

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

ORDER

DOE 2200.4

3-31-88

SUBJECT: ACCOUNTING OVERVIEW

1. PURPOSE. To establish Department of Energy (DOE) accounting **pol**icy, principles, and standards, **and** to explain the administrative control of funds, financial and cost accounting, **and** the **financial** reporting system **in** accordance **with** Government regulations and generally accepted accounting principles.
2. CANCELLATIONS.
 - a. DOE **2100.1A**, GLOSSARY OF FINANCIAL TERMS, of 10-23-81.
 - b. DOE 2200.1, ACCOUNTING POLICY AND PRACTICES, of 11-9-79. (See Attachment 2, "page 4, paragraph 7.)
3. SCOPE. The provisions of this **Order apply to** all Departmental Elements and **integrated** contractors performing **work** for the Department as provided by **law** and/or contract and as implemented by the appropriate contracting officer.
4. EXCLUSION. The Bonneville **Power** Administration is governed by the provisions of the Government Corporation Control Act and, as such, operates in accordance **with** generally accepted accounting principles issued by the Financial Accounting Standards Board. **In following** the generally accepted accounting principles and meeting legislative requirements, the Bonneville Power Administration **will**, from time to time, deviate from the provisions of this Order.
5. OBJECTIVES.
 - a. To provide an introduction to, and **overview** of, the accounting directives and the accounting system;
 - b. To provide an outline of accounting concepts and standards; and
 - c. To **summarize** the accounting responsibilities.

DISTRIBUTION:

All Departmental Elements

INITIATED BY:

Office of Financial Policy

6. DEFINITIONS. Attachment 1, Definitions, provides a consolidated glossary of **financial** terms used in accounting directives. In some instances a term may be defined within the text of an Order when its use is limited to the subject matter.
7. REFERENCES. Attachment 2, References, is a consolidated listing of references for subject matter contained in accounting directives (DOE 2200 series).

BY **ORDER** OF THE SECRETARY OF ENERGY:



LAWRENCE F. DAVENPORT
Assistant Secretary
Management and Administration

TABLE OF CONTENTS

CHAPTER I - INTRODUCTION

Page

1. Applicability .. 0.00. 0. 00 0. 0000	I-1
2. Organization of the Directives	I-1
a. DOE 2200.4, ACCOUNTING OVERVIEW .*	I-1
b. DOE 2200.5, FUND ACCOUNTING	I-1
c. DOE 2200.6, FINANCIAL ACCOUNTING 000 0. . . .	I-1
d. DOE 2200.7, COST ACCOUNTING	I-1
e. DOE 2200.8, ACCOUNTING SYSTEMS, ORGANIZATION, AND REPORTING	I-1
f. DOE 2200.9, MISCELLANEOUS ACCOUNTING	I-2
g. DOE 2200.10, ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES	I-2
3. Inquiries 0000 0.0.0 0. 0. 0.	I-2
a. Exceptions and Exemptions	I-2
b. Policy and Interpretation	I-2
4. Policy	I-2

CHAPTER II - CONCEPTS AND STANDARDS

1. DOE Accounting Concepts 0. 0	II-1
a. Objectives	II-1
b. Reporting Entities 0. 000	II-1
c. Elements of Accounting and Financial Reporting 00000000.0.0	II-1
(1) Assets 00.00. 0.000. 0.0	II-1
(2) Budget Authority 00.00.00 . 0000.00= . 0.0.000= . 0	II-2
(3) Budget Resources 00.0.0 0	II-2
(4) Collections	II-2
(5) Equity	II-2
(6) Expenses, Losses, and Transfers Out 0. 00.	II-3
(7) Financing Sources	II-3
(8) Liabilities 0. 0. 0. 0. 0	II-3
(9) Obligations 0.0. 0. 0.0000 000000	II-3
(10) Outlays 00.0. 0	II-4
(11) Results of Operations 00. 0.0 00 . 000000=	II-4
d. Usefulness of Accounting Information	II-4
(1) Timeliness 0. * * ** ** ** ** 0.	II-4
(2) Relevance 000.0	II-4
(3) Reliability 0. 0000 0. 0	II-4
(4) Cost Benefit * **	II-4
(5) Materiality 000. 00. 0.0000	II-4
(6) Comparability	II-4
(7) Consistency 0. 00.0 0000	II-5
e. Recognition	II-5
(1) Accrual Accounting	II-5
(2) Matching 0.0. 0. 0. 0	II-5
(3) Allocation ** ** * **** *	II-5
f. Measurement	II-5
g. Cost	II-6

h.	Accounting Standards	II-6
(1)	Accounts Payable0.0....0	II-6
(2)	Acquisition Cost of Assets00....00	II-7
(3)	Advances and Prepayments0.....	II-8
(4)	Appropriations for Property, Plant, and Equipment	II-8
(5)	Cash .0.0.....	II-8
(6)	Capitalization of Interest on Property, Plant, and Equipment	II-8
(7)	Contingencies0.0..0	II-9
(8)	Equity0.....	11-10
(9)	Fair Value0.....	11-10
(10)	Financial Assistance Awards	11-11
(11)	Financial Reports	11-11
(12)	Foreign Currencies00.0	11-12
(13)	Fund Accounting	11-12
(14)	Fund Control0.0.....	11-13
(15)	Imputed Interest .00.....	11-14
(16)	Interest Payable and Receivable0.....	11-14
(17)	Inventories	11-14
(18)	Investments	11-14
(19)	Lease	11-15
(20)	Leave	11-15
(21)	Loan Guarantees and Commitments	11-15
(22)	Long-Term Contracts0.....	11-16
(23)	Prior Period Adjustments of Financial Statements	11-16
(24)	Payroll	11-17
(25)	Property	11-17
(26)	Receivables	11-19
(27)	Research and Development	11-20
(28)	Revenues	11-20
2.	Internal Control Standards	11-21

CHAPTER 111 - RESPONSIBILITIES

1.	Purpose	III-1
2.	Secretary (S-1)	III-1
3.	Under Secretary (S-3)	III-1
4.	Heads of Departmental Elements	III-1
5.	Assistant Secretary, Management and Administration (MA-1) .0.0.0.	III-2
a.	Accounting Concepts and Standards	III-2
b.	Administrative Control of Funds	III-2
6.	Inspector General (IG-1)	III-3
7.	Headquarters General Counsel (GC-1)	III-3
8.	Heads of Field Elements0.....	III-4
9.	Allottees	III-4
10.	Finance Directors	III-5
11.	Heads of Contracting Activities0.....	III-6
12.	Certifying Officials	III-6
13.	Program Managers	III-6
14.	Personnel Officers00.....	III-6

Attachment 1-Definitions . . . 0. 1

Attachment 2-References 1

CHAPTER I

INTRODUCTION

1. APPLICABILITY. The accounting directives (DOE 2200.4 through DOE 2200.10) are **integral** parts of the DOE system of accounts. The scope of these directives is specified in DOE 2200.4, ACCOUNTING OVERVIEW, paragraph 3. Heads of contracting activities or designees shall interpret the provisions of these directives and review and approve the practices and procedures that are necessary for the integrated contractors to maintain a system of accounts acceptable to DOE. The integrated contractors' customary accounting practices shall be accepted if they conform with generally accepted accounting principles, produce accurate results, provide the necessary DOE financial reports, and do not conflict with the provisions of these directives. Several central Federal agencies, such as the Office of Management and Budget (**OMB**), the Department of the Treasury, and the General Services Administration (GSA), as well as the General Accounting Office (GAO), provide mandatory accounting and financial management guidance for Federal agencies. DOE must **rely** as much as **possible** on the issuances of these **oversight** agencies, and such **material** will "not be restated in these directives, except where necessary to specifically implement policies or general procedures or to provide clarification.
2. ORGANIZATION OF THE DIRECTIVES. The contents are organized by related subject matter into a series of seven **direct**ives. The material covered in each directive is summarized below:
 - a. DOE 2200.4, ACCOUNTING OVERVIEW, provides introductory material, definitions, references, principles, standards, internal control requirements, and responsibilities.
 - b. DOE 2200.5, FUND ACCOUNTING, provides DOE policy and general procedures for accounting for appropriations, funds, and obligations. The chapters cover administrative control of funds; accounting for appropriations; other funds, such as special, trust, and revolving funds; and obligation accounting.
 - c. DOE 2200.6, FINANCIAL ACCOUNTING, covers accounting and financial management **topics** necessary for financial **statement presentation in areas other than fund accounting.** The directive is organized in balance sheet topic order, from assets to liabilities and equity accounts. Topics related to cash management and disbursements are included in the appropriate asset and liability chapters.
 - d. DOE 2200.7, COST ACCOUNTING, provides policy and general procedures for costing and **pricing** of **products** and services.
 - e. DOE 2200.8, ACCOUNTING SYSTEMS, ORGANIZATION, AND REPORTING, covers **reporting** by contractors and field elements to Headquarters through the **Financial** Information System, financial reporting standards, required

Department-wide internal financial reports, and required financial reports to entities external to DOE.

f. DOE 2200.9, MISCELLANEOUS ACCOUNTING, includes chapters on miscellaneous **topics**, such as payroll, travel, contract closeout, and grants. **In addition**, chapters are reserved for special accounting requirements that are not applicable to DOE as a whole, such as requirements related to power marketing administrations, Naval Petroleum Reserves, and **the** Nuclear Waste Fund.

g. DOE 2200.10, ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES, provides a reference source **for DOE financial** codes and **their** applications. It **includes** the general ledger chart of accounts and financial codes, along with illustrative accounting entries corresponding to the references from previous directives.

3. INQUIRIES.

- a. Exceptions and Exemptions. Except where authority to approve an **exception or exemption** has been delegated to the field organization, the Head of **the** Departmental Element or Field Element shall forward, in writing, requests for exception to or exemption from the provisions contained in the accounting directives to the Controller **(MA-3)** for approval.
- b. Policy Interpretation and Revisions. Inquiries about policy interpretations of, or proposed **revisions** to, this Order shall be forwarded, in writing, to the Director of Financial Policy **(MA-31)**. Copies of change requests should be forwarded to Directives and Federal Register **(MA-213.1)** per DOE 1321.19, DEPARTMENTAL DIRECTIVES SYSTEM, page **I-6**, paragraph 10d.

4. POLICY. It is the policy of DOE **that** a system of accounts shall be maintained in accordance with regulatory requirements established by GAO, **OMB**, and the Department of the Treasury. The system of accounts shall adhere to generally accepted accounting practices and procedures when they do not contradict GAO, **OMB**, and Department of the Treasury regulations. Although a uniform classification of accounts is prescribed for DOE Elements, each power marketing administration may have a chart of accounts based upon its own requirements. Heads **of** contracting activities or designees shall interpret the provisions of these directives and review and approve the practices and procedures that are necessary for **the** integrated contractors to maintain a system of accounting acceptable to DOE. The integrated contractor's customary accounting **practices** shall be accepted if they conform with generally accepted accounting principals, produce accurate results, provide the necessary DOE financial reports, and do not conflict with the provisions of these accounting directives.

CHAPTER II
CONCEPTS AND STANDARDS

1. DOE ACCOUNTING CONCEPTS. The Comptroller General prescribes the **accounting** concepts and standards for the Federal Government. The concepts and standards adopted by DOE are based on, and implement, the concepts and standards prescribed by the Comptroller General.
 - a. Objectives. Two of the main objectives of the DOE accounting and **financial** reporting systems are to provide information that can be useful in allocating resources and to assess management's performance and stewardship. These objectives are discussed below.
 - (1) Resource allocation involves choosing from among alternative uses of resources. It is the process of distributing budget authority and deciding how resources will be used.
 - (2) Assessing management's performance and stewardship involves determining whether their allocation decisions are proper and whether they have met congressional intent.
 - b. Reporting Entities are the DOE components for which financial statements are prepared. Financial statements shall be prepared at least annually (at the end of the fiscal year).
 - c. Elements of Accounting and Financial Reporting. DOE accounting and **financial** reporting focus on the **following** elements: assets, budget authority, budget resources, collections, equity, expenses, losses, transfers in and out, financing sources, liabilities, obligations, outlays, and results of operations. These are described below.
 - (1) Assets.
 - (a) Any item of economic value owned by DOE is an asset. The item may be physical in nature (tangible) or a right to ownership (intangible) that is expressed in terms of costs or some other **value**. An asset has three essential characteristics:
 - 1 It embodies a probable future benefit that involves a capacity, singly or in combination with other assets, to contribute to future operations of the Department;
 - 2 DOE can obtain the benefit from it and control access to it; and
 - 3 The transaction or other events giving the Department the right to or control of the asset have already occurred.

