (13) All other voluntary deductions, including those for contributions to the FERS Act Thrift Savings Plan or repayment of loans from that plan, in the order determined by DOE (5 U.S.C. 5525, 8432).
 - (14) IRS levy for back Federal income taxes (the levy is based upon an employee's net (take-home) pay, and during the time it is effective, the employee may not increase the number or size of voluntary deductions) (26 U.S.C. 6331, 6334).
- c. Special Situations—Order of Deductions. The payroll office shall reduce an employee's available gross pay by the amount of each deduction withheld, in the order specified in paragraph 10b, to determine net pay. The following procedures apply in special situations:
- (1) Normally, after the application of as many deductions (withheld in accordance with paragraph 10b) as an employee's pay will allow, if the remaining available pay is not sufficient to fund all of the next voluntary deduction to be withheld, then the payroll office will not make the next deduction; the office will pay the full remaining available pay to the employee as net pay. However, if the next deduction is mandatory, the payroll office shall make it, up to the full extent of the remaining available pay, in which case net pay will be zero.
 - (2) If, under 11 U.S.C., a bankruptcy court orders that a certain amount of net pay must be paid an employee regardless of deductions, then the payroll office must take the following actions:
 - (a) The office shall deduct the amount of the mandated net from gross pay first. Then it shall withhold the remaining deductions in accordance with paragraphs 10b and c.
 - (b) The office shall compute deductions based on gross pay (retirement or Federal Insurance Contributions Act tax deductions, for example, which are calculated by multiplying applicable portions of gross pay by a required percentage) on applicable portions of the full gross pay (that is, gross pay before subtracting court-ordered net pay).
- d. Instructions.
- (1) Civil Service Retirement System and Federal Employees' Retirement System. Instructions for withholding retirement deductions from employees' salaries and related contributions by DOE, payment of such withholdings and contributions to OPM, maintaining individual retirement records and control accounts, and reporting to OPM each pay period are contained in FPM Supplement 831-1, "Retirement"; FPM Supplement 830-1, "CSRS and FERS Handbook for Personnel and Payroll Offices"; I TFM 3-3000; and 5 CFR 831 for CSRS and 5 CFR 841 for FERS. The payroll office shall charge retirement contributions by DOE to the programs to which the related salary costs are charged and to Object Class 12, Personnel Benefits.

(2) Federal Income Taxes and Federal Insurance Contributions Act Taxes.

Instructions for withholding Federal income taxes and Federal Insurance Contributions Act taxes from employees' salaries and payment of these taxes to the Federal Reserve bank are contained in I TFM 3-4000 and IRS Circular E, "Employer's Tax Guide." These references also contain instructions for paying excise taxes on salaries paid to employees covered by the Federal Insurance Contributions Act. The payroll office shall charge excise taxes to the programs to which the related salary costs are charged and to Object Class 12, Personnel Benefits.

(3) Federal Employees' Health Benefits.

(a) Full-Time Employees. Instructions for withholding health benefits deductions from employees' salaries, payment of such withholdings and related contributions by DOE, processing of documents to insurance carriers, and accounting and reporting are contained in FPM Supplement 890-1, "Federal Employee's Health Benefits," and I TFM 3-3000. When an insured employee is transferred to another DOE payroll office or to another Federal agency within a pay period, the transferor and transferee offices shall withhold the required health benefit deductions and shall contribute their shares in accordance with the "4-day rule" set forth in FPM supplement 890-1, subchapter S19. When an employee retires and is eligible to continue enrollment as an annuitant or when an employee dies and there is a survivor apparently eligible to continue the enrollment, the transferor office shall make withholdings and contributions subject to the 4-day rule in the same manner as any other transfer between payroll offices. When an employee is in a nonpay status, his or her enrollment may continue for up to 365 days and the Department may make payments to OPM on behalf of the employee until the employee returns to work or separates from the Department. If the Department elects to make payments to OPM on behalf of the employee, a receivable must be established in the name of the employee for payments made on behalf of the employee. When the employee returns to work, he or she must make arrangements to repay the Department for such premium payments. If the employee does not return to work, the Department may bill the employee or pursue waiver of the debt, as appropriate. The payroll office shall charge health benefit contributions by DOE to the programs to which the related salary costs are charged and to Object Class 12, Personnel Benefits.

(b) Part-Time Employees. An employee appointed under the Federal Employees Part-Time Career Act of 1978 or who otherwise becomes a part-time career employee (16 to 32 hours a week) on or after 4-8-79 is entitled only to a Government contribution that is in direct proportion to the percentage of full-time service regularly performed. This does not apply to any employee serving on a part-time basis before 4-8-79 if the employee continues to serve without a break in service in that or any other position on such a part-time basis. The personnel office shall determine the Government contribution by dividing the average number of hours the employee is scheduled to

work during the pay **period by** the average number of hours worked by a full-time employee serving **in the same or** a comparable position (normally, 80 hours per biweekly pay period). The personnel office shall apply the percentage obtained to the Government contribution **made for full-time** employees to arrive at the amount appropriate for the part-time employee.

- (4) **Federal Employees' Group Life Insurance**. Instructions **for withholding** Insurance deductions from employees' **salaries** and payment and reporting of such withholdings and related contributions to **OPM are contained in FPM Supplement 870-1, 'Life Insurance.'** and **ITFM 3-3000.** When uninsured employees transferred to another DOE payroll office or to another Federal agency within a pay period, the transferor and transferee offices shall withhold the required insurance deductions and shall contribute their shares in accordance with **the 4-day rule as set forth in FPM supplement 870-1, subchapters.** When an employee retires, the transferor office shall make withholdings and contributions subject to **the 4-day rule** for optional life insurance for employees younger than **age 65.** In the same **manner as** any other transfer between payroll **offices,** the offices shall make the full withholding and contribution for regular insurance and for optional insurance for employees 65 and older. The payroll office shall charge insurance contributions by DOE to the programs to which the related salary costs are charged and to Object Class 12, Personnel Benefits.
- (5) **Claims Due from Employees**. The policy and procedures for collecting claims due from current and former DOE employees, including provision of due-process **rights prior** to collecting an indebtedness owed to the United States through **salary or** other administrative offset, **are contained in DOE 2200.2A, COLLECTION FROM EMPLOYEES FOR INDEBTEDNESS TO THE UNITED STATES, of 3-17-89.**
- (6) **Delinquent Taxes Due the United States**. Section **6331** of the Internal Revenue **Code of 1954** permits District Directors of Internal Revenue to levy upon the accrued salary **or wages of** an employee **in order** to satisfy his or her **tax liability** to the United States.
- (a) **Instructions for Withholdings from employees' salaries for delinquent Federal Income taxes and payment of such withholdings to District Directors of Internal Revenue** are **contained in ITFM 3-4070.**
- (b) **Designees for Receiving Notices of Levy**. The Chief **Financial Officer (CFO; CR-1)** has designated heads of field offices (for field employees) and the Director of the Office of Headquarters Accounting Operations (**CR-50**) (for Headquarters employees) as persons upon whom notices of levy **are to** be served by the District **Directors of** Internal Revenue (**ITFM 3-4070.20**).
- (7) **State, City, County, and District of Columbia Income and Employment Taxes**. Instructions for withholding State, **city,** and District of Columbia **income** and employment taxes from employees' salaries and accounting for and remitting these taxes are contained **in ITFM 3-5000.**

(8) Allotments and Assignments of Compensation.

- (a) Instructions for withholding allotments for the purchase of series EE savings bonds and for related bond issuance procedures are contained in I TFM 3-6000.
- (b) Instructions for withholding allotments and assignments of pay (for example, organization dues or pledges to combined charity drives) are contained in I TFM 3-7000.
- (c) Instructions for making payments of net pay to financial organizations for a credit to accounts of employees and instructions for making the appropriate payroll designations are contained in I TFM 3-8000.
- (d) Instructions for withholding allotments of pay for savings and for remitting the withholdings to financial organizations for credit to accounts of employees are contained in I TFM 3-9000.

(9) Benefits for Temporary Employees. A temporary employee with continuous service for at least 1 year may enroll in a Federal health benefits plan by paying both the Government share and the employee share of the contribution. For this purpose, the temporary employee's service may have a break of 5 days or less and still be considered continuous. Effective 4-10-91, OPM has revised its regulations to extend health benefits, life insurance, and retirement coverage to any employee serving under a temporary appointment when the appointment is specifically intended to lead to conversion to a permanent appointment and is needed to fulfill an eligibility requirement for the conversion. Such an employee is called a provisional employee. A provisional employee is not required to pay both the Government and employee share of the health benefits premium. When an employee is converted to a provisional appointment, he or she is given the opportunity to enroll or change enrollment in a health plan.

- 11. **PAYROLL VOUCHERS.** Payroll vouchers and vouchers for lump-sum leave payments shall be scheduled on SF-1166 OCR, "Voucher and Schedule of Payments." Detailed requirements and examples for the preparation of payroll vouchers are contained in I TFM 3-2000.
- 12. **TAXATION OF NONCASH FRINGE BENEFITS.** The Internal Revenue Code requires that certain noncash fringe benefits be included in an employee's income as compensation subject to income and employment taxes. Taxable noncash fringe benefits provided by the employer include automobiles used for commuting, aircraft flights for personal purposes, discounts on property or services (lodging accommodation and meal services), membership in social clubs, memberships in offsite health and fitness facilities, and tickets to entertainment or sporting events (IRS Final Regulations, 26 CFR parts 1 and 602, and Federal Register, 54 FR 28576, of 7-6-89). The Department shall include the amount of the noncash fringe benefits in the taxable wages of the affected employee. The payroll office shall withhold no income tax for noncash fringe benefits from the employee's wages; however, it shall withhold Social Security and the medicare portion of Social Security if applicable. The

IRS **Commuting** Special Valuation Rule provides for **a rate of \$1.50** per one-way trip to value **an employee's use of an employer-provided** automobile for commuting. The Department shall exclude an employee **who uses a DOE-provided** automobile **12 or fewer** round **trips per year** from reporting under the **Department's** Interpretation of the **IRS de minimis** rule.

- 13. VOLUNTARY LEAVE TRANSFER PROGRAM.** DOE employees voluntarily may transfer earned annual leave to other Federal employees who have **a medical** emergency that **is** likely to result in prolonged absence with substantial loss of income. Only earned annual leave maybe donated; **neither sick** leave nor advanced annual leave maybe donated. **A DOE** employee may request that **a specified** number of hours of the employee's earned annual leave **balance be** transferred from that account to the account of a specified DOE employee **who is** an approved leave recipient. The donor must make the request on DOE **F 3630.1**, 'Leave Donation, - and give the completed form **to his or her time** and attendance clerk for transmission to the payroll office. The total amount of leave that a donor may transfer to other Federal employees is subject to **the limits specified** in paragraph **9** of DOE 3630.2, VOLUNTARY LEAVE TRANSFER PROGRAM. **A DOE** employee who wants to donate leave to **employees of** other agencies shall complete DOE **F 3630.1**, **paying particular** attention to items concerning **the recipient's** employing agency and organization **and the mailing** address of the **recipient's** payroll office. The donor shall complete **the remainder** of the form in the same **manner as for a donation** to another DOE employee. The DOE payroll **office** shall deduct the donated leave from the **donor's** leave account **and transmit** the approved donation form to **the recipient's** payroll office. Donated leave **is considered** income **and will** be subject to **income** taxes. (DOE 3630.2 provides further Information on the voluntary leave transfer program.)

14. SERVICE CREDIT.

- a. Service Credit Deposits Under the Civil Service Retirement System for Post-1956 Military Service procedures are outlined below (FPM letter 831-77 and FPM supplement **830-1**, chapter 22. **provide additional** Information on this topic).
- (1) **A person** who first became an employee **in a position** under **CSRS on or after** 10-1-82 shall receive **CSRS credit** for **post-1956** military service **at time** of retirement only if the person makes a deposit **for the military** service. The deposit shall be **7 percent** of **basic military pay received**, plus Interest accruing after **a 2-year** grace period.
 - (2) **A person** who first became an employee **in a position** under **CSRS** before 10-1-82 shall have the **option of either making the deposit** for **post-1956 military service or receiving** credit **and having** the annuity recomputed at age **62 to eliminate post-1956 military service if** the person **is eligible** for Social Security old-age **or survivor** benefits. Included **is** anyone who was covered by CSRS before 10-1-82 **and again** employed under **CSRS on or** after 10-1-82.
 - (3) **Public** Law 97-253 requires that deposits for **post-1956 military service be** made to the employee's **employing** agency. The agency must **maintain a separate** Individual Retirement Record for each employee who makes **a deposit** for **post-1956 military** service. Each employee who makes a **deposit** to the

agency shall have two SF-2806's, one for CSRS deductions and one for military service deposit. Under no condition shall a deposit made for military service be posted on the employee's CSRS SF-2806.

- b. Service Credit Deposits Under the Federal Employee Retirement System for Post-1956 Military Service procedures are outlined below (5 CFR 842.306 and 842.307 provide additional information on this topic).
- (1) Credit for a period of military service is not allowed if the employee is receiving military retirement pay for that period awarded for reasons other than service-connected disability incurred in combat with an enemy of the United States, service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war, or retirement under 10 U.S.C. 67. With the preceding exceptions, an employee's military service is creditable if it was performed before 1-1-57. Military service performed after 12-31-56 is creditable only if the employee makes payment of the deposit required by 5 CFR 842.307 before the employee separates from civilian service.
 - (2) An employee subject to FERS may make a deposit for any distinct period of military service by filing an application with the employing agency (5 CFR 842.307). The employee's deposit for military service must be completed before separation from civilian service. The amount of the deposit for military service shall be 3 percent of the basic pay for the service under 37 U.S.C. 207, or an estimate of the basic pay. The agency shall charge interest according to 5 CFR 842.307b. The agency must maintain a separate Individual Retirement Record for each employee who makes a deposit for post-1956 military service.
- c. Creditable Service Toward Retirement for Members of the Cadet Nurse Corps. Public Law 99-638 allows credit under CSRS or FERS for service with the Cadet Nurse Corps during World War II. The agency must maintain a separate Individual Retirement Record for each employee. Any Federal employee who received training as a student or graduate nurse under the Cadet Nurse Corps is entitled to credit under CSRS or FERS if the following conditions have been met:
- (1) Service totaled 2 or more years.
 - (2) The person applied no later than 1-10-88 to OPM for service credit.
 - (3) The person was employed by the Federal Government in a position subject to CSRS or FERS at the time the application to make deposit was filed, and
 - (4) The person has made a deposit for the service before separating for retirement purposes.
- d. Creditable Service for National Guard Technicians Under the Civil Service Retirement System and the Federal Employee Retirement System. Public Law 101-530 eliminated the prerequisite for post-1968 service as provided in Public Law 99-661. Persons who applied for credit for pre-1969 service under Public Law 99-661 must continue to make payments to their employing agency. A

person who has service as a National Guard technician before 1-1-69 but not after 12-31-68 is entitled to credit under CSRS or FERS, as appropriate, if the person has met the following conditions:

- (1) For a **current** employee:
 - (a) The person must have separated from (or **died** while employed in) a **position in which he** or she was covered by **CSRS or FERS** on or after 11-6-90, and
 - (b) The person (or the person's survivors) **must make a deposit equal to the percentage of deductions that would have been taken for retirement benefits for the period of service if it had been covered service at the time it was performed, plus any applicable interest, before final adjudication of the person's (or survivors') claim for benefits.**
 - (2) For separated or retired persons:
 - (a) The person must apply **in writing to OPM for service credit no later than 11-5-91, and**
 - (b) The person must make a deposit either **in a lump sum or in monthly installments to be completed no later than 24 months after the date of application.**
- e. **Creditable Service with a Nonappropriated-Fund Instrumentality.** Public Law 99-638 (effective 11-10-86) allows **credit** under **CSRS** for certain **service with a nonappropriated-fund instrumentality.** The agency must maintain a separate **Individual Retirement Record** for each employee.
- (1) The agency shall treat such **a period of service in the** same manner as any other period of non-deductible service. Generally, **OPM will not require an employee who has performed such service to make a deposit to receive credit for the service.** However, **if a deposit is not made, OPM will reduce the employee's annuity benefits by 10 percent of the balance of the deposit due and unpaid at the time of retirement.** To **avoid the reduction,** the employee may make deposits through regular **service credit** channels.
 - (2) **Provided that the person is not receiving retirement benefits based on the same period of service from a nonappropriated-fund-instrumentality retirement plan, the person is entitled to credit for a period of nonappropriated-fund-instrumentality service under CSRS if the following conditions** have been met:
 - (a) The person **was** employed in a **position** subject to **CSRS** on 11-9-86 and
 - (b) The person performed the service **in a position** where the person conducted **arts and crafts, drama, music, library, service club, youth activities, sports, or recreation** programs (including outdoor

recreation programs) for personnel of the Armed Forces during the period 6-19-52 through 12-31-65.

- f. **Creditable Service with a Nonappropriated-Fund Instrumentality Under the Federal Employees' Retirement System**. Rules for service credit with a non-appropriated-fund instrumentality under FERS are the same as for CSRS, except that the employee must make the deposit in order to use the service for eligibility for an annuity or in the computation of the annuity.
15. **THRIFT SAVINGS PLAN**. The Thrift Savings Plan is a retirement savings and investment plan for Federal employees. Congress established the plan in the FERS Act of 1986. It offers Federal civilian employees the same savings and tax benefits that many private corporations offer their employees. Employees covered by FERS and CSRS may contribute to the plan. The participation rules for FERS and CSRS employees are different. Employees should consult their personnel offices for more information on the Thrift Savings Plan.
- a. **Federal Employees' Retirement System**. FERS employees receive an automatic contribution of 1 percent of their basic pay from their employing agency, whether or not they contribute to their Thrift Savings Plan accounts. FERS employees may contribute up to 10 percent of their basic pay each pay period to the plan. These employees receive agency matching contributions on up to 5 percent of basic pay that they contribute each pay period, dollar for dollar on the first 3 percent of pay contributed and 50 cents on the dollar for the next 2 percent.
- b. **Civil Service Retirement System**. CSRS employees may contribute up to 5 percent of their basic pay each pay period. CSRS employees do not receive any matching or automatic contributions from their agencies.
- c. **Requirements for Contributions**. An employee must be in a pay status (receiving pay) to make contributions and to receive agency contributions for a pay period. All contributions must be made through payroll deductions. Lump-sum contributions from a source other than payroll deductions are not permitted. An employee may contribute either a percentage of the employee's basic pay or a fixed dollar amount. For most employees, basic pay is the same as gross salary earned; it does not include awards or overtime. Elections made during an open season become effective no earlier than the first full pay period of the last calendar month of the open season.
16. **ALLOWANCES AND DIFFERENTIALS AT FOREIGN, NONFOREIGN, AND REMOTE-WORKSITE POSTS OF DUTY**.
- a. **Foreign Allowances and Differentials**.
- (1) **Authorities**. Allowances and differential for DOE employees stationed at foreign posts are contained in the Department of State Standardized Regulations (Government Civilian, Foreign Areas). With reference to the circumstances under which allowances and differentials are granted as well as their amounts, the Department of State Standardized Regulations are controlling on DOE.

- (2) **Documentation.** The personnel office shall use Section 45, "Remarks," of SF-50, "Notification of Personnel Action," to document authorization for payment. SF-1190, "Foreign Allowance Application, Grant, and Report," shall be used in applying for allowances and differentials. Each employee shall prepare an SF-1190 upon arrival at a foreign post of duty. The employee shall transmit this application to the office responsible for sending the employee to the foreign post. The head of the Headquarters division or field office shall indicate approval by signing the original and transmitting it to the finance office. The head of the Headquarters division or field office shall change rates for established allowances or differentials by submission of unapproved SF-1190 to the finance office, and the head shall submit a new SF-1190 when additional allowances or differentials are granted or existing allowances or differentials are terminated. Each approved SF-1190 shall serve as the basis of payment for the allowances and differentials.
- (3) **Advances.**
- (a) The Department shall make advance payment of temporary lodging only when required by the lessor. Each such payment shall not exceed the actual amount of advanced rent paid to the lessor, or the amount to which the employee would be entitled in accordance with the Department of State Standardized Regulations (section 113), whichever is less. In no case shall the length of time covered by the advance payment upon first arrival exceed 3 months or the advance payment preceding final departure exceed 1 month.
- (b) The Department shall restrict authority for payment of living quarters allowances in advance to localities where local custom necessitates such advance payments and where the individual lessor requires the customary advance payment of rent.
- (c) The Department may pay education allowances in advance by lump sum or by installment timed to coincide with need (Department of State Standardized Regulations, section 275). The Department shall make advances for educational travel in accordance with DOE 1500.2A, TRAVEL POLICY AND PROCEDURES, chapter 2, paragraph.
- (d) The Department may advance only the predeparture subsistence expense portion of both the foreign transfer allowance and the home service transfer allowance.
- (e) The Department shall not make advance payments for post allowance, supplementary post allowance, separate maintenance allowance, or post differential.
- (4) **Federal Income Tax Withholdings.** The payroll office shall make the required Federal Income tax withholdings from the amounts of post differentials paid employees but not from the amounts paid for allowances described in chapters 100 and 200 of the Department of State Standardized Regulations.

- (5) **Report**. The payroll office shall use SF-1190, "Foreign Allowance Application, Grant, and Report," for reporting amounts granted to civilian officers and employees stationed at foreign posts in accordance with Instructions and requirements set forth in section 070 of the Department of State Standardized Regulations.
- (6) **Program Charges**. The payroll office shall charge allowances and differentials to the programs to which the related salary costs are charged. The office shall charge allowances to Object Class 12, Personnel Benefits, and post differentials to Object Class 11, Personnel Compensation.

b. **Nonforeign Allowances and Differentials**

- (1) **Authorities**. Cost-of-living allowances and post differentials for DOE employees at nonforeign posts are provided for in FPM chapter 591 and supplement 990-1, book III, part 591.
- (2) **Documentation**. The personnel office shall use Section 45, "Remarks," of SF-50, "Notification of Personnel Action," to document authorization for payment. In addition, the authorizing official shall notify the finance officer of the actual date of arrival at or departure from the post.
- (3) **Advances**. Advances shall not be provided for nonforeign allowances and differentials.
- (4) **Maximum Payment**. When both an allowance and a differential are authorized at a nonforeign post, the Department shall pay the eligible employee the full allowance first and, in addition, as much of the differential as will not cause the total amount for allowances and differentials to exceed 25 percent of the employee's rate of basic pay.
- (5) **Federal Income Tax Withholdings**. The payroll office shall make the required Federal income tax withholdings from the amounts of post differentials paid employees, but not from the amounts paid as cost-of-living allowances.
- (6) **Program Charges**. The payroll office shall charge cost-of-living allowances and post differentials to the programs to which the related salary costs are charged. The office shall charge cost-of-living allowances to Object Class 12, Personnel Benefits, and post differentials to Object Class 11, Personnel Compensation.

