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MEMORANDUM

November 1, 2002

To: Regional Directors
Associate Directors
Regional Executives
Program Coordinators
Cost Center Managers

From: Carol F. Aten //s// Carol F. Aten
Chief Financial Officer

Subject: Fiscal Year (FY) 2003 Project Approval Process and Timeline

The purpose of this memorandum is to (1) establish the FY 2003 timeline for the approval of projects funded by appropriations, (2) describe the process for recording decisions of this collaborative process, and (3) outline the BASIS+ and Federal Financial System (FFS) linkages to this process.

Initial Funding Targets are Established

DUE DATE: 11/15/02

The Associate Directors (AD) and Program Coordinators (PC) will establish and disseminate initial funding targets for each program element at the regional level so that the review and approval process will be working within a funding target. Funding will be targeted to the region in which the project chief resides. The Office of Budget will provide guidance to the ADs and PCs on establishing funding targets; this is particularly important if the Department continues to operate within the Continuing Resolution Funding and Activity Levels into November.

The program funding targets will be recorded in BASIS+ by the headquarters (HQ) Office of Fiscal Services (OFS) at the 'Master Agreement' level. Master Agreements are only stored in BASIS+ (and not used in FFS) and will be used to enter regional targets at the beginning of the project planning process. For appropriated funding, the finalized and approved Master Agreement will equal the region funding allocation for a particular program element and will be input by HQ OFS.

Project proposal input into BASIS+

DUE DATE: 11/15/02

In consultation with the cost center chief, project chiefs develop the project proposal and enter the information into BASIS+. Initially, this should consist of a general science plan (i.e., scientific hypothesis, methodology for data collection, and interpretation), operational plans, and expected outcomes from the work (both scientific and operational). In addition, given the specific scientific and operational requirements, the project chiefs should identify:

- All necessary personnel (Federal staffs and vacancies)
- Timeframes for employees working on the project (as number of pay periods)
- Resultant salary requirements based on grade and pay periods
- Likely operating expenditures (including travel costs, contractor staffs, publications, equipment, etc.)
- Bureau costs, cost center common services costs, and indirect facilities costs (based on rates established in the system and bureau methodology)
- Anticipated funding source(s) should be identified in BASIS+ by customer class (Surveys Investigations and Research (SIR), reimbursable or revenue source, or overhead/Working Capital Fund (WCF) investments) with a specific customer name/number on the 'Fund Source' screen for each task or subtask within their project. Funding sources should now be identified as gross funding (\$'s) and not using the percent of net budget method.

From this input, the project chief should ultimately have available a list of the personnel, their time and salary information, operating expenditures, and common services costs that will yield a first estimate of total project cost. This total cost should be adjusted to account for any reasonable estimate of reimbursable/Other Federal Agency (OFA) funds that the project may receive from all non USGS-SIR funding sources.

When the project chief is satisfied that the proposal is complete and accurate, access profiles in BASIS+ allow those with 'project chief' profiles to change the status of a project from draft to proposed. The project number is generated by BASIS+ at this point. An 'administrative officer' or 'manager' profile is needed to move a project status from proposed to approved. This approval means that the scope of the work is approved by the cost center chief and the budget request is adequate for the work proposed. The final funding sources and/or levels are not yet approved.

At this point, however, account number(s) are generated and those with 'administrative officer' and 'manager' BASIS+ profiles can indicate that the numbers should be input to FFS. After account(s) have been established in BASIS+ for a project, budget records for staff and operating expenses and fund source records must be assigned to the appropriate account(s) and the funding request records reviewed for each account. A review process by the Fiscal Services offices is used to ensure accurate coding (based on the project's working budget) and transmittal of the account numbers to FFS.

Project Review and Approval Process--External to BASIS+

DUE DATE: 12/13/02

Proposed and continuing projects (marked ‘approved’ in BASIS+ by cost center chiefs) are reviewed by Regional Executives (REXs), and Office of Regional Services (ORS) Chiefs, with significant input from pertinent Program Coordinators

Reviews of new proposals are conducted in a consultative mode that includes the participation of all relevant organizational levels. Cost Center Chiefs work with the appropriate REX, ORS Chief, and Program Coordinator to plan and conduct the review. Reviews of continuing projects that have requested substantial modification in methodology, funding, or results are conducted in a comparable manner to new proposals, except that review does not generally include the basic objectives and strategy of the project, unless these have changed as well.

Using a set of BASIS+ reports, regional staff evaluates project proposals (for both new and continuing projects) that are located within the cost centers of their respective regions to ensure that these projects include complete and accurate information regarding issues such as:

- Staffing
- Operational expenditures
- Facilities needs
- Common services costs
- Deliverables
- Customers
- Funding sources

Reports from BASIS+ should be used to verify staff and expenses for project work to be performed outside of the region’s home cost centers, and for reimbursable work as well. Care must be taken to ensure that funding is not double counted.

In the case of the Fed-State Coop Program for the Water Resources discipline, a project would not be entered into BASIS+ until the reimbursable cooperator funding was secured to match the appropriated funding. However, this caveat does not necessarily mean that the REX and Regional Director (RD) approvals must be delayed; cost center managers may be given the programmatic approval for a range of Fed-State coop projects pending the arrival of the cooperator’s signed agreement. The funding of the accounts in BASIS+ and FFS, though, must be held until both sides of the funding are available.

Joint Ownership in Project Planning—

As part of this evaluation, each of the REXs should engage the appropriate funding programs in order to verify that specific project work plans accurately address the needs of the Programs as outlined in the Annual Program Direction and the program’s 5-year plan. This dialogue may require modifications to the actual work plans and budgets of individual projects; if so, changes should be made in BASIS+ during this time by the appropriate project chiefs to accurately reflect these modifications.

Funding Matrices—

Standard bureau funding allocation matrices constitute the formal, documented result of the joint approval process. The Fiscal Services offices will coordinate among the various participants of the process and serve as the keeper of the funding matrices as the decisions are made. See Attachment 1 for draft spreadsheet formats that will be used for by all programs. A finalized format for the spreadsheets and a process for owning and maintaining them is currently being prepared by the Fiscal Services offices--due date: 11/15/02.

Regional Director Approval

Due Date: 12/20/02

This approval step, based on reports presented by the REXs to their respective RD, should be strategic and should focus on outstanding issues that were not successfully addressed at the REX and programmatic level, and which might require resolution at the RD-AD or Executive Leadership Team (ELT) level.

The RDs and their staff will evaluate a summary report from each of the REXs that summarizes:

- The Annual Program Direction funding targets
- Proposed project funding and staffing totals
- A report of standing issues regarding significant funding changes from the previous year, major course changes in funding programs' missions, under- and over-funded staff, and funding shortfalls to any cost centers.

Funding decisions are considered firm (but subject to change based on the appropriation) at the conclusion of this evaluation and resolution of outstanding issues. **This action allows continuing projects to proceed while awaiting a signed appropriation.**

However, until the Department of the Interior appropriations bill has been passed by Congress and signed by the President, the internal USGS funding allocation process stops at this point. When the appropriations bill has been signed, the Office of Budget will notify all participants of the final appropriation, highlighting any changes. Additional modifications may be required to project budgets to balance all projects to the funding received. These modifications will be coordinated by the appropriate REXs with consultation with the appropriate Program Coordinators and input from the RD. Cost center chiefs are notified to adjust their projects in BASIS+ to equal the approved funds. This process should be completed within 10 business days of assignment of a Public Law to the appropriations bill.

When completed, each RD sends a notice to the Office/Branches of Fiscal Services approving the projects as included in BASIS+. ***This is the final step in the approval process.*** Final bureau funding allocation matrices are prepared by the Office of Budget and the Fiscal Services offices and distributed to all participants. Cost center chiefs receive the final bureau funding allocation matrices and ensure funding for their projects in BASIS+ reflect the approved final funding figures and that work plans have been changed, if necessary, because of changes in funding.

Cost center staff with an 'administrative officer' or 'manager' profile now (1) change project from the status of 'approved' to 'active' and (2) change the funding source status to 'Firm.' This

identifies that the particular project is active and that funds have been approved for the amount specified in the BASIS+ budget.

A Special Note regarding Reimbursable Project Development—

The fluid nature of reimbursable projects requires project planning across the entire FY. Although the appropriated funding timeline described above is not directly applicable to reimbursable projects, much of the content of the different processes are. ***The requirement is that all projects that cost centers expect to work on during the year, both appropriated and reimbursable, will be entered into BASIS+, even if the funding levels are estimates.*** The following are some additional, general project planning guidelines for reimbursable projects:

- Regardless of where the project originates (project chief, cost center chief, or REX), reimbursable activities should be evaluated during the review process, as to whether or not they also meet programmatic goals, or potentially provide or obtain synergy from other projects within the same geographic area or topical area. In some instances, reimbursable activities may directly contribute to a broader set of science or operational goals, and may either serve as, or receive leverage from, other SIR-funded activities.
- Reimbursable projects should be evaluated at the cost center and REX levels in order to verify that the activities are in line with regional (and possibly programmatic) science or operational goals.

For reimbursable agreements, funding is firm when a signed agreement has been received. At that time, cost center staff with an ‘administrative officer’ or ‘manager’ profile (1) change the project from the status of ‘approved’ to ‘active’ and (2) change the funding source status to ‘Firm.’ This identifies that the particular project is active and that funds have been secured for the amount specified in the BASIS+ budget.

Funding of Accounts in FFS

Due Date: 35 business days after assignment
of a Public Law to the appropriations bill
(However, please note: funding may not be
entered into FFS until the USGS receives the
apportionment letter)

The following is a brief description of the process that will be used by the Fiscal Services offices for funding accounts through a BASIS+ interface with FFS.

- Master Agreement level--only reflected in BASIS+. Master Agreements are used to enter region targets at the beginning of the project planning process.
- Agreement Allocation--in FFS at the Budget Allocation Organization level. The FFS system flags will be established to stop expenses at this level.

- The FY Funding Details--reflects how much of the Agreement Allocation will be spent in the current fiscal year.

For appropriated funding, the finalized and approved Master Agreement will equal the region funding allocation for a particular program element and will be input by HQ OFS. Regional Branch of Fiscal Services offices will then set up the funding agreements to the cost center (budget allocation organization) level within their region. Account-specific funding levels will be identified through BASIS+ by the cost center administrative officers. The Fiscal Services offices will review against the approved bureau funding allocation matrices and transmit to FFS.

Account funding is tied to an agreement on the 'Account Budgets/Fund Sources' screen in BASIS+. When the funding for a given account is ready to send to FFS, a user with 'administrative officer' or 'manager' profile sets the Fund Status to Firm and selects Update FFS on the Account Budgets/Update Fund Source screen, and this initiates the Fiscal Services review of the Account Funding prior to transmission to FFS.

Attachment (draft 3-page spreadsheet)

cc: Fiscal Services Office/Branch Chiefs
BASIS+ Staff
Chief, Office of Financial Management
Chief, Office of Budget
Cost Center Administrative Officers

Carol Aten
Chief, Office of Administrative Policy and Services
USGS National Center, Reston, Virginia
(703) 648-7200