

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

ORDER

DOE O 520.1

Approved: 01-19-01

Change 1: 11-27-01

This directive was reviewed and certified as current and necessary by (Enter Name), (Enter Title) Director, Office of Management, Budget and Evaluation/Chief Financial Officer, XX-XX-XXXX.

SUBJECT: OFFICE OF CHIEF FINANCIAL OFFICER

1. **OBJECTIVES.** The Department of Energy (DOE) intends to operate in full compliance with the Chief Financial Officers Act of 1990, the “Act,” Public Law 101-576, and related Office of Management and Budget (OMB) policy guidance. The Act mandates that a Chief Financial Officer (CFO) be established within the Department of Energy. Included in the Act’s authorities and functions is the requirement that the CFO “direct, manage, and provide policy guidance and oversight of agency financial management personnel, activities, and operations.” The Department expects this Order to help achieve the Act’s objectives of sound financial management policies and practices, effective internal controls, accurate and timely financial information, and well-qualified financial managers by setting forth the functions, organizational roles, and specific financial management responsibilities of the CFO, the Field CFOs, and other appropriate Department officials.
2. **CANCELLATION.** SEN-34-91, IMPLEMENTATION OF THE CHIEF FINANCIAL OFFICERS ACT OF 1990 (Public Law 101-576), dated 8-15-91, which initially implemented the Act on an interim basis within DOE.
3. **APPLICABILITY.** To ensure sound financial management and overall consistency in exercising the statutory authorities that vest in the CFO under the Act, or in the Secretary as head of agency under other legislation, the policy and procedural guidance established in this Order is applicable to all Departmental Elements, including the National Nuclear Security Administration (NNSA). The Order does not apply to the Federal Energy Regulatory Commission as an independent regulatory commission and only applies to the Bonneville Power Administration to the extent that it is consistent with statutory authorities.
4. **REQUIREMENTS.** Employees in every Departmental organization shall support the CFO in meeting the financial management requirements established by the Act and by OMB policies. Specifically, Field CFOs will manage and operate their offices in consonance with the financial policies, procedures, and guidance promulgated by the CFO. To this end, a Field CFO who reports organizationally to the Head of a Field Element also will be appropriately accountable to the Department’s CFO with respect to Field financial management activities.

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All Departmental Elements

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Office of Management, Budget, and Evaluation/CFO

5. RESPONSIBILITIES.a. The Secretary.

- (1) Coordinates with Presidential personnel (and OMB when appropriate) on issues involving the nomination of a CFO candidate by the President.
- (2) Appoints the Deputy CFO in consideration of CFO recommendations, OMB's position qualification standards, and, if appropriate, OMB advice.

b. The Chief Financial Officer.

- (1) Reports directly to the Secretary and serves as advisor to the Secretary, the Deputy Secretary, and other Departmental officials on financial management matters.
- (2) Exercises those vested Secretarial authorities that are specifically delegated to the CFO.
- (3) Oversees all financial management activities that relate to programs and operations of DOE.
- (4) Provides financial information to Department officials in support of decision-making processes.
- (5) Establishes financial management policies, procedures, and guidance for all Departmental components and, as appropriate, for integrated management and operating contractors and other major cost-type operating contractors.
- (6) Establishes and reviews internal control policies, standards, and compliance guidelines involving financial management and seeks corrective actions where appropriate.
- (7) Makes recommendations to the Secretary with respect to the selection of the Deputy Chief Financial Officer.
- (8) Provides policy guidance to and advises Heads of Departmental Elements on the qualifications, recruitment, performance standards, training, and retention of all financial management personnel to ensure a cadre of qualified and effective professionals throughout the Department.
- (9) Approves the designation of Field CFO positions.

- (10) For Field CFO positions, including those in NNSA: consults in advance on qualifications and selection; advises and consults on the establishment or revision of position descriptions, qualification requirements, and performance standards; and provides comments on their annual performance appraisals. Advises the Head of Field Element on significant disciplinary actions and bonuses or awards. Designates a representative to serve on the merit promotion or staffing panel that ranks applicants for a Field CFO position. Except for NNSA, concurs in Head of Field Element selections and reassignments of Field CFOs. Concurrence is assumed if the CFO does not respond within 30 days of receipt of proposed Field action.
- (11) Coordinates with Lead Program Secretarial Officers (LPSOs), Cognizant Secretarial Officers (CSOs), and NNSA in developing performance measurement systems for DOE programs that allow the evaluation and comparison of progress in achieving program objectives in light of resources expended.
- (12) Oversees design, implementation, and maintenance of the Department's financial management and accounting information systems and ensures that data collected and reported supports the systematic measurement of performance, reflects accurate financial reporting and effective internal controls, and permits appropriate development and reporting of other cost information.
- (13) Coordinates with the Inspector General and other auditors to improve Departmental financial statements and their ability to be audited and to ensure that data included in financial reporting is auditable.
- (14) Reviews all major legislative and other programmatic proposals (including requirements for major procurements and changes in credit programs) and provides advice to other DOE officials on Federal cost and program benefit estimates.
- (15) Reviews and concurs on all financial reports and correspondence that contain Departmental budget or financial data and are prepared by Departmental components for transmittal to the Secretary, OMB, the President, Congress, or an external entity. (Concurrence typically would not be required for routine discussions with or presentations to local groups.) Coordinates briefings on Departmental budget or financial issues for the Secretary, OMB, the President, and Congress.

Vertical line denotes change.

- (16) Formulates and oversees execution and compliance with policy and operating guidance for the Department's budget. Prepares annually for the Secretary's approval a plan to implement the 5-year financial management plan prepared by the Director of OMB.
- (17) To meet the requirements of section 902(a)(6) of the Act and in accordance with the provisions of the Reports Consolidation Act of 2000, Public Law 106-531 (31 U.S.C. 3516), prepares and/or submits the following Departmental statements and reports to the President, Congress, and OMB:
 - (a) the Department's annual financial statements (31 U.S.C. 3515) with accompanying management discussion and analysis and the audit report as required by the Government Management and Reform Act of 1994, Public Law 103-356 [31 U.S.C. 3521(e)];
 - (b) the Department's report on management controls and financial systems required by the Federal Managers' Financial Integrity Act of 1982, Public Law 97-255 [31 U.S.C. 3512(d)].
 - (c) the Department's performance report required by the Government Performance and Results Act of 1993, Public Law 103-62 (31 U.S.C. 1116);
 - (d) a statement prepared by the Inspector General summarizing what the Inspector General considers the most serious management and performance challenges facing the Department [31 U.S.C. 3516(d)];
 - (e) other information necessary to fully inform the President, Congress, and OMB of matters concerning the status of the Department's finances, performance, management controls and/or financial systems [31 U.S.C. 902(a)(6)(E)].
- (18) Provides appropriate guidance for the integration of accounting, performance, and budgeting information and for the development of Departmental financial management budgets. The CFO reviews Headquarters financial management budgets and, as appropriate, submissions from the Field to ensure that resources contained therein are adequate and recommends Secretarial approval of proper resource levels for financial management activities.
- (19) Advises and provides recommendations to the Director of Management and Administration and the Chief Information Officer (CIO) regarding the acquisition, development, or implementation of management information

systems that interface with DOE financial management systems. The CFO also approves (and where appropriate, in consultation with the CIO) the design for other information systems that provide, in whole or in part, financial and/or program performance data used in financial statements and cost accounting and performance management reports to ensure that CFO needs are met.

- (20) Consults on and supports efforts of LPSOs, CSOs, and NNSA to ensure adequate staffing levels and other resources are available to support the CFO financial management functions of their organizations.
- (21) Reviews biennially the fees, royalties, rents, and other charges for services and things of value the Department provides and makes recommendations on revising those charges to reflect costs incurred. This CFO responsibility does not modify existing rate-making responsibilities of the Power Marketing Administrators.
- (22) Accesses, as needed, all records, reports, audits, reviews, documents, papers, recommendations, or other material that is DOE property (or is available to the Department) and relates to programs and operations for which the CFO has responsibilities. Such access is subject to the limitations in the law established for Office of Inspector General material under section 902(b)(2) of the Act.
- (23) Acts as liaison with OMB for budgetary and financial management matters and, as such, ensures compliance with OMB's budgetary and financial management policies.
- (24) Requests information or technical assistance, if necessary, from officials of other Federal, State, or local government entities to help meet the responsibilities set out herein.
- (25) Oversees the implementation of agency asset management systems, including systems for managing cash, credit, debt collection, and accountability for property and inventory.
- (26) Represents the Department on the Chief Financial Officers Council.
- (27) Participates in Departmental information resources management and procurement policy councils and decisions.
- (28) Takes appropriate action to address potential or actual instances of improper financial management reported by Field CFOs.

- c. Lead Program Secretarial Officers, Cognizant Secretarial Officers, and NNSA (including the Deputy Administrator for Naval Reactors consistent with Executive Order 12344).
- (1) Conduct operations under their cognizance in a manner consistent with the financial policy, procedures, and guidance promulgated by the CFO.
 - (2) Coordinate with the CFO on the development of their performance measurement systems for DOE programs that evaluate and compare progress in achieving program objectives with resources expended.
 - (3) Coordinate with the CFO on all activities and issues that have budgetary and financial impact.
 - (4) Allocate adequate staff positions and other resources to support Field CFO financial management functions.
- d. Heads of Field Elements.
- (1) Conduct operations under their cognizance in a manner consistent with the financial policy, procedures, and guidance promulgated by the CFO.
 - (2) Ensure that the Field Element CFO office is organized and staffed to effectively support field financial management functions, including finance and accounting, budget and planning, and financial review.
 - (3) Designate Field CFO positions in coordination with the CFO.
 - (4) Obtain advice, consultation, or concurrence on personnel actions related to Field CFO positions as set out in paragraph 5b(10), above.
 - (5) Assist the LPSO, CSO, NNSA, the Field CFO, and the CFO in resolving financial management issues.
 - (6) Bring to the attention of the LPSO, CSO, or NNSA, and support the CFO and Field CFOs, in addressing reported potential or actual instances of improper financial management.
- e. Chief Financial Officers of Field Elements.
- (1) Ensure that Field Element financial management functions include finance and accounting, budget and planning, and financial review and that these are conducted in accordance with the financial policy, procedures, and guidance promulgated by the CFO.

- (2) Direct the financial management activities and operations of the Field Element including those activities and operations of subordinate, reporting organizations.
 - (3) Establish an internal financial review capability for the Field Element and, where appropriate, ensure such capability is in place within subordinate organizations.
 - (4) Bring to the attention of the CFO, Head of the Field Element, and NNSA potential or actual instances of improper financial management.
6. CONTACT. Questions concerning this Order should be brought to the attention of the Office of Financial Policy (CR-20), (202) 586-4860, within the Office of Chief Financial Officer.
7. REFERENCES.
 - a. Office of Management and Budget Policy Memorandum 91-07, "Guidance for Preparing Organizational Plans Required by the Chief Financial Officers Act of 1990 (CFO's Act)," dated 2-27-91.
 - b. Office of Management and Budget Memorandum, "Chief Financial Officer Organizations," dated 2-9-93.
 - c. Office of Management and Budget Memorandum, M-96-24, "Chief Financial Officer Qualification Standards and CFO Organizations," dated 4-26-96.

BY ORDER OF THE SECRETARY OF ENERGY:



T. J. GLAUTHIER
Deputy Secretary

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

PAGE CHANGE

DOE O 520.1 Chg 1

Approved: 01-19-01
Chg 1: 11-27-01

SUBJECT: OFFICE OF CHIEF FINANCIAL OFFICER

1. PURPOSE. To transmit revised pages to DOE O 520.1, *Office of Chief Financial Officer*, dated 1-19-01.
2. EXPLANATION OF CHANGES. To modify the responsibility statement in paragraph 5b(10) to include NNSA Field CFO positions. This particular paragraph has also been expanded to include additional responsibilities. Paragraph 5d(4) was modified for consistency between the CFO responsibility and the complementary Head of Field Element responsibility.
3. FILING INSTRUCTIONS.

<u>Remove Pages</u>	<u>Dated</u>	<u>Insert Pages</u>	<u>Dated</u>
3 and 4	1-19-01	3 and 4	11-27-01
5 and 6	1-19-01	5 and 6	11-27-01

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

BY ORDER OF THE SECRETARY OF ENERGY:



FRANCIS S. BLAKE
Deputy Secretary

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