- c. **Employees Detailed to Foreign and Nonforeign Posts**. Effective 2-24-91, an employee on temporary detail for 42 consecutive days to certain post differential locations shall receive post differential for all days of temporary detail in lieu of any other post differential for which the employee may be eligible. An employee who begins temporary duty on or after 2-24-91 must first meet the 42-day eligibility requirement and then is authorized payment from the 1st day of detail through the day preceding the day of the employee's departure from the post. When departure is on a nonworkday, the Department shall pay the differential through the last workday preceding departure. The official

directing the temporary assignment shall notify the payroll **office** when the employee has served **42 days**. **The official** also shall notify the payroll office of the date the employee departs from the post. The **notification shall serve as** the basis for the payment of and **discontinuance** of the post differential. (See State Department Standardized **Regulations** or **the provisions** of **FPM chapter** 591 **for additional** Information.)

d. **Allowances Based on Duty at Remote Worksites.**

- (1) **Authorities.** Regulations governing payment of allowances **to civilian** employees of the United States assigned to duty other than temporary duty at the Nevada Test Site (**NTS**), including the Nuclear Rocket Development Station, were **first provided** for by Office of **Management** and Budget **circular A-77** under the **authority of** Public Law 89-383, of 3-31-66. This authority was **repealed by** Public Law 91-656, which amended **5 U.S.C.** 5942, and is no longer **applicable to** NTS. By Executive Order **11609**, dated 7-24-71, the authority of the President under **5 U.S.C.** 5942 to prescribe regulations establishing rates and designating sites **to which** the rates apply was delegated **to OPM**. **OPM** has prescribed regulations (**FPM** 591.301-591.310) for the payment of allowances based on duty at remote worksites that apply to NTS. The Department shall determine employee eligibility for an allowance by the criteria **stated in FPM** 591.306. **FPM 591.310** provides that **NTS** allowance rates (established under **Office** of Management and Budget **circular A-77**) not be reduced unless **OPM** determines that an adjustment is warranted. Payment of this allowance precludes payment of a per diem allowance under other authority for employees permanently stationed at NTS. **Use of a** Government-owned motor vehicle to transport an employee between the employee's residence and the duty station is not authorized. Payment of mileage for use of a privately owned conveyance for such purpose **is** not authorized.
- (2) **Documentation.** The personnel office shall use Section 39, "Duty Station," of **SF-50, "Notification of Personnel Action,"** to document authorization for payment of the allowance.
- (3) **Conditions Under Which the Allowance Applies.**
 - (a) To be **eligible** for the allowance, an employee must have a local **residence in** Las Vegas, Nevada, **or its suburbs or** reside at another **locality that is 65** or more road miles from **the duty station at NTS**, and the employee normally must commute on a daily basis between the employee's residence and the duty station or **must be required to reside at NTS** for the benefit of the Government.
 - (b) The allowance **is** payable for each calendar day, or part thereof, the employee works **at NTS**. **The time** and attendance certifying official shall certify days worked on the time and attendance report.
 - (c) **The allowance is** not payable on days the employee is absent from the **NTS because** of annual, **sick**, or other leave: approved absence; travel status; or holidays.

- (4) **Prescribed Rates.** The allowance rates areas follows:
 - (a) Mercury, Nevada. \$5.00
 - (b) Other duty stations **at NTS**, including the Nevada Rocket Development **Station**, \$7.50
- (5) **Advances.** The Department shall not provide advances for duty at remote **worksites**.
- (6) **Federal Income Tax Withholdings.** The payroll **office** shall make the required Federal Income **tax withholdings** from the **remote-worksite** allowance.
- (7) **Program Charges.** **Remote-worksite** allowances shall recharged **to the** programs **to which** the related salary costs are charged and to Object Class 12, Personnel Benefits.

17. **PAYMENTS FOR UNEMPLOYMENT COMPENSATION.** The Omnibus **Reconciliation Act of 1980** requires each Federal agency to pay the cost of regular and extended unemployment **benefits paid to** former agency employees by State employment **security agencies (SESA's)** for periods of Federal employment after 12-31-80. This act was initiated to provide better safeguards on the expenditures of Federal funds. Previously, the Department of Labor handled unemployment **benefit** matters for the entire Federal Government. Under the **change in guidelines**, Federal agencies are charged by the Department of Labor on a quarterly basis for **benefit** payments made **to respective** agencies' former employees. The Department of **Labor is immediately** reimbursed for charges made through the On-Line Payment and Collection System. The charges are made to account number **20X8042.10**, Employee Compensation Account. (Additional Information is provided in 20 **CFR**, part 609.)

- a. **Headquarters Payroll and Bonneville Power Administration Payroll** shall perform the following tasks for employees paid by the respective offices:
 - (1) Upon **receipt** of Form ES 931, "Request for Wage and Separation **Information,**" the payroll office shall complete the form and return **it to the** requesting **SESA within 4 workdays** after receipt. If the office cannot complete the form within 4 workdays, **it shall** immediately notify the State agency and provide an estimate **of when it will** be able to complete the form. The Privacy Act statement on form **ES 931** need not **be signed** by the claimant before releasing wage **and separation** Information to SESA's. The office may obtain **information to** complete **form ES 931** from **the employee's** SF-50. "**Notification of Personnel Action.**" When the information in the remarks section of the **SF-50** does not clearly **indicate** the reason for **termination or in** the event that **the action** is a termination **action due to a** reduction **in force and the SF-50** does not reflect whether or not the employee has turned down a comparable job offer, the payroll office shall consult **t the servicing** personnel office **to provide** a complete response. The payroll office **shall** include **in** the submission to the requesting SESA the name, telephone number, and organization unit of a contact person who

can respond to questions pertaining to the form ES 931. Upon receipt of a request for additional information or a request for reconsideration of Federal findings, the office should respond within 4 workdays to the request, if possible.

- (2) On a monthly basis, the payroll office shall send copies of all ES 931 forms completed during the month to the Office of Headquarters Accounting Operations and to the appropriate servicing personnel office. A computer listing with the same information as contained on the form ES 931 is an acceptable substitute. This information is to be provided within 15 workdays after the end of each month.
- (3) The payroll office shall forward all notices of benefit determination and all employee appeals of State decisions to the appropriate servicing personnel office upon receipt. Fast turnaround is essential, because the Department has a short time within which to respond to SESA decisions.

b. Office of Headquarters Accounting Operations and Bonneville Power Administration Payroll. The Office of Headquarters Accounting Operations shall perform all of the following, and the Bonneville Power Administration Payroll Office shall perform the tasks described in paragraphs 17b(6) and (7).

- (1) Maintain a file of ES 931, "Request for Wage and Separation Information," forms or computer listings received from DOE payroll offices and confirm that all persons listed on SESA detailed benefit payments documents are former DOE employees.
- (2) Reconcile the total of each State's detailed billing data to the amount listed for each State on the certified billing document.
- (3) Reconcile discrepancies in detailed billing documents by direct negotiation with the appropriate SESA. The office shall bring unreconcilable discrepancies to the attention of the Department of Labor, Employment and Training Administration, 601 D Street, N.W., Washington, DC 20213.
- (4) Charge the applicable appropriation at the field or Headquarters location for unemployment benefits that States have paid to former DOE employees. The office shall charge the highest program level within each organization (for example, Secretarial Officer, Manager of Operations Office, or Administrator of Power Marketing Administration). The office shall charge costs associated with defunct organizations and appropriations to organizations that absorbed the defunct organizations' functions or financial responsibilities. The office shall charge Object Class 13, Benefits for Former Personnel.
- (5) Provide (in writing in the month the charge is applied) organizations billed with the names of separated employees and the amounts of benefits awarded to them in order to support billings to these organizations.
- (6) On a quarterly basis, determine whether any employees listed on the detailed listing of benefits paid by States have been on the DOE payroll.

during the same periods for **which benefits** have been reported to **be paid**. The office shall report to **the appropriate SESA** the name, **social security number, and periods** of employment that **appear to** be concurrent weeks in which unemployment benefits were reported to **be paid**. The office also shall request the SESA to provide **DOE with a report of its findings and action**.

(7) On a **fiscal year basis**, prepare a **consolidated report of all** cases referred to **SESA's**. The Bonneville Power **Administration Payroll Office** shall **submit its report to the Office of** Headquarters Accounting Operations. The **Office of** Headquarters Accounting Operations shall prepare the **consolidated report for the fiscal year** ending 9-30 and forward **it to the** Department of Labor (Attn.: **TEUMI**) as soon as such information maybe collected. The report shall include the following:

- (a) Name **and social security number of** the employee,
- (b) Periods **in which** the employee received both unemployment benefit payments and Federal pay,
- (c) Total benefit payments **received while** the employee was employed.
- (d) Corrective **or disciplinary action taken by the** agency (this **information may be obtained from the servicing personnel office**), and
- (e) Name of the **SESA**.

c. **Service Personnel Offices** shall do the following:

(1) Provide to **all newly hired and rehired** employees the following statement:

If you have **applied** for or been receiving unemployment insurance **benefit** payments, **it is your responsibility**, under penalty of law, to **notify** the appropriate local office, **in writing**, to discontinue **the issuance** of unemployment insurance checks now that you are employed. **Failure to notify** the State agency can **result in a penalty**, such as **a fine, imprisonment, or both**.

(2) Provide each separating employee **with a completed SF-8, 'Notice to** Employee About Unemployment Insurance, - **immediately prior to separation** and instruct the employee to take the **SF-8 to the local SESA office if** the employee goes to file **a claim** for unemployment compensation benefits. The **SF-8 shall include** the name, telephone number, and **organization unit of a** contact person who can **readily respond to questions pertaining to that specific claim**.

(3) Ensure that each **SF-50, "Notification of Personnel Action , * is complete**, including the reason for **an employee's** separation.

- (4) Consult with affected program offices to determine whether **or not to file** an appeal on behalf of DOE **when a former employee has filed for benefit payments and the employee has resigned, been fired, or is receiving** severance pay.
- (5) **Review** all employee appeals **of notices** of benefit **determination** and **provide** timely responses **to the** SESA's.

18. LUMP-SUM ANNUAL LEAVE PAYMENTS.

- a. **Employees Separated from Federal Service.** Whenever a civilian officer or employee of the Federal Governments separated from service, the employing agency shall pay the employee **compensation in a lump sum for all annual leave to the employee's credit on** the date of separation, consisting of the regular carryover balance from **the previous** leave year, accrued and unused leave during the current leave year, and any unused restored annual leave **maintained in a separate leave account that has not expired in accordance with the 2-year time limit.** No credit **is given for holidays.** The compensation shall **be equal** to the amount that the employee would have received had the employee **remained in service** until the **expiration of** the period of such annual leave, except that such lump-sum payment shall not include compensation for **leave on leave** (DOE 3630. 1B, LEAVE ADMINISTRATION, and FPM supplement 990-2. book 550, subchapters).
- b. **Survivors of Deceased Employees.** The Department shall make payment **to the survivor of a deceased employee for all annual leave to which** the employee was **entitled on** the date of death. The payment shall be equal to the compensation that the decedent would have **received** had the employee **remained in service** until **the expiration of the period of** such annual leave, except that such lump-sum payment shall not include compensation for leave on leave.
- c. **Computation of Lump-Sum Annual Leave Payment.** The salary rate used **in computing an employee's** lump-sum payment shall be **that payable under the laws and regulations in effect or approved and in existence on** the date of the employee's separation or death. However, if the employee had **met all other conditions for a within-grade increase** before the date of separation or death, the lump-sum payment shall be computed **at the increased rate,** even though **the effective date of the increase** had been postponed until the **beginning of** the next pay period after the completion of **the required** waiting period (26 Comp. Gen. 102).
- d. **Withholdings from Lump-Sum Payments.** Withholdings from lump-sum annual leave payments due a terminated employee **are limited to Federal income and Federal Insurance Contributions Act taxes: State, city, and District of Columbia income and employment taxes: and general debts due the United States as** described in paragraph 10.

19. COURT LEAVE.

- a. Employees (except **those on** a when-actually-employed or intermittent work schedule) may be granted court leave without charge to annual leave for jury **duty** in any court or witness service **in a nonofficial capacity on behalf of the**

United States, a State or a local government, or the District of Columbia in accordance with 5 U.S.C. 6322. An authorized absence is granted without loss of or reduction in pay, leave to which otherwise entitled, or credit for time or service.

- b. Provisions in 5 U.S.C. 5537 prohibit the receipt by any Federal employee of fees for service as a juror in a court of the United States or the District of Columbia or as a witness on behalf of the United States or the District of Columbia. However, employees may retain the fees for jury or witness service in a United States court or a District of Columbia court if such service is on a holiday or other nonworkday (45 Comp. Gen. 251). Also, for each hour of jury service performed outside the duty hours that an employee would have been required to work on a given day, the employee is entitled to a proportionate part of the jury fee for that day (53 Comp. Gen. 407).
- c. Provisions in 5 U.S.C. 5515 provide that fees received by an employee of the United States on account of jury service in a State or a local court or witness service either on behalf of a State or a local government (whether in an official or in a nonofficial capacity) or on behalf of a private party in an official capacity shall reduce the pay that otherwise would be repayable to the employee for the period of absence for jury duty or witness service (29 Comp. Gen. 302). However, payment of fees for jury duty or witness service, as described in this paragraph, on holidays or other nonworkdays is allowed (27 Comp. Gen. 293). Also, specific amounts that clearly are received for expenses, rather than for services rendered, may be retained by a Federal employee serving in a State court (52 Comp. Gen. 325). (See also DOE 3630.1B, LEAVE ADMINISTRATION, paragraph 81(2), and FPM supplement 990-2, book 630, subchapter S10.)

- (1) **Jury and Witness Service.** The Comptroller General has ruled that for each employee, payroll records shall show the days of service as a juror or a witness and the daily fee paid, the amount received from the State or locality, and a reference to the number and the date of the certificate of deposit covering the deposit of such fees collected from the employee. Also, the record shall include a jury duty or witness service certificate submitted by the employee and signed by the clerk of the court (20 Comp. Gen. 279).
- (2) **Payroll Procedures.** Upon receipt of a time and attendance report showing an employee absent for jury or witness service, the Field CFO shall establish a followup to ensure collection of jury or witness fees from the employee involved. If payment is not received from the employee, it shall be withheld from the employee's salary. To support the court leave and collection of jury or witness fees, the employee must submit a jury duty or witness service certificate signed by the court clerk. The payroll office shall annotate the employee's leave record as set forth in paragraph 19a. The Department shall treat collections of jury or witness fees as appropriation reimbursements.

20. **EMPLOYEES TRANSFERRED TO INTERNATIONAL ORGANIZATIONS.** An employee who transfers to an international organization under the provisions of the Federal Employees International Organization Service Act (Public Law 85-795; 5 U.S.C. 2331 et seq.)

may ~~elect to~~ retain CSRS or FERS, group health benefits, and group life insurance coverage ~~by continuing~~ payments on a current basis (see ~~FPM~~ chapter 352, subchapter 3.3).

- a. **Payment by a Transferred Employee.** A transferred employee shall pay DOE the amount of withholdings that would be made if the employee were **to continue in the position in** which the employee was serving **at the time** of transfer. The employee shall make payments in advance to cover **not less than a** calendar quarter, after initial notification **by the** payroll office that such payments **are required.** Also, the office shall notify the employee of any change required in advance payments based upon **notification by** the personnel office **of any change in the employee's** basic compensation or group health benefits and life insurance coverage and rates. The **employee is** responsible **for submitting** payments early enough to ensure **receipt by DOE on** or before the due date. However, if payment **is received by** the Department within **1 month** after the end of the first **pay period it** covers, **it shall** be considered currently received. **If an** employee fails to keep payments current, the personnel office shall **be advised** of that failure together with the dates of the last pay period for which payment was received.
- b. **Accounting.**
- (1) **Deposit of Employees' Payments.** The Field **CFO** shall schedule each advance payment received from **a transferred** employee **for deposit** to Account **89X6875, Suspense, DOE.**
 - (2) **Payments to Office of Personnel Management.** Each **pay period,** the Field **CFO** shall charge an amount sufficient to cover that **period's** portion of the employee's payment for retirement, health benefits, and life **insurance to** the suspense accountant included in the amount of the check **payable to** the Office of Personnel Management for such coverage of regular employees.
 - (3) **Contributions by DOE.** DOE shall contribute **and include** in the check payable to **OPM each pay period its** related share of the **employee's** payment **for retirement,** health benefits, and **life** insurance. Such payment shall be charged to the program to **which the employee's** salary costs were charged **at the time of his** transfer and to Object Class 12, Personnel Benefits.
 - (4) **Memorandum Individual Earnings and Leave Record.** For the purpose **of main-**
taining a current record of the transferred **employee's** retirement, health benefits, life insurance coverage, and leave status, the payroll office shall record the following data on a memorandum **individual** earnings and leave record for the employee:
 - (a) Basic compensation rate **at time** transferred;
 - (b) Each change **in basic** compensation rate;
 - (c) Each change in retirement, health benefits, and **life** insurance coverage;

- (d) The amount of each advance payment received from the employee for retirement, health **benefits, and life** insurance:
- (e) The amount **paid to OPM** each pay period from his or her advance deposit for retirement, health benefits, and life insurance:
- (f) Sick and annual leave balances at the date of transfer: and
- (g) Amount and date of **payment of lump-sum** annual leave payments made subsequent to transfer.

21. **REEMPLOYMENT FROM AN INTERNATIONAL ORGANIZATION**

a. **Entitlement.** Upon reemployment from an international organization, an employee is entitled to **payment of** an equalization allowance **if the international** organization pay and other monetary allowances were less than the employee would have received had the employee been detailed to the international organization from the **employee's** Federal **job** (FPM chapter 352).

b. **Computation of Allowance.**

(1) **Federal Government.** For the Federal Government, the payroll office shall take the following factors into account **in calculating** the equalization allowance:

- (a) Gross salary, less hypothetical U.S. Federal tax **determined in** accordance with **5 CFR 352.310**;
- (b) Living quarters allowance;
- (c) Post allowance;
- (d) Post **differential**; and
- (e) Education allowance.

(2) **International Organizations.** For an international **organization fol-** lowing the Common System of Salaries and **Allowances of** the United Nations and Specialized Areas (for international organizations not **using the** United Nations pay system, the amount actually **paid to the** employee shall be used **in lieu of gross** salary less staff assessment), the payroll office shall take the following factors **into account in** calculating the equalization allowance:

- (a) Gross salary, less staff assessment (also termed pensionable remuneration):
- (b) Post adjustment;
- (c) Dependent grant:

- (d) Repatriation grant:
 - (e) Education allowance; and
 - (f) Special post allowance.
- c. **Employee Actions While on Transfer**. At the end of each calendar year and at the end of the term of employment, a transferred employee shall furnish the payroll office with the following:
- (1) **A statement, certified by an official** of the international organization, of all payments for pay, allowances, and other monetary **benefits** received from the international organization:
 - (2) **A statement** of any change in family status and the applicable date; and
 - (3) **SF-1190, "Foreign Allowance Application, Grant, and Report."**
- d. **DOE Actions While an Employee Is on Transfer**. For the purpose of maintaining a current record of the amount to which the employee would have been entitled if the employee had been on detail, at the end of each calendar year the payroll office shall furnish the employee with a statement showing these amounts.
22. **MILITARY LEAVE**. A reservist of the Armed Forces or a member of the National Guard is entitled to 15 days per fiscal year for official military duty, without loss of pay, time, performance, or efficiency rating. Temporary, intermittent, and when-actually-employed personnel are not entitled to military leave. Temporary indefinite employees are entitled to 15 days per fiscal year for official military duty, and part-time permanent employees accrue military leave at a rate proportionate to the number of hours in the regularly scheduled workweek. The maximum length of military leave permitted during any calendar year is determined by the nature of the military duty. The payroll office shall obtain a copy of the employee's military orders and retain the copy in the employee's payroll file. Nonworkdays (for example, weekends) falling within a period of absence on military duty are chargeable as military leave, and the employee cannot circumvent this requirement by taking annual leave before or after the nonworkdays (unpublished Comp. Gen. Decision B-141493, 1-7-60). Procedures and the provisions of pertinent laws and regulations are covered in DOE 3630.1B, LEAVE ADMINISTRATION, and in FPM Supplement 990-20 Subchapters, "Military Leave."
23. **EMPLOYEES ASSIGNED UNDER THE INTERGOVERNMENTAL PERSONNEL ACT**
- a. **Detail**. A DOE employee detailed under the Intergovernmental Personnel Act (5 U.S.C. 3371-3376) to a State or local government or to an institution of higher education will retain entitlement to pay and allowances. The employee will continue to earn leave under the Federal system and to have appropriate absences from duty with the State or local government charged against that leave. (See DOE 3300.1A, ASSIGNMENT OF DEPARTMENTAL PERSONNEL OUTSIDE THE DEPARTMENT, and FPM chapter 334.)

- b. **Assignment on Leave Without Pay.** The State or local government will pay any DOE employee assigned to it on leave-without-pay status from the Federal Government. If the rate of pay of the State or local government appointment is less than the employee would have received had the employee continued to work in the DOE position, the employee will be entitled on a current basis to a supplementary salary from DOE that will be equal to the difference between the State or local basic pay and the employee's current basic pay as a DOE employee. The employee assigned on leave-without-pay status will earn leave at the rate that the employee would have earned had the employee remained on duty with DOE, and the employee will be entitled to continue retirement, life insurance, and health benefits by continuing to make payments to DOE on a current basis.
- c. **Exceptions.** The procedures detailed in paragraphs 20a and b, with the exception of paragraph 20b(4)(g), shall be followed with respect to an employee who elects to continue retirement, group health benefits, or group life insurance. Paragraph 20b(4)(g) is not applicable to an assignment under the Intergovernmental Personnel Act, because the employee is not separated from DOE, but rather remains on leave-without-pay status.

24. **RESPONSIBILITIES FOR FINAL PAY.** The responsibilities for ensuring the timely processing of final pay for a terminating or separating employee are as follows:

- a. The personnel office shall ensure that all personnel and associated documents relative to the separation of the employee are forwarded to the payroll office promptly so as not to delay the timely processing of the employee's final paycheck.
- b. The administrative officer shall initiate DOE F 3295.1, "Separation Clearances," promptly and ensure that employees leaving the Department are made aware of the importance of having the form fully completed as part of the checkout process. The administrative officer also shall complete SF-52, "Request for Personnel Action," to document each departure. The timely processing of these forms will prevent delays in the release of the separating employee's final paycheck.
- c. The supervisor shall assist the administrative officer, the employee, and the personnel office by providing early notification of the employee's intent to leave the Department and by initiating and completing any other separation forms, as required.
- d. The employee leaving the Department shall hand-carry DOE F 3295.1 through the checkout process with appropriate clearing officials and shall participate in an exit interview conducted by the employee's servicing personnel operations branch.
- e. The DOE payroll office shall ensure that all final salaries for separating employees are paid properly and in a timely manner, that any employee indebtedness due the Government is properly offset against final salary, and that retirement records are submitted promptly to OPM.

25. EMPLOYEES WHO DIE IN SERVICE.

- a. **Procedure.** When an employee dies in service, the administrative officer shall notify the personnel specialist who works with the employee's organization. The formal notice from the administrative officer to the personnel specialist is SF-52, "Request for Personnel Action." The personnel specialist shall notify the payroll office of the death by transmitting SF-50, "Notification of Personnel Action." The personnel specialist also shall provide the payroll office with a death certificate, a designation of beneficiary (if the deceased filed one), and claim forms filed by the claimants. The personnel office shall notify the eligible claimants about claim forms and instructions for filing. (See paragraph 25d for a description of the claim forms and paragraph 25b for a discussion of the designation of beneficiary.)
- b. **Designation of Beneficiary.** SF-1152, "Designation of Beneficiary, Unpaid Compensation of Deceased Civilian Employee," is prescribed for use by an employee to designate a beneficiary or to change or revoke a previous designation. However, in the absence of the prescribed form, any designation, change, or cancellation of beneficiary witnessed and filed in accordance with these procedures shall be acceptable. An employee may designate any person or persons as beneficiary. The term "person or persons" as used in these procedures includes a legal entity or the estate of the deceased employee.
- c. **Unpaid Compensation.** Unpaid compensation is the pay and allowances due on account of the services of the decedent for DOE. It does not include benefits, refunds, or interest payable under subchapter III of chapter 83 of title 5 U.S.C., applicable to the service of the deceased employee, or amounts for which Federal statute expressly prescribes the disposition. Unpaid compensation shall include, but not delimited to, the following:
- (1) Per diem in lieu of subsistence, mileage, and amounts due in reimbursement of travel expenses, including incidental and miscellaneous expenses in connection with the travel for which reimbursement is due;
 - (2) Allowances on change of official station;
 - (3) Quarters and cost-of-living allowances and overtime or premium pay;
 - (4) Amounts due for payment of cash awards for the employee's suggestions;
 - (5) Amounts due as refunds of pay deductions for U.S. savings bonds;
 - (6) Payment for accumulated and current accrued annual leave equal to the pay that the decedent would have received had the employee lived and remained in the service until the end of the period of such annual leave;
 - (7) Amounts of checks drawn for pay and allowances that were not delivered by DOE to the employee during his or her lifetime;
 - (8) Amounts of unnegotiated checks returned to the Federal Government because of the death of the employee; and

- (9) Retroactive pay under 5 U.S. C 5344(a)(2).
- d. **Employee' Death.** As soon as practicable after the death of an employee, the personnel specialist shall request each designated beneficiary to execute SF-1153, "Claim for Unpaid Compensation of Deceased Civilian Employee." If no beneficiary was designated, the surviving spouse or, if no surviving spouse, the person or persons next in order of precedence in accordance with 5 U.S.C. 5582 would execute the SF-1153. When the designated beneficiary is the estate of the decedent, the personnel specialist shall furnish the legal representative, heir, or heirs of the decedent with SF-1055, "Claim Against the United States for Amounts Due in the Case of a Deceased Creditor." - The personnel specialist shall provide any assistance that the claimants need to properly execute the forms.
- e. **Doubtful Claims.** The Department shall pay a claim for unpaid compensation due a deceased employee only upon settlement by the Claims Division of GAO in either of the following cases:
- (1) When doubt exists as to the amount or validity of the claim; or
 - (2) When doubt exists as to the person(s) properly entitled to payment.
- f. **Claims Involving Minors or Incompetents.**
- (1) If a guardian or a committee has been appointed for a minor or an incompetent, the claim must be supported by a short certificate of the court showing the appointment and qualification of the guardian or committee.
 - (2) If no guardian or committee has been or will be appointed, the initial claim must be supported by a statement showing the following:
 - (a) The claimant's relationship, if any, to the minor or incompetent;
 - (b) The name and address of the person having care and custody of the minor or incompetent;
 - (c) That any moneys received will be applied to the use and benefit of the minor or incompetent; and
 - (d) That the appointment of a guardian or committee is not contemplated.
- g. **Return of Unnegotiated Government Checks.** Claimants should return any unnegotiated U.S. Government check drawn to the order of the decedent that represents unpaid compensation to the DOE payroll office that authorized the check. The personnel specialist shall instruct claimants to return any other U.S. Government check drawn to the order of the decedent for some other purpose (such as veterans benefits, Social Security benefits, or Federal tax refunds) to the agency that issued the check. Claimants should request further instructions from that agency.

- h. **Disbursement Voucher.** Upon receipt of a duly executed SF-1153, "Claim for Unpaid Compensation of Deceased Civilian Employee, - or SF-1055, "Claim Against the United States for Amounts Due in the Case of a Deceased Creditor," and any unnegotiated or undelivered U.S. Government checks, the Payroll Branch (CR-431) or the Bonneville Power Administration Payroll Office shall promptly prepare SF-1154, "Public Voucher for Unpaid Compensation Due a Deceased Civilian Employee," for the amount of the unpaid compensation. The SF-1154 shall be supported by the details of the unpaid compensation. (Title 4, chapter 3, subsection 23.2, of the GAO Policies and Procedures Manual for Guidance of Federal Agencies provides further information.)



CHAPTER III

FINANCIAL CLOSEOUT

1. INTRODUCTION.

- a. **Background.** "Closeout" is reprocess DOE uses to determine that all required work has been performed by the contractor and that all applicable **administrative** actions, including final payment, obligation adjustment(s), and property disposals, are completed by DOE and the contractor. This chapter describes financial policy and procedures for the financial closeout of contracts and other acquisition, assistance, and interagency instruments. These procedures apply when **it is** established that such instruments are not to be extended or renewed or when they are to be terminated.
 - b. **Applicability.** This chapter is concerned primarily with financial closeout performed by DOE offices **and provides** general guidance applicable **to acquisition and** assistance instruments. It is not intended to address the full scope of closeout procedures involving contract provisions, property disposal requirements, patent and rights provisions, or other administrative **issues** beyond financial matters. Procedural guidance and responsibilities for these and other matters are **contained in** the Federal Acquisition Regulations (FAR), specifically **Part 4**, Section 4.804, "Administrative Matters," and **Part 42**, Section 42.7, "**Contract Administration**," for acquisition contracts, and in DOE **4600.1A**, FINANCIAL ASSISTANCE PROCEDURES MANUAL, Chapter I, paragraph 19, "**Closeout**," and Chapter 11, paragraph 15, "**Closeout Procedure**," for financial assistance instruments, and-as such are not repeated in this chapter. When appropriate, discussion of these other closeout aspects is presented to illustrate context and relationships. Financial closeout procedures **apply to** integrated and **nonintegrated** management and operating contractors.
2. **POLICY.** DOE's policy is to closeout and retire contractual instruments **within a** reasonable period after their completion **or termination**. **FAR 4.804-1** identifies time standards for closing contracts. The heads of contracting activities shall ensure that all financial, administrative, security, patent, and property matters are settled or accomplished expeditiously. The finance office shall ensure that the last administrative action in the closeout process, the financial accounting settlement, is completed.
 3. **TYPES OF CONTRACTUAL INSTRUMENTS.** For the purposes of this Order, **the term** "contract" or "contractor" is used **generically to** refer to the broad variety of **contractual** instruments employed by DOE (for example, acquisition contracts, grants, cooperative agreements, cost share contracts, and the like). If **requirements or** procedures vary depending on the specific instrument, the specific instrument term is identified. Regardless of the nature of goods or services purchased, leased, or otherwise acquired or transferred, DOE must enter into a legal agreement with the other party that defines **its** relationship with that party and specifies what **is to**

be provided and at what cost. There are two broad classes of agreements: acquisition instruments and assistance instruments, both of which require closeout.

a. **Acquisition Instruments** are agreements under which goods and services are acquired. The most common forms include contracts, purchase orders, and interagency agreements. Variations include the following:

(1) **Cost Reimbursement Contracts.** The contractor is required to provide goods or services to DOE and receives payment periodically during the life of the contract. Cost reimbursement contracts establish an estimate of total costs and set a limit that the contractor may not exceed without a contract amendment. The following are variations of cost-type contracts:

(a) **Cost Plus Fixed Fee.** The contract includes a stated fee over and above allowable reimbursable cost. The fee represents the contractor's profit.

(b) **Cost Plus Award Fee.** The contractor receives a variable fee based on defined performance standards. The award fee is concentrated on the end product or output of the contract.

(c) **Cost No Fee.** The contractor is reimbursed allowable cost only.

(d) **Cost Sharing.** When DOE expects that the Contractor will receive benefits beyond the instant contract, it is DOE policy to obtain cost participation or cost sharing. The cost of the work is shared on a defined basis between DOE and the contractor (for example, 50-50, 60-40, 75-25). Reimbursement is limited to the amount of DOE's share; no fee is paid.

(e) **Labor Hours.** The service to be provided is based on hours of service rather than a specific deliverable. The contractor is allowed to bill hours, with or without fee, depending on contract terms.

(f) **Cost Plus Incentive Fee.** The fee is initially negotiated, to be adjusted later by a formula based on total allowable costs compared with total target costs. The incentive fee is concentrated on input criteria such as equal employment opportunity, safety, and security.

(2) **Firm Fixed Price.** DOE sets a fixed price for the delivery of goods and services.

(3) **Purchase Order, Blanket Purchase Order, Delivery Order, or Other Fixed-Price Arrangements.** The cost of the goods and/or services is easily estimated.

(4) **Interagency Agreement.** DOE acquires goods and services from or through another Federal agency.

- b. **Assistance Instruments** are agreements that transfer funds, property, services, or anything of value to recipients to accomplish public purposes of supporter stimulation authorized by Federal statutes. Assistance instruments include the following:
- (1) **Cooperative Agreement is used** when DOE determines that the principal purpose of the relationship is assistance, and it is anticipated that there will be substantial involvement between DOE and the participant during performance of the activity.
 - (2) **Grant.** A transfer of funds or property when DOE is not expected to be substantially involved in the contemplated activity. Grants may be **discretionary** awards, which result from an exercise of judgment by DOE in selecting the recipient, the project to be supported, and the amount of the award. Grants also may be **by formula**, in which the recipients eligible to receive funding and the amount to be awarded are not decided by DOE.
 - (3) **Loan or Loan Guarantees.** A direct loan or loan guarantee to a third party, authorized by Federal statute, to stimulate commercial development or involvement.

4. **STAGES OF CLOSEOUT.**

- a. **Physically Completed Contracts.** A contract is physically completed when the contractor completes the required deliveries of supplies and the Government inspects and accepts such supplies; the contractor performs all services and the Government accepts such services; the option provisions expire; or the Government gives notice of complete contract termination to the contractor.
 - b. **Administrative Closeout.** Administrative closeout includes the assurance by the office administering the contract that all administrative actions as defined by FAR 4.804-5(a) have been completed. When these actions are completed, the contracting officer (CO) administering the contract shall ensure that the contract completion statement is prepared and filed. (Financial assistance instruments are not subject to the completion statement.) Detailed contents of the completion statement and filing instructions are in FAR 4.804-5(b) and (c).
 - c. **Closed Contracts.** A contract is closed when evidence of physical completion (for example, a certification by the CO or authorized representative of the CO (COR) that all work required under the contract has been completed and finally accepted) is received by the procuring activity and when all administrative actions are taken. However, a completed contract cannot be considered closed while it is in litigation or while an appeal is pending.
5. **TERMINATION.** When a contract is terminated by either party to the contracting accordance with the terms of the contract, notification of termination is given as required by the contract. If the contract does not contain provisions granting the Government the right to terminate, action to terminate the contract and the form of notice predetermined by the CO with the advice of the General Counsel (GC-1).

6. **TIMING STANDARDS.** Specific standards have been established for closing each type of instrument (FAR 4.804-1 and DOE 4600.1A, FINANCIAL ASSISTANCE PROCEDURES MANUAL). As standards, they apply in each respective closeout situation after physical completion or termination unless there are circumstances involving litigation, a contract appeal, an outstanding audit issue, or some other financial issue. In such cases the issue must be resolved prior to closeout, regardless of the applicable standard.

7. **RESPONSIBILITIES.**

- a. **Administering Office.** The Head of Contracting Activities or designee is responsible for effecting the contract closeout. The contract closeout process involves various program and administrative groups, each of which may have a specific interest or function in the closeout process.
- b. **Contracting Officer.** The CO has principal responsibility for initiating and coordinating closeout. The CO determines any steps in the closeout process that can be initiated before physical completion of the contract and establishes target dates for completing the closeout procedure with the contractor. The extent of precloseout planning will be governed by the nature of the contract, the complexities involved, and the contract provisions. The CO must coordinate with the Field Element Chief Financial Officer (Field CFO) on the recoupment of any outstanding advance or receivable. Additional information on recoupments included in DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter III, "Receivables." For cost reimbursable contracts, the CO must render a final determination regarding contract cost and pricing. Various offices are responsible for assisting the CO with the cost and price functions, depending on organizational structure and applicable Federal regulations. The CO also should initiate action to deobligate excess funds (funds in excess of the estimated maximum needed to process the final settlements). Funds should be deobligated as soon as amounts can be reasonably calculated.
- c. **Contracting Officer's Representative.** The CO may designate a COR. The COR, by accepting final contract deliverable(s) on behalf of DOE, is responsible for verifying that the contractor performs and fulfills the specified technical objectives of the contract. Upon receipt and acceptance by the COR, the CO generally initiates the closeout process.
- d. **Field Element Chief Financial Officer.** The Field CFO is responsible for the last administrative action in the closeout process, which is the financial accounting settlement. After receipt of all necessary clearance requirements, CO final payment approval, and any required contractor certification documents, final payment may be authorized and final adjustment of obligations may be rerecorded. For example, the CO will provide closeout documents, including final invoice approval for cost type contracts; however, for fixed price contracts, the CO will provide only the final receiving report. Financial closeout procedures are described further in paragraph 10 below. A collateral function of the Field CFO involves the periodic review of unpaid obligations as prescribed in DOE 2200.56, FUND ACCOUNTING, Chapter 111, "Accounting for Obligations," paragraph 7a. As part of this review, the Field CFO identifies

inactive (no financial activity) contracts and notifies the appropriate CO for a determination as to the validity of the contract for the unpaid balance. On notification, the CO will determine if funding is appropriate and, as required, initiate appropriate deobligation or closeout action or both by providing a copy of a contract modification to the Field CFO.

8. **CLOSEOUT DOCUMENTS.** Closeout documents are the official DOE records to closeout and retire a contract. These documents provide physical evidence that all conditions necessary to close out and retire the contract have been successfully fulfilled. As closeout document requirements differ for cost reimbursement contracts, fixed-price contracts, and purchase orders, the Head of Contracting Activities or designee shall conform the required documents to the extent warranted by the individual circumstances and applicable procurement regulations, such as FAR 4.804-5, and advise the finance office accordingly. The following items describe documents commonly found in a closeout package for a cost reimbursable contract.
- a. **Summary Settlement Statement** provides final breakdown of costs (and fee, if appropriate), payment requests, and payments received.
 - b. **COR Acceptance** signifies official acceptance of contract deliverables on behalf of the Government, if such authority is specified in the contract.
 - c. **Contractor Release** releases the Government from future liabilities and claims arising from the contract, except as otherwise provided in the contract or a statute.
 - d. **Contractor Assignment** assigns and transfers to the Government any refunds, rebates, and other credits that subsequently may arise.
 - e. **Documents and Records Certificate** is the contractor's statement that Government records have been disposed of properly.
 - f. **Property Certificate** is the contractor's statement that Government property either is nonexistent or has been disposed of properly.
 - g. **Property Clearance documents** DOE verification of the property certificate.
 - h. **Patent Certificate** states that all inventions, rights, and other patent concerns have been duly reported.
 - i. **Patent Clearance documents** DOE verification of the patent certificate.
 - j. **Office of Scientific and Technical Information Clearance** verifies that all required reports have been forwarded to the Office of Scientific and Technical Information.
 - k. **Security Clearance** verifies that all classified or nuclear materials have been accounted for and disposed of properly. Inapplicable.

1. Financial Clearance documents DOE financial verification of the payment requested on the contractor's final invoice.
- m. Final Invoice is the contractor's final request for payment and summarizes all direct and indirect costs under the contract.
- n. CO Certification indicates that all necessary closeout activities have been successfully accomplished.

9. FINANCIAL CLEARANCE.

- a. Contract Closeout Package. The CO will assemble and forward to the cognizant Field CFO a closeout package containing documents identified by the Head of Contracting Activities. This package shall contain evidence of satisfactory completion of the work and of its acceptance by the program office, as well as other necessary clearances (for example, release, assignment, property, patent) , prior to closeout completion.
- b. Financial Concurrence. The Field CFO shall review its records and accounts and indicate financial concurrence on the closeout action with respect to funds paid and obligations. The Field CFO shall notify the CO of any error, issue, or discrepancy that may warrant suspension or delay of the closeout.
 - (1) Review and Reconciliation of Financial Records. Field CFO's should immediately confirm agreement of subsidiary ledgers and records with Departmental accounts. Reconciliation of differences shall be accomplished by the Field CFO before proceeding with further financial closeout.
 - (2) Review of Contractor Closeout Documents. Field CFO's shall review contractor closeout documents and reports for consistency with DOE accounting records. Any discrepancy should be discussed and resolved with the CO.
 - (3) Review of Final Contract Modification. Under cost reimbursable contracts, Field CFO's should review and confirm the final contract modifications establishing the final contract price. Deobligation of any prior year funds shall be accomplished in accordance with DOE 2200.5B, FUND ACCOUNTING, Chapter III. "Accounting for Obligations."
 - (4) Review of Final Invoice. Following CO approval, final invoices should be examined and processed for payment by the Field CFO in accordance with Departmental and office procedures. The applicability of any final payment timing requirements (for example, nature of the instrument, Prompt Payment Act, administrative completion) should be determined by the Field CFO.

10. FINANCIAL CLOSEOUT.

- a. Settlement Objectives. From a financial management standpoint, closeout involves settling all financial and accounting matters between DOE and the

contractor. These administrative actions will be performed by the Field CFO after receipt of all necessary clearance requirements discussed in paragraph 7d above. Closeout ultimately will result in clearing and removal of contractor accounts from DOE's books incident to the subsequent annual closing of Departmental accounts.

- (1) **Financial Settlement** involves settling business dealings and arrangements between DOE and the contractor. Contract terms and Federal financial regulations or policies provide the basis for settlement. Common objectives include the following:
- (a) Verification and mutual agreement as to costs incurred and payments made to the contractor;
 - (b) Confirmation, establishment, and collection of any refunds, credits, or other payments owed to DOE;
 - (c) Verification and adjustment of amounts obligated;
 - (d) Proper disposition of any retained fee or patent withholding;
 - (e) Final payment to the contractor; and
 - (f) Closure of letter of credit or other financing arrangements.
- (2) **Accounting Settlement.** In accounting settlement, DOE's internal accounts and subsidiary records are reviewed, adjusted, or appropriately readied by the finance office for closure. These actions primarily are for internal administrative purposes, although they may raise issues that should be reported to the CFO and resolved before closeout is completed. Objectives include the following:
- (a) Verification of uncosted and unpaid balances;
 - (b) Identification and collection of advances or receivables owed to DOE;
 - (c) Verification, adjustment, and disposition of physical assets, including work-in-process, completed-asset, depreciation, memorandum accounts, and inventory;
 - (d) Confirmation or disposition of retained funds or withholdings;
 - (e) Confirmation and liquidation of outstanding liabilities;
 - (f) Analysis and adjustment of accounts involving multiple appropriations and program budget and reporting designations;
 - (g) Analysis and adjustment of any special-purpose accounts;
 - (h) Reconciliation of Departmental accounts and subsidiary records; and

(1) Verification of adequate and proper documentation.

- b. **Recovery of Advances.** All outstanding advances shall be recovered in accordance with DOE and oversight agency requirements. This should be as provided in the contractor advance financing agreement. Applicable laws and regulations always must be followed. If not specified in the contract or financing agreement, the Field CFO shall determine whether it is in the Interest of the Government to require that the advance balance be returned to DOE upon physical completion or termination or whether to liquidate an advance balance against amounts owed to the contractor. In that case, these advances should be reclassified as accounts receivable, and the Field CFO should accrue and collect interest for these offsets if they cannot be accomplished quickly. (The concept of offset against other contracts is discouraged unless the Field CFO can effect the offset immediately.) For more information on offset, see DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter III, "Receivables." It generally is recommended to return outstanding advances to DOE and settle the final amount owed to the contractor.
- c. **Government-Owned Property.** All Government-owned property that has been furnished, loaned, constructed, fabricated, or contractor acquired under the contract shall be accounted for. DOE property clearance is required and shall be included in the closeout package before administrative completion of financial closeout. Inventories, real property, personal property, and related depreciation in the Departmental accounts should be reconciled and cleared in accordance with applicable property regulations (reference DOE 4300.16, REAL PROPERTY MANAGEMENT, of 7-1-87, or DOE Acquisition Regulations 945.6, "Reporting, Redistribution, and Disposal of Contractor Inventory").
- d. **Management and Operating Contractor Property.** Management and operating contractor facilities are required to maintain perpetual inventory records and provide periodic inventories (in accordance with DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter VI, "Plant and Capital Equipment"). Satisfactory fulfillment of these requirements during the term of the contract and appropriate testing at contract completion, if the contract so provides, maybe substituted for a full physical inventory at contract completion if the contractor being replaced, the successor contractor, and the responsible Headquarters or field element agree.
- e. **Final Payment.** The primary importance of the final payment is that it generally represents the final act of administrative closeout and, consequently, the last opportunity to effect any reduction or offset for amounts owed the Government for one reason or another. The final payment normally includes any amounts previously withheld from the contractor for performance of specific actions, providing suitable DOE clearance has been given. Consequently, timing of the final payment is significant and in some circumstances is controlled by regulation or contract terms.
- f. **Closing Checks-Paid Letters of Credit.** Field CFO's shall ensure that contracts financed or reimbursed by checks-paid letters of credit receive appropriate review and coordination prior to final payment. Letters of credit shall be

reconciled and appropriately modified to reflect any **final obligation** change. The letter of credit **shall** be terminated in accordance with Department of the Treasury requirements. Field **CFO's** shall determine the means of **final financial** settlement to the contractor (that is, letter-of-credit payment or other means). **notify** the CO of this decision, and coordinate **letter-of-credit** termination with the contractor as appropriate.

- g. Financial Reports and Statements.** Contractors shall complete all financial, accounting, and budgetary reports in accordance with the contract's terms and conditions. Likewise, integrated contractors shall be required to prepare and **submit to** DOE financial reports and statements that properly report all **their** financial activity or information through physical and administrative completion.
- h. Documents and Records Disposition.** Government-owned **financial** documents and records in the possession of contractors shall be accounted for and disposed of in accordance with DOE **1324.2A, RECORDS DISPOSITION**, of 9-13-88. **The contractor** shall be required to **notify** DOE when such statements, documents, and records are available for examination.
11. **INTEGRATED CONTRACTS.** Because of their special nature, closeout of integrated contracts requires more extensive planning, coordination, **and monitoring.** Closeout complexities often are more significant and may require **DOE to** assume certain financial responsibilities formerly administered by the contractor. Field **CFO's** must ensure that the closeout document requirements in paragraph 8 **are met;** that the reciprocal accounts of the contractor and DOE are closed; and that the required accounting entries based on the **final** approved DOE Form 2200.1, "Voucher Accounting for Net Expenditures Accrued" (**VANEA**), are posted. Where large or complex closeouts are involved or other circumstances warrant, a conference with the **contractor's financial** representative shall be arranged to advise the representative of DOE closeout requirements. When a successor **contractor is** involved, the conference may include representatives of the new contractor to facilitate transfer of responsibilities. All necessary resources shall be applied to effect the earliest possible **deobligation** of unneeded funds and timely closeout of the contract. Below are examples of additional requirements.
- a. Undelivered Savings Bonds of Contractor Employees.** The Field **CFO** shall **transmit** undelivered **savings** bonds and bond schedules **held by** Headquarters or field elements **to the** U.S. Department of the Treasury, **Bureau of Public Debt**, Washington, DC 20026, The Field **CFO** also shall direct any subsequent claim **for an** undelivered bond to the Department of the Treasury.
- b. Other Outstanding or Unclaimed Items.** Schedules for other unclaimed items held by Headquarters or the field element should be forwarded to the Chief Financial Officer (**CFO; CR-1**). If the contractor has been reimbursed for such items, the amounts shall be refunded to DOE and deposited in the appropriate Department of the Treasury deposit fund account (reference **I Treasury Financial Manual (TFM) 6-3000. PAYMENTS OF UNCLAIMED MONEYS AND REFUND OF MONEYS ERRONEOUSLY RECEIVED AND COVERED**). Any subsequent claims for previously unclaimed items shall be

referred to the **CFO**. If the Government, represented by DOE, assumes **any unpaid** obligations or commitments of the contractor under a contract, the contractor **will** assign to the Government, on a DOE approved format, the rights and **claims** for the **items** that are or would be reimbursable under the contract.

- c. **Insurance.** A determination shall be made **by the** Field **CFO** that credit has been received or otherwise accounted **for or assigned** to **DOE with** respect to **dividends**, returns of premiums, return contributions, **or other credits** due under any insurance policies. Including group insurance **policies**.
- d. **Pension Funds.** The **Field CFO** shall account for any refunds or credits that may be owed to DOE because of reimbursed pension costs. When special pension arrangements have been formulated for a terminating contractor, a **determination** shall be made to ensure that the pension funds are disposed **of in accordance** with such arrangements. New arrangements may **be required for a** successor contractor. Such determinations and arrangements ordinarily shall be made by the Head of Contracting Activities based on recommendations provided by DOE contractor industrial relations offices.

12. MISCELLANEOUS CLOSEOUT ITEMS.

- a. **Contract Transfers.** Contracts shall not be transferred to another office solely for the purpose of closeout. When it is determined necessary **or advantageous** to transfer contract administration from one **office to** another, the receiving office must concur with the transfer and establish a mutually **acceptable** transfer date. Thereafter, the receiving office must fulfill closeout responsibilities in accordance with **DOE 2100.3, TRANSFER OF CONTRACTS BETWEEN DEPARTMENTAL ELEMENTS.** of 9-15-80.
 - b. **Terminated or Expired Contracts.** From a financial standpoint, after all **negotiations** have been completed, there is no substantial difference between closeout of completed or expired contracts and **closeout of** those that are terminated. These terms and circumstances are contractual definitions that have little practical impact on financial closing **except to** perhaps change the type of closeout documentation.
13. **SUBCONTRACTS—CLOSEOUT RESPONSIBILITY.** DOE need not take direct **action in subcontract** closeouts unless contract terms or other directives require it. The DOE prime contractor shall be responsible for closing out subcontracts; ensuring that terms of the subcontract have been fulfilled; ensuring compliance with prime contract terms; verifying that the final invoice is correct; and obtaining all required approvals, certifications, and clearances.
14. **FINANCIAL RETIREMENT.** After completing financial closeout, there should **be no** further financial or accounting activity. However, physical records and documents and electronic records of the Field **CFO must be** retired.
- a. **Physical Record Retirement.** The Field **CFO** shall retire accountable officers' records and other formal financial records in accordance with applicable

Federal requirements and DOE 1324.2A, RECORDS DISPOSITION, of 9-13-88. The Field CFO shall dispose of unnecessary administrative records (nonrecord materials) in accordance with local office procedures.

- b. Electronic Records Retirement. The Field CFO shall appropriately print or transfer electronic records to microfilm at the end of the fiscal year once financial closeout is completed and store them in accordance with Federal records retention requirements and DOE 1324.4, MICROGRAPHICS MANAGEMENT, of 11-2-83, and DOE 1324.6, AUTOMATIC OFFICE ELECTRONIC RECORDKEEPING, of 7-8-87.
- c. Departmental Integrated Standardized Core Accounting System Retirement. Upon administrative completion of the closeout, the Field CFO should make suitable notation in the Departmental Integrated Standardized Core Accounting System or, in the case of power marketing administrations, in their accounting systems. Contracts so noted should be scheduled for retirement during the following fiscal year. After the new fiscal year commences, the Field CFO should initiate the Departmental Integrated Standardized Core Accounting System contract retirement procedure to verify and purge remaining contract records from the system. Contract history records generated from this process should be retained consistent with the records disposition requirements and local office policy.



CHAPTER IV

GRANTS AND COOPERATIVE AGREEMENTS

1. INTRODUCTION.

- a. **Purpose.** This chapter prescribes **policies** and general procedures for the accounting and **financial** management of grants and cooperative agreements **administered by** DOE.
- b. **Background.** Grants and cooperative agreements are financial assistance instruments, rather than acquisition instruments, used by DOE to transfer money or property **to a** recipient to accomplish a **public** purpose **authorized by** Federal statute. Although accounting for grants and cooperative **agreements in** the DOE system of **accounts is accomplished** unessentially the same **manner as** all other DOE-funded activities, certain policies and procedures apply that are different from those applicable to acquisition instruments. This chapter discusses those differences.
- c. **Definitions.**
 - (1) **Grant.** A financial assistance instrument used by DOE to transfer money or property **to a** recipient to accomplish a **public** purpose of support or **stimulation authorized by** Federal statute, when no substantial involvements anticipated between DOE and the recipient during the performance of the contemplated activity.
 - (2) **Cooperative Agreement.** A financial assistance instrument used **by DOE to** transfer money or property when the principal purpose of the transaction is to accomplish a **public purpose of** support or stimulation **authorized by** Federal statute. and substantial involvement between DOE and the recipient during the performance of the contemplated activity is anticipated.
 - (3) **Assistance Agreement.** A financial assistance award made in the form of either a **grant** or a cooperative agreement.
 - (4) **Award.** The written document, executed by a DOE contracting officer after an application is approved. which contains the terms and conditions for providing financial assistance to the recipient.
 - (5) **Recipient.** The organization, individual, or other entity that **receives an** award from DOE and is financially accountable for **the use** of any DOE funds or property provided for the performance of the project and is **legally** responsible for carrying out the terms and conditions of the award.
- d. **Applicability.** This **chapter is** applicable to all Departmental elements responsible for the administration of DOE financial assistance agreements, as described in DOE 2200.4, ACCOUNTING OVERVIEW, Chapter I, "Introduction." This chapter does not apply to contractors.

2. **POLICY.** It is the policy of DOE to account for and to administer financial assistance instruments in accordance with applicable statutory authority, central agency guidelines, and Departmental policies and procedures governing such agreements.
 - a. **Administrative Control of Funds.** Funding for all types of financial assistance agreements shall comply with provisions and procedures of DOE 2200.5B, FUND ACCOUNTING, Chapter I, "Administrative Control of Funds." Allottees shall provide a certification of fund availability (reservation) for obligation before negotiation and execution of any award or funding modification.
 - b. **Obligations.** The finance office shall record and report obligations in the Departmental accounts in accordance with provisions of DOE 2200.5B, FUND ACCOUNTING, Chapter III, "Accounting for Obligations." DOE F 4600.1, "Notice of Financial Assistance Award" (NFAA), signed by the DOE contracting officer, constitutes a valid obligation of the Government for both grants and cooperative agreements. The Field Element Chief Financial Officer (Field CFO) shall record the obligation in the DOE accounts upon receipt of the signed NFAA. The recipient need not have signed the NFAA, accepting the award, for the obligation to be incurred and recorded.
3. **ACCOUNTING PROCEDURES.**
 - a. **Recording of Obligations.** Prior to signing the award document and creating an obligation, the contracting officer obtains a properly executed certification of funds availability from the allottee. Following signature of the award document, the contracting office forwards a copy to the Field CFO, where it is promptly recorded in the financial accounts. The award document shall cite the appropriation to be obligated, in addition to other necessary terms, provisions, and fiscal classifications. Amounts then obligated shall be available for expenditure for authorized purposes until they are expended or properly deobligated. Funds made available by DOE by means of the issuance of a notice of financial award are only available for obligation by the recipient during the budget period shown in the award unless the award is renewed or extended, or otherwise authorized by the contracting officer pursuant to Federal regulations. When a continuation of a financial assistance award is made within a project period, the recipient may carryover unobligated balances to the next budget period without the authorization by the contracting officer.
 - b. **Deobligations.** A reduction or withdrawal of funds from either a grant or a cooperative agreement shall require that the Field CFO receive an amended NFAA, signed by the authorized contracting officer and recipient, before the Field CFO deobligates the funds from the accounts. An exception to this requirement shall occur when the recipient has not accepted (signed) a grant NFAA, provided that no funds have been drawn by or paid to the recipient. In this case, the contracting officer issues a revision action to the NFAA, which deobligates the award after providing the applicant with at least 2 weeks' written notice of DOE's intention to deobligate.

- c. **Payments.** The Field CFO shall not disburse DOE funds to a recipient until an award has been consummated between the recipient and DOE and a legal obligation has been recorded on DOE's books.
- (1) **Timing of Pa.** Payment shall be made to the recipient either prior to the recipient's making cash outlays, that is, in advance, or after the recipient has incurred costs, that is, by reimbursement. Regardless of whether payments are made on an advance or a reimbursement basis, the Field CFO shall schedule transfers of funds to minimize the time elapsing between transferor funds from the Department of the Treasury and the actual disbursement of cash at the recipient level. The contracting officer, in conjunction with the Field CFO, shall determine the payment terms prior to the award and include them and other conditions in the award.
- (a) **Advance.** Payments may be made in advance of performance for award to the recipient, provided the recipient has a financial management system that meets the requirements set forth in title 10, sections 600.109(b) and 600.420, of the Code of Federal Regulations (10 CFR 600.109(b) and 600.420), including procedures that will minimize the time elapsing between the transfer of funds from the Department of the Treasury and their disbursement by the recipient. (Predetermined advance payment schedules and percentage of award advances should not be used in making payments.) However, when the total amount of the award is less than \$10,000 and the anticipated period of performance is 12 months or less, the contracting officer may authorize a single payment in advance of performance.
- (b) **Reimbursement.** Reimbursement is payment to the recipient upon its request for reimbursement of costs incurred in performing under its financial assistance award. Reimbursement shall be the payment method when the recipient does not meet the requirements for an advance payment as described in paragraph 3c(1)(a) above. (The recipient shall submit requests for reimbursement monthly, unless the award authorizes more frequent payment or, in the case of cooperative agreements, arrangements have been agreed upon for a milestone payment schedule.)
- (2) **Disbursement Methods.** The principal objectives of control over disbursements are to ensure that they are legal, proper, correct, and timely and that all disbursements are recorded accurately and reported promptly. The contracting officer, in conjunction with the Field CFO, shall ensure that these objectives are met in determining the disbursement method to be used, that is, by check or electronic funds transfer. The recipient shall submit the required information to request payment. The cognizant Field CFO shall be responsible for providing the recipient with the necessary instructions for requesting payment. Additional procedures for disbursement are in DOE 2200.6A, Chapter 1, "Cash"; DOE 4600.1A, FINANCIAL ASSISTANCE PROCEDURES MANUAL, Chapter 1, "Overview of Financial Assistance Process," of 4-1-87; and the Treasury Financial Manual (1 TFM 4-2000 and 6-2000).

- (3) **Payments to Financial Assistance Recipients.** Payments to financial assistance recipients are not **subject to requirements of** the Prompt Payment Act **to interest penalty provisions.** However, the Field CFO shall make payments within 30 **days of a** request for reimbursement, unless the request is improper or questionable.
- (4) **Withheld Payments.** The Field CFO shall not withhold payments from **grantees** for proper charges, except under conditions **cited in 10 CFR 600.112(f), 600.421(g), or 600.443.** In the event a payment **is to be withheld,** the contracting **officer** shall provide advance written notice to the grantee **in accordance with these provisions.**

d. **Cash Management.** The objectives of cash management are to accelerate and control collections, ensure prompt deposit of **receipts, improve** control over disbursement methods, and eliminate idle or excess cash balances held by the recipient. Regardless of the method used to advance **funds to a recipient organization,** the Field CFO shall **limit** advances to the minimum amounts needed and the **recipient** organization shall determine amounts requested and time requests so that receipt of funds is in accord **with its** actual, **immediate** cash requirements **in carrying** out the purpose of the approved program or project. (An immediate cash requirement is generally defined **as needed within** the next 3 workdays.) **The timing** and amount of cash advances **shall be as close as is administratively feasible** to the actual disbursements by the **recipient organization** for direct program costs and proportionate share of any allowable **indirect costs** in accordance **with** Department of the Treasury Circular 1075.

- (1) **Recipients** generally should not have more than 3 workdays' cash on hand. If funds are drawn erroneously **in excess of a recipient organization's** immediate disbursement needs, and the amount drawn and timeframe involved so warrant, the funds shall be promptly refunded and reissued when needed. Additional cash management guidance is described in DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter I, **"Cash," and Chapter II, "Advances, Prepaid Expenses, and Other Assets*;** DOE 4600.1A, FINANCIAL ASSISTANCE PROCEDURES MANUAL; and I TFM 6-2000 and 6-8000.
- (2) The Field CFO shall use financial reports required by the terms **and conditions of** the award to monitor the cash **position of a** recipient of a **financial** assistance award. These documents may **include** Standard Form 269, "Financial Status Report" (Long Form), and SF-269A (Short Form); Standard Form 271, **"Outlay Report and Request for Reimbursement for Construction Programs";** Standard Form 272 and Standard Form 272A, "Federal Cash **Transactions** Report"; and any other report of a **recipient's** financial activity that may **be required** for effective cash management.
- (3) Upon termination or completion of the award and after cognizant **contracting officer notification,** the Field CFO shall take prompt action to recover any unencumbered cash balances advanced to the recipient.

e. **Program Income.**

- (1) Program Income may be earned by recipients and **subrecipients** from **activities** supported **by the financial** assistance agreement. Such income may result from the sale of real or tangible personal property acquired under the agreement or from royalties from patents or from copyrighted material resulting from the award or **subawards**. Income of this nature must be accounted **for in** accordance with specific rules described in **10 CFR 600.113(d) for royalties** and 600.117 for property, and 10 **CFR 600.425** for State and local governments.
- (2) Grantees shall remit to DOE **any interest or** other investment income earned on advances of DOE funds. (In 1990, the Cash Management Improvement Act provided for State payment of interest in certain **situations**.) **Units of** local governments and all other recipients shall be required to return to the Federal Government interest earned on advances of grant funds in accordance with **Comptroller General Decision 32 Comp. Gen. 289. Recipients** that come under the purview of Office of Management and Budget (OMB) Circular **A-110, "Uniform Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations,"** shall maintain advances of Federal funds in interest-bearing accounts: shall remit interest earned on DOE advances promptly, **but at** least quarterly, to DOE; and **may retain up to** \$100 per year **for administrative expense**. (The current draft proposed revisions **to A-110** would require the recipients to maintain advances of Federal funds in **interest-bearing** accounts, unless (1) the recipient receives total Federal advances under awards of less than \$120,000 per year or (2) the best reasonably available interest-bearing account would not earn interest in excess of \$250 per **year on** Federal cash balances or require an **average or** minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources. In addition, the proposed **revisions** would raise interest amounts up to \$250 that maybe retained by the recipient for administrative expense.) Generally, the Field **CFO's** shall deposit the interest to Department of the Treasury Account 891435, General Fund, Proprietary Interest, Not Otherwise Classified. The power marketing administrations shall deposit miscellaneous interest to the **reclamation fund** or the revolving funds as appropriate. In addition, interest earned on advances funded with Nuclear Waste Fund (**NWF**) shall be returned to the **NWF**.
- (3) General Program Income.
 - (a) General program income excludes income covered in paragraphs **3e(1)** and (2) above and will be retained by the **recipient or subrecipient** to be used for the following (detailed guidance on these uses is covered in 10 **CFR 600.113(e)**):
 - 1 Increasing the scope of the project if approved by DOE.

2 Reducing **the recipient's** contribution from non-Federal **sources by** allowing program income to be used for cost sharing, or

3 Reducing **required** Federal support of the project.

(b) The recipient shall account for general program income as prescribed in the terms of the award. Unless **required by** statute or program rule, DOE shall have no **right to** program income earned or accrued following termination of the project period or termination of the award.

(c) In those cases in which program income is deducted from total project costs to determine the net Federal share, the contracting officer prepares an NFAA at closeout **to deobligate** the amounts identified. The recipient shall account for all gross revenues and report thereto the Department on Standard Forms **269 and 269A**, "Financial Status Report."

f. **Other Receipts/Refunds.** If the amount of funds reimbursed or advanced to the recipient exceeds reported recipient outlays, the recipient must remit the excess funds to the **responsible DOE Field CFO**. The excess funds are accounted for as refunds and deposited in the same appropriation account **as the previously** recorded disbursement. The deposited refunds may be immediately **available for obligation to the** extent of any **deobligation**, unless **deobligation is** from a prior-year obligation. Detail **ed policy** and guidance for determining the availability of appropriation and fund balances **are covered in DOE 2200.5B**, FUND ACCOUNTING, Chapter II, "**Accounting for Appropriations and Other Funds.**" The finance office shall collect and deposit funds returned too due the Department in accordance with DOE **2200.6A**, FINANCIAL ACCOUNTING, Chapter 1, "Cash." Remitters shall contact the DOE Field **CFO** for specific instructions in arranging for the return of funds. If more than one **award is** involved, dollar amounts applicable to each award shall be identified and credited accordingly. The Field **CFO** shall notify **the contracting** office upon collection and deposit of any funds returned to DOE.

g. **Adjustments.** Whenever DOE adjusts the amount of an award, it shall also **make an** appropriate upward or downward adjustment **to the** amount of required cost sharing so that the adjusted award maintains any required percentage of cost **sharing in** the cosponsored project in accordance with terms of the award Instrument. In addition, when authorized by the award instrument, general program income may be used to meet the cost sharing requirement of the grant agreement; however, the amount of the Federal grant award remains the same. Any requirements governing the disposition of program income earned after the end of the award period must be spelled **out in** the terms of the agreement.

h. **Financial Reporting.**

(1) The **recipient's** financial management systems shall provide for accurate, current, and complete disclosure of the financial results of each

DOE-sponsored project **or program on an** accrued cost basis, in accordance with financial reporting requirements of the grantor cooperative agreement. The financial reports submitted to the Department shall be limited to those described in 10 **CFR 600**, subparts B, C, and E, and to those required by **OMB and** the General Accounting Office, **and by** the Department in fulfillment **ing its** cash management **responsibilities in** accordance with Department of the Treasury regulations. Instructions for completing these reports and applicable definitions are **contained in OMB Circular A-110**, Attachment; **OMB Circular A-102**, "Uniform Requirements for Grants to State and Local Governments"; **OMB Circular A-133**, "Audits of Institutions of Higher Learning and Other **Nonprofit** Institutions"; DOE 1332.2, UNIFORM REPORTING SYSTEM FOR FEDERAL ASSISTANCE (GRANTS AND COOPERATIVE AGREEMENTS); **DOE 4600.1A**, FINANCIAL ASSISTANCE PROCEDURES MANUAL; and 10 **CFR 600 and 605**.

- (2) Bylaw, financial reporting requirements placed upon financial assistance recipients are limited to minimize administrative reporting burdens. Generally, reporting shall be no more frequent than quarterly and no less frequent than annually. The procurement office, program office, and Field **CFO** jointly shall determine the type and **frequency of** reporting that best serve DOE's financial interests and objectives in making the award.
- (3) The Field **CFO** shall review reports for completeness, accuracy, **and compliance with** the terms and conditions of the award. Reports not **received or** not received in a timely **manner or** reports that are inadequate or incorrect should be followed up with the recipient by the contracting officer to identify and resolve the problem. The Field **CFO** shall compare requests for advances against cash needs for cash management purposes. The Field **CFO** promptly shall enter appropriate **financial** data from the recipient reports in the Departmental accounts.
- (4) DOE financial assistance recipients that are cross-serviced by the Department of Health and Human Services (**DHHS**), through the Payments Management System, are required to submit **a Standard** Form 272 report quarterly **to DHHS**. **DHHS** monitors the report for completeness, accuracy, and compliance with **OMB** and Department of the Treasury regulations. Errors detected by **DHHS** are reported to the cognizant DOE Field **CFO** for appropriate action.

4. Cost Principles and Allowable Costs

- a. Review of Allowable Costs. One aspect of the **review of** a financial assistance solicitation is the contracting **officer's** review of allowable costs. For each kind of organization seeking a financial assistance award, there **is a set of** Federal principles for determining allowable costs. Unless **specified by** statute, program rule, or other terms and conditions of the award, the contracting officer shall determine allowable costs in accordance with **applicable** cost principles cited in the following circulars and regulations:

- (1) **OMB Circular A-21**, "Cost Principles for Educational Institutions."
- (2) **OMB Circular A-87**, "Cost Principles for State and Local Governments."

- (3) OMB Circular A-122, "Cost Principles for Nonprofit Organizations."
 - (4) OMB Circular A-133, "Audits of Institutions of Higher Learning and Other Nonprofit Institutions."
 - (5) 45 CFR Part 74, Appendix E. Principles for **Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals.**
 - (6) 48 CFR 31.2 as modified by 48 CFR 931.2, DOE Acquisition Regulations covering contracts with commercial organizations.
- b. **Cost Sharing.** Included in the overall financial review are costs or contributions proposed to meet any required cost sharing requirements of the award. Generally, cost sharing, whether cash or in-kind, must meet the same test of allowability as applied to DOE funds. Cost sharing requirements for specific types of awards are detailed in 10 CFR 600.107, 600.206, and 600.424.

5. MISCELLANEOUS ACCOUNTING.

- a. **Property Accounting.** Property acquired under a financial assistance awarder property furnished by DOE to a recipient is subject to standards in 10 CFR 600.117, 600.431, and 600.432.
- (1) **Property.** Government-owned property held by assistance recipients shall be accounted for by the Field CFO in the Departmental accounts in the same manner as for Government-owned property held by contractors (see DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter VI, "Plant and Capital Equipment," paragraphs 4 and 6).
 - (2) **Furnished Property. Title to** Government property furnished to a recipient by the Federal Government shall remain with the Government, unless otherwise provided in the terms and conditions of the award, and therefore shall be accounted for in accordance with DOE 2200.6A, Chapter VI.
 - (3) **Acquired Property.** Title to nonexempt property acquired with Federal funds generally shall vest with the Government and similarly shall be accounted for in the Departmental accounts, unless the recipient is a State, or instrumentality of a State, in which case title shall vest with the recipient. This provision normally shall not extend to local or Indian tribal governments. Title to exempt property acquired with Federal funds vests with the grantee without further obligation or accountability to the Federal Government. However, DOE retains the right to transfer ownership of any item of exempt or nonexempt equipment having a unit acquisition cost of \$1,000 or more as indicated in 10 CFR 600.117(d)(2).
 - (4) **Real Property.** Real property acquired will be managed and accounted for in accordance with 10 CFR 600.117(c) and 600.431 and the terms and conditions of the award. When real property is involved, specific provisions of the award shall govern vesting of title, management, and disposition.

- (5) **Annual Reporting.** Assistance recipients **in possession** of DOE-owned equipment shall be required to provide an annual inventory of Government-owned equipment to the contracting officer (DOE 4600.1A, FINANCIAL ASSISTANCE PROCEDURES MANUAL, Chapter II of 4-1-87). For federally owned equipment acquired with DOE grant funds, grantees shall be **required to report** to DOE the results of the biennial inventory performed as **prescribed by 10 CFR 600.117(d)**. Unless **provided in** the award, the recipient shall not be required to provide other property reporting, except at completion or **closeout of** the agreement.
- b. **Closeout.** Within 90 days after expiration or termination of **the award**, the recipient shall submit all performance and financial reports required as a condition of the award. The contracting officer may **grant an** extension at the recipient's request. Detailed closeout procedures can be found in **DOE 4600.1A and in 10 CFR 600.123 and 600.450**.
- (1) **Adjustments.** Upon receipt of **final** reports or audits, the Field CFO shall make appropriate adjustments for allowable costs and promptly pay any reimbursable amount due the recipient. The Field CFO shall take prompt action to notify the contracting officer of funds **advanced in** excess of immediate requirements, and assist in obtaining their return. Any funds **paid to a** recipient that the contracting officer determines to be in excess of the amount to which the recipient is entitled constitute debt and shall be established **as a receivable and billed** by the Field CFO. If the recipient does not pay the funds within a reasonable period, generally 30 calendar days, the Field CFO shall handle the **receivable in** accordance with the provisions of DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter III, "Receivables."
- (2) **Financial Procedures.** Financial and accounting closeout of assistance agreements shall be performed in substantially the same manner as for other types of contracts. General financial closeout procedures are discussed in DOE 2200.9B, MISCELLANEOUS ACCOUNTING, Chapter III, "Financial Closeout."
- (3) **Subsequent Disclosures.** Closeout of the award shall not affect DOE's right to disallow costs and recover funds on the **basis of** subsequent audit or review, nor shall it release the recipient from obligation to return any funds due DOE as a result of later **refunds**, corrections, or other transactions.



CHAPTER VI
NUCLEAR WASTE FUND

1. INTRODUCTION.

- a. purpose. **To establish DOE policies and procedures** for the financial management, accounting, budget preparation, and cash management of civilian nuclear waste activities, as authorized in the Nuclear Waste Policy Act, as amended.
- b. Applicability. **The applicability of this chapter is specified in DOE 2200.4, ACCOUNTING OVERVIEW, Chapter I, "Introduction," paragraph 1.** In addition, this chapter **applies to** all activities that are directly or indirectly **involved with the** nuclear waste fund or interim storage fund.

c. Background.

- (1) The Nuclear Waste policy Act, as amended, herein referred to as "the Act," authorizes the Secretary to enter into contracts with persons who generate or own spent nuclear fuel or high-level radioactive waste, of domestic origin, generated **in a civilian** nuclear power reactor. The purchasers of the waste disposal services are **required to** pay all costs associated with the preparation, transportation, and disposal of spent nuclear fuel and/or high-level radioactive waste from civilian nuclear power reactors. Two separate funds have been established pursuant to the Act for funding **the activities:** the nuclear waste fund and the **interim** storage fund. Revenues for the funds are obtained from fees charged to waste disposal service purchasers as follows:

(a) Nuclear Waste Fund.

- 1** A one-time fee will be paid for all spent nuclear fuel or **solidified high-level** radioactive waste that resulted from the **generation of electricity in** a civilian nuclear power reactor **prior to** 4-7-83, based on kilograms of heavy metal in the spent nuclear fuel **or solidified** high-level waste. The fee is equivalent **to an** average charge of **1 mill** per net kilowatt **hour of** electricity generated by the spent nuclear fuel.
- 2** For electricity generated by **a civilian** nuclear power reactor and sold on or after 4-7-83 by owners or generators of nuclear fuel, a fee will be charged per net kilowatt hour generated. The fee may be adjusted annually by DOE unless disapproved by Congress.

- (b) Interim Storage Fund. Each generator or **owner of** spent nuclear fuel resulting from **civilian** nuclear activities shall be charged for its proper **share of** the cost incurred **for acquisition,** operation, and maintenance of any facility authorized by the Act for interim storage

of nuclear waste. This charge will be nondiscriminatory and **sufficient to** ensure full cost recovery.

- (2) The **Secretary is** authorized to expend funds for nuclear waste disposal and Interim storage activities pursuant **to sections 302(d) and 136(d)** of the Act.
- (3) In the event that the moneys available **in the funds** are **insufficient** to meet current needs, the Secretary can **issue to** the Secretary of the **Treasury obligations** (promissory notes) in form and amount to be agreed upon by the Secretary of the Treasury, and not exceed amounts provided **for in** appropriation acts. These obligations are to **be repaid** with **interest to** the general fund of the Treasury.
- (4) Should the Secretary determine that the funds contain moneys in excess of current needs, and **if** such moneys **are in** excess of the then outstanding debts due by the funds to Treasury, the Secretary of the Treasury may be requested to **invest** such amounts or portions thereof **in obligations** of the United States Treasury. Interest gained from these investments **will** be returned to the funds for future use.

2. REFERENCES.

- a. Department of Treasury "Financial Manual," **Volume 1**, which provides central accounting, financial **reporting**, cash management, and other **Governmentwide** fiscal guidance to all Federal agencies.
- b. **DOE 1000.3B**, INTERNAL CONTROL SYSTEMS, of 7-5-88, **which provides** the policy for establishing and maintaining systems of **internal** control.
- c. **DOE 1500.2A**, TRAVEL POLICY AND PROCEDURES, of 6-7-89, **which establishes** the official travel **policy** and procedures for DOE.
- d. DOE 2200.4, ACCOUNTING OVERVIEW, **which establishes** standardized **definitions** of financial terms (Attachment) and **the policies**, principles, and objectives for financial accounting and reporting (Chapter II, "**Concepts and Standards**").
- e. **DOE 2200.5B**, FUND ACCOUNTING, which establishes the **policies**, procedures, and responsibilities for the administrative control of funds **subject to limitations** (Chapter I, "**Administrative Control of Funds**").
- f. DOE 2200.6, FINANCIAL ACCOUNTING, which provides **policy** and general **procedures for** the financial management of cash, advances, receivables, inventories, and investment of funds; accountability for plant and capital equipment; current and long-term **liabilities**; and accounting for **equity**, revenues, and expenses.
9. **DOE 2200.8B**, ACCOUNTING SYSTEMS, ORGANIZATIONS, AND REPORTING, which **provides** DOE requirements **for reporting to** external agencies, from **internal field** elements, and to the Financial Information System.

- h. **DOE 3600.1B**, TIME AND ATTENDANCE REPORTING. of 2-11-91, which establishes the policy, objectives, and responsibilities for time and attendance **reporting in** accordance with the General Accounting Office (GAO) and **Office of** Personnel Management (**OPM**) regulations.
- i. **DOE 5100.5**, OFFICE OF MANAGEMENT AND BUDGET-BUDGET PROCESS. of 7-21-83, which outlines requirements and procedures for the preparation and budget submission for the Office of Management and Budget.
- j. DOE 5100.6, CONGRESSIONAL BUDGET REVIEW, of 10-26-83. which **outlines** requirements and procedures for the preparation and budget submission for the congressional budget review.
- k. Memorandum of Understanding between the Office of Civilian Radioactive Waste (**RW**) and the Energy Information Administration. of 7-22-83. which defines and describes the activities in support **of RW in** carrying out the provisions of the Nuclear Waste Policy Act, as amended.
- l. Memorandum of **Understandi** ngbetween the **Office of** Civilian Radioactive Waste and the Assistant Secretary for Environment, Safety, and Health. of 3-9-84, which defines and describes the activities in **support of RW in** carrying out the provisions of the Nuclear Waste Policy Act, as amended.
- m. Office of Management and Budget (**OMB**) Circular **A-34**, revised 8-26-85, "**Instructions on** Budget Execution," which defines the requirements for Federal **agencies'** accounting, reporting, and administrative control of funds systems.
- n. **OMB Circular A-11**, revised and issued annually in July, "**Preparation and** Submission of Budget Estimates," which provides instructions on the preparation and submission of budget data.
- o. Public Law 95-452, the Inspector General Act, as amended, which effective 4-16-89 transfers the **authori** ties of the DOE Inspector General from Public Law 95-91, the DOE Organization Act, under this act.
- p. Public Law 97-425, Nuclear Waste Policy Act, as amended, which authorizes the Department to develop repositories **and to establish a program of** research, development, and demonstration for the disposal of high-level radioactive waste and spent nuclear fuel and for related purposes.
- q* "**Standard Contract** for Disposal of Spent Nuclear Fuel and/or High-Level Radioactive Waste," of 4-18-83 (48 **FR** 16590). which specifies the terms and conditions of payments (Article VIII) required of owners and **generators of** spent nuclear fuel or high-level radioactive waste who are participating in the waste disposal program.
- r. Title 31 **U.S.C.** 1535, The Economy Act of 1932, section 601. as amended, which specifies the reimbursement of costs associated with the transferor equipment.

3. **DEFINITIONS.**

a. **Administrative Costs.** Salaries, travel, training, and fringe benefits of Federal employees and administrative support costs.

b. **Administrative Support Costs.**

- (1) **Capital Equipment Not Related to Construction.** Costs Incurred in the acquisition or fabrication of capital equipment not related to **construction** projects. Includes those tangible items that have acquisition unit cost of **\$5,000 or more** and a useful/service life of **2 or more** years.
- (2) **Communications Services.** Costs of (a) transmission of messages from place to place by means such as telephone, teletype, telegraph, cable, and radio, including installation and rental of equipment, lease of tie-lines, switchboard, and service charges; (b) rental of post office boxes; and (c) lump-sum payments to the U.S. Postal Service in lieu of postage (excluding parcel post).
- (3) **Other Contractual Services.** Costs for all other services, such as maintenance and repair of vehicles and other equipment; development, tests, and operations of automatic data processing (ADP) and automated office support systems and information systems, including hardware; maintenance of buildings; janitorial and custodial services; employee health services; storage of household goods under 5 U.S.C. 5726(c) (as implemented by Federal Travel Regulations, Chapter 2, and DOE 1500.2A, Chapter VI); training of employees in reporting and typing. Includes applicable costs incurred directly or billed by contractors for services rendered. Specifically includes charges billed by contractors for use by DOE employees of motor vehicles from contractor motor pools, regardless of whether such vehicles belong to the contractor's Government-owned fleet, or are rented by the contractor from interagency motor pools or commercial sources.
- (4) **Printing and Reproduction.** Costs of contractual printing and reproduction and the related composition and binding operations performed by the Government Printing Office, other agencies or other Departmental elements on a reimbursable basis, and commercial printers.
- (5) **Public Information.** Costs incurred by contractors for design, production, dissemination, and storage of public information materials, i.e., scientific, technical, and engineering publications; audiovisuals: films (including microform); brochures; and exhibits. Also included are costs in support of seminars, workshops, and conferences, as well as development and maintenance of computer-based mailing lists.
- (6) **Rents and Utilities.** Costs incurred directly or billed by contractors covering: (a) rent of (or charges for possession and use of) land, structures, or equipment, exclusive of transportation equipment; (b) utility services such as gas, electricity, water, and heat; and (c) costs of space and standard-level user charges paid to the General Services

Administration under **the provisions** of the Public Buildings Amendments of 1972.

- (7) **RW Project Office**. For the purpose of this directive, **RW** project offices are components of DOE operations offices, whether or not formally **established**, whose Federal personnel spend **100 percent** of their time in direct **support of RW** mission activities (see **3c(1)(b)** below).
- (8) **Services Performed by Other Agencies**. Costs of services performed by other Federal agencies, such as guard services furnished by the General Services Administration and employees health and training services furnished by other Federal agencies.
- (9) **Supplies and Materials**. Costs incurred for items that are ordinarily consumed within a relatively short **period of** time, **such as** office supplies, duplicating **supplies**, automobile supplies, fuel, and parts for DOE-owned vehicles; and subscriptions to scientific, technical, and professional periodicals. Also includes property of little monetary value, such as desk trays, ash trays, calendar stands, telephone list finders, and similar items that **are not to be** capitalized.
- (10) **Transportation of Government Property and Household Goods**. All costs incurred for: (a) contractual charges for transportation **of** Government property; (b) authorized movement of household effects or house trailers, whether paid directly by the Government **or by** reimbursement to the employee; (c) lump-sum payments **to the** U.S. Postal Service in lieu of piece postage for parcel post; and (d) rental of trucks and other transportation equipment (excluding passenger-carrying vehicles) from Government motor pools and commercial sources, and expenses incident to the operation of such rentals. Excludes transportation paid by a vendor, **regardless of** whether the cost thereof is itemized on the bill for the commodities sold.
- (11) **Travel**. All costs **incurred by** DOE and contractor personnel **relating to RW** activities, as well as invitational travel so related to **RW** activities.

c. **Personnel**.

- (1) **Program Direct**.
 - (a) **Headquarters**. All Federal employees assigned **or detailed to RW** who spend 100 percent of their **time on RW activities**.
 - (b) **Field**. All Federal employees assigned or detail **ed to a project** office and who spend **100 percent of** their time on work in direct **support of RW** mission activities.
- (2) **Program Support**.
 - (a) **Headquarters**. Federal employees who perform activities in direct **support of** Remissions, functions, organization, and systems, but who **are not assigned or** detailed **to RW**, and whose work **directly**

benefits RW. Employees in this category may, but need **not necessarily**, devote 100 percent of their time to the support of RW. Examples include lawyers, accountants, budget analysts, procurement **specialists, public affairs specialists**, transportation and packaging personnel, environmental protection specialists, **and similar personnel** who are **assigned to non-RW** components and who provide direct advice, assistance, or other support services to RW. Excluded, for the purpose of **direct** support costs accounting, are those Federal personnel who may perform some RW-related work, but **who do so primarily as part** of larger **institutional** responsibilities of the Department as a whole. Also excluded are personnel **involved in** functions **principally** associated with a DOE program other than the Civilian Radioactive Waste Management program. Examples are certain personnel in the Office of **Administration** and Human Resource Management, the Office of Chief Financial Officer (CFO; CR-1), the Office of Procurement and Assistance Management, the **Office of Inspector General**, **and the Office of General Counsel** who provide RW-related advice, assistance, and other support **to officials not assigned or detailed to RW**.

- (b) **Field Operations office** Federal employees who perform activities in **direct support of RW** or RW project office missions and **functions**, but who **are not** assigned or detailed to a RW project office and whose work **directly** benefits RW and/or a RW project office. Employees in this category may, **but will not necessarily**, devote 100 percent of their time to the support of RW project office. Examples are lawyers, accountants, budget analysts, procurement specialists, and other support personnel who are assigned to, and located at, the parent operations office. Excluded, for the purpose of direct support costs accounting, are those Federal personnel assigned to, or located at, the parent operations office, who perform some **RW-related** work but who do so **as part** of larger **institutional responsibilities** of the operations office.

d. **Plant and Capital Equipment.**

- (1) **Dedicated Nuclear Waste Facility.** ADOE-owned test, experimental, or special purpose facility used exclusively for nuclear waste programs.
- (2) **Experimental and Demonstration Projects.** When such projects as **full-scale test facilities** or other prototype **facilities** are undertaken to obtain data related **to specific investigations** and to demonstrate the feasibility of a particular process, the costs incurred for design, procurement, or fabrication of components, the cost of assembly, and all costs of operations during the experiment may be considered as operating expense and maybe budgeted and accounted for **under an** appropriate **operating** expense program activity. However, when the construction and final testing of such prototype or demonstration facilities are completed, the Head of the Field Element shall determine if the completed **facility is** expected **to have** a useful life of **2 years** or longer. If the experimenter demonstration project facility is **to have a useful life of 2 years or**

longer, capitalize the total cost of the completed project and record that cost **in the financial** accounts for completed plant and capital equipment. When a facility is **expected to continue to operate as an** experiment or demonstration, **or when it is expected** that the experiment or demonstration will **become a** productive facility even though primarily constructed for experimental or demonstration purposes, treat it as a capital **construction** project for budgeting **as well** as for accounting purposes. See DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter VI, "**Plant and Capital** Equipment."

- (3) * The cost of property purchased or fabricated for **use in** research maybe charged to operating expense if the property is not expected to have a service life **of more than 2 years in** essentially its original form, even though it may meet the monetary and **physical** criteria that would otherwise **require it** to be accounted **for as** a plant and capital equipment addition. The cost of altering and **rearranging** property used in research laboratories may be charged to operating expense if the physical characteristics or value of the property are not changed **significantly by** such alterations and rearrangements. See DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter VI, "**Plant and Capital** Equipment."
- (4) **Related Capital Equipment.** Capital equipment required for the direct support of specific programs of dedicated facilities.

4. **RESPONSIBILITIES.**

a. **Director of Civilian Radioactive Waste Management (RW).**

- (1) Develops the financial objectives and requirements of the nuclear waste program for all Departmental elements.
- (2) Develops estimates for current fiscal year and outyears. as required, for obligations, costs, fees, income, and disbursements and provides data to the CFO.
- (3) Develops staffing and support service cost estimates for nuclear waste activities at Headquarters in coordination with the **Director of** Administration and Human Resource Management (AD-1).
- (4) Develops appropriate plans for repayment of funds for amounts borrowed from Treasury, in coordination with the CFO.
- (5) Develops borrowing and investment requirements, including cash flow analysis for nuclear waste and interim storage funds in coordination with the CFO.
- (6) In coordination with **the CFO**, directs and monitors financial **activity of** the **nuclear waste** and interim storage funds.
- (7) Develops and submits an annual report to Congress on the activities and expenditures of the Office of Civilian Radioactive Waste Management.

- (8) Directs and monitors the status of Headquarters and field approved financial plans and allotments.
- (9) Directs, prepares, defends, and consolidates Departmental budgets for the nuclear waste program, including staffing and program requirements in coordination with AD-1 and CR-1.
- (10) Develops requirements and administers independent audits of civilian radioactive waste management activities in coordination with the Inspector General.
- (11) Develops and submits an annual report to Congress on the adequacy of fees.
- (12) Manages the standard contract for disposal of spent nuclear fuel and/or high-level radioactive waste and any contract for the interim storage of spent nuclear fuel.
- (13) Manages the integrated data base for spent nuclear fuel.

b. Director of Administration and Human Resource Management (AD-1).

- (1) Approves method by which AD support services costs at Headquarters are allocated to RW.
- (2) Prepares Headquarters annual operating plan for those support services provided and allocated to RW.
- (3) Coordinates the Headquarters manpower cost accounting requirements for nuclear waste activities.
- (4) Estimates RW's quarterly obligations for support services at Headquarters and provides estimates and actual cost to the CFO for distribution in the Headquarters accounting system.
- (5) Provides administrative support services to RW on a reimbursable basis.
- (6) Coordinates on staffing requirements for RW.

c. Chief Financial Officer (CR-1).

- (1) In coordination with RW, develops and maintains financial policy for nuclear waste activities.
- (2) Coordinates fiscal policy matters with RW and the Department of the Treasury.
- (3) Coordinates and analyzes budget data for nuclear waste activities.
- (4) Provides financial input to RW for the annual report to Congress on nuclear waste activities.

- (5) In coordination with RW, serves as a focal point for all official accounting operational matters regarding nuclear waste activities. maintains official accounting records, and maintains liaison with the Department of the Treasury and the General Accounting Office on operational accounting matters.
- (6) Provides monthly accounting reports on the status of nuclear waste activities to RW and to field elements.
- (7) In coordination with RW, reviews RW requirements and prepares investment, repayment, and borrowing plans, and initiates appropriate documentation with the Department of the Treasury.
- (8) In coordination with RW, performs all Headquarters accounting activities related to the nuclear waste program and processes appropriate transactions through the financial information system.
- (9) Receives and processes all nuclear waste fund disbursement reports from accounting offices.
- (10) Develops standard operating procedures to account for nuclear waste and interim storage funds in accordance with RW.
- (11) Distributes RW's portions of the Headquarters support services disbursements.

d. Director, Office of Procurement and Assistance Management (PR-1).

- (1) Develops and maintains Departmental personal property policies, standards, and procedures.
- (2) In coordination with RW, develops, promulgates, and issues standard disposal and/or interim storage contracts.
- (3) Provides all contractual-related business management advice to RW.

e. Heads of Field Elements.

- (1) Perform all financial activities related to their involvement with the nuclear waste program and submit appropriate transactions through the Financial Information System (FIS).
- (2) Report all nuclear waste program disbursement amounts to the Office of CFO.
- (3) Provide financial reports to RW as necessary.
- (4) Request necessary changes in approved funding plans and allotments from RW.

- (5) Assure the effective management of Government personal property acquired for. **or in** use by, the nuclear waste program in accordance with applicable laws, regulations, and this chapter.
 - (6) Provide monthly and annual projections of obligations, costs, **and disbursements to RW** no later than **10** calendar days after the end of each calendar quarter.
 - (7) Ensure that hours worked and charged to nuclear waste **activities by** employees **are in** accordance with the definitions and policy of this chapter and do not exceed the full -time equivalents (**FTEs**) authorized.
 - (8) Prepare and submit field project budgets **to RW in** accordance with program guidance.
 - (9) Provide administrative support services to assigned **RW** project offices on a reimbursable basis.
- f. **Inspector General** shall coordinate with **RW on** developing requirements and administering independent audits of civilian radioactive waste management activities.

5. **BUDGETING, FUNDING, AND FINANCING.**

- a. **Budget Formulation.** The Nuclear Waste Policy Act (the Act), as amended, **provides specific** language with regard to budget. Although triennial budgets were prescribed, congressional authorization committee staff members have **indicated** that the intent of this provision was directed toward the budget **authorization** process only. Therefore, **appropriations** to the nuclear waste fund normally will **be on** an annual basis. The instructions for budget formulation are found in the DOE 5100 series directives.
- b. **Budget Execution.** Both the **nuclear waste** fund and the interim storage **fund are** excluded from apportionment under specific terms of the Act. They are subject to the DOE administrative control of funds systems and OMB procedures for budget execution referenced in **OMB Circular A-34**. In coordination **with RW**, CR-1 will issue allotments and approved funding programs to Departmental elements involved. This process is described in DOE budget directives. Allotments issued for the nuclear waste fund and the interim storage fund provide obligational authority only. Outlay (or disbursement) targets also will be provided by CR-1 based on input from and in coordination **with RW**. Outlay targets will **be provided on a** quarterly basis.
- c. **Financing.** The nuclear waste storage and disposal activities will be **financed** by the purchasers of **services from RW**. The purchasers will execute a contract or other appropriate instrument with DOE which will specify the fee charged and the time and method of payment. The two funds established for storage **and disposal** activities shall be administered in accordance with the provisions of the Act, the contract, the **regulations of** the Department of the Treasury, and guidance provided by **OMB** and Congress.

d. Funds.

(1) Interim Storage. Each purchaser of interim storage service will pay a fee reflecting its proper share of the cost incurred for acquisition, **operation**, maintenance, decontamination, and **decommissioning of any facilities** authorized by the Act for interim **storage** of nuclear waste. Fees will be **established on** a nondiscriminatory basis **and set at** a level which will ensure full cost recovery by the interim storage fund.

(2) Nuclear Waste.

- (a) **Utility** companies will pay **a one-time** fee per kilogram of heavy metal for domestic civilian spent nuclear fuel or solidified high-level radioactive waste used to generate electricity in a civilian nuclear power reactor prior to 4-7-83. equivalent to an average **charge of 1 mill** per net kilowatt hour of electricity generated by all such fuel. For electricity generated **by a** civilian nuclear power reactor and sold on **or after** 4-7-83, there will **be a fee of 1 mill** per net kilowatt hour, payable **quarterly** in accordance with the contract. The ongoing fee may be adjusted by DOE annual **ly** unless disapproved by Congress.
- (b) Other owners/generators of spent nuclear fuel or high-level **radioactive** waste will pay fees which will be equivalent to those **paid by** utility companies.
- (c) Interest **earned on** investments and late or underpayment fee charges are returned to the fund.
- (d) Unexpended and unobligated balances relating to activities covered by the Act which were in **existence on** the date of enactment were transferred into the fund.
- (e) Borrowings from the general fund of the Treasury may be **utilized to** support the program to the extent provided in annual appropriation acts.

e. Appropriation. Annually, an appropriation from **the nuclear waste fund** is required to authorize the commitment and obligation of funds for nuclear waste activities to carry out the purposes of Public Law 97-425. including **the acquisition** of real property or facility construction or expansion. Such funds shall remain available until expended. At any time the moneys in the fund are **insufficient to** cover amounts needed for disbursement, the Secretary can issue to the Secretary of Treasury obligations in form **and amount to be** agreed upon by the Secretary and the Secretary of Treasury not to exceed amounts in appropriation acts.

f. Plant and Capital Equipment.

(1) Acquisitions. The nuclear waste and interim storage funds will finance the acquisition of **facilities** dedicated to nuclear waste activities and

related capital equipment **required** for the **dedicated** nuclear waste fund or Interim storage fund **facility**.

(2) Dedicated and Borrowed Property.

- (a) The Federal Government **shall** be reimbursed, **in** accordance with the policies and procedures outlined **in paragraph 7**, from the nuclear waste fund for plant and **capital** equipment purchased prior to the Act and currently dedicated to nuclear waste activities.
- (b) When **RW identifies** a temporary need for plant and capital equipment owned by **non-RW activities**, there should **be a** formal written **loan** agreement between **RW** and Heads of Departmental Elements to **reflect an** assertion of accountability of the property, and to indicate that the property can be used for nuclear waste fund **activities on a nonreimbursable** basis. These agreements should **be for a term of 1 year or less**; however, they may be renewed. The agreement shall specify that the nuclear waste fund account shall be charged directly for any operation and maintenance costs that might accrue from the temporary use of the property.

6. ADMINISTRATIVE COST.

- a. **General.** The following prescribes the policies and procedures for identifying the administrative costs provided within the context **of section 302(d)(3) and section 136(d)(2)** of the Nuclear Waste Policy Act (the Act), as amended, and for charging the nuclear waste and **interim** storage funds for these costs. These costs include direct, and all allocable program support costs other than those specifically identified in section **302(d)(1), (2), (4), (5), and (6)**, and section **136(d)(1), (3), (4), (5), and (6)** of the Act that are, on the basis of generally accepted accounting principles, reasonably identified as directly attributed to nuclear waste activities.
- b. **Policy.** The **policies** and procedures for managing personnel and administrative cost areas follows:

(1) Personnel.

- (a) Program direct employees, as defined in paragraph **3c(1), assigned or detailed to RW shall** be identified in the Payroll Personnel System (**PAY/PERS**) by the specified nuclear waste **appropriation** and budget and reporting (**B&R**) code. The hours for employees in this category shall be charged automatically to the nuclear **waste or** the interim storage fund if and when activated. Organizations shall ensure that the **PAY/PERS** master files are updated to reflect the specified appropriation and **B&R** code.
- (b) **A payroll** time and attendance (**T&A**) process shall be used to identify the hours worked for program support employees, **as defined in paragraph 3c(2), working on** nuclear waste activities. Employees in this category shall continue to be identified in **PAY/PERS** by the

appropriation/B&R codes that are consistent with the primary funding source for **their organization**. Timecards shall be prepared each pay period **to identify** program support hours worked **against an** employee's appropriation/B&R and against the secondary nuclear waste appropriation **and B&R**.

- (c) The cumulative **number of** hours worked and charged to the nuclear waste activities each fiscal year may not exceed the full-time equivalents (**FTE's**) authorized.
- (d) Regular hours worked are reported **in whole** hours with a **minimum of 1 hour**. **Overtime is** reported for hours **and 1/10** of an hour thereafter (i.e., **6-minute** intervals) actually worked.

(2) Administrative.

- (a) Support costs. **defined in** paragraph **3b**, are standard throughout the Department. Costs shall be calculated from **either** actual **expenditures** for support of the **program or a combination of a** percentage of total cost and actual or prorated costs on the **basis of FTE's** authorized for nuclear waste **activities**.
- (b) When applicable, **administrative costs will be charged to and paid** directly from the funds. **As a minimum**, support costs **provided to the** nuclear waste **activity on** a reimbursable **basis** will be billed monthly, and manpower costs **will be reimbursed on a biweekly** basis.

c. Headquarters.

- (1) The estimated annual and out-year cost of contractual services and supplies to support the nuclear waste activities will be determined by AD-1 **coordination with RW**. AD-1 will **receive an** approved funding program from **RW for** the estimated annual support cost. **RW may be requested to increase or** decrease funding for support costs, as determined necessary **by AD-1**.
- (2) Support costs **will** be processed under the Departmental Administration Appropriation and reimbursed **monthly by** the funds. Pending the development of an automated method, **RW's** estimated quarterly support costs will be **obligated at** the **beginning of** each quarter. For disbursements, **a percentage will** be developed **to distribute RW's portion** of the monthly support cost disbursements paid by the Departmental Administration Appropriation. The estimated disbursement will be accomplished **at least** monthly, and more frequently, if possible, by journal voucher charging the funds and crediting the Departmental Administration Appropriation for costs and disbursements. **AD-1 and CR-1** shall compare the **estimated obligations**, costs, and disbursements to actual and adjust the amounts at least quarterly and **at yearend**.
- (3) Quarterly, AD-1 will **provide RW with reports on** the status of actual support cost upon receiving information from **CR-1**.

d. **Field Operations.** Field elements will either compute support costs from actual expenditures in support of the program or prorate costs based upon the number of **FTE's** assigned to the nuclear waste **activities. A combination** of the two methods maybe used. Support costs that can **be directly identified** will cite the nuclear waste or interim storage funds. All other support costs will be reimbursed by the funds monthly.

e. **Personnel Costs Procedures.**

- (1) Heads of Departmental elements will prepare **a listing** identifying all employees assigned to support the nuclear waste **or interim** storage funds programs **as direct**, or program support, as defined **in paragraph 3c.** Employees **identified** should be further **designated as either working** 100 percent **of their** time or less than **100 percent of their time** on nuclear waste activities.
- (2) Employees listings should be completed prior to the start of each fiscal year. updated as required, **and provided** to:
 - (a) Appropriate time and attendance clerks and certifying officials;
 - (b) Director of Program Control **Division, RW-12;**
 - (c) Director of **Management** Systems and Support Division. **RW-13;**
 - (d) Director of Organization and Management Systems, **MA-51;** and
 - (e) **CFO, CR-1.**
- (3) Time and attendance clerks shall record the time and attendance for all employees **working on** nuclear waste activities. In addition, the following information shall be included on the time and attendance cards for the program support personnel :
 - (a) The appropriation/fund type for the nuclear waste activities;
 - (b) The budget **and reporting classification for the nuclear waste** activities;
 - (c) The number of whole hours of straight time worked on nuclear waste activities by pay period; and
 - (d) The number of overtime hours. reported in hours **and 1/10 of** an hour actually worked on nuclear waste activities by period.
- (4) The proper categorization of employee as direct or program support depends on whether they are paid directly from the nuclear waste fund or paid from another appropriation **which is** subsequently reimbursed by the nuclear waste fund. In order to properly categorize and charge employees **correctly**, all program direct employee personal services costs (i.e., salary, leave, and benefits) shall be charged directly to the nuclear

waste fund. Program support costs (i.e., salary, leave, and benefits) for those employees who spend 100 percent of their time in support of RW activities shall also be charged directly to the nuclear waste fund. All other program support employee personal services costs (i.e., salary, leave, and benefits) shall be charged to the employee's primary appropriation, which shall be subsequently reimbursed by the nuclear waste fund.

- (5) The **PAY/PERS** cost structure field will accommodate the recording of hours worked to a fund type and B&R other than the **one designated** in the employee's master record. Field elements not having such provision will need to modify their time and attendance practices. All hours of work performed for the nuclear waste program shall be recorded and verified in accordance with **DOE 3600.1B**.
- (6) Each payroll office shall input the time and attendance data into the Energy Manpower and Personnel Resources Information System (**EMPRIS**) through its existing **EMPRIS** interface. Payroll offices will make all charges based upon actual data from **PAY/PERS** for all costs not previously charged. In addition, on a quarterly basis, appropriate organizations shall compare the retirement benefit and leave factor to actual retirement and benefits to determine whether accounting adjustments should be made to or from the nuclear waste or the interim storage fund to properly reflect costs incurred.
- (7) **RW** will provide funding for salaries and related costs through the approved funding program process to each Departmental element. In addition, each element, including **RW**, will monitor the hours reported for accuracy, reasonableness, and timeliness.

f. **Accounting for Leave, Awards, Bonuses, and Compensatory Time**

- (1) **Full-Time Personnel**. (Includes director program support personnel who spend 100 percent of their time on or in support of RW activities.) Annual or sick leave taken, approved awards and bonuses, and compensatory time taken or subsequently paid as overtime will be charged to the funds.
- (2) **Other-Than-Full-Time Personnel**.
 - (a) Because of automated system limitations, annual, sick, or holiday leave taken and compensatory time taken or subsequently paid as overtime will be charged to the employee's primary appropriation and **B&R**. The primary appropriation and **B&R** shall be subsequently reimbursed for nonworking hours (annual leave, sick leave, holidays, and other leave) and compensatory time taken or subsequently paid as overtime by applying a factor of 19.7 percent to the direct labor costs chargeable to the nuclear waste fund.
 - (b) Awards and bonuses specifically related to nuclear waste efforts shall be charged directly to the fund, after approval by **RW**. Awards or bonuses nonspecifically related to nuclear waste efforts will be charged to the employee's primary appropriation and **B&R** without

subsequent **reimbursement by** the fund, i.e., do not apply the **19.7-percent** factor to such awards and bonuses.

7. **ACCOUNTING.**

- a. **General.** The accounting policies and procedures for nuclear waste **activities** for both **field** and Headquarters elements are **outlined** in DOE 2200.4 through **2200.10A**. The remaining paragraphs summarize the accounting functions applicable to the nuclear waste activities, make references to chapters in DOE 2200.4 through **2200.10A**, and identify new accounting policy or procedures required to account for the nuclear waste activities.
- b. **Administrative Control of Funds.** **Allottees** of nuclear waste or interim storage funds are responsible for controlling funds allotted to them, including the certification of fund availability for each transaction prior to obligation in accordance with the provisions of DOE 2200.5B, FUND ACCOUNTING, Chapter 1. **"Administrative Control of Funds."** Because of the nature of the nuclear waste funds, disbursement targets will be issued **separately by** CR-I based on input from and in coordination with RW. Accordingly, CR-I and the **allottees** shall ensure that nuclear waste or interim storage fund disbursements and obligations do not exceed available disbursement targets and obligational authority.
- c. **Revenue Recognition.** Costs incurred for non-general research relative to repository media, and general and administrative costs shall be expensed as incurred. Fees based upon kilowatt **hours of** electricity generated by civilian nuclear reactors on or after 4-7-83 are accrued as earned. All fees shall be recognized as revenue to the extent of expenses incurred.
- d. **Collections.**
 - (1) The time of remittance will be based on the contracts executed between the purchasers and DOE. Purchasers will not be billed for payments due to the nuclear waste fund unless the payment is either incorrect or not received on time. Interim storage purchasers will be invoiced for **both an** initial payment of preoperational activities and **a final** bill when the full cost of the construction and operation of the facility are known. An accounts receivable will be established quarterly to reflect the estimated amount due from each purchaser.
 - (2) Fees for both interim storage and waste disposal will be submitted to Headquarters via the Treasury Fedwire deposit System using agency **location** code 89-00-0003. The **one-time** charge for spent nuclear fuel generated prior to **4-7-83** will be paid in one of three ways:
 - (a) **Option 1 allows** the purchaser to prorate the obligation evenly over 40 quarters. The obligation will consist of the spent nuclear fuel fee and interest calculated from 4-7-83 compounded quarterly at the **13-week** Treasury bill investment/yield rate, as published by the Department of the Treasury, until the first payment. Upon making the first payment, the **purchaser's** obligation, including interest

accrued. **will** be refinanced and **paid** at the Treasury **10-year** note rate in effect at the date of the first payment. All 40 payments must be completed before the first scheduled delivery date, as stated on the DOE approved delivery commitment schedule. The purchaser may make a full **or partial** lump-sum payment at anytime prior to the end of **the 40** quarters. Subsequently, quarterly payments, if any, are appropriately reduced but subject to the same Interest rate.

- (b) Option **2 allows** the purchaser to pay the entire spent **nuclear fuel fee** in **a single** lump-sum payment. **This payment** maybe made **at any time prior to** the first delivery of spent fuel and **carries** interest compounded quarterly at the **13-week Treasury bill investment/yield rate** from 4-7-83 until paid.
- (c) **Option 3 allows** the purchaser to pay the balance **prior to 6-30-85 or prior to 2** years after the contract execution, whichever comes later, in **a single** payment with no interest due from 4-7-83 to the date of full payment.

(3) All payments shall be made by wire transfer no later than the last business day of the month following each assigned **3-month period which is** provided to the purchaser by DOE, with the exception of paragraphed.

(4) The accounts **receivable will** be adjusted to reflect actual payment. **A bill** shall be prepared for all delinquent accounts and submitted **to the purchaser** promptly. **In addition**, the bill will specify the interest payable in accordance with the terms of the contract.

e. **Debts.** The accounting policies and procedures for liabilities and the accrual of interest and payment **of principal are included** in DOE **2200.6A, FINANCIAL ACCOUNTING.**

f. **Authorizations, Obligations, Costs, and Disbursements.** Financial accounting for all nuclear waste activities will be performed **in accordance** with DOE **2200.5B, FUND ACCOUNTING, and 2200.6A, FINANCIAL ACCOUNTING.**

g. **Plant and Capital Equipment.**

(1) Fund types **57 and 59** will **be used** for all plant and capital equipment acquired with nuclear waste and interim storage funds, respectively.

(2) Plant and capital equipment (**P&CE**) items acquired with the **FY 1983 unexpended balance** from appropriations **89X0224, "Energy Supply Research and Development-Operating Expenses," 89X0225, "Energy Supply Research and Development-P&CE," and 89X0227, "Nuclear Waste Fund,"** that prerecorded in fund type **51** were transferred to fund type 57 using summary classification code RE (reclassification of opening balances).

(3) Any plant and capital equipment items which are acquired with funds other than nuclear waste funds and are subsequently dedicated to nuclear waste activities on a permanent basis should be retransferred to fund **type 57.**

- (a) **Identification.** All Departmental elements will review property records and **provide a listing** of all fully dedicated nuclear waste plant **and capital equipment to RW** on an annual **basis. RW** will review the **list** and advise DOE property **officers which items** should be transferred to the nuclear waste fund **and which items should be used** on a temporary loan basis as described **in paragraph 5f.**
 - (b) **Fund Transfer.** In coordination **with RW,** property **offices** will advise Field Element **Chief Financial Officers (Field CFO's) which P&CE items should** retransferred to fund **type 57.** The Field **CFO will** assign a **net** book value and make the necessary accounting entries to transfer the property to fund type **57 at** the net book value.
 - (c) **Reimbursement.** If required, **RW will** provide funding and advise **allottees to obligate** and disburse the funds for the net book value of the plant **and capital** equipment transferred to fund **type 57.** The money **received** by the Department for the **reimbursement of the equipment** transferred to fund **type 57** shall be credited to the **supplying unit's appropriation** from which funds were used **originally to** purchase the equipment.
- (4) Proceeds from the **sale of** capital equipment owned by **RW shall** be returned to the nuclear waste or the **interim** storage fund rather than **submitted to** the Treasury miscellaneous receipts.

8. **APPROPRIATED DEBT, BORROWING, AND REPAYMENT.**

- a. **General.** Sections **136(f)(5)** and **302(e) (5)** of the Nuclear Waste Policy Act (the Act), as amended, authorize the Secretary to borrow from the U.S. Treasury **if at** anytime monies available in the interim storage or the nuclear waste funds are **insufficient to** meet disbursement requirements. These borrowings shall not exceed amounts **provided in** appropriation acts and **must be** repaid into the general fund of the Treasury with interest from the date the money is credited to the interim storage and **nuclear waste** funds **until** the date of repayment. In addition, **sections 136(f)(6)** and **302(e)(6)** of the Act provide that **any appropriation** made available to the interim storage and nuclear waste funds **shall** be repaid into the general fund of the Treasury, together with interest from the date the appropriations are available until the date of repayment. The following apply to all money made **available** to the nuclear waste fund:
 - (1) Interest expense will be incurred on the appropriated debt and borrowed funds as soon as they are made available for disbursement; however, interest earned from investments **in U.S.** Government securities **shall** be offset against **interest** expense. This accounting method has the net effect of the funds **being** charged for only those amounts actually disbursed.
 - (2) Funds borrowed from Treasury and funds appropriated to the nuclear waste fund (i.e., Federal funds) cannot be used for investment purposes. **Private** sector funds may be **invested if the amount received** is greater than the outstanding debt.

- (3) **Appropriated or** borrowed funds may **be repaid** unilaterally without penalty, the oldest debt being paid first.
 - (4) Repayments of borrowed funds are distinguished from repayments of appropriated debt.
 - (5) Interest payments on funds borrowed from **the U.S.** Treasury are due semi-annually **on 4-1** and **10-1** each year unless otherwise approved by the Secretary of the Treasury.
 - (6) Interest **payments on appropriated debt are** due annually **on 10-1**, but maybe deferred with approval of the Secretary of the Treasury. Interest payments so deferred shall themselves bear interest.
- b. **Appropriated Debt.** The initial operations of the nuclear waste fund were funded from approximately \$265 million in unexpended balances transferred from the Energy Supply Research and Development appropriations, pursuant to section **302(c)(2)** of the Act. Interest on the appropriated debt was accrued monthly and paid **annually on 10-1 at the** 1-year Treasury cost-of-money rate based on the average market yield on outstanding marketable obligations of the United States during September of the previous **year in** accordance with section **302(e)(6)** of the Act. The \$265 million **and applicabl** eaccrued interest has been fully repaid to the Department of the Treasury.
- ∴ **Borrowing.** If it is determined that additional funds are necessary to finance the amounts appropriated for nuclear waste **activities**, the Secretary will sign a promissory note and forward **it to** the Secretary of the Treasury **for accep-** tance. Once accepted, **a SF 1151, "Nonexpenditure** Transfer Authorization," will be prepared for the amount of funds required and submitted to Treasury.
- (1) **Term.** The repayment terms of any new borrowings will be determined bythe time period for the loan repayment and the amount of funds to be borrowed.
 - (2) **Interest Rate.** The interest rate unborrowed debt will be determinedly the Secretaryof the Treasury and shall not **be less than a** rate determined by taking into consideration the average market yield **on outstanding** marketable obligations of the United States of comparable maturities **during the** month preceding the need for the borrowed debt.
 - (3) **Debt Repayment (Principal and Interest).** The principal amount of any borrowed debt can be repaid **incrementally** at anytime after the appropriated debt has been repaid.
 - (a) Payment of principal will be accomplished **using a SF 1151** and treated as a nonexpenditure transfer.
 - (b) Interest will be accrued monthly and paid semiannually on **4-1 and 10-1** of each year. Payment of interest **will** be accomplished **using a SF 1081, "Voucher and Schedule** of Withdrawals and Credits." but shall be recorded as an expenditure to the nuclear waste fund onthe **SF 224, "Statement of Transactions ."**

- (c) Borrowed debt can be repaid incrementally **at any time**. However, the oldest debt must be repaid first.

9. **CASH MANAGEMENT.**

- a. **General.** The following provides the cash management **requirements** and general procedures applicable to nuclear waste activities.

- (1) Financial transactions involving nuclear waste activities shall **be accomplished** in accordance with established cash management practices and requirements to first ensure efficient management of cash to meet all program requirements, and then to maximize return on investments of excess cash balances in accordance with DOE and Department of the Treasury policy.
- (2) Funds appropriated for other DOE activities shall not be used to finance any nuclear waste activities.

- b. **Documentation.** Cash management plans for **RW** activities shall be supported by the following **documentation**:

- (1) **Cash Flow Analysis** provides a **summary** analysis of all projected cash activity of the fund by month. This analysis is adjusted **periodically** to reflect actual cash activity.
- (2) **Investment Plan** provides a **detailed** status of nuclear waste investments by amount, type, maturity (date and value) and yield to maturity.
- (3) **Program Operating Plan** provides a summary-level document prepared by the program organization which states the program objective and requirements by major element and the current fiscal year forecasted obligations, costs, fees, income, and disbursements. Field and Headquarters operating **plans will** be provided to **RW** by all program participants through each field project office. This document is required for cash management purposes and **should be** updated quarterly and submitted 10 calendar days after the end of each quarter.
 - (a) **Obligation Plan** provides a yearly projection, by month, of the **anticipated** obligations. This **plan is** updated monthly to change forecasts if necessary and to reflect actual data received.
 - (b) **Disbursement Forecast** provides an estimate of the projected **disbursements** required by each office to liquidate program obligations. The **forecast is** updated at least quarterly, or more frequently as required, as actual data are received and **also to** reflect revised program requirements.
 - (c) **Fees/Income Forecast** provides projections by the Energy Information Administration of kilowatt hours generated by each reactor by month. The kilowatt hours **multiplied by** the kilowatt hour rate equals the

projected **fee income**. This forecast also includes **projections of** spent fuel fees.

- (d) **Debt Repayment Schedule** provides the schedule for repayment of debts with Treasury. The repayment term (for any new borrowing) will be dependent upon the amount borrowed and time period for repayment of the loan.
- (e) **Triennial Budget Summary** provides a **3 year** projection of the nuclear waste **fund's** fiscal requirements.

c. **Process.**

- (1) Cash management of the fund is a comprehensive process beginning **with the** program operating plan, which specifies the objectives and requirements. Prior to the beginning **of each fiscal year**, each operations **office will** provide the applicable documentation listed **in paragraph 9b**, above. **RW** will prepare the cash management plan based on **input from** program **partici-** pants and submit it **to CR-1**. Depending on the congressional authority, contingencies, and/or mandates, the program requirements are translated into projected obligations, costs, disbursements, and revenues.
- (2) The next phase of the process involves execution of the plan based upon the projected **obligations**, cost, disbursements, and revenues (fees), **and by** frequent reviews by program **officials and CR-1** of actual performance compared to planned. Revisions to the projections are made quarterly. The comparisons and subsequent **revisions have a direct bearing on** the investment strategy **and execution**, which are **integral** parts of the cash management of the fund.

d. **Investments.**

- (1) **General**. Sections **136(f)(3)** and **302(e)(3)** of the Nuclear Waste Policy Act (the Act), as amended, authorize the Secretary of Energy to invest any **interim** storage and nuclear waste funds determined to **be in excess of** current needs in obligations of the **United States**. These obligations shall have maturities determined by the Secretary of the Treasury to be appropriate to the needs of the funds and bearing interest at rates determined to be appropriate by the Secretary of the Treasury. Although the Act states that the Secretary of the Treasury will select investments, Treasury **relies on** DOE to make the investment choices as it does with other agencies' special funds.
- (2) **Type**. The **interim** storage and nuclear waste funds can be invested in four types **of U.S.** Treasury securities—bonds, notes, **bills**, and 1-day **certifi-** cates. In general, investments in longer term securities, such as bonds and notes, **provide a** higher expected rate of return but are subject to variations **in** market value that **increase** with the time to maturity. Shorter term **securities** are subject to more **volatility** unexpected rates of return but have market values that are more stable.

(3) **Investment Strategy.** The investment strategy for the **interim** storage and nuclear waste funds is to provide funds when required to meet program **disbursements while** achieving a **balance** between higher investment earnings and **the potential of capital** gains and losses. In providing funds from investments for use more than **1 year** in the future, this strategy will normally be pursued by the **purchase of** securities which mature near dates on which **it is** projected funds will be required. However, some investments may be duration-matched to projected nuclear waste fund requirements in order to **improve portfolio yield** and stability. In view of the nuclear waste **fund's** experience with significant changes in projected program outlays, some investments may **be made with** the understanding that they may be sold before **maturity**, with the proceeds reinvested in more appropriate **maturities**, as future outlay **uncertainties** are resolved. **In addition**, if disbursement requirements are **determined to** be **higher than originally** forecasted, funds will normally **be derived by** **selling** the shortest term securities in the portfolio.

e. **Requirements.** The following requirements for nuclear waste activities **are in addition** to established cash management requirements.

(1) **Disbursement Reporting.** To facilitate the Identification of excess cash balances available for Investment in 1-day certificates **with** the Department of the Treasury, each organization which **certifies** nuclear waste fund payments shall report its daily disbursements **to CR-1. The daily disbursement information** shall be **provided to CR-1 via** telephone no later than **1:00 p.m. Eastern time and a TWX or FAX** confirmation of the disbursement amount should be issued **within 24 hours of** the telephone call.

(2) **Reconciliation.** The **TWX and FAX** payment reports are to be **reconciled on a monthly basis** to the **SF 224, "Statement of Transactions."**

10. **REPORTING AND AUDITING.**

a. **Reports.**

(1) **Internal.** Policies and procedures set forth **in DOE 2200.8B, ACCOUNTING SYSTEMS, ORGANIZATIONS, AND REPORTING, Chapter II, "Internal Reporting."** shall be followed for **internal financial reporting for nuclear waste** activities.

(2) **External.** Reports will be prepared in accordance with public law and DOE **2200.8B, ACCOUNTING SYSTEMS, ORGANIZATIONS, AND REPORTING, Chapter III, "External Reporting."** **Financial** reporting of nuclear waste funds will be accomplished **with the** regular financial information system reports. In addition to the normal Treasury **and OMB** requirements, CR-1 **will** prepare the following reports for:

(a) **Utility Companies.** A **"Quarterly Statement of Payments Made to the Nuclear Waste Fund"** will be provided to all purchasers of nuclear

waste storage. **The report will provide a cumulative** statement of the purchasers' position within the fund.

- (b) **Treasury**. Annually, **a trust fund** report will be provided to the Department of the Treasury. The report will show receipts, outlays, and fiscal yearend cash balance for the nuclear waste fund.
- (c) **Program Office**. Nuclear Waste Fund Statement of **Activity** and Statement of Assets and **Liabilities** reports which reflect the financial status of the nuclear waste fund will be made **available to the program office on a monthly basis** through **CR-1** output retrieval system. This data will be used **in conjunction with the independent audit listed below.**

(3) **Other External Reports**. The **Office of Civilian** Radioactive Waste Management (**RW**) is required by the Act to report annual **ly** to Congress. **CR-1** will review and provide **financial input as necessary**. Because of the nature of the nuclear waste fund, other external reporting will be developed **by RW** as necessary.

- b. **Auditing**. In accordance with section **304(d)** of the Nuclear Waste Policy Act (the Act), as amended, an annual audit will be made by the Comptroller General, and DOE shall make available **at that** time all books, records, accounts, and materials as deemed necessary. In addition, **RW shall** contract with a certified **public accounting firm** for an annual financial and compliance **audit in coordination with** the Inspector General on audit scope, deliverables, and reporting requirements. The Inspector General **will** also perform financial and **performance audits of RW activities in** accordance with Public **Law 95-452**, the Inspector General **Act of 1978**, as amended.



U.S. Department of Energy
Washington, D.C.

PAGE CHANGE

DOE 2200.9B Chg 1

11-12-92

SUBJECT: MISCELLANEOUS ACCOUNTING

1. PURPOSE. To transmit revised pages to DOE 2200. 9B, MISCELLANEOUS ACCOUNTING, of 6-8-92.
2. EXPLANATION. To revise Chapter 111, "Financial Closeout, " to incorporate a change in policy for **deobligation** of funds from purchase and **delivery** orders and to **clarify** the description of the term "final invoice, " and to update the table of contents.
3. FILING INSTRUCTIONS.

<u>Remove Pages</u>	<u>Dated</u>	<u>Insert Pages</u>	<u>Dated</u>
iii and iv	6-8-92	iii	6-8-92
		iv	11-12-92
II I-5 and II I-6	6-8-92	II I-5 and II I-6	11-12-92
		III-6a (and III-6b)	6-8-92

b. After filing the attached pages, this transmittal may be discarded.

BY ORDER OF THE SECRETARY OF ENERGY:



DOLORES L. ROZZI
Director of Administration
and Management

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Chief Financial Officer





From:

	b. Office of Headquarters Acco Bonnevi 11 e Power Admi ni stra	Return <input type="checkbox"/>	I -23
	c. Servicing Personnel Offices	Keep or Recycle <input type="checkbox"/>	I -24
18.	Lump-Sum Annual Leave payments	Post-It™ F.Y.I. pad 7668	I -25
	a. Employees Separated from Fed		I -25
	b. Survivors of Deceased Employees		I-25
	c. Computation of Lump-Sum Annual Leave Payment		I -25
	d. Withholdings from Lump-Sum Payments		I-25
19.	Court Leave		I -25
20.	Emplo ees Transferred to International Organizations		I-26
	a. Payment by a Transferred Employee		I-27
	b. Accounting		I -27
	(1) Deposit of Emplo ees ' Payments		I-27
	(2) Payments to Office Of personnel Management		I-27
	(3) Contributions by DOE	*****	I-27
	(4) Memorandum Indi vidual Earnings and Leave Record.		I-27
21.	Reemplo yment from an International Organizati on		I-28
	a. Entitlement		I 28
	b. Computation of Allowance	* * =	I 28
	(1) Federal Government	.0=0 "0"0=	I 28
	(2) International Org animations	" ="	I-28
	c. Emplo y exactions While on Transfer	=S	I-29
	d. DOE Actions While an Employee Is on Transfer		I 29
22.	Military Leave...	*****"	I-29
23.	Employees Assigned Under the Intergovernmental Personnel Act.		I-29
	a. Detail	000" ".C"00=	I-29
	b. Assignment on Leave Wi thout pay	= ** =	I-30
	c. Exceptions	==== . = " =="	I 30
24.	Responsibil ities for Final Pay		I-30
25.	Emplo ees Who Die in Service		I-31
	a. Procedure	==== . . . = "	I-31
	b. Designati on of Benefi ciary		I-31
	c. Unpaid Compensation.	===	I-31
	d. Emplo ee's Death.		I-32
	e. Doubtful Cl aims		I-32
	f. Cl aims Involving Minors or Incompetents		I-32
	g. Return of Unnegotiated Government Checks		I-32
	h. Di sbursement Voucher	= . .	I-33

CHAPTER 11 - TRANSPORTATION ACCOUNTING

(Reserved)

J: HAPTER 111- FINANCIAL CLOSEOUT

1.	Introducti on	= = "	III-1
	a. Background	= "	111-1

	b. Applicability	111-1
2.	Policy	III -1
3.	Types of Contractual Instruments	II I-1
	a. Acquisition Instruments	II I-2
	(1) Cost Reimbursement Contracts	II I-2
	(2) Firm Fixed Price	II I-2
	(3) Purchase Order, Blanket Purchase Order, Delivery Order, or Other Fixed -Price Arrangements	II I-2
	(4) Interagency Agreement	II I-2
	b. Assistance Instruments	III-3
	(1) Cooperative Agreement	III-3
	(2) Grant	III-3
	(3) Loan or Loan Guarantees	II I-3
4.	Stages of Closeout	II I-3
	a. Physical ly Completed Contracts	111-3
	b. Administrative Closeout	III-3
	c. Closed Contracts	II I-3
5.	Termination	III-3
6.	Timing Standards	II I-4
7.	Responsibilities	II I-4
	a. Administering Office	II I-4
	b. Contracting Officer	II I-4
	c. Contracting Officer's Representative	II I-4
	d. Field Element Chief Financial Officer	II I-4
8.	Closeout Documents	III-5
	a. Summary Settlement Statement	II I-5
	b. COR Acceptance	111-5
	c. Contractor Release	II I-5
	d. Contractor Assignment	III -5
	e. Documents and Records Certificate	II I-5
	f. Property Certificate	II I-5
	g. Property Clearance	III-5
	h. Patent Certificate	II I-5
	i. Patent Clearance	III -5
	j. Office of Scientific and Technical Information Clearance	III-5
	k. Security Clearance	III-6
	1. Financial Clearance	II I-6
	m. Final Invoice	III-6
	n. CO Certification	111-6
9.	Financial Clearance	II I-6
	a. Contract Closeout Package	111-6
	b. Financial Concurrence	III-6
	(1) Review and Reconciliation of Financial Records	111-6
	(2) Review of Contractor Closeout Documents	III-6
	(3) Review of Final Contract Modification	111-6
	(4) Review of Final Invoice	III -6
10.	Financial Closeout	III -6a
	a. Settlement Objectives	III-6a
	(1) Financial Settlement	III-7
	(2) Accounting Settlement	III -7
	b. Recovery of Advances	III-8

Vertical line denotes change.

inactive (no financial activity) contracts and notifies the appropriate CO for a determination as to the validity of the unpaid balance. On notification, the CO will determine if funding is appropriate and, as required, initiate appropriate deobligation or closeout action or both by providing a copy of a contract modification to the Field CFO. The CO may, however, use a locally approved form in lieu of a contract modification for small purchase and delivery orders to indicate that the remaining funds are unneeded for further payment and should be deobligated. For the purpose of this exception, small purchase and delivery orders shall be limited to the FAR 13 definition of \$25,000 or less.

8. **CLOSEOUT DOCUMENTS.** Closeout documents are the official DOE records to closeout and retire a contract. These documents provide physical evidence that all conditions necessary to close out and retire the contract have been successfully fulfilled. As closeout document requirements differ for cost reimbursement contracts, fixed-price contracts, and purchase orders, the Head of Contracting Activities or designee shall conform the required documents to the extent warranted by the individual circumstances and applicable procurement regulations, such as FAR 4.804-5, and advise the finance office accordingly. The following items describe documents commonly found in a closeout package for a cost reimbursable contract.
- a. Summary Settlement Statement provides final breakdown of costs (and fee, if appropriate), payment requests, and payments received.
 - b. COR Acceptance signifies official acceptance of contract deliverables on behalf of the Government, if such authority is specified in the contract.
 - c. Contractor Release releases the Government from future liabilities and claims arising from the contract, except as otherwise provided in the contractor statute.
 - d. Contractor Assignment assigns and transfers to the Government any refunds, rebates, and other credits that subsequently may arise.
 - e. Documents and Records Certificate is the contractor's statement that Government records have been disposed of properly.
 - f. Property Certificate is the contractor's statement that Government property either is nonexistent or has been disposed of properly.
 - g. Property Clearance documents DOE verification of the property certificate.
 - h. Patent Certificate states that all inventions, rights, and other patent concerns have been duly reported.
 - i. Patent Clearance documents DOE verification of the patent certificate.
 - j. Office of Scientific and Technical Information Clearance verifies that all required reports have been forwarded to the Office of Scientific and Technical Information.

- k. Security Clearance verifies that all classified or nuclear materials have been accounted for and disposed of properly, if applicable.
 - l. Financial Clearance documents DOE financial verification of the payment requested on the contractor's final invoice.
 - m. Final Invoice is the contractor's final request for payment and summarizes all direct and indirect costs under the contract. The payment of the final invoice does not preclude a subsequent final payment or **receipt if so determined in the final act of administrative closeout.**
 - n. CO Certification indicates that all necessary closeout activities have been successfully accomplished.
9. FINANCIAL CLEARANCE.
- a. Contract Closeout Package. The CO will assemble and forward to the cognizant Field CFO a closeout package containing documents **identified by** the Head of Contracting Activities. This package shall contain evidence of satisfactory completion of the work and of its acceptance by the program **office, as well as** other necessary clearances (for example, release, assignment, property, patent), prior to closeout completion.
 - b. Financial Concurrence. The Field CFO shall review its records and accounts and indicate financial concurrence on the closeout action with respect to funds paid and obligations. The Field CFO shall notify the CO of any error, issue, or discrepancy that may warrant suspension or delay of the closeout.
 - (1) Review and Reconciliation of Financial Records. Field CFO's should immediately confirm agreement of subsidiary ledgers and records with Departmental accounts. Reconciliation of differences shall **be accomplished** by the Field CFO before proceeding with further financial closeout.
 - (2) Review of Contractor Closeout Documents. Field CFO's shall review contractor closeout documents and reports for consistency with DOE accounting records. Any discrepancy should be discussed and resolved with the CO.
 - (3) Review of Final Contract Modification. Under cost reimbursable contracts, Field CFO's should review and confirm the final contract **modifications** establishing the final contract price. **Deobligation** of any prior year funds shall be **accomplished in** accordance with DOE 2200.56, FUND ACCOUNTING, Chapter III, "Accounting for Obligations."
 - (4) Review of Final Invoice. Following CO approval, final invoices **should be** examined and processed for payment by the Field CFO in accordance with Departmental and office procedures. The **applicability of** any final payment timing requirements (for example, nature of the instrument, Prompt Payment Act, administrative completion) should be determined by the Field CFO.

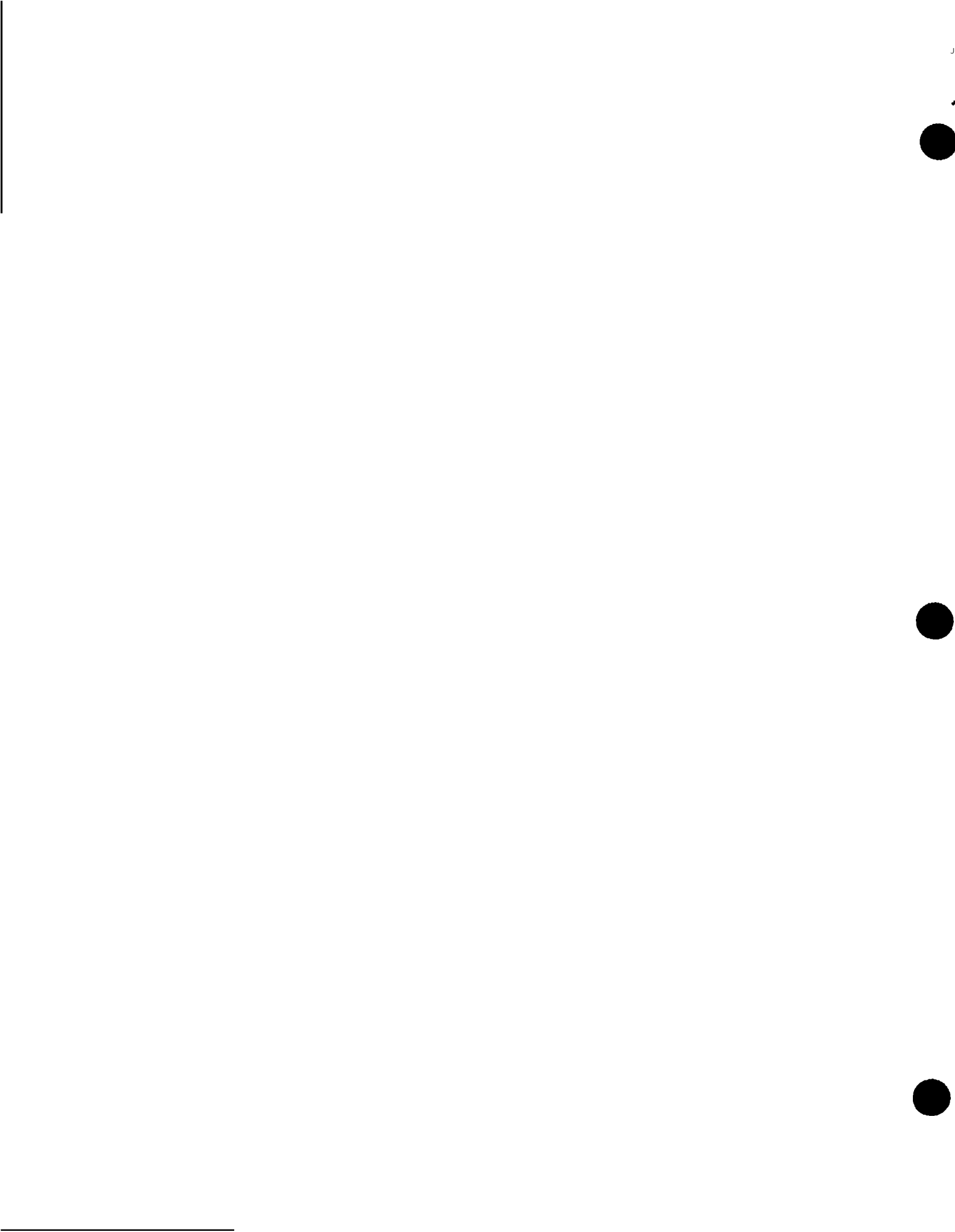
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6-8-92

DOE 2200.9B
Paragraph 10a

10. FINANCIAL CLOSEOUT.

- a. Settlement Objectives. From a financial management standpoint, closeout involves settling all **financial** and accounting matters between DOE and the



US. Department of Energy
Washington, D.C.

PAGE CHANGE

DOE 2200.9B Chg 2

1-12-93

SUBJECT: MISCELLANEOUS ACCOUNTING

1. **PURPOSE.** To transmit revised pages to DOE 2200.9B, MISCELLANEOUS ACCOUNTING, of 6-8-92.
2. **EXPLANATION.** To add Chapter II. "Transportation Accounting ." to the order and update the **table** of contents.
3. **FILING INSTRUCTIONS.**

<u>Remove Pages</u>	<u>Dated</u>	<u>Insert Pages</u>	<u>Dated</u>
iii	6-8-92	ii a and ii b	1-12-93
		iii	1-12-93
iv	11-12-92	iv	11-12-92
		II-1 thru II-4	1-12-93

b. After filing the attached pages, this transmittal may be discarded.

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DOLORES L. ROZZI
Director of Administration
and Management



	b.	Office of Headquarters Accounting Operations and Bonneville Power Administration Payroll	I-23
	c.	Servicing Personnel Offices	I-24
18.		Lump-Sum Annual Leave Payments	I-25
	a.	Employ ees Separated from Federal Service	I-25
	b.	Survivors of Deceased Employees	I-25
	c.	Computation of Lump-Sum Annual Leave Payment	I-25
	d.	Withholdings from Lump-Sum Payments	I-25
19.		Court Leave	I-25
20.		Employ ees Transferred to International Organizations	I-26
	a.	Payment by a Transferred Employee	I-27
	b.	Accounting	I-27
		(1) Deposit of Employ ees' Payments	I-27
		(2) Payments to Of fice of Personnel Management	I-27
		(3) Contributions by DOE	I-27
		(4) Memorandum Individual Earnings and Leave Record	I-27
21.		Reemployment from an International Organization	I-28
	a.	Entitlement	I-28
	b.	Computation of Allowance	I-28
		(1) Federal Government	I-28
		(2) International Organizations	I-28
	c.	Employee Actions Whi le on Transfer	I-29
	d.	DOE Actions Whi le an Employee Is on Transfer	I-29
22.		Military Leave	I-29
23.		Employees Assigned Under the Intergovernmental Personnel Act	I-29
	a.	Detail	I-29
	b.	Assignment on Leave Without Pay	I-30
	c.	Exceptions	I-30
24.		Responsibilities for Final Pay	I-30
25.		Employees Who Die in Service	I-31
	a.	Procedure	I-31
	b.	Designation of Beneficiary	I-31
	c.	Unpaid Compensation	I-31
	d.	Emp loyee's Death	I-32
	e.	Doubtful Claims	I-32
	f.	Cl aims Involving Minors or Incompetents	I-32
	g.	Return of Unnegoti ated Government Checks	I-32
	h.	Disbursement Voucher	I-33

CHAPTER II - TRANSPORTATION ACCOUNTING

1.		Introduction	11-1
	a.	Purpose	11-1
	b.	Applicability	11-1
	c.	Policy	11-1
2.		Use of Commercial Bills of Lading	11-1
3.		Use of Government Bills of Lading	11-2
4.		Accountability for Government Bills of Lading	11-2
5.		Obligation of Transportation Funds	11-2
6.		Processing and Payments	11-2
	a.	Government Bills of Lading	11-2

- b. Commercial Bills of Lading 11-2
 - (1) **Verification and** Payment of Carrier 's Charges **II-2**
 - (2) Verification of **Freight** Descriptions and Special Terms **II-2**
 - (3) **Loss and Damage Claims** 11-3
- c. Audit by the General Services Administration **II-3**
 - (1) **Requirement** **II-3**
 - (2) Transmittal to the General Services Administration and Receipt **II-3**
 - (3) **Notice of** Rate Audit Procedures **II-4**

CHAPTER III - FINANCIAL CLOSEOUT

- 1. Introduction **III-1**
 - a. Background 111-1

1-12-93

.DOE 2200 .98 Chg 2

(RESERVED)

	b. Applicability	II I-1
2.	Policy	111-1
3.	Types of Contractual Instruments	III-1
	a. Acquisition Instruments	111-2
	(1) Cost Reimbursement Contracts	II I-2
	(2) Firm Fixed Price	II I-2
	(3) Purchase Order Blanket Purchase Order, Delivery Order, or Other Fixed -Price Arrangements	III-2
	(4) Interagency Agreement	111-2
	b. Assistance Instruments	II I-3
	(1) Cooperative Agreement	II I-3
	(2) Grant	II I-3
	(3) Loan or Loan Guarantees	II I-3
4.	Stages of Closeout	II I-3
	a. Physically Completed Contracts	II I-3
	b. Administrative Closeout	II I-3
	c. Closed Contracts	111-3
5.	Termination	II I-3
6.	Timing Standards	III-4
7.	Responsibilities	III-4
	a. Administering Office	III-4
	b. Contracting Officer	II I-4
	c. Contracting Officer's Representative	II I-4
	d. Field Element Chief Financial Officer	II I-4
8.	Closeout Documents	II I-5
	a. Summary Settlement Statement	II I-5
	b. COR Acceptance	111-5
	c. Contractor Release	II I-5
	d. Contractor Assignment	III-5
	e. Documents and Records Certificate	III-5
	f. Property Certificate	II I-5
	g. Property Clearance	II I-5
	h. Patent Certificate	III-5
	i. Patent Clearance	III-5
	j. Office of Scientific and Technical Information Clearance	II I-5
	k. Security Clearance	II I-6
	1. Financial Clearance	III-6
	m. Final Invoice	111-6
	n. CO Certification	III-6
9.	Financial Clearance	III-6
	a. Contract Closeout Package	111-6
	b. Financial Concurrence	III-6
	(1) Review and Reconciliation of Financial Records	III-6
	(2) Review of Contractor Closeout Documents	III-6
	(3) Review of Final Contract Modification	II I-6
	(4) Review of Final Invoice	II I-6
10.	Financial Closeout	III-6a
	a. Settlement Objectives	III-6a
	(1) Financial Settlement	III-7
	(2) Accounting Settlement	III-7
	b. Recovery of Advances	II I-8

CHAPTER II

TRANSPORTATION ACCOUNTING

1. INTRODUCTION.

- a. **Purpose.** To provide procedures for DOE integrated contractors for processing and paying carriers' bills for transporting property for the account of the U.S. Government using commercial bills of lading (CBLs). In addition, it prescribes the requirement for rate audit by the General Services Administration (GSA).
- b. **Applicability.** The applicability of this chapter is specified in DOE 2200.4, ACCOUNTING OVERVIEW, Chapter I, "Introduction," paragraph 1.
- c. **Policy.** Generally, DOE integrated contractors shall use CBLs in making shipments for the account of DOE. The contracting officer may authorize integrated contractors to use Government bills of lading (GBLs) if such use will be advantageous to the Government. The DOE field office shall coordinate such authorizations with the Director, Transportation Management Division (EM-561). Further guidance is contained in DOE 1540.1A, MATERIALS TRANSPORTATION AND TRAFFIC MANAGEMENT, of 7-8-92; 41 CFR 109-40.50, "Transportation and Traffic Management"; and 41 CFR 101-41, "Transportation Documentation and Audit."

2. USE OF COMMERCIAL BILLS OF LADING.

- a. Integrated contractors using CBLs in making shipments for the account of DOE shall include the following statement or one substantially the same on all commercial bills of lading: "This shipment is for the account of the U.S. Government, which will assume the freight charges and is subject to the terms and conditions set forth in the standard form of the U.S. Government bills of lading and to any available special rates or charge."
- b. The DOE field office may vary the above language without materially changing its substance in order to satisfy the needs of particular integrated contractors for the purpose of obtaining the benefit of the lowest available rates for the account of DOE.
- c. Integrated contractors shall ensure that, where practicable, CBLs shall provide for consignment of shipments to DOE care of the integrated contractor or by the contractor "for DOE." (See 41 CFR 109-40.5003.)
- d. Integrated contractors issuing CBLs that exceed \$10,000 shall annotate the CBL with a typewritten, rubber-stamped, or similar impression containing the following wording: "Equal Employment Opportunity, all provisions of

Executive Order 11246, as amended by Executive Order 11375, and of the rules, regulations, and relevant orders of the Secretary of Labor are incorporated herein."

3. **USE OF GOVERNMENT BILLS OF LADING.** DOE authorizes integrated contractors to use GBLs. The DOE contracting officer shall authorize specific employees of integrated contractors to issue GBLs (41 CFR 109-40.5004).
4. **ACCOUNTABILITY FOR GOVERNMENT BILLS OF LADING.** DOE offices shall maintain accountability records and physical control of GBL stock. Employees responsible for the issuance and use of GBL forms shall be held accountable for their disposition. GBL forms shall be numbered serially at the time of printing; no other numbering of the forms, including additions or changes to the prefixes or additions of suffixes, shall be permitted. GBL forms spoiled in preparation, prepared for issuance but not used, or unusable for any other reason shall be canceled and returned to the accountable office for proper disposal.
5. **OBLIGATION OF TRANSPORTATION FUNDS.** The policy and procedures for obligating transportation funds are contained in DOE 2200.5B, FUND ACCOUNTING, Chapter III, "Accounting for Obligations."
6. **PROCESSING AND PAYMENTS.**
 - a. **Government Bills of Lading.** Where the GBL is used or where the CBL is converted to a GBL, the carrier shall bill the DOE office (on Standard Form 1113), and not the contractor. The appropriate DOE office shall schedule the transportation service charges for payment processing and, when determined to be cost-effective, ensure audit of rate prior copayment. The paying field office shall transfer such transportation charges to the accounts of the contractor. (See paragraph 6c on audit requirement for paid bills.) The procedures governing the processing and payment of transportation charges under GBLs are contained in DOE 2200.6A, FINANCIAL ACCOUNTING, Chapter 1, "Cash."
 - b. **Commercial Bills of Lading.**
 - (1) **Verification and Payment of Carrier's Charges.** If no rate audit has been performed prior to payment, the contractor shall verify additions and extensions of the carrier's bill, determine that the charge arises from a shipment attributable to the DOE contract, and prevent duplicate payment of the carrier's bill. If the contractor cannot make such verification, the bill, acclaimed by the carrier, shall be paid and the following shall be noted on the freight bill: "Rates not verified. - The contractor shall correct the bill before payment for any errors in addition and extensions and, if discovered, in tariff rates."
 - (2) **Verification of Freight Descriptions and Special Terms.** The contractor shall verify freight descriptions and note, on the bill or in a separate statement, any discounts, special terms of contracts, or section 10721 (Interstate Commerce Act; 49 U.S.C. 10721) tenders.

- (3) **Loss and Damage Claims.** The contractor shall promptly process claims exceeding \$50 against the carrier for loss or **damage to** a shipment while in transit and for unearned freight charges on the property lost or damaged beyond repair under the following circumstances:
- (a) Where loss or damage is noted by **a carrier** on the carrier's **delivery** receipt and acknowledged by the driver, the carrier should be invited to inspect the damaged property within **7 days** of delivery. If the **carrier does not** make or waives the inspection, the contractor should document that fact and file claim immediately. (See 41 **CFR** 101-40.703-2, "**Notice of Visible** Loss, Damage, or Shortage.")
 - (b) Where loss or **damage** is discovered subsequent **to delivery**, the delivering carrier shall be notified by telephone and inspection requested. Unless there are extenuating circumstances, **the notification** and request for inspection shall be made within **15 days of** delivery. (See 41 **CFR** 101-40.703-3, "**Notice of Concealed** Loss, Damage, or Shortage.")

c. **Audit by the General Services Administration.**

- (1) **Requirement.** In 41 **CFR** 101-41.807-4, legible **copies of** all paid freight bills and invoices, commercial bills of lading, and supporting **documentation** covering transportation services for which the United States will assume the charges that have been paid by a Federal agency's contractor and/or their **first-tier** subcontractor **under a** cost reimbursement contract are required **to be** submitted to GSA for audit. DOE formally requested an exception from **GSA on** this requirement, supporting the request with a cost-benefit analysis. **As a** result, GSA granted **DOE an** exception that requires submission of only those bills and invoices that are **for \$50** or more. Such documents **of \$50 or** less shall be retained onsite and made available for GSA onsite audits. The contractor shall forward promptly to GSA any original transportation bill requested by GSA. The contractor shall hold in record status all original bills paid for such periods of time as specified by applicable Federal requirements and by DOE **1324.2A**, RECORDS DISPOSITION, of 9-13-88. Such bills may be subject to periodic **onsite** examination by GSA personnel.
- (2) **Transmittal to the General Services Administration and Receipt.**
- (a) Each integrated contractor shall forward the above transportation documents for each month, as soon as possible following the end of the month, in one shipment to:

General Services Administration (FWAA/C)
18th and F Streets, NW
Washington, DC 20405

The shipment shall include the required documents for all first-tier cost-type subcontractors. If, however, the inclusion of the

transportation documents of any such subcontractor in the shipment is not practicable, such documents shall be **transmitted in** a separate package.

- (b) **A statement**, prepared **in duplicate by the** sender, shall accompany each shipment of transportation documents. GSA shall return the copy, duly signed and acknowledging receipt of the shipment. The statement should show the following:
- 1 The name and address of the DOE contractor.
 - 2 The contract **symbol** and number.
 - 3 The name and address of the field office or Headquarters entity administering the contract.
 - 4 The total number of bills transmitted.
 - 5 **A listing** of the respective amounts paid or, **in lieu of such** listing, an adding machine **tape of** the amounts paid, showing the contractor's voucher or check numbers.

(3) **Notice of Rate Audit Procedures.**

- (a) **Retention.** Bills on which GSA finds no evidence of **overcharge will not be** returned.
- (b) **Overcharges.** Where an overcharge **on a** freight or express bill by a **carrier is** disclosed, GSA shall prepare a Notice of Overcharge. This notice shall be addressed to **the carrier's** agent in the form of a request for refund of the overcharge, citing the applicable **tariff or** other authority for the charge deemed to be proper.
- (c) **Deposition of Collections.** Amounts collected by GSA as a result of debts asserted in the audit of the transportation charges **are generally** deposited in the Department of the Treasury as a credit **to the** appropriation or fund account **to which** the original payments were charged. When the accounts are not readily **identifiable** on the basic procurement documents, the collected amounts are deposited **in the** Department of the Treasury Miscellaneous Receipts account.

U.S. Department of Energy
Washington, D.C.

PAGE CHANGE

DOE 2200.9B Chg 3

2-23-93

SUBJECT: MI SCELLANEOUS ACCOUNTING

-
1. PURPOSE. To transmit revised pages to DOE **2200.9B**, MI SCELLANEOUS ACCOUNTING, of 6-8-92.
 2. CANCELLATION. **HQ** 2100. 1A, FINANCIAL MANAGEMENT OF MONEY RECEIVED FROM PERSONS WHO HAVE ALLEGEDLY VIOLATED DEPARTMENT OF ENERGY REGULATIONS, of 5-11-81.
 3. EXPLANATION. To add Chapter V, "Financial Management of Oil Overcharge Moneys," to the Order and update the table of contents.
 4. FILING INSTRUCTIONS.

<u>Remove Pages</u>	<u>Dated</u>	<u>Insert Pages</u>	<u>Dated</u>
v and vi	6-8-92	v	6-8-92
		vi thru via (and vib)	2-23-93
		V-1 thru V-8	2-23-93

b. After filing the attached pages, this transmittal may be discarded.

BY ORDER OF THE SECRETARY OF ENERGY:



LINDA G. **SYE**
Acting Director of Administration
and Management

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Chief Financial Officer



- c. Government-Owned Property III-8
- d. Management and Operating Contractor Property III-8
- e. Final Payment III-8
- f. Closing Checks-Paid Letters of Credit III-8
- g. Financial Reports and Statements III-9
- h. Documents and Records Disposition III-9
- 11. Integrated Contracts III-9
 - a. **Undelivered** Savings Bonds of Contractor Employees III-9
 - b. Other Outstanding or Unclaimed Items III-9
 - c. Insurance 111-10
 - d. Pension Funds 111-10
- 12. Miscellaneous Closeout Items 111-10
 - a. **Contract Transfers** 111-10
 - b. Terminated or **Expired Contracts** 111-10
- 13. Subcontracts-Closeout **Responsibility** 111-10
- 14. Financial Retirement 111-10
 - a. **Physical** Record Retirement 111-10
 - b. Electronic Records Retirement 111-11
 - c. **Departmental Integrated Standardized Core Accounting System Retirement** 111-11

CHAPTER IV - GRANTS AND COOPERATIVE AGREEMENTS

- 1. Introduction IV-1
 - a. Purpose IV-1
 - b. Background IV-1
 - c. Definitions IV-1
 - (1) Grant IV-1
 - (2) Cooperative Agreement IV-1
 - (3) Assistance Agreement IV-1
 - (4) Award IV-1
 - (5) **Recipient** IV-1
 - d. Applicability IV-1
- 2. Policy IV-2
 - a. Administrative decontrol of Funds IV-2
 - b. Obligations IV-2
- 3. Accounting Procedures IV-2
 - a. Recording of Obligations IV-2
 - b. **Deobligations** IV-2
 - c. Payments IV-3
 - (1) Timing of Payments IV-3
 - (2) Disbursement Methods IV-3
 - (3) Payments to Financial Assistance Recipients IV-4
 - (4) Withheld Payments IV-4
 - d. Cash Management IV-4
 - e. Program Income IV-5
 - f. Other **Receipts/Refunds** IV-6
 - g. Adjustments IV-6
 - h. Financial Reporting IV-6

4.	Cost Principles and Allowable Costs	IV-7
a.	Review of Allowable Costs	IV-7
b.	Cost Sharing	IV-8
5.	Miscellaneous Accounting	IV-8
a.	Property Accounting	IV-8
	(1) Property	IV-8
	(2) Furnished Property	IV-8
	(3) Acquired Property	IV-8
	(4) Real Property	IV-8
	(5) Annual Reporting	IV-9
b.	Closeout	IV-9
	(1) Adjustments	IV-9
	(2) Financial Procedures	IV-9
	(3) Subsequent Disclosures	IV-9

CHAPTER V - FINANCIAL MANAGEMENT OF OIL OVERCHARGE MONEYS

1.	Purpose	V-1
2.	Cancellation	V-1
3.	Coverage	V-1
4.	References	V-1
a.	Department of Energy, Department of the Treasury Agreement on Establishment of a Deposit Fund Escrow Account for Payments in Regard to Possible or Actual Violations of Law Enforced by the Department of Energy	V-1
b.	<u>In re The Department of Energy Stripper Well Exemption Litigation</u>	V-1
c.	The Modified Restitutionary Policy Statement	V-1
d.	Statutes	V-1
e.	Regulations	V-2
	(1) Mandatory Petroleum Allocation and Petroleum Price Regulations	V-2
	(2) Enforcement Documents	V-2
	(3) Remedies	V-3
5.	Background	V-3
a.	Economic Regulatory Administration (RG-1)	V-3
b.	Office of Hearings and Appeals (HG-1)	V-3
c.	Deposit Fund Escrow Account	V-3
6.	Policy	V-4
7.	Responsibilities	V-4
a.	Director of the Office of Hearings and Appeals (HG-1)	V-4
b.	Administrator of the Economic Regulatory Administration (RG-1)	V-5
c.	Chief Financial Officer (CFO; CR-1)	V-5
d.	General Counsel (GC-1)	V-6
8.	General Procedures	V-6
a.	Accounting Controls	V-6
b.	Special Provisions	V-7
c.	Investments	V-7
d.	Interest	V-7

e.	Receivables	V-7
f.	Disbursements	V-8
g.	Reports	V-8
h.	Federal Tracking, State Tracking, and Claimant Tracking Subsidiary Accounts	V-8

CHAPTER VI - NUCLEAR WASTE FUND

1.	Introduction	VI-1
	a. Purpose	VI-1
	b. Applicability	VI-1
	c. Background	VI-1
2.	References	VI-2
3.	Definitions	VI-4
4.	Responsibilities	VI-7
5.	Budgeting, Funding, and Financing	VI-10
	a. Budget Formulation	VI-10
	b. Budget Execution	VI-10
	c. Financing	VI-10
	d. Funds	VI-11
	(1) Interim Storage	VI-11
	(2) Nuclear Waste	VI-11
	e. Appropriation	VI-11
	f. Plant and Capital Equipment	VI-11
	(1) Acquisitions	VI-11
	(2) Dedicated and Borrowed Property	VI-12
6.	Administrative Cost	VI-12
	a. General	VI-12
	b. Policy	VI-12
	(1) Resource	VI-12
	(2) Administrative	VI-13
	c. Headquarters	VI-13
	d. Field Operations	VI-14
	e. Personnel Costs Procedures	VI-14



CHAPTER VFINANCIAL MANAGEMENT OF OIL OVERCHARGE MONEYS

1. PURPOSE. To establish policy, objectives, procedures, and responsibilities for the financial management of oil overcharge moneys.
2. CANCELLATION. HQ 21 00.1A, FINANCIAL MANAGEMENT OF MONEY RECEIVED FROM PERSONS WHO HAVE ALLEGEDLY VIOLATED DEPARTMENT OF ENERGY REGULATIONS, of 5-11-81.
3. COVERAGE. This Order applies to moneys received pursuant to consent orders, remedial orders, remedial orders for immediate compliance, orders of disallowance issued by DOE, consent decrees, and decisions of the courts. This order covers accounting procedures for moneys received and subsequently distributed under each order or decision; a detailed reporting system; designation of responsible officials to certify withdrawals and distributions of funds; and procedures for the investment of money in U.S. Government securities and certificates of deposit with minority financial institutions under the Department's Bank Deposit Financial Assistance Program, along with the allocation of interest earned.
4. REFERENCES.
 - a. Department of Energy, Department of the Treasury Agreement on Establishment of a Deposit Fund Escrow Account for Payments in Regard to Possible or Actual Violations of Law Enforced by the Department of Energy, of 4-7-80, establishes a Department of the Treasury account for the deposit of moneys collected by DOE and procedures for investment in U.S. Government securities.
 - b. In re The Department of Energy Stripper Well Exemption Litigation. A settlement agreement was reached in In re The Department of Energy Stripper Well Exemption Litigation, M.D.L. No. 378 (D. Kan., July 7, 1986), in litigation over alleged violations of regulations governing the pricing of crude oil.
 - c. The Modified Restitutionary Policy Statement, of 8-4-86, implemented special refund proceedings under 10 CFR part 205, subpart V, in crude oil cases. The funds in those proceedings will be distributed as follows: Up to 20 percent will be reserved for the payment of claims of eligible parties and the balance will be divided between the states, territories, and possessions of the United States and the U.S. Treasury as indirect restitution to unidentified injured parties.
 - d. Statutes.
 - (1) The Economic Stabilization Act of 1970, as amended (12 U.S. C. 1904), section 209, provides for restitution of moneys received in violation of DOE's price and allocation regulations.
 - (2) The Emergency Petroleum Allocation Act of 1973 (15 U.S.C. 751 et seq. (1976)) includes the following provisions:
 - (a) Section **5(a)(1)** incorporates section 209 of the Economic Stabilization Act, which concerns injunctions and other relief, such as

restitution of overcharges by violators of oil price regulations, for violations.

- (b) Section **4(a)** provides the authority to promulgate regulations for the mandatory allocation and pricing of crude oil, residual fuel oil, and refined petroleum products in the United States.
- (c) Section **4(b)** states the objectives of the Mandatory Petroleum Allocation and Petroleum Price Regulations, including equitable distribution of crude oil and refined petroleum products at equitable prices among all users and the maintenance of residential heating.
- (3) The Federal Energy Administration Act of 1974 (15 **U.S.C.** 761 et seq. (1976)), section **2(a)**, includes the finding to ensure the maintenance of fair and reasonable consumer prices for scarce energy supplies.
- (4) The Department of Energy Organization Act of 1977 (42 **U.S.C.** 7193), section 503, provides that the Department can issue a remedial order to a violator of any regulation, rule, or order promulgated pursuant to the Emergency Petroleum Allocation Act.
- (5) The Petroleum Overcharge Distribution and Restitution Act of 1986 (**PODRA**), contained in title **III** of the Omnibus Budget Reconciliation Act of 1986 (Public Law 99-509), establishes procedures for the disbursement of oil overcharge funds collected by DOE (under consent orders issued after **PODRA**) to remedy violations of the Emergency Petroleum Allocation Act of 1973 and the Economic Stabilization Act of 1970. **PODRA** also requires that the funds be invested and that they earn interest at the maximum rate earned on investments of Federal trust funds by the Secretary of the Treasury in short-term and long-term securities issued by the Federal Government (including minority bank investments).

e. **Regulations.**

- (1) Mandatory Petroleum Allocation and Petroleum Price Regulations (10 **CFR** parts 210, 211, and 212) provided rules for pricing and allocating crude oil, residual fuel oil, and refined petroleum products produced in or imported into the United States.
- (2) Enforcement Documents.
 - (a) Remedial Order. Title 10, section **205.199B**, of the Code of Federal Regulations provides that the Director of the Office of Hearings and Appeals (**HG-1**) or a designee may issue a final remedial order and serve a copy to the person to whom it is directed after considering all information received during the proceeding.
 - (b) Consent Order. Title 10, section **205.199J**, of the Code of Federal Regulations provides that the Department may at any time resolve an outstanding compliance investigation or proceeding or a proceeding involving the disallowance of costs pursuant to title 10, section

205.199E, of the code. The person to whom a consent order is issued must sign it, and the order must indicate the agreed-upon terms. A consent order need not constitute an admission by anyone that a violation has occurred. Consent orders that are over \$500,000 require public notice and comment.

(3) Remedies.

- (a) Title 10, section 205.1991, of the Code of Federal Regulations provides that a remedial order, a remedial order for immediate compliance, an order of disallowance, or a consent order may require the person to whom it is directed to roll back prices, to make refunds equal to the amounts (plus interest) charged in excess of the amounts permitted by regulation, or to take such action as DOE determines is necessary to eliminate or to compensate for the effects of a violation.
- (b) Title 10, section 205.280 et seq. (subpart V), of the Code of Federal Regulations establishes special procedures implemented by **HG-1** to refund moneys to injured persons who are not readily identifiable and are entitled to refunds specified in paragraph **4e(3)(a)**. Under the provisions of subpart V, **HG-1** issues decisions and orders that set forth the standards and procedures that will be used in evaluating refund applications and distributing refunds.

5. BACKGROUND.

- a. Economic Regulatory Administration (RG-1) has the authority to commence enforcement actions against persons who were subject to the Mandatory Petroleum Allocation and Petroleum Price Regulations and to enter into consent orders, pursuant to paragraph **4e(3)(a)**, with these persons in settlement of alleged violations.
- b. Office of Hearings and Appeals (HG-1) has the authority to implement special refund procedures pursuant to the procedures described in paragraph **4e(3)(b)** and to issue final remedial orders, orders of disallowance, and decisions and orders listed in paragraph **4e(3)(a)**, except consent orders.
- c. Deposit Fund Escrow Account. In accordance with title 31, section 3513, of the United States Code, DOE has established a deposit fund escrow account with investment authority, **89X6425**, Payments by Alleged Violators of Department of Energy Regulations, with the Department of the Treasury. All funds collected for subsequent distribution shall be deposited in this account. The Chief Financial Officer (**CFO;CR-1**) shall invest funds in the escrow account in U.S. Government securities or deposit them with financial institutions for investment in certificates of deposit with minority financial institutions under the Department's Bank Deposit Financial Assistance Program.

6. **POLICY.**

- a. The Department of Energy shall use the escrow account to deposit all or any part of moneys received from persons who have violated or allegedly violated DOE regulations.
- b. The **CFO** shall invest moneys in the escrow account in U.S. Government securities or deposit them in financial institutions for investment in certificates of deposit with minority financial institutions at the prevailing U.S. Government securities rate.
- c. The **CFO** shall ensure that moneys deposited in financial institutions are either completely insured by the Federal Deposit Insurance Corporation or invested at all times by the financial institutions in investments backed by the full faith and credit of the United States. All amounts in excess of the insurance limits must be secured by collateral pledged with a Federal Reserve bank in accordance with 31 **CFR** 202 and volume I, part 6, chapter 9000, of the Treasury Financial Manual.
- d. The **CFO** shall disburse or transfer moneys deposited in the escrow account or subsequently invested only under one of the following conditions:
 - (1) Pursuant to an order issued by **HG-1**.
 - (2) As authorized by statutory requirements that may be enacted.
 - (3) To make a refund to a violator or alleged violator based upon erroneous overpayment to the account.
 - (4) Pursuant to a determination issued by **RG-1** to transfer funds to the Miscellaneous Receipts account within the Department of the Treasury.
- e. The **moneys** shall not be used to pay or reimburse Departmental administrative expenses, except to the extent expressly authorized by law.

7. **RESPONSIBILITIES.**

- a. **Director of the Office of Hearings and Appeals (HG-1)** or a designee shall:
 - (1) Issue orders specifying the distribution of funds in the escrow account.
 - (2) Annually determine, in accordance with PODRA, the amounts that are excess in each subsidiary account within the escrow account and make such excess amounts available to State governments for use in four energy conservation programs. The determination must be published in the Federal Register within 45 days after the beginning of the fiscal year.
 - (3) Designate and provide to the **CFO** the name and signature of an approving official to authorize requests for disbursement of moneys from the escrow account and ensure that adequate internal controls are in place to provide reasonable assurance of the legitimacy of payments to claimants.

- (4) Verify injured persons' addresses, notify them of the forthcoming payments, and request their tax identification numbers prior to requesting disbursement from the escrow account.
 - (5) Provide projections of future disbursements from the escrow account as required by the **CFO** to facilitate the development and update of an investment plan for the escrow account.
- b. Administrator of the Economic Regulatory Administration (RG-1) or a designee shall:
- (1) Provide a copy of each order to the **CFO**, and indicate whether payment is to be full or partial, and, if payment is to be partial, provide a schedule of payments, including interest assessment, if applicable. All payments that are for deposit to the escrow account shall be made payable to the Department of Energy and sent directly to the **CFO** for deposit to the account.
 - (2) Designate and provide to the **CFO** the name and signature of an approving official to authorize requests for transfers of moneys from the escrow account to the Miscellaneous Receipts account of the Department of the Treasury.
 - (3) Issue determinations to make transfers to the Miscellaneous Receipts account of the Department of the Treasury.
 - (4) Concur on the amount of funds to be held in reserve for possible liabilities.
 - (5) Provide projections of deposits resulting from future settlements with alleged violators of the Department's price and allocations regulations as required by the **CFO** to facilitate the development and update of an investment plan for the escrow account.
- c. Chief Financial Officer (CFO;CR-1) shall:
- (1) Be responsible for the overall financial management of moneys in the accounts that are the subject of this Order.
 - (2) Be responsible for establishing, collecting, and closing receivables for moneys due from violators of DOE regulations or due from individuals who have received erroneous payments.
 - (3) Maintain subsidiary ledgers for each order and separately account for the moneys received from each of the parties affected by such order, or maintain accounts as required by law.
 - (4) Allocate daily the interest on investments to each subsidiary account.

- (5) Disburse funds, including interest earned, in accordance with directives or determinations issued by the responsible official for any particular disbursement effort pursuant to paragraphs 7a(1) and 7b(3).
- (6) Provide, as a minimum, monthly reports to the responsible officials on their respective subsidiary accounts together with detailed listings of transactions affecting each subsidiary account.
- (7) Ensure compliance with the terms and conditions of the agreement between the Department of the Treasury and DOE and request changes to the agreement as may be required.
- (8) Make deposits to the escrow account for investments.
- (9) Utilizing projections of future deposits to and disbursements from the escrow account provided by RG-1 and HG-1, develop and implement an investment plan for the escrow account. (Until an investment plan is implemented, investment terms will be restricted to a maximum of 6 months.)
- (10) Manage financial activities associated with the Department's Bank Deposit Financial Assistance Program.
- (11) Obtain legal concurrence from the General Counsel regarding compromise, suspension, and termination actions on receivables over \$100,000 due from violators of DOE regulations and, as appropriate, legal advice on amounts due from individuals who have received erroneous payments and court orders or interpretation of legislative actions that may affect disbursement of funds from the deposit fund escrow account.

d. General Counsel (GC-1) shall:

- (1) Provide legal concurrence to the CFO regarding compromise, suspension, and termination actions on receivables over \$100,000 due from violators of DOE regulations and, upon request, legal advice on amounts due from individuals who have received erroneous payments and court orders or interpretation of legislative actions that may affect disbursement of funds from the deposit fund escrow account.
- (2) Determine and obtain RG-1 concurrence on the amount of funds to be held in reserve for the payment of liabilities that the Department may incur as a result of litigation.

8. GENERAL PROCEDURES.

- a. Accounting Controls. The financial management of the moneys received by the CFO shall include separate accounting (a subsidiary account) for each remedial order, order of disallowance, consent order, or decision and order (referred to collectively below as "order"). Each account must list the receipts, interest earned, and disbursements (including attributable interest) against each

order. **RG-1** shall provide a copy of the order to the **CFO** when moneys due from oil entities are established. The **CFO** shall record and maintain receivables for moneys due from violators or alleged violators. The **CFO** shall pool the total moneys collected and deposited to the account for investment purposes without regard to the amounts applicable to individual orders in accordance with the agreement between the Department of the Treasury and DOE.

- b. **Special Provisions.** **PODRA** establishes certain procedures for the disbursement of oil overcharge funds collected by DOE pursuant to the Emergency Petroleum Allocation Act of 1973 and the Economic Stabilization Act of 1970. **PODRA** requires the Department, through **HG-1**, to conduct proceedings (under 10 **CFR** part 205, subpart V), to accept claims for restitution, and to refund the oil overcharge moneys to persons injured by violations of the Emergency Petroleum Allocation Act or the Economic Stabilization Act. In addition, **PODRA** requires the Secretary of Energy to determine annually the amount of oil overcharge funds that will not be required for restitution to injured parties in refund proceedings and to make this excess available to State governments for use in four energy conservation programs. The determination shall be published in the Federal Register within 45 days after the beginning of each fiscal year. The Secretary has delegated this responsibility to **HG-1**. After the excess amount has been determined, **HG-1** shall request that the **CFO** transfer amounts from the subsidiary accounts to the **PODRA** account for transfer of funds to the four designated energy conservation programs. **HG-1** shall provide a list of subsidiary accounts and the excess amount for each.
- c. **Investments.** The **CFO** shall invest all moneys deposited to the escrow account in U.S. Government securities or deposit them in financial institutions for investment in accordance with the policies described in paragraphs **6b** and c. The Department participates in the Bank Deposit Financial Assistance Program, investing through administrative financial institutions in certificates of deposit with minority banks and minority thrift institutions. The **CFO** shall manage the financial activities associated with the Department's Bank Deposit Financial Assistance Program. The agreement between the Department of the Treasury and DOE is the basis for DOE to invest directly in U.S. Government securities. **HG-1** and **RG-1** shall coordinate with the **CFO** to ensure that authorized payments from the escrow account are matched with maturing investments that will provide enough cash to pay the authorized disbursements. If the established maturity cycle will not provide enough cash, investments may be redeemed early.
- d. **Interest.** The **CFO** shall credit interest on investments to the **individual subsidiary** accounts established for each order based on the number of days the funds are available for investment during the investment period. This interest **shall** be accumulated on a daily basis.
- e. **Receivables.** To ensure sound business management practices, the **CFO** shall establish, collect, and close receivables for **moneys** due from violators or alleged **violators** of DOE regulations or from individuals who have received erroneous refunds. The practices described in DOE **2200.6A** should be followed to the extent applicable.

- f. **Disbursements.** The Director of the Office of Hearings and Appeals or a designee shall initiate requests for disbursements from the escrow account. The Administrator of the Economic Regulatory Administration or a designee shall request transfers to the Miscellaneous Receipts account of the Department of the Treasury subject to the settlement agreement in In re The Department of Energy Stripper Well Exemption Litigation, M.D.L. No. 378 (D. Kan., July 7, 1986). The authorized officials shall forward requests for disbursements or transfers to the CFO's designee, specifying in each request the amount, the purpose, and the consent order to which the payment is to be charged.
- g. **Reports.** The CFO shall provide a status report on the subsidiary accounts each month to RG-1 and HG-1. The report shall include the receipts, interest earned, disbursements, and escrow balance for each subsidiary account.
- h. **Federal Tracking, State Tracking, and Claimant Tracking Subsidiary Accounts.** The CFO has established within the Consent Order Tracking System State tracking, Federal tracking, and claimant tracking subsidiary accounts to provide better control and an audit trail for payments to States, miscellaneous receipts, and claimants from crude oil money held in escrow. Crude oil money is transferred from the other subsidiary accounts to these tracking accounts. The Federal tracking account also contains a reserve to provide funds for payment of liabilities that the Department may incur as a result of litigation. GC-1 shall determine and obtain concurrence from RG-1 on the amount of funds to be held in reserve for possible liabilities.