- (b) Assets benefit DOE when **they** can be exchanged for goods or services of value, used to provide services, or used to liquidate or reduce liabilities. DOE's future benefit from the asset can include relief from having to expend cash in the future.
 - (c) Assets have widely varying identifying features. For example, assets **may** be acquired with or without cost, they may be exchangeable or not exchangeable, and claim to them may be legally enforceable or not. Assets may be used in DOE's operations or for distributing other goods or services. Although DOE's ability to benefit from an asset and to control others' access to it generally rests on legal rights, legal claim to the benefit is not necessary before it qualifies as an asset if its receipt by DOE is otherwise probable.
- (2) Budget Authority is provided by law to enter into obligations that **will** result in **immediate** or future outlays of Federal funds, but it does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms **of budget** authority are appropriations, authority to borrow, and contract authority.
- (3) **Budget Resources.** In addition to budget authority, reimbursable work provides the following budget resources:
- (a) The amount of **orders** received by the Government representing valid obligations of the ordering account, the reimbursements of which will be placed in the correct account when collected; and
 - (b) The amount of unfilled customers' orders from the public for which advance payment has been made.
- (4) Collections may be treated as budget receipts, offsetting receipts, refunds, or credits to deposit fund.
- (5) **Equity** is the difference between assets and **1 liabilities** and consists of **five** components (for budgetary purposes, equity also includes an additional item, unfinanced budget authority, which includes unfilled customer orders, contract authority, and borrowing authority; power marketing administrations have special legal and regulatory requirements and therefore do not precisely follow this paragraph):
- (a) Invested capital ;
 - (b) Cumulative results of operations;
 - (c) Unexpended appropriations;
 - (d) Trust fund balances; and
 - (e) Donations and other items.

- (6) Expenses, Losses, and Transfers Out. Expenses and losses **are outflows** of assets or **incurrences** of liabilities (or a combination of both). They can result from rendering services, delivering or **producing** goods, or carrying out other activities. **Expenses** relate to normal operating activities, whereas losses generally relate to all other transactions. The distinction between expenses and losses is a matter of classification in the statement of operations; expenses are commonly displayed at their gross amount, and losses are **usually** shown net of related revenue. Transfers out are assignments of appropriations or contributions of other assets to another Federal agency.
- (7) Financing Sources. Financing sources and gains are actual inflows and other enhancements of assets or certain settlements of **liabilities** (or a combination of both). In statements of operations, financing sources include expended appropriations and revenues. Revenues differ **from** gains only in that revenues generally result from normal operations, whereas gains usually result from nonoperating activities. The only practical difference between revenues and gains is their presentation in statements of operations; revenues are **commonly** shown at their gross amount, and gains are usually shown net of related expenses. ("Income" is a generic term that encompasses financing sources and gains.)
- (8) Liabilities.
- (a) Liabilities are amounts owed for items received, services received, expenses incurred, assets acquired, construction performed (regardless of whether invoices have been received), and amounts received but as yet unearned. Included are amounts owed for goods in the hands of prime contractors under the constructive delivery concept and amounts owed under grants, pensions, awards, and other indebtedness not involving the furnishing of goods and services. Liabilities may be classified into two groups: current liabilities (amounts owed but not due and payable within 1 year) and long-term liabilities (amounts that are not due and payable within 1 year).
- (b) **Although** liabilities rest generally on legal rights and duties, a legal claim is not a prerequisite or qualification of a liability if future cash or other transfer of assets in settlement is otherwise probable and estimable. The decision to **record** liabilities is not always affected by whether funds for payment have been provided or authorized, as **in** the case of unfunded liabilities.
- (9) Obligations are amounts **of** orders placed, contract acquisitions and financial assistance instruments awarded, services received, and similar transactions for bona fide needs existing that will require payments. Such amounts include outlays for which obligations have not been previously recorded and reflect **adjustments** for differences

between obligations previously recorded and **actual** outlays to liquidate those obligations.

(10) Outlays. Obligations are generally liquidated when **checks** are **Issued**, funds are electronically transferred, or cash is disbursed. Such payments are called outlays.

(11) Results of Operations are the net difference between (a) expenses and losses of **D** and (b) **financing** sources and gains of DOE (whether financed from **appropriation**, transfers in, revenues, reimbursements, or any combination of the four) for the operating period reported. The results of operations are sometimes referred to as net income or net loss in revolving funds or business-like activities.

d. Usefulness of Accounting Information. The overall goal of accounting and **financial reporting in DOE is** to provide information that is useful in the management and accountability of Departmental resources. Accounting information is useful when it **is** timely, relevant, reliable, cost **bene-ficial**, material, comparable, consistent, and in the best interest of the Department.

(1) Timeliness is reporting of financial information to users promptly, **when it will** be of maximum benefit. **Financial** data **shall** be recorded as soon as practicable after a transaction occurs.

(2) Relevance is the capacity of information to affect a decision **by helping** users to understand the outcomes of past, present, and future events or to confirm or correct prior expectations.

(3) Reliability is the quality of information that ensures it is reasonably free from error and bias and faithfully represents what it purports to represent.

(4) Cost Benefit is judged by measuring the expense of obtaining certain **information** against the benefits to be derived from having it. Information is not provided if the costs of providing it exceed the benefits to be derived, unless it is required for legal or other **specified** purposes.

(5) Materiality refers to whether the information is significant enough to make a difference to a reasonable person relying on it. Some information may not be disclosed in the financial statements because the amounts involved are too small to make a difference or to affect the reliability of the information. **In** addition to magnitude, the nature of the item must be considered when making a materiality judgment. Any information that is material is reported in the **financial** statements.

(6) Comparability relates to the similarity and consistency of information produced in different periods and information reported by others operating in similar circumstances. The value and usefulness of

information depend greatly on the degree to which it is comparable with information from prior periods and with similar information reported **by** others.

- (7) Consistency refers to information produced by one entity using the same methods over periods of **time**.
- e. Recognition is the recording of the effects of transactions in financial statements. Recognition ensures that the effects of similar events and transactions are accounted for similarly within the Federal Government. The three principles that form the basis of the recognition requirements in DOE accounting standards are accrual accounting, matching, and allocation.
- (1) Accrual Accounting. The standards contained in this Order are based on accrual accounting and allow obligation accounting where required for budgetary purposes. Accrual accounting recognizes a revenue or an expense in the period in which it is incurred, even when the receipt of the revenue or the payment of the cost occurs in a subsequent **period**. Generally, accrual accounting contributes materially to effective financial control over resources and costs of operations and is essential to develop adequate cost information. The reporting standards contained herein focus on accrual accounting. However, these standards also require complete financial information, including budgetary information, **to be** captured and maintained in DOE accounts.
- (2) Matching involves identifying and recording costs in the proper period, that is, the period in which the cost is incurred rather than the period in which the disbursement is made. For commercial-type activities, matching is the simultaneous recognition of the revenues and expenses that result directly and jointly from the same transaction or other event.
- (3) Allocation is a concept of distributing an amount between periods (**interperiod**) or to different elements within a period (**intrapperiod**). **Interperiod** allocation is necessary because many assets yield their **benefits** over several periods. **A common** example of allocation is spreading the cost of a building or equipment to two or more accounting periods **by** depreciating it. ("Allocation" is also used in terms of funds being transferred from one agency to another.)
- f. Measurement principles are the bases for assigning numeric values to the elements of financial reports. The data reported in **the** financial statements required by this directive should be based on historical costs so that dollar amounts remain compatible with budget authority. Historical data are measured in terms of money agreed upon in the initial transaction. Thus, data are comparable to the dollar authorizations and limitations initially granted through budget authority.

g. cost.

- (1) Cost is **the** financial measurement of resources used in accomplishing a specified purpose, such as performing a service, carrying out an activity, acquiring an asset, or completing a unit of work or a specific project.
- (2) Reporting significant cost, obligation, and outlay information facilitates effective financial management. Such information must be **available** to management officials, **OMB**, and Congress for devising and approving realistic future financial plans (budgeting). It is needed in making meaningful comparisons and in keeping spending within limits established by law, regulation, or management **policy**. Finally, this **information** provides several common financial denominators for measuring and evaluating efficiency and economy in terms of the resources used in various activities.
- (3) Accounting for activities on a cost basis means that all significant elements should be included in the amounts reported as total cost (direct cost as well as allocated cost). Cost, in this context, is the value of goods and services used by DOE within a given **period**, regardless of when they were ordered, received, or paid for. For example, cost may be the value of resources put into or removed from inventory. It may **be** the amount of depreciation or amortization on an asset. It may **be** the amount of contractor or grantee performance under a contract or grant (accrued expenditure).
- (4) In any given year, the obligations incurred may be less than, equal to, or greater than the costs recognized for that period. The **differences**, which must be precisely tracked in the DOE accounting system, may be due to such things as increases or decreases in inventories, undelivered orders, depreciation, amortization, or other changes in certain resources. The difference lies in the distribution of these different measures (costs and obligations) over a period of time.

h. Accounting Standards. The following accounting standards shall be adhered to:

- (1) Accounts Payable. Accounts payable are liabilities, amounts owed for goods and services received, and amounts received but not yet earned. Accounts payable include amounts owed for goods and other property purchased and received; services performed by employees, contractors, grantees, and lessors; amounts received in advance (received but as yet unearned); and amounts owed at the end of the accounting period under programs for which no further performance of services by payees is required (such as annuities, insurance premiums, and some grants).
 - (a) Accounts payable for goods and services shall be recorded as liabilities when the goods are received. The liability reported in annual **financial** statements shall reflect both invoices received and estimated amounts for invoices not yet received.

- (b) Under certain circumstances, accounts payable arise before the physical receipt of goods or the passing of formal legal title. When a contractor provides goods that are also suitable for sale to others, the liability usually arises when the contractor physically delivers the goods and DOE receives them and takes formal title. However, when a contractor manufactures or fabricates goods or equipment to DOE specifications, constructive or de facto receipt occurs in each accounting period. Formal acceptance of the products by DOE is not the determining factor.
- (c) For items manufactured to DOE'S specifications, DOE activities shall record the appropriate payable amount, including contract retentions, for each accounting period based on requests for progress payments or on reasonable estimates of **unbilled** contractor performance.
- (d) Accounts payable for services performed **by** employees, contractors, and others shall be determined based on performance as evidenced by payroll records, progress billings, grant reimbursement requests, financial status reports, or other available data. Reasonable estimates of the cost of services performed before the end of a reporting period shall be made for annual financial reporting purposes in the absence of invoices or other available data.
- (e) Amounts due for annuities, claims, and benefit payments as of the end of the period shall also be recorded based on available information, provided that the payment is probable and that the amount is estimable.
- (f) Monetary credit issued as compensation for property or services received from non-Federal **entities** shall be reported as a liability equal to the value of the monetary credit.

(2) Acquisition Cost of Assets. This Order provides the accounting treatment to be followed for **all** assets acquired by expenditure of funds, except as noted in paragraph **2h(2)(c)**, below.

- (a) All assets acquired shall be recorded at **full** cost. The full cost of assets acquired shall include the amounts paid to acquire them, including transportation, installation, and **related** costs of obtaining the assets, in their current form and place.
- (b) **Costs shall** be recorded net of purchase discounts **taken**. Purchase discounts lost and late payment penalties shall not be included as costs of assets, but shall be recognized as operating expenses.
- (c) Assets acquired by seizure shall be recorded as assets at their fair market values or other reasonable estimates, with an

offsetting **liability** until **such time** as a determination about their disposition has been made.

- (3) Advances and Prepayments are exchanges of assets to **cover** future ~~expenses~~ or **acquisition** of other assets. Advances or prepayments to employees, contractors, grantees, or others shall be recorded as assets until receipt of the goods or services involved or until contract terms are met. When goods or services **have** been received or contract terms have been met, the expense or acquired asset is recognized and advances or prepayments are reduced.
- (4) Appropriations for Property, Plant, and Equipment.
- (a) The amounts of appropriations for property, plant, and equipment are reflected as part of the unexpended appropriations in the equity section of the Statement of Financial Position until they are expended. When expended, the amounts are transferred from the Unexpended Appropriations account in the equity section to the Invested Capital account in the equity section. The transfer shall be reported in the Statement of Changes in Financial Position.
- (b) If property, plant, and equipment acquired with appropriations are depreciated, it will be reported as a nonfund cost in the Statement of Operations. An amount equal to each year's depreciation expense shall be removed from the **Invested Capital** account and reported as a financing source in the Statement of Operations. (A **like** amount is also reported as an operating cost in the Statement of Operations.) Power marketing administrations should follow appropriate industry practices.
- (c) **When** property, plant and equipment are retired, the assets shall be removed from the accounting records, including any related amounts of depreciation. Gains or losses must be recognized on **retirement** of depreciated property, plant, and equipment. An amount equal to the net **book value** of assets retired shall be removed from the **Invested Capital** account.
- (5) **Cash** resources include fund balances with the Department of the **Treasury** representing available disbursement authorizations granted by Congress. The official record for reporting cash to the Department of the Treasury, as well as the Department's overall financial position, shall be the general ledger and related subsidiary records. Cash transactions shall be reconciled to the record of Department of the Treasury transactions monthly. The basis of the reconciliation is approved vouchers. Compliance with all externally imposed requirements for the handling of cash resources is mandatory.
- (6) Capitalization of Interest on Property, Plant, and Equipment. The **objective of capitalizing interest is to obtain a measure of** acquisition cost that more closely reflects total investment in the asset.

- (a) Interest cost paid by DOE shall be capitalized as part of the historical cost of acquiring certain pieces of property, plant, or equipment where it is material. To qualify for interest capitalization, property, plant, or equipment must require an acquisition period (specified in paragraph 1h(6)(e)) to prepare it for use in DOE operations or for sale outside of the Federal Government. The interest cost to be capitalized is based on the interest rate DOE is charged by the Department of the Treasury or as prescribed by law.
 - (b) Interest cost shall not be capitalized for inventories. In addition, interest cost shall not be capitalized for property, plant, or equipment that is in use or ready for use or is not being used by DOE and is not undergoing the activities necessary to get it ready for use.
 - (c) Except for power marketing administrations (PMA's), imputed interest cost shall not be capitalized for property, plant, or equipment constructed for use in DOE operations or to be sold outside the Federal Government. The imputed interest cost, however, shall be included in the selling price of the property, plant, or equipment. For PMA's, interest during construction is part of total plant cost and is capitalized.
 - (d) The amount of interest cost capitalized for qualifying assets is intended to be that portion of the interest incurred by DOE during the asset acquisition period that theoretically could have been avoided (for example, by avoiding additional borrowings) if the expenditures for the assets had not been made.
 - (e) The interest capitalization period begins with the first expenditure for a qualifying asset and ends when the asset is substantially complete and ready for its intended use. The interest cost shall be capitalized when two conditions are present: expenditures for the asset have been made and activities that are necessary to get the asset ready for its intended use are in progress. Interest capitalization shall continue as long as those two conditions are present. The term "activities" is to be construed broadly. It encompasses more than physical construction; it includes all the steps required to prepare the asset for its intended use.
 - (f) The total amount of interest costs, if any, that have been capitalized during the period shall be disclosed in the notes to the financial statements.
- (7) Contingencies. Contingent liabilities represent transactions that may not become actual liabilities; for example, claims for price adjustments, personal property claims, tort claims, and loan guarantees. Estimated losses shall be recorded in the financial system and reported in the financial statements if (a) information available

before the financial statements are issued indicates that an asset probably has been impaired or a liability probably has been incurred as of the date of the financial statements and (b) the amount can be reasonably estimated.

- (8) Equity. Equity is the difference between assets and liabilities. ~~There are~~ five components of equity reported ~~in~~ the Statement of Financial Position:

(a) Invested Capital. Invested capital is the amounts invested in certain property and the initial investments to commence operations or new activities of revolving funds or business-like activities where periodic revenue or cost determination is essential.

(b) Cumulative Results of Operation. The cumulative results of operations are ~~the net difference~~ between (a) expenses, losses, and transfers out from the inception of the Department or a DOE activity and (b) financing sources, that is, appropriations, revenues, and gains from the inception of the Department or a DOE activity, whether financed from appropriations, transfers in, revenues, reimbursements, or any combination of the four, to the date when financial statements are prepared.

(c) Unexpended Appropriations. Unexpended appropriations are amounts of authority at the reporting date that are either

1 unobligated and not lapsed, rescinded, or withdrawn or

2 obligated but not yet expended.

(d) Donations are nonreciprocal transfers of assets or services from ~~State~~, local, or foreign governments; individuals; or others not considered a party to the Federal Government. For power marketing administrations, donated assets are generally shown as "non-Federal investments" rather than as donations.

(e) Trust Fund Balances. A trust fund balance is the net difference between trust fund assets and liabilities. Since the nature of trust funds is to account for assets and liabilities held or serviced in a fiduciary capacity, the equity of the fund is shown as a single item in the Statement of Financial Position.

- (9) Fair Value. The fair value of an asset is the monetary value that ~~DOE could~~ reasonably expect to receive for the asset in a current sale between a willing ~~buyer~~ and a willing seller other than in a forced or liquidation sale. Fair value of an asset or liability (debt agreement) can usual ~~ly~~ be determined by reference to cash realized in transactions involving the same or similar assets, quoted market prices, fair value of other assets or services received in exchange of property, expected cash flows discounted at the

Department of the Treasury average interest rate for marketable interest-bearing debt, and independent appraisals.

- (10) Financial Assistance Awards. Funds shall be obligated upon execution of the Notice of **Financial** Assistance Award by the contracting officer. The agreement sets forth the amount, purpose, performance periods, obligations of the parties, and other applicable basic terms. Payments in advance of performance may be made as authorized by the terms and conditions of the Notice of Financial Assistance Award. Such payments shall be accounted for as advances until the recipient has performed under the award. Grantees shall use **SF-269**, "Financial Status Report," to report the status of funds for all nonconstruction projects unless specified in the award that **SF-270**, "Request for Advance or Reimbursement," or **SF-272**, "Report of Federal Cash Transactions," shall be used for this purpose. Additional **reporting** guidance is found in title 10, section 600.116, of the Code of **Federal** Regulations.

- (11) Financial Reports are designed to present the results of financial **position** and operations to management, other Government agencies, and the public.

(a) General Principles.

1 Reports reflect the results of financial transactions and fully disclose all material facts for the period covered. Reports also disclose such other data as may have an immediate and direct bearing **on** the financial position and operations pertinent to the management level to which the reports are addressed. Significant data applicable to prior periods are so identified.

2 The cost of preparing a report and the timely issuance of the report are evaluated in the light of the usefulness of the data.

- (h) Basic System Requirements. The accounting system is designed to **facilitate** the prompt preparation of **all** required internal and external financial statements and reports. Financial statements shall be prepared and issued in accordance with standards of the Department of the Treasury at the end of each fiscal year. The necessary statements are (1) Statement of Financial Position, (2) Statement of Operations, (3) Statement **of** Changes in Financial Position, and (4) Statement of Reconciliation to **Budget Reports.**

- (c) Reports for Internal Management Purposes. Management is supplied monthly with reports **reflecting** costs and obligations incurred for actual operations. Statements of cost and revenue are provided, showing information by budget activity and program structure. When necessary, the reports shall be accompanied by

a narrative statement, statistical information, and interpretation for management. These managerial reports shall be used to exercise financial control over resources and to promote efficiency and economy in operations.

(12) Foreign Currencies. Cash in the form of foreign currencies is subject to ~~the~~ same accounting principles and standards that apply to domestic cash resources.

(13) Fund Accounting is a fundamental requirement to demonstrate **compliance with Legislation**. Funds are derived from two basic sources: (1) funds derived from general taxation and revenue powers and from business operations and (2) funds held in the capacity of custodian or trustee.

(a) Funds derived from general taxation and revenue powers and from business operations include the following:

- 1 General Fund Accounts consist of receipt accounts used to record collections not dedicated to specific purposes and expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.
- 2 Special Fund Accounts consist of separate receipt and **expenditure** accounts established to record receipts of the **government** that are earmarked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts.
- 3 Revolving Fund Accounts are combined receipt and expenditure accounts established by law to finance a continuing cycle of operations, with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress. For power marketing administrations, the funds must be used for operations and payback to the Department of the Treasury of the Federal investment. Consolidated working funds under title 31, section 1536, of the United States Code are not revolving funds. See title 7, subsections 3.8 and 5.6, of the General Accounting Office Policy and Procedures Manual for Guidance of Federal **Agencies**.
- 4 Management Fund Accounts are combined receipt and expenditure accounts **established by law** to facilitate accounting for and administration of **intra-Governmental** operations of an agency. Working funds, which are a type of management fund, may be established in connection with each of the foregoing account types to record advances from other agencies.

(b) Funds held by DOE in the capacity of custodian or trustee include the following:

- 1 Trust Fund Accounts are established to record receipts **that** are held **in** trust for use in carrying out specific purposes and programs in accordance with an agreement or statute. The assets of trust funds are frequently held over a period of time and may involve such transactions as investments in revenue-producing assets and the collection of revenue therefrom. Generally, trust fund accounts consist of separate receipt and expenditure accounts, but when the trust corpus **is** dedicated to a business-like operation, the fund entity is called a trust-revolving fund, and a combined receipt and expenditure account is used.
 - 2 Deposit Fund Accounts are expenditure accounts established to account for receipts (a) held in suspense temporarily and later refunded **or paid** into some **other** fund of the government or other entity or (b) held by the government as banker or agent for others and paid out at the direction of the owner. Such funds are not available for paying salaries, grants, or other expenses of the government. Expenditures are often offset by receipts within this fund.
- (c) For each DOE reporting entity, general ledger accounts for all assets; liabilities; equity of the U.S. Government; expenses, losses, and transfers out; and financing sources and gains shall be established. Budgetary general ledger accounts for each appropriation fund account for selected assets, liabilities, and equities shall also be established.
- (d) For financial statements, DOE shall report information from fund accounts established as required above in accordance with the financial reporting standard. In addition, DOE shall report information from fund accounts as required by the Department of the Treasury and **OMB**. Differences between financial statements and budgetary reports shall be explained in the Statement of Reconciliation to **Budget** Reports as required by the financial reporting standard.
- (14) Fund Control. The administrative control of funds system within **DOE** **applies** to all appropriated funds, revolving funds, trust funds, and any other funds subject to limitations, including obligations under direct loan commitments and loan guarantees. The DOE administrative control of funds system shall:
- (a) Provide a system of administrative control funds **so that** violations of the Anti-Deficiency Act and of DOE limitations on obligations and expenditures are prevented, or, if violations occur, are detected promptly.
 - (b) Be supported by DOE's planning, programming, and integrated budget and accounting systems.

- (c) provide procedures for authorizing persons to formally commit and obligate funds and for properly documenting those commitments and obligations.
 - (d) Ensure that funds are expended only for the purposes intended by Congress.
 - (e) Ensure that all commitments and obligations are recorded in a timely manner.
 - (f) Ensure that **all** expenditures are recorded in a timely manner and are preceded by or occur simultaneous with a valid obligation of funds in an equal or greater amount.
- (15) Imputed Interest. The Federal Government incurs significant interest costs ~~in~~ financing its debt. Interest costs shall be included in the selling price of products when DOE does not pay the **Department** of the Treasury for the full or partial amount of interest that the Department of the Treasury incurs and goods or services are sold outside the Federal Government. **Imputed** interest shall also be considered when constructing property, plant, or equipment for sale outside the Federal Government.
- (16) Interest Payable and Receivable. Interest expenses shall be accrued as Incurred. ~~these~~ expenses **typically will** arise from **late** payment of bills and on capital lease obligations (see paragraph 1h(19)). Interest receivable shall be recorded in the accounts when interest income is earned but not yet received. Interest shall continue to be recorded, even when regular loan payments are not made, until the related debt is officially declared to be in default or a debt agreement modification action is taken.
- (17) Inventories consist of tangible personal property (a) consumed in normal operations, **(b) incorporated in p**roduction of goods for later consumption, or (c) ~~in~~ process or finished that will ultimately be sold. Generally, inventories shall be costed at actual cost of acquisition, at the standard inventory cost, at the lower of cost or market, or **using** a moving average, whichever is applicable. Physical Inventories on hand or in **stock are taken** at least once a year. Differences between quantities determined **by** physical inventory and those shown in accounting records should be fully investigated when material. Inventories shall be identified by balance sheet account codes and further subdivided by asset types.
- (18) Investments normally are in marketable equity securities and marketable debt **(nonequity)** securities. The marketable debt **securi-**ties shall be recorded in the accounts at face amount (par) of the instrument, including any premium or discount. The income derived from these securities shall be the interest stated on the face of the securities **adjusted** for the amortized premium or discount. Premiums

and discounts shall be amortized over the life of the securities, **using** the effective **interest** method or other method if similar results are obtained.

- (19) Lease agreement conveys the use of an asset or part of an asset (such as part of a building) from one entity, the lessor, to another, the lessee, for a specified **period** of time in return for rent or other compensation. Lessees have either **capital** or operating leases whereas lessors have either sales-type, direct financing, or operating leases. Capital, sales-type, and direct financing leases transfer substantially all the benefits and risks of ownership from the lessor to the lessee. All other leases should be accounted for as operating leases, that is, rental of property. The **FASB Current Text**, section **L10**, contains accounting guidance for **specific areas of lease** transactions, such as real estate, related parties, and subleases.
- (20) Leave. The accrual of annual leave is material and shall be **recognized** annually in accounting records and financial statements. The Department's accounting system accrues and discloses in the financial reports the cost and related liability for accrued annual leave. Sick leave shall not be shown in the financial statements. Integrated contractors shall follow the above unless contractual agreements state **otherwise**.
- (21) Loan Guarantees and Commitments. Normally, losses under loan guarantees are incurred **before** the obligation of funds, precluding recognition of an accrual in the financial records. If funds have been obligated, then the following shall be done:
- (a) Estimated losses resulting from loan guarantees and commitments shall be accrued if (1) information available before the financial statements are issued indicates that an asset probably has been impaired or a liability probably has **been** incurred as of the date of the financial statements and (2) the amount can be reasonably estimated.
 - (b) **All** loan guarantees and commitments (the total exposure) shall be disclosed in the notes to the financial statements. Additional disclosures required include the amount and nature of the loan guarantees and commitments, the period of such guarantees and commitments, any collateral provisions, and any other information necessary to understand the magnitude and nature of the government's guarantees and commitments.
 - (c) Loan guarantees and commitments shall be reported whether they are funded or not. The notes to the financial statements **shall** disclose whether funds have been obligated.

(22) Long-Term Contracts.

(a) Long-Term Contracts for the Purchase or Sale of Goods (Excluding Property, Plant, and Equipment) or Services.

- 1 The liability for goods and services purchased under a long-term contract shall be recognized in the period in which the goods or services (or a portion thereof) are received or accepted. The related asset (i.e., inventory, materials and supplies, or work in process) or expense, as appropriate, shall be recorded at the same time as the liability.
- 2 The revenue and costs of goods and services sold under a long-term contract shall be recognized in the period in which the goods or services are delivered or constructively delivered to the purchaser. Constructive delivery occurs when the seller meets the obligations of the long-term contract.

(b) Long-Term Contracts for the Purchase or Sale of Property, Plant, and Equipment. For financial reporting purposes, compute the **Liability for** property, plant, and equipment manufactured or constructed under long-term contracts on the basis of verified estimates of work completed (percentage-of-completion method) per contractor reports or invoices received during each accounting period, rather than on disbursements made. Appropriate liabilities for contract **retainages**, if any, shall also be recorded. The appropriate property, plant, and equipment accounts (including construction in progress) shall also be adjusted based on liabilities recorded.

(c) Advances Under Long-Term Contracts.

- 1 Payments to contractors under any long-term contracts in excess of related liabilities at the end of an accounting period **shall** be accounted for as advance payments under long-term contracts.
- 2 Receipts from purchasers under any long-term contracts in excess of revenues earned as of the end of an accounting period shall be reported as revenues received in advance (a **liability** account). The liability amount shall be decreased as the revenues are earned and recognized.

(23) Prior Period Adjustments of Financial Statements. Errors in expenses, **losses**, gains, **transfers** out, and financing sources (such as appropriations and revenues) from earlier **financial** statements and changes in components shall be reported as **adjustments** to previously reported results, when material. All other expenses, financing sources, gains, losses, and transfers recognized in an accounting period shall be reported in the operations of that period. (See FASB Current Text, sec. **A35.**)

(24) Payroll.

- (a) **The payroll** system is an integral part of the total accounting system. The accounts and records of all payroll activities constitute subsidiary accounts to the general ledger control account. Consistent with the DOE accounting structure, payroll costs shall be accumulated by major organization elements, budget and program activities, and other categories as may be required by internal management and law.
- (b) Throughout the Department, the **payroll** procedures are as uniform as the diversity of the Department allows. The procedures for accounting for pay, leave, and allowances shall conform to GAO title 6. Reporting requirements for payroll shall provide for accurate and timely reports that enable management to operate effectively and efficiently and meet outside reporting needs.

(25) Property.

- (a) As required by statute, there are adequate financial management controls for the acquisition, use, and ultimate disposition of both real and personal property. These controls are in conformance with applicable rules, regulations, **and laws**. Procedures have been formulated that provide reliable and timely information on the acquisition and efficient and effective use and management of DOE property.
- (b) Significant segments of property shall be separately classified and reported to clearly disclose the nature of the Government's assets. The basis for financially recording property shall be the acquisition cost net of discounts. Acquisition cost **includes** purchase price, shipping costs, and installation charges.
- (c) Items acquired without charge or at a cost significantly below their true value shall be recorded at the lower of the original acquisition cost or the fair market value, **less** accumulated depreciation. All property, regardless of how it is acquired, is recorded as of the date the Department takes title, with subsequent recording of retirements, transfers, sales, or other disposals. Property depreciation shall be based on cost less net salvage value, if significant, and such property shall be **allocated to operating** cost over its service life. (See also **paragraph 1h(25)(d)4.**)
- (d) Physical inventories shall be taken periodically and reconciled to accounting records. Both the property and the accounting records shall contain the description (identification) of the property, serial number, location, date of acquisition, acquisition cost, and standard service life.

1 Capital **ization** Criteria.

- a All property, plant, and equipment with an **initial acquisition** cost of \$5,000 **or more** and an estimated service life of 2 years or greater shall be capitalized and reported in the financial statements.
- b Items of a sensitive nature or subject to misappropriation may be capitalized where financial controls are needed. Physical accountability controls always apply.

2 Construction Accounting.

- a Construction accounting by the Department shall include all material elements of cost, but shall exclude all incremental indirect or overhead costs.
- b Costs of construction projects shall be accounted for to provide data for cost control, property record units for continuing plant records, and cost estimates and studies.
- c Total cost of construction projects shall include all costs incurred, regardless of how they were funded. For each construction project, the costs incurred shall be recorded and properly classified as construction work in progress. Following completion of the project, appropriate costs shall be recorded in fixed property accounts.

3 Governmental Transfer of Property. Property received on a cash basis shall be recorded at **the** price paid plus shipping and installation costs. Property transferred in on a **non-cash** basis shall be recorded at the acquisition cost to the Government less depreciation, if known. In the event such information cannot **be** obtained, estimates of fair market value may be used.

4 Property Acquired **by** Other Means.

- a Property acquired **by** donation, confiscation, devise, **forfeiture**, or other means shall be recorded at an amount DOE would have been willing to pay, giving consideration to usefulness, condition, and estimated market value.

- b Power Marketing Administrations. The Federal Energy Regulatory **Commission** states:

"The electric plant accounts shall not include the cost or other value of electric plant contributed to the company. Contributions in the form of money or its equivalent toward the construction of electric plant shall be credited to accounts charged with the cost of such construction.

Plant constructed from contributions of cash or its equivalent shall be shown as a reduction to gross plant constructed when assembling cost data in work orders for posting to plant ledgers of accounts. The accumulated gross costs of plant accumulated in the work order shall be recorded as a debit in the plant ledger of accounts along with the related amount of contributions concurrently recorded as a credit."

- 5 Property Acquired Through Lease-Purchase Contract. Property acquired ~~th~~rough lease-purchase contracts shall be capitalized at net purchase price under the contract plus related costs incurred by the Government upon acceptance of the property or when the option to purchase is exercised. (Al so, see paragraph **1h(19).**)

6 Depreciation.

a Depreciable cost is equal to the cost of the depreciable asset less the estimated future salvage value, if significant. **If** the asset is acquired in a monetary exchange, cost shall be the amount of monetary consideration given.

If the asset is acquired by donation or other means in which cash is not exchanged with non-Federal entities, cost shall be the asset's fair market value plus any costs incurred to place the item in use. **If the** asset is acquired from another Federal agency, cost shall be determined as specified in Transfer of Assets and Liabilities **Between** Federal Agencies. (GAO title 2, **T10.**)

b Assets for which depreciation is recorded shall be disclosed separately from depreciable assets for which depreciation is not being recorded.

- 7 Amortization. Accounting for intangible assets shall be determined in accordance with 2 **GAO D20.03-.09.** Intangible assets are items that have economic value **but lack** physical substance, such as assets leased under a capital lease agreement and leasehold improvements. Intangible assets shall not be amortized for periods longer than 40 years, even if the useful life of the asset is more than 40 years. The useful life of an asset leased under a capital lease agreement or a leasehold improvement is the shorter of the estimated lease term or the useful life of the asset or improvement. Intangible assets shall be monitored for changes in future benefits.

(26) Receivables.

- (a) Receivables **shall** be **accounted** for as assets from the time they are established until they are completely collected, converted

into other resources, or determined to be uncollectible. These receivables shall be recorded accurately and promptly as soon as the transactions are completed in order to enable the Department to collect them promptly.

- (b) Loans to others are accounted for as receivables only after funds have been disbursed. Loans authorized, but not disbursed, shall be noted in explanatory notes to the financial reports.
- (c) periodic estimates shall be made of the receivables deemed **to** be uncollectible. Such estimates shall be accounted for and reported separately and fully disclosed in the Department's financial statements.

(27) Research and Development.

- (a) Expenses incurred by research and development programs described as research and development budget items, or related to the search for knowledge and the conversion of knowledge into use shall be reported as operating costs in the period incurred. Costs for property, plant, or equipment acquired or constructed for a particular research and development project with no alternative future **uses** are to be depreciated or amortized over the life of the specific project.
- (b) Property, plant, and equipment acquired or constructed for research and development activities that have alternative future uses (in research and development activities or others) shall be capitalized over the estimated useful life of the property, **plant**, or equipment. The associated costs and depreciation used in the activity shall be reported as research and development cost.
- (c) For additional guidance on research and development, refer to FASB Current Text, "Research and Development," section **R50**.

(28) Revenues. Operating revenues are derived from the sale of products and services to both private and governmental enterprises. Products **sold** include electricity and a full range of nuclear-related products and by-products. DOE also **receives** revenues, for deposit into miscellaneous receipts, from oil import fees, licensing fees, fees earned by providing information and documents under the Freedom of Information Act, and other miscellaneous collections.

- (a) Revenues **shall** be recorded in the month earned. The **keyevents** which result in revenue shall serve as the bases for recording revenues earned. Revenues shall be identified in DOE financial statements.
- (b) In the financial reports on **revenue-producing** operations, data comparing revenues earned with the cost of providing the service or product shall be shown for each type of revenue.

- c) Revenues shall be classified **by** type, by availability or **non-**availability for expenditure, and by appropriation or fund. Revenues earned shall **be** billed and collected promptly.
 - d) Net income or loss from revenue-producing operations shall be separately accounted for and disclosed in the financial reports. The net income or loss **shall** reflect all costs of operations offset against the revenues received during the reporting period.
2. INTERNAL CONTROL STANDARDS. Internal controls **shall** be maintained to assure ~~that all funds, property, and other resources for~~ **which** the Department is responsible are properly used or safeguarded to prevent unwarranted waste, deterioration, destruction, misuse, or misappropriation. Further guidance on the internal control system is provided in DOE **1000.3A**, INTERNAL CONTROL SYSTEMS.

CHAPTER 111
RESPONSIBILITIES

1. PURPOSE. To establish Departmental responsibilities for **the** accounting directives (DOE 2200.4 through **DOE 2200.10**).
2. SECRETARY (S-1).
 - a. Shall **prescr** be a system for the administrative **contro** of funds within **DOE**.
 - b. **Shall** submit all **reportable** Anti-Deficiency Act **violat**ions to **Congress** and the **Pres**ident.
 - c. In this capacity, the Secretary has delegated authority to the Assistant Secretary, Management and Administration (**MA-1**), for the financial administration of **DOE** funds and appropriations, including the establishment and management of budget and accounting systems throughout the Department, except as delegated to the administrator of the power marketing administrations (**PMA's**).
- "3. UNDER SECRETARY (S-3) shall:
 - a. Approve or disapprove disciplinary action recommended by the Controller (**MA-3**), upon notification that a violation(s) of fund control regulations has occurred, and ensure that appropriate disciplinary action is taken.
 - b. Provide concurrence or nonconcurrence on the report of any disciplinary action(s) related to funding violations, within **10 workdays** of notification **by** the Controller, in order to **close** the violation file.
4. HEADS OF DEPARTMENTAL ELEMENTS shall:
 - a. Ensure that the provisions of the accounting directives that **apply** to functions over which they have program direction and management responsibilities, both in the field and at Headquarters, are carried out.
 - b. Inform the Controller (**MA-3**) of changes in functions and activities planned for future budget requests.
 - c. Develop, with the Controller, budget and reporting classifications and definitions that cover the specific functions and activities for which they are responsible.

5. ASSISTANT SECRETARY, MANAGEMENT AND ADMINISTRATION (MA-1), through **the** controller **(MA-3)**, shall:

a. Accounting Concepts and Standards.

- (1) Establish, maintain, and interpret policy and general procedures for accounting and related reporting essential to the financial integrity and efficient management of the Department's financial resources and to the safeguarding of its funds and property.
- (2) Provide technical accounting advice and guidance to field offices directly performing accounting functions.
- (3) Review activities throughout DOE to evaluate the adequacy of established policies, procedures, and standards *governing* accounting and related reporting functions for which the Controller is responsible; evaluate the performance of such functions; and ensure that any necessary corrective action is taken.
- (4) Serve as liaison with the **General** Accounting Office (GAO), the Office of Management and Budget **(OMB)**, the Department of the Treasury, the General Services Administration (GSA), other agencies, congressional committees, and industry in the areas for which the Controller is responsible.
- (5) Perform the accounting and certain statistical functions for Headquarters and, to the extent that financial activities are **centralized**, for DOE as a whole.
- (6) **Report** on the financial status of **DOE** and the results of its operations; furnish periodic reports on such obligations, costs, and other matters within the Controller's area of responsibility as are needed for the sound management of DOE operations; and provide reports required **by GSA, OMB**, the Department of the Treasury, and other central agencies.
- (7) Provide technical advice and guidance to offices and divisions on the financial implications of proposed courses of action.
- (8) Develop, with Heads of Departmental Elements, current budget and reporting classifications and definitions covering the specific functions and activities for which they are responsible.
- (9) **Develop and keep current policies and procedures** for this **manual**.

b. Administrative Control of Funds.

- (1) Establish policies and procedures for Departmental systems of administrative control of funds.
- (2) **Submit** apportionment requests to the Director of **OMB** and receive and record **OMB** apportionments.

- (3) Administer the allocation of congressional control levels from the base table and internal distribution decisions, issue approved funding program calls, and prepare and issue approved funding programs and allotments that conform to all legal and administrative limitations on the appropriations and funds of DOE.
- (4) Continuously reconcile **OMB-approved** apportionments and Department of the Treasury warrants to appropriations, approved funding **program** totals to allotments, and allotment totals to base table controls.
- (5) Serve as the **allottee** for all funds managed at Headquarters except when other **allottees** have been designated.
- (6) Ensure that the **allotments** and approved funding programs issued each month accurately reflect all increases, withdrawals, **and** reallocations requested in the previous month and, where appropriate, that the Department financial information system has **been** updated accordingly.
- (7) **Coordinate all** fund withdrawals **with the allottee** or funds approval officer to ensure that the withdrawal does not create an **overobligation**.
- (8) Review, in coordination with the Office of General Counsel (**GC-1**), all reports of violations or alleged violations of legal limitations and advise the Secretary (**S-1**) or Under Secretary (**S-3**) as to whether a report **shall** be made to the Congress and, through **OMB**, to the President; recommend disciplinary action when appropriate; and notify the DOE component promptly of any disciplinary action taken.
- (9) Monitor all **reports** of violations of administrative limitations received from DOE components to ensure that reports are submitted in a timely fashion and to ensure that corrective action is adequate.

6. **INSPECTOR GENERAL (IG-1)** shall:

- a. Investigate allegations of illegal conduct, wrongdoing, fraud, waste, and misuse that are associated with fund control violations.
- b. Advise the Controller (**MA-3**) of facts derived from any investigation that has fund control violation implications.

7. **HEADQUARTERS GENERAL COUNSEL (GC-1)** shall:

- a. Review all reports of apparent violations submitted by the Controller (**MA-3**).
- b. Issue a determination within 30 days as to whether the apparent **violation** is reportable to the President or Congress, or both.
- c. Either concur or decline to concur with the Controller's recommendation on disciplinary actions.

8. HEADS OF FIELD ELEMENTS shall:

- a. **Execute** all accounting and related financial reporting functions, including establishing an effective system of internal control, **for** all DOE activities under their jurisdiction, in compliance with **the** policies, principles, and objectives specified in the accounting directives.
- b. Interpret **DOE** accounting policy, principles, and objectives for contractors and approve the practices and procedures necessary for contractors to carry them out.
- c. Develop and keep current **field** organization instructions on accounting procedures that outline the accounts and records maintained, flow of all documents, functions of all organizational units, and reporting of information necessary to show clearly the accounting operations performed **by** the field organization.
- d. Ensure that their integrated contractors develop and maintain written current accounting practices and procedures.
- e. Review and **approve** their integrated contractors' **accounting practices** and procedures and any revisions **before** they are put into **effect**.

9. ALLOTTEES shall:

- a. Establish and maintain an effective system for the administrative control of funds allotted to them and the commitment of funds, including the **certification** of fund availability for each transaction prior to obligation, in accordance with approved funding programs and allotments.
- b. Designate, in writing, an authorizing official(s) to sign program release documents and determine the fund citation(s) or accounting classification(s) that accompanies each authorization; this includes ensuring that funds are used for the purposes for which they were appropriated in accordance with title 31 **U.S.C.** section 1301. At Headquarters, Assistant Secretaries or equivalents shall designate the authorizing officials to **sign program** release documents. The Controller (**MA-3**). the **allottee for Headquarters** elements, **shall** designate certifying-officials for Headquarters.
- c. Ensure that the designated authorizing official is adequately trained and fully competent to prevent the occurrence of violations.
- d. Inform, by memorandum or notice, all employees serviced under the approved funding program of the identity of the individual(s) authorized to sign program release documents and of the prohibition against unauthorized persons' signing program release documents or incurring liabilities.
- e. Provide the servicing finance offices and contracting officers (heads of contracting activities) with current listings **of** persons, and their alternates, authorized to initiate program release documents.

- f. Provide written instruction for incurring obligations to the certifying official detailing the documents, document flows, and controls within the organization.
- g. Ensure that all program release documents are processed in accordance with established document flows and procedures.
- h. Request sufficient funds for the apportionment in the new fiscal year to cover upward adjustments of obligations incurred against appropriations for previous years (contingencies), even if the activity that the funds support has been or is planned to be discontinued.
- i. **Ensure** that accounting reports are periodically reconciled to source documents, all errors are identified, and corrective actions are taken in a timely manner.
- j. Ensure that no acceptance of voluntary service by the United States and no employment of personal service is in excess of that authorized **by** law, "except in cases of emergency involving **the** safety of human life or the protection of property.
- k. **Sign** and issue reports to the Controller **prepared** by the finance director or budget officer; if responsible for administrative control of funds in paragraphs **8b** through j, on any violation or apparent violation of a legal or administrative limitation.
- l. For the Headquarters allotments for which the Controller is the **allottee**, responsibilities in paragraph **8b** through j, **with** the exception of designating certifying officials, are assigned by the Controller to the approved funding program holder or recipient.

10. FINANCE DIRECTORS shall:

- a. Establish and maintain the official **accounting** records, which must be supported with valid documents and periodically reconciled to detect and correct recording errors.
- b. Provide a timely status report on each allotment to the **allottee** for each approved funding program, reflecting commitments, obligations, costs, and expenditures against the approved funding program and the allotment.
- c. Review the status of obligations and expenditures monthly, and take all actions necessary to ensure that any potential violation of **legal** and administrative limitations is detected within 30 days after the reporting cycle during which the potential violation occurred.
- d. Prepare a written report of any apparent violation for the signature of the **allottee**, and forward it to the Controller within 45 days after the end of the reporting cycle during which the potential violation occurred. **The** report shall provide the underlying facts and surrounding **circumstances** in sufficient detail to allow the Controller's Office to take action, if required. The required contents of the report are outlined

in DOE 2200.5, FUND ACCOUNTING, Chapter I, Administrative Control of Funds. This requirement **also** applies to Field Elements where administrative control of funds is not performed by a finance and accounting office.

11. HEADS OF CONTRACTING ACTIVITIES shall:

- a. **Ensure** that **program released documents are** signed by the appropriate authorizing official.
- b. Ensure that funds are certified and **that** obligations incurred are not in excess of the amount certified as available by the certifying official.
- c. Ensure that all obligating documentation is forwarded to the servicing finance director for recordation within 3 workdays of the time the obligation is incurred.
- d. Notify the program manager not later than 9-15 of each year of the status of all procurement documents to ensure that required procurements will **be** obligated before yearend.

12. CERTIFYING OFFICIALS shall:

- a. Maintain the current commitment status of the **allottee's** funds at all times.
- b. Promptly certify availability of funds only for program release documents that have been signed by an authorizing official and that will not exceed legal or administrative limitations.

13. PROGRAM MANAGERS shall:

- a. Ensure that program release documents are controlled in accordance with established document flows and procedures.
- b. Ensure that funds are spent for purposes intended **by** Congress.
- c. Assist **allottees** by reconciling accounting reports to source documents, identifying errors, and taking corrective actions in a timely manner.
- d. Ensure that sufficient funds are reserved to cover outlays for personnel expenses.
- e. Ensure that **all proposed reductions in** allotments have been verified with **allottees** as available for withdrawal prior to certification (see DOE 2200.5, FUND ACCOUNTING, Chapter I, Administrative Control of Funds).

14. PERSONNEL OFFICERS shall:

- a. Take action to execute the disciplinary measures approved by the Under Secretary.

- b. Ensure that the disciplined employee's personnel **file** is updated to reflect **any** actions taken.

DEFINITIONS

(Note: **Entries in this attachment are not numbered, because numerous additions** and updates are expected as chapters are added to the accounting directives.)

ACCOUNTING CLASSIFICATION. A means of classifying financial transactions and account balances to provide needed information for the financial management of appropriations and related programs and budgets. This term includes, **but is not** limited to, the appropriation symbol (e.g., **89X0213**), budget and reporting code (e.g., ORO **391** AA 05), and the object classification (e. g., 2529).

ACCOUNTING CONTROL. The plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records. They are designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets. Access to assets is permitted only in accordance with management's authorization, and the recorded accountability for assets is compared **with** the existing assets at reasonable intervals. Appropriate action is taken with respect to any differences. (See INTERNAL CONTROL.)

ACCOUNTS PAYABLE. A control account that includes all amounts billed to the Department but not yet paid. Accounts payable also include amounts that the Department owes as required by law, regulation, or agreement and not necessarily represented **by** invoices.

ACCOUNTS RECEIVABLE. A control account applicable to all claims held against others for **the** future receipt of money, goods, and services.

ACCRUAL BASIS OF ACCOUNTING. A method of accounting in which revenues are recognized **in** the period earned and costs are recognized in the period incurred, regardless of when payment is received or made.

ACCRUED COST. See APPLIED COST.

ACCUMULATED ALLOWANCE FOR PURCHASE OF ANNUITIES. The accumulated allowance necessary to purchase **annuities** for employees.

ADDITIVE COSTS. All direct and indirect costs that are incurred beyond those that **normally would** have **been** incurred had DOE not agreed to **perform** the work or service. Additive costs are charged to others in all instances, except when a cooperative agreement has been executed that provides for sharing the cost.

ADMINISTERING OFFICE. The organization responsible for controlling all aspects of a work arrangement.

ADMINISTRATIVE CONTROL. Administrative control includes, but is not limited to, ~~the plan of organization~~ and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the organization and is the starting point for establishing accounting control of transactions.

ADMINISTRATIVE LIMITATION. An upper limit placed on the amount of obligations or expenditures that may be incurred for a specific program, function, activity, or element of expense. Exceeding an administrative limitation is subject to Departmental rather than statutory rules and penalties. Administrative limitations can be imposed on the Department **by** Congress (e.g., congressional conference reports), the Office of Management and Budget (e.g., any executive branch directive containing an administrative limitation attached to an apportionment), or **internal** DOE management (e.g., ceilings on travel). Administrative limitations specified in approved funding programs may not be exceeded. Although administrative limitations may not be exceeded, they differ from legal limitations, for violations of administrative limitations are not necessarily violations of law. Violations of administrative limitations are violations of DOE policy. Exceeding an administrative limitation may, however, result in a legal violation at the Department level.

ADMINISTRATIVE OFFSET. The withholding of money payable by the United States to, or held by the United States on behalf of an individual, corporation, or other entity to satisfy a debt owed the United States.

ADMINISTRATIVE SUBDIVISION OF FUNDS. Any subdivision of an allotment that makes funds available **in a specified** amount for the purpose of incurring obligations or that can be further subdivided to make funds available in a specified amount for the purpose of incurring obligations, subject to limitations contained in the funding documents, statutes, regulations, or other applicable directives.

ADVANCE. Payment made in advance for the later delivery of goods, services, or other assets.

ADVANCE FUNDING. Authority provided in an appropriation act to obligate and **disburse** funds during a fiscal year from the succeeding **year's** appropriation. The funds so obligated are added to the budget authority for the fiscal year and deducted from the budget authority of the succeeding fiscal year. The appropriation language usually states the date after which the funds of the succeeding year may be obligated.

ADVICE OF ALLOTMENT. The document used to officially record allotments. It is issued to a manager for field activities or to the Controller for Headquarters activities. **In** conjunction with an approved funding program, the advice of allotment establishes organizational funding limits, which may not be exceeded. This document is the mechanism by which DOE controls funds to satisfy the requirements of the Anti-Deficiency Act (31 **U.S.C. 1517**).

AGENCY. Each authority of the executive branch of the Government of the United States, whether **or** not it is within or subject to review **by** another agency (5 **U.S.C.** 551(1)).

AGGREGATE LIMITATION. A loan *guarantee* commitment ceiling that is subject to a **Limitation** other than an annual limitation. An aggregate limitation stipulates a maximum level of loan guarantee commitments that may be accumulated against the limitation. Aggregate limitations do not require apportionment action by the Office of Management and Budget and are not subject to violations of title 31, section **1517(a)**, of the United States Code. A violation of an aggregate limitation constitutes a violation of a legal limitation.

ALLOCATION. The amount of obligational authority transferred from one agency, bureau, or account to another agency, bureau, or account that is set aside in a transfer appropriation account to carry out the purposes of the parent appropriation or fund. For example, allocations are made when one or more agencies share the administration of a program for which appropriations are made to only one of the agencies or to the President.

ALLOTMENT. Authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount pursuant to Office of Management and Budget apportionment or reappportionment action or other statutory authority making funds available for obligations. Allotments reflect legal limitations. (See **ADVICE OF ALLOTMENT.**)

ALLOTTEE. The recipient of an allotment.

ANNUITY FUNDS. Deposits in escrow to provide funds for the purchase of pension benefits for the Federal Employees Retirement System contingent upon completion of a specified number of years of service by each employee.

APPARENT VIOLATION. The status placed on an **overobligation** or **overexpenditure** of an **administrative** or legal limitation that is pending investigation to determine whether the **overobligation** or **overexpenditure** is an actual **violation** or the **result** of an accounting error.

APPLICABLE INTEREST RATE. The interest **rate** established by the Secretary of the Treasury under section 12 of the Contract Disputes Act of **1978** (41 U.S.C. 611) and published in the Federal Register. This rate is referred to as the renegotiation board interest rate or prompt payment rate and is published semiannually, on or about 1-1 and 7-1. This rate is applicable to interest penalties assessed for late payments.

APPLIED COST. The **value** (purchase price) of goods and services used, consumed, given away, lost, or destroyed by an agency of the Government within a given period of time, regardless of when ordered, received, or paid for. For operating programs, applied costs represent the value of resources consumed or used. For procurement and manufacturing programs, applied costs represent the value of material received or produced. For capital outlay programs, applied costs for public works equal the value of work put in place. For loan activities, applied costs represent assets acquired (even though no resource has been consumed). In the case of appropriations for programs that are essentially operating in nature, equipment is included in costs when it is put into use. For all programs--when the data are provided in the accounting system--accrued annual leave is included under costs when earned, rather than when taken (even though it may be unfunded at the **time**), and depreciation costs and other unfunded costs are to be included where appropriate. Generally, applied costs are **associated with** program outputs

so that such costs **become** the financial measures of resources consumed or applied **in** accomplishing a specific purpose, such as performing a service, carrying out an activity, **or** completing a unit of work or a specific project.

APPORTIONMENT. A distribution by the Office of Management and Budget of amounts **available for** obligation in appropriation or fund accounts of the executive branch. The distribution makes amounts available on the basis of time periods, programs, activities, projects, objects, or combinations thereof. The apportionment system is intended to achieve an effective and orderly use of funds.

APPROPRIATION. Legal authority provided by an act of Congress that permits **Federal** agencies to incur obligations and to make payments from the Department of the Treasury for specified purposes. An appropriation usually follows enactment of authorizing **legislation**. An appropriation act is the most common means of providing budget authority (see **BUDGET AUTHORITY**). Appropriations do not represent cash actually set aside in the Department of the Treasury for purposes **specified** in the appropriations act; they represent limitations of amounts **that** agencies may obligate during the time period specified in the appropriations act. There are several types of appropriations that are not counted as budget authority, **since** they do not provide authority to incur additional obligations, such as--

1. Appropriation to Liquidate Contract Authority. Congressional action to **provide** funds to pay obligations incurred against contract authority.
2. Appropriation to Reduce Outstanding Debt. Congressional action to provide **funds** for debt retirement.
3. Appropriation for Refund of Receipts.

APPROPRIATION (OR FUND) ACCOUNT. An account established in the Department of the Treasury **to** record amounts **available** for obligation and outlay. These accounts include not only those to which money is directly appropriated but also those to which revenues are available for use with or without current congressional appropriation action, such as revolving funds and trust funds. **In the account number**, the first two positions provide agency identification (89). The third or the third and fourth positions indicate the duration of availability of funds, and the last four positions are the account description.

1. Annual Account. An account available for incurring obligations only during a **specified** fiscal year (e.g., for the year **19__**, 8910216).
2. Multiple-Year Account. An account available for incurring obligations for a **definite** period greater than 1 fiscal year (e.g., for the years 19_---, 899/10218) .
3. No-Year Account. An account available for incurring obligations for an **indefinite period**, usually until the objectives have been accomplished (e.g., **89X0224**) .
4. Unexpired Account. An account in which authority to incur obligations has not **ceased** to be **available**.

5. Expired Account. An account in which authority to incur obligations has ceased to be available but from which outlays may be made to pay obligations previously incurred, as well as a valid adjustment thereto. This includes successor accounts (or lapsed accounts) established pursuant to title 31, sections 1552 through 1556, of the United States Code (M accounts).

APPROPRIATION ACT. An act under the jurisdiction of the Committees on Appropriations that provides funds for Federal programs. A supplemental appropriation act is enacted from time to time to provide additional funding.

APPROPRIATION LIMITATION. A statutory restriction in an appropriation act that establishes the maximum amount that may be obligated and expended for specified purposes from an appropriation or other funds, such as special or trust funds.

APPROPRIATION REFUNDS. See REFUNDS.

APPROPRIATION REIMBURSEMENTS. See REIMBURSEMENTS.

APPROVED FUNDING PROGRAM. The approved funding program (AFP; formerly referred to as the financial plan) is an internal DOE document issued by the Office of Budget to program managers and operating activities, setting forth the funds available for the program activity in each appropriation and fund account. The AFP specifies pertinent legal and administrative limitations applicable to programs, subprograms, activities, and elements of expense. The AFP provides the authority to program managers to initiate program release documents for their respective programs. Each allottee uses the AFP in conjunction with the associated allotment to establish administrative limitations on the obligational authority available to program managers and organizational elements.

ASSET. Any item of economic value owned by DOE. The item may be physical (tangible) or a right to ownership (intangible) that is expressed in terms of costs or some other value.

ASSET TYPE CODE. A three-digit code used in DOE asset accounts to identify the type of property. Real property codes include 800 and 401-699. Personal property codes are 700-799. Related personal property will be included in the appropriate code for the real property to which it relates.

AUGMENTATION OF APPROPRIATION. The acceptance of moneys, goods, or services that increase an appropriation beyond the limits set by law.

AUTHORITY TO BORROW FROM THE DEPARTMENT OF THE TREASURY AND THE PUBLIC. See **BORROWING AUTHORITY and AUTHORITY TO SPEND DEBT RECEIPTS.**

AUTHORITY TO SPEND DEBT RECEIPTS. Statutory authority that permits a Federal agency to incur obligations and make payments for specified purposes out of borrowed moneys. Authority to spend debt receipts, which is sometimes referred to as borrowing authority, is composed of the following:

1. Public Debt Authority. Authority derived from the sale of public debt securities of the Federal Government. When an agency has authority to issue its own securities to the Department of the Treasury (and when the Department

of the Treasury has authority to purchase such securities), such authority is treated as public debt authority rather than agency **debt** authority.

2. Agency Debt Authority. Authority derived from the sale to the public or to other Federal agencies of agency debt securities, including the sale of bonds, assumption of mortgages, and sale of participation **certificates** in pools of loans.
3. Reappropriation. See REAPPROPRIATION.

AUTHORIZING COMMITTEE. A standing committee of the House of Representatives or the Senate with jurisdiction over the subject matter of laws, or parts of laws, that set up or continue the operations of Federal programs, agencies, or particular types of obligations within programs.

AUTHORIZING LEGISLATION. **Basic** substantive legislation enacted **by** Congress that sets up or **continues** the legal operations of a Federal program or agency either indefinitely or for a specific period of time or that sanctions a particular type of **obligation** or expenditure within a program. Such legislation is normally a **prerequisite** to subsequent appropriations or other kinds of budget authority to be contained in appropriation acts. It may limit the amount of budget authority to be provided subsequently, or it may authorize the appropriation of "such sums as may be necessary."

AUTHORIZING OFFICIAL. An individual authorized in writing to sign procurement requests or **similar** documents and determine the fund citations or accounting classifications that accompany each authorization. Authorization includes responsibility for ensuring that the funds are used for the purpose intended **in** the appropriation act.

BALANCES. Balances may be classified as follows:

1. Obligated Balance. The amount of unpaid obligations applicable to an account **less** the amount collectible as repayments to the appropriation or fund. The obligated balance represents obligations incurred (as determined under 31 U.S.C. 1501) for which outlays have not yet been made (including undelivered orders), plus amounts received but not yet earned, less (a) collectible reimbursements receivable, (b) collectible refunds receivable, (c) unfilled orders on hand from within the Government that constitute **valid** obligations of the ordering account and for which reimbursements will be credited to the account being reported, and (d) unfilled orders from outside the Government for which an advance payment has been received and credited to the account being reported.
2. Unexpended Balance. The amount of appropriations or other funds or **authority remaining** after deducting outlays. This balance includes cash with the Department of the Treasury (and on hand and in banks, when included in Department of the Treasury reports), investments in U.S. Government securities, and unfunded contract authority. The unexpended balance of an account is the sum of obligated and unobligated balances.

3. Unobligated Balance. The differences between the obligated balance and the unexpended balance, which is the same as the amount remaining after deducting the cumulative obligations from the amount apportioned and therefore available for obligation during that period.

BILLS/VOUCHERS. See INVOICES.

BORROWING AUTHORITY. Statutory authority (substantive or appropriation) that permits a Federal agency to incur obligations and to make payments for specified purposes out of borrowed moneys. Section 401 of the Congressional Budget Act of 1974 limits new borrowing authority (except for certain instances) to such an extent or to such amounts as are provided in appropriation acts. Borrowing authority, also called authority to borrow from the Department of the Treasury and the public, may be one or both of the following:

1. Authority To Borrow from the Treasury. The legislative authority to borrow funds from the Department of the Treasury that are realized from the sale of public debt securities.
2. Authority To Borrow from the Public. The legislative authority to sell Agency **debt** securities.

BUDGET ACTIVITY. Categories included in the budget appendix for each **appropriation** and fund account that identify programs under the appropriation or fund for which the budget estimate (or request) is being made.

BUDGET AMENDMENT. A formal request submitted to Congress by the President, after the formal budget transmittal but before completion of appropriation action by Congress, that revises previous requests, such as the amount of budget authority.

BUDGET AND REPORTING CLASSIFICATIONS. Classifications that parallel DOE activities and are prescribed **for** the formulation of budgets; for the reporting of obligations, costs, and revenues; and for the control and measurement of actual performance versus budget performance.

BUDGET AUTHORITY. Authority provided by law to enter into obligations that will result in immediate or future outlays involving Government funds, except for authority to assure or guarantee the repayment of indebtedness incurred by another person or government. The basic forms of budget authority are appropriations, contract authority, and borrowing authority. Budget authority may be classified by the following:

1. Period of Availability.
 - a. One-Year (Annual) Authority. Budget authority that is available for obligation only during a specified fiscal year and that expires at the end of that time.
 - b. Multiple-Year Authority. Budget authority that is available for a **specified period of** time in excess of 1 fiscal year.

- c. No-Year Authority. Budget authority that remains available for **obligation** for an Indefinite period of time, usually until the objectives for **which** the authority was made available are attained or until the funds are fully expended.

2. Time of Congressional Action.

- a. Current Authority. Budget authority enacted by Congress in or **immediately** preceding the fiscal year in which it becomes available.
- b. Permanent Authority. Budget authority that becomes available as the **result** of previously enacted **legislation** (substantive legislation or prior appropriation act) and that does not require current action by the Congress. Authority created by such legislation is considered to be current in the first year in which it is provided and permanent in succeeding years. It is possible to distinguish between "fully permanent" authority (such as interest on the public debt), where no subsequent action is required, and "conditionally permanent" authority (such as general revenue sharing), where authority expires after a set period of time unless it is reenacted.

3. Determination of Amount.

- a. Definite Authority. Budget authority that is stated as a specific sum at the time that the authority is granted. This includes authority stated as "not to exceed" a specified amount.
- b. Indefinite Authority. Budget authority for which a specific sum is not stated but is to be determined by other factors, such as the receipts from a certain source or obligations incurred.

BUDGET OFFICER. Management official responsible for the budget operations at **Headquarters** or at a field element. The responsibility for fund control may rest with the individual at **some field** elements.

BUDGET RECEIPTS. Amounts received by the Federal Government from the public that arise from the following sources (excluded from budget receipts are offsetting receipts, which are counted as deductions from budget authority and outlays rather **than** as budget receipts; see OFFSETTING RECEIPTS (COLLECTIONS)):

- 1. The exercise of governmental or sovereign power, **consisting primarily of tax** revenues, but also including receipts from premiums of compulsory social insurance programs, court fines, certain license fees, and the like.
- 2. Premiums from voluntary participants in Federal social insurance programs, such as deposits **by** States for unemployment insurance and for social security for their employees, that are closely related to compulsory social insurance programs.
- 3. Gifts and contributions.

BUDGETARY RESERVES. Portions of **budget** authority set aside under authority of the Anti-Deficiency **Act**, (31 U.S.C. 1517(a)), as amended by the Impoundment Control Act

of 1974, for contingencies or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations. Section 1002 of the Impoundment Control Act of 1974 restricts the establishment of budgetary reserves and requires that all reserves be reported to Congress.

BUDGETARY RESOURCES. In the case of reimbursable work, budgetary resources available for obligation are:

1. Orders from **other** Federal Government accounts that represent valid obligations of the ordering account.
2. Orders from a non-Federal entity, to the extent that they are accompanied **by** an advance, to perform reimbursable work.

CAPITALIZED PROPERTY. Items of plant and equipment, including both real and personal property, that are owned by DOE and are recorded in the completed plant accounts because they meet the monetary and service life criteria for capitalization, regardless of the appropriation or fund charged. Group purchases of similar items that each cost less than the minimum monetary criterion but that, when combined, constitute a significant investment in DOE-owned property are handled as capitalized property. Items of a sensitive nature or subject to misappropriation are not capitalized unless they meet the above criteria, but they are controlled **through property** accountability records or appropriate safekeeping facilities or both. Refer to DOE 2200.6, FINANCIAL ACCOUNTING. **Chapter VI, Plant and Capital Equipment**, for the specific criteria for the capitalization of DOE-owned property.

CASH ADVANCE. See ADVANCE.

CASH BASIS OF ACCOUNTING. A method of accounting in which revenue is recognized at the time that payment is received and costs are considered incurred at **the time** that payment is made.

CENTRAL BANK. The official government bank of a foreign partner that provides direct funds transfer to a Federal **Reserve** bank.

CERTIFYING OFFICER. A designated DOE employee with signature authority from that agency's head to attest that the vouchers submitted for payment are correct in their facts, as recited in the certificates or as otherwise stated on the vouchers, and legal under the appropriation or fund involved.

CERTIFYING OFFICIAL. A person designated, such as a finance and accounting officer, to certify funds available for the purposes specified in an allotment and who is responsible for maintaining accurate and complete administrative control of funds records.

COLLECTIONS. Any moneys received by the Government. Depending upon the nature of the transaction, collections may be treated as budget receipts, offsetting receipts, refunds, or credits to a deposit fund.

COMMITMENT. A firm administrative reservation of funds, prior to creation of an obligation. A commitment is based upon a valid request for procurement that

authorizes the creation of an obligation without further recourse to the official responsible for assuring the availability of funds. An administrative reservation of funds does not constitute a formal subdivision of funds. (Note: This definition concerns commitments in the accounting sense and therefore differs from loan guarantee commitments.)

CONGRESSIONAL BASE TABLE. A table submitted by the Department to cognizant congressional committees ~~that~~ displays operating expenses, capital equipment, and construction at a level of detail that is consistent with congressional control requirements. This table forms a base against which **reprogrammings**, restructurings, and appropriation transfers will be determined and reported.

CONGRESSIONALLY AUTHORIZED APPROPRIATIONS. Funding authority provided by Congress either as a direct appropriation or as authority to obligate revenues.

CONSTRUCTIVE RECEIPT. As differentiated from physical receipt, a constructive receipt occurs when a contractor who is manufacturing or fabricating a tangible item to the Government's specifications has earned a portion of the contract price for work performed. Formal acceptance or actual delivery of the work in progress or the work completed is not the determining factor.

CONSUMER REPORTING AGENCY. Any individual or organization that, for monetary **fees** or dues or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information for the purpose of furnishing consumer reports to third parties, and who uses any means or facility of interstate commerce for the purpose of **furnishing** consumer reports.

CONTINGENT LIABILITY. An existing condition, situation, or set of circumstances involving uncertainty as to a possible loss to an agency that will ultimately be resolved when one or more future events occur or fail to occur. Contingent liabilities include such items as guaranteed loans and unresolved claims against the Department.

CONTINUING RESOLUTION AUTHORITY. Legislation enacted by Congress that provides obligation authority for specific ongoing activities when the regular appropriation for such activities has not been enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate at which the agency may incur obligations. This rate is usually based on the rate of obligations of prior years. It may be based on the President's budget request or other Congressional measures.

CONTRACT. Any enforceable agreement, including rental and lease agreements and purchase orders, between an agency and a business concern for the acquisition of property or services. (For the **purpose** of the accounting directives, grants and cooperative agreements are not included in this definition.)

CONTRACT AUTHORITY. Statutory authority under which contracts or other **obligations** may be entered into in **advance** of an appropriation or in excess of amounts otherwise available. Contract authority must be funded by a subsequent appropriation or by the use of collections to liquidate the obligations.

Appropriations to liquidate contract authority are not classified as budget authority, because they are not available for obligation. Section 401 of the Congressional Budget Act of 1974 limits new contract authority, with few exceptions, to such an extent or to such amounts as are provided in the appropriation acts.

CONTROLLABILITY. The ability under existing law to control budget authority or outlays during a given **fiscal** year. "Relatively uncontrollable" usually refers to spending that cannot be increased or decreased without changes in existing substantive **law**. The largest part of such spending is the result of open-ended programs and fixed costs, such as social security and veterans' benefits, but it also includes payments due under obligations incurred during prior years.

COSPONSORS. A third-party participant contributing funds, goods, or services to projects supported by the Department. The cosponsor may also participate in the management of the cosponsored project.

COSPONSORED WORK ARRANGEMENT. An agreement normally entered into when costs for "work performed associated with DOE's mission can be determined to be mutually beneficial to both the Department and a specific non-Federal **participant**. Some benefit must be attributable directly to the participant. Cosponsored work is performed with funding provided by **cash** advances for the **non-Federal** portion and congressionally authorized appropriations for DOE's portion. Performance of the work is accomplished according to contracted funding arrangements.

COST-BASED BUDGETING. **Budgeting** in terms of costs to be incurred, i.e., the resources to be consumed in carrying out a program, **regardless** of when **the** funds to acquire the resources were obligated or paid. Cost-based budgeting, in addition to reflecting the obligational requirements for the program, presents the cost of what is planned to be accomplished. (Obligation-based budgeting is expressed in terms of obligations to be incurred, regardless of when **the** resources acquired are to be consumed.) When the financing schedules in the appendix to the President's budget state the "program by activities" in terms of costs, **an** adjusting entry is required to arrive at total obligations.

CREDITOR AGENCY. The Federal agency to which a debt is owed.

CROSSWALK. The expression of the relationship between one set of classifications and another, such as between appropriation accounts and authorizing legislation or between the budget functional structure and the congressional **committee** spending jurisdictions.

DEBT. An amount of money or property that has been determined by an appropriate agency official to be owed to the United States by any person, organization, or entity, except another Federal agency.

DEFICIENCY APPORTIONMENTS. Apportionments that anticipate the need for a deficiency appropriation or a supplemental appropriation under title 31, section 1515, of the United States Code, are specifically identified on the apportionment request (standard form 132). To qualify as a deficiency apportionment, the request must be required by laws enacted subsequent to the transmittal to Congress of the annual budget for the year; emergencies involving human life, the

protection of property, or the **immediate** welfare of individuals; or specifically authorized by law. The approval of a deficiency apportionment **by** the Office of Management and Budget and its transmittal to Congress merely advises the Congress that funds appropriated to date are being obligated at a more rapid rate than was anticipated. This notification does not guarantee that the Congress will approve any part of any associated supplemental requests and does not authorize the use of any amounts not yet provided. DOE 5100.12, BUDGET EXECUTION, DEPARTMENT OF ENERGY BASE TABLE, contains a **full** statement of DOE policies on apportionments.

DELINQUENT DEBT. A debt that has not been paid by the date specified in the creditor agency's initial written notification or applicable contractual agreement, unless other satisfactory payment arrangements have been made by that date. In addition, a debt is delinquent if the debtor (either an individual or a corporation) fails to satisfy obligations under a payment agreement with the creditor agency.

DEOBLIGATION. The particular complete reversal of an obligation. See OBLIGATIONS.

DEPARTMENTAL INTEGRATED STANDARDIZED CORE ACCOUNTING SYSTEM. The **decentralized**-accounting-process system, with common hardware and software, used by all field elements except the power marketing administrations. The system ensures that changes made centrally, by a single programming staff, have uniform application.

DEPRECIATION. In general, the expiration or consumption, in whole or in part, of the service **life**, capacity, or utility of plant facilities and equipment, resulting from such factors as wear and tear, decay, elements, and obsolescence. **Depreciation** expense is that portion of the cost of units or groups of plant facilities and equipment that is allocated to an accounting period (month or fiscal year) and charged to the operating cost of an activity. Depreciation accounting is the systematic allocation of the cost of depreciable plant facilities and equipment over their estimated useful service life, i.e., a process of allocation or amortization, not of valuation.

DESIGNATED BILLING OFFICE. The place named in a contract where the contractor forwards **invo**ces for approval or, in certain instances, for payment.

DIRECT LOAN. A disbursement of funds (not in exchange for goods or services) that is **contracted** to be repaid with or without interest. Direct loans may include direct **Federal** participation in loans privately made or **held** and the purchase of private loans through secondary market operations.

DISALLOWED COST. The amount of claimed or reimbursed contract or grant cost **deter**mined by a contracting officer to be unallowable and therefore not payable or that is recoverable by the Government.

DISBURSEMENTS. See OUTLAYS.

DISCOUNT DATE. The date by which, if payment is made, a specified discount can be taken.

DISPOSABLE PAY. That part of current basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay remaining after the deduction of any amount required by law to be withheld. To determine disposable pay, agencies must exclude deductions described in title 5, section **581.105(b)** through (f), of the Code of Federal Regulations.

DUE DATE. The **date** on which payment should be made.

EARLY PAYMENT. Any payment made 3 days or more before the due date or the last day of the discount period.

EMPLOYEE BENEFIT FUNDS. Deposits with contractors for the purpose of providing funds for payments to contractors' employees suffering disabilities from certain specified causes.

EXPENDITURES. See OUTLAYS.

EXPIRED APPROPRIATION. An appropriation that is no longer available for new obligation but that is still available for payment of or adjustment to existing obligations.

FEDERAL DEBT. There are three basic concepts or tabulations of Federal debt:

1. Gross Federal Debt. The sum of all public and agency debt issues outstanding.
2. Debt Held by the Public. That part of the gross Federal debt held by the public. Debt held **by** Government trust funds, **revolving** funds, and off-budget Federal entities is excluded from debt held by the public.
3. Debt Subject to Statutory Limit. At present virtually all public debt, but only a small **portion of** Agency debt, is included in debt subject to statutory limit as **defined by the** Second Liberty Bond Act of 1917, as amended.

FIELD ELEMENTS. The components of the Department that have financial management responsibility for one or more **allottees**. This term is generally limited to power marketing administrations, the naval reactors offices in Schenectady and Pittsburgh, and the operations offices.

FINANCE DIRECTOR. The management official responsible for the financial **operations at a field element**. This term includes officials with all or part of the responsibility for fund control, accounting, and managing the financial assets of the field.

FINANCIAL ACCOUNTING STANDARDS BOARD. An independent **body** established to promulgate accounting rules. The board is composed of representatives of universities, certified **public** accounting firms, and industry.

FINANCIAL INFORMATION SYSTEM. The Departmental information system that **accumulates** data from financial subsystems and consolidates that data for Departmental reports issued internally and to the Office of Management and Budget, the Department of the Treasury, and the Congress.

FISCAL YEAR. Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for the Federal Government **begins** on 10-1 and **ends on 9-30**. The fiscal year is designated by the calendar **year** in which it ends; e.g., fiscal year 1987 is the fiscal year ending on 9-30-1987.

FOREIGN CURRENCY ACCOUNT. See SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS.

FORWARD FUNDING (GRANTS) . The obligation of funds in **one** fiscal year for the financing of ongoing grantee programs during the succeeding year. The funds so obligated are added to the budget authority for **the** current fiscal year and deducted from the budget authorities of succeeding fiscal years. Appropriation language usually states the date after which the funds of the succeeding fiscal years may **be obligated**.

FUNDS. Accounting units established for segregating revenues and assets in accordance with law and for assuring that revenues and other assets are applied only to financial transactions for which they were appropriated or otherwise authorized. Funds are of different types and designed for different purposes.

1. Federal Fund. The fund collected and used by the Federal Government for the general purposes of the Government. There are four types of Federal fund accounts.
 - a. General Fund. The fund credited with all receipts that are not earmarked by law and ~~that~~ are **charged** with **payments** out of appropriations of "any money in the Treasury **not** otherwise-appropriated" and out of general borrowings.
 - b. Special Fund. A fund credited with receipts of the Government that are earmarked for a specific purpose. Generally, if the purpose of the fund is to carry out a cycle of business-type operations, it will be classified instead as a public enterprise fund.
 - c. Public Enterprise Fund. A revolving fund credited with collections, primarily from outside the Government, that are earmarked to finance a continuing cycle of business-type operations.
 - d. Intragovernmental Fund. Federal funds that facilitate financing of transactions with and between Federal agencies. Intragovernmental funds are of two types:
 - (1) Public Enterprise Revolving Fund. A revolving fund credited with collections, **primarily** from other agencies and accounts, that are earmarked by law to carry out a continuing cycle of intragovernmental business-type operations.
 - (2) Management Fund. A fund in which moneys derived from two or more appropriations are merged to carry out a common purpose or project, but not a cycle of operations. Management funds include consolidated working funds, which are set up pursuant to law to receive advance payments from other agencies or bureaus for agreed-upon undertakings, primarily for the benefit of the paying account.

2. Trust Fund. A fund credited with collections that are used by the Federal Government to carry out specific purposes and programs according to the terms of a trust agreement or a statute. Within the category of trust funds, trust revolving funds are those intended to carry on a **cycle** of business-type operations.
3. Deposit Fund. A fund established to account for receipts that are either:
 - a. Held in suspense temporarily and later refunded or paid into some fund of the Government or
 - b. Held by the Government as banker or agency for others and paid out at the discretion of the owner.
4. Foreign Currency. See SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS.

GENERAL PLANT PROJECT. Congress has recognized DOE's need to provide for miscellaneous construction items that are required during the fiscal year and that "cannot be specifically identified beforehand, and Congress annually provides an amount for these purposes under the title 'General **Plant** Projects.'"

1. General-Purpose Facilities. Miscellaneous general facilities, such as roads, site **utilities**, and support buildings (e.g., **multiprogram** laboratory and office buildings and maintenance facilities).
2. General-Purpose Equipment. Items of general use needed to make a **general-purpose** facility.

GOODS AND SERVICES ON ORDER. Services or goods for which DOE has obligated funds, for which payment may or may not have been made, and for which cost has not been applied or accrued and amounts to assure that major contractors are provided funding authority beyond the end of the fiscal year for continuity of operations or to provide for the eventuality of contract termination. For accounting purposes, this is represented by the balance of uncOSTed obligations in unpaid obligation accounts.

GRACE PERIOD. The number of days allowable after the due date for making payments before interest, penalties, or both, are applied.

GRANTS-IN-AID. Federal programs to support services to the public authorized by law and administered by State or local **governments**. Grants do not include purchases from State or local governments.

GUARANTEED LOAN. A loan for which the Federal Government guarantees, in **whole** or **in part**, the repayment of principal, interest, or both.

IMPOUNDMENT. Any action or inaction by an officer or employee of the United States that precludes the obligation or expenditure of budget authority provided by the Congress.

IMPOUNDMENT RESOLUTION. A resolution of the House of Representatives or the Senate disapproving a deferral of budget authority set forth in a special message

ordinarily transmitted by the President under section 1013 of the Impoundment Control Act of 1974. Passage of an impoundment resolution by either House of Congress has the **effect** of overturning the deferral and requires that such budget authority be made available for obligation.

IMPREST FUND. A fixed cash or petty cash fund in the form of currency, coin, or a negotiable instrument charged against a Government appropriation account and advanced to a duly authorized cashier. **The** designation should state the general purpose of the advance. This fund may be of a revolving type, replenished to the level of a fixed amount as spent or used, or of a stationary nature, such as a change-making fund.

INSURANCE COLLATERAL FUNDS. Funds deposited with insurance companies, not a part of the premium, but held for the specific purpose of providing the insurance company with immediate cash in the event of catastrophe or some other event causing a large number of claims.

INTEGRATED CONTRACTOR. A DOE contractor, **usually** a management and **operating** contractor, that **is** required by contract provisions to maintain a separate set of accounts and records for recording and reporting all business transactions under the **contract** in accordance with DOE accounting practices and **procedures and whose** books of account are integrated with those of DOE through the use of reciprocal accounts. An integrated contractor may **be** a private enterprise, a nonprofit institution, a corporation, or any other form of organization legally capable of entering into a contract with DOE.

INTERNAL CONTROL (MANAGEMENT CONTROL). The plan of organization, methods, and procedures adopted **by** management to provide reasonable assurance that program objectives are achieved in an effective and efficient manner; obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded against waste, loss, mismanagement, unauthorized use, or misappropriation; revenues and expenditures applicable to the **Department's** operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports to maintain accountability **over** assets; and program objectives **are** achieved in an effective and efficient manner. Internal control applies to programs and operational missions, as well as administrative functions.

INTERNAL CONTROL REVIEW. A detailed examination of the internal controls of a program or administrative function or subdivision thereof to determine whether adequate, cost-effective **control** measures exist and are implemented to prevent or detect the occurrence of potential waste, loss, mismanagement, unauthorized use, or misappropriation of resources.

INTERNAL CONTROL SYSTEM. The totality of the methods and measures of internal control for all or part of an agency.

INVESTMENTS WITH INTEGRATED CONTRACTORS. **The** net assets of DOE in the possession **or** designated cost-type contractors whose accounts are integrated with those of **DOE**. The entries made **by** DOE organizations in their reciprocal accounts are discussed in DOE 2200.10, ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES. The integration of contractor accounts with those of DOE and the use of reciprocal

accounts by the integrated contractors are discussed and explained in DOE 2200.6, FINANCIAL ACCOUNTING, Chapter II, Advances, **Prepaid** Expenses, and Other Assets.

INVOICE RECEIPT DATE. The date on which the invoice is actually received in the office designated in the contract or purchase order to receive invoices.

INVOICES. Documents requesting payment for work performed, goods and services delivered, or costs incurred. There is an exception to this definition: the documents serve only as notification of costs incurred when DOE is performing work for non-Government customers and advance payment **has** been received.

LEGAL LIMITATION. A limitation imposed upon the use of an appropriation or other fund or subdivision thereof, having the same effects as a fund subdivision in the control of obligations and expenditures. The limitation is derived from public laws (e.g., appropriation bills) and apportionments from the Office of Management and Budget (**OMB**). The framework for this type of limitation is title 31, section **1517(a)** of the United States Code and **OMB Circular A-34**. Legal limitations are identified on allotments only. A loan guarantee commitment is a legal limitation.

LEGAL VIOLATION. The status of an overobligation or overexpenditure of a legal funding limitation that has been investigated and determined to be an actual violation. **Legal violations are** reportable to the President and Congress.

LETTER OF CREDIT. A commitment, certified by an authorized official of a Federal **program** agency, specifying a dollar limit available to a designated payee. A period of availability may also be specified.

LIABILITIES. Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed (regardless of whether invoices have been received), and amounts received but as yet unearned. Included are amounts owed for goods in the hands of contractors under the constructive delivery concept (when the records of the agency provide such information) and amounts owed under grants, pensions, awards, and other indebtedness not involving the furnishing of goods and services. Liabilities may be classified into two groups:

1. Current Liabilities. Amounts owed to others within 1 year for items received, services rendered, expenses incurred, assets acquired, construction performed (regardless **of** whether invoices have been received), and amounts received but as yet unearned. Included are amounts owed for goods in the hands of prime contractors under the constructive delivery concept. Although liabilities rest generally on legal rights and duties, a legal claim is not a prerequisite for qualification as a liability if future cash or other transfer of assets in settlement is otherwise probable and estimable.
2. Long-Term and Unfunded Liabilities. Debts payable to others that are not payable or due within 1 year. Includes bond debts, notes payable, and liabilities that will not become obligations until later (for example, accrued annual leave in the case of appropriation accounts). If funds for **payment** have not been provided or authorized, amounts owed are recorded as unfunded liabilities.

LOAN GUARANTEE. An agreement **by** which the Government pledges to pay part or all **of** loan **principal** and interest to a lender or holder of a security, in the event of default by a third-party borrower. For the purposes of credit control, the term includes agreements in the form of loan insurance (i.e., a program to pool **risks**) pledging the use of insurance premiums and, under some circumstances, other resources to secure a lender against default **by** a borrower. The term also includes direct Federal loans that the Government has sold under guarantee or repurchase agreements. The maximum amount of the Government's liability must be stated in the loan guarantee agreement.

LOAN GUARANTEE COMMITMENT. The gross amount of loan guarantees committed during a fiscal year or other period, without reductions for such items as repayments, prepayments, sale of guaranteed loans, or defaults. A loan guarantee is counted against the annual or aggregate limitation when the firm commitment is made, i.e., when **the** Government enters into a guarantee agreement to become effective at such time as the borrower meets stipulated preconditions. A commitment must be recorded for every loan guaranteed, even though the commitment and the actual guarantee may occur simultaneously. **Where** the principal amount of a loan is guaranteed partially **by** the Government, only the amount of the Government's contingent liability is recorded.

LOAN GUARANTEE COMMITMENT LIMITATION. The gross amount of loan guarantee commitments allowable during a fiscal year or other time period. The limitation is normally at the allotment or **appropriation** level. A violation of a loan guarantee limitation at **the** allotment or appropriation level represents a violation of a legal limitation.

M ACCOUNT. **Unliquidated** obligations under an appropriation are transferred to **(merged into) an M account** at the end of the second **full** fiscal year after **expiration**. The M account remains available for the payment of the **unliquidated** obligations charged to various years' appropriation accounts that have been merged.

MANAGERS. Senior Executive Service and merit pay or equivalent employees with **significant** management responsibility, including fulfillment of assigned internal control responsibilities.

MANAGEMENT AND OPERATING CONTRACTORS. Contractors designated **by** the Secretary in accordance with policies. Management and operating contractors' accounting systems are, for the purposes of the accounting overview directives, limited to those integrated with DOE's accounting system. (See INTEGRATED CONTRACTORS.)

MEMORANDUM OF UNDERSTANDING. A written agreement broadly stating basic **under-**standings and describing a mechanism for coordinating activities to be **engaged** in by the Department and other signatory authorities. It is not limited to **under-**standings with Federal agencies and also may include local, State, international, and other government entities; the **private** sector; and educational institutions. A memorandum of understanding may be written for some interagency agreements to document agreements that are being or have been established to assist DOE in meeting its Department-wide, programmatic, or regional objectives with Federal agencies; local, State, international, and other government entities; the private **sector**; and educational institutions. Agreements between Departmental organizations are not considered memorandums of understanding. A memorandum of

understanding is not a binding contract; it cannot be used to obligate or commit funds or as the basis for the transfer of funds from one agency to another. If a commitment, obligation, or transfer of funds is required, a specific reimbursable agreement must be developed between DOE and the participating organization to provide specific funding, obligation, and billing data.

MISCELLANEOUS RECEIPTS. Moneys received for the use of the United States. These receipts are deposited in the Department of the Treasury general fund. Collections representing refunds of payments made previously (appropriations refunds) are not miscellaneous receipts. (See FUNDS, Federal, General.)

NON-FEDERAL ENTITY. An entity that is not part of the U.S. Government or a U.S. federally chartered corporation.

NONFUND COST. A cost that generally does not affect appropriations, allotments or **suballotments**, obligations, or payments, **e.g.**, depreciation and nuclear material consumed or lost. However, with respect to plant and capital equipment transactions, **nonfund** costs may affect the amount required in an approved funding program or allotment.

NON-GOVERNMENT. See NON-FEDERAL ENTITY.

OBJECT CLASSIFICATION. A uniform classification identifying the transactions of the Federal Government by the nature of the goods or services purchased (such as personnel compensation, supplies and materials, or equipment), without regard to the agency involved or the purpose of the programs for which they are used.

OBLIGATIONAL AUTHORITY. The sum of budget authority provided for a given fiscal year; amounts authorized to be credited to a specific fund or account during that year, including transfer between funds or accounts; and balances of amounts brought forward from previous years that remain available for obligation.

OBLIGATIONS. Amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payments during the same or a future period. Such amounts include outlays for which obligations have not been previously recorded and reflect adjustments for differences between obligations previously recorded and actual outlays to liquidate those obligations. All obligations must be supported by written documentation or law.

OFFLINE BANK. A bank that does not have the capability to transfer funds electronically through the FEDWIRE Funds Transfer Network, but rather must **rely** on a correspondent bank that has the capability.

OFFSETTING RECEIPTS (COLLECTIONS). All collections deposited into receipt accounts that are offset against budget authority and outlays rather than reflected as budget receipts in computing budget totals. Under current budgetary usage, cash collections not deposited into receipt accounts (such as revolving fund receipts and reimbursements) are deducted from outlays at the account level. These transactions are offsetting collections but are not classified as offsetting receipts. Offsetting receipts generally are deducted at the budget function or subfunction level and from agency budget authority and outlays. In three cases--employer share of employee **retirement**, intragovernmental interest received **by a trust**

fund, and rents and royalties from the Outer Continental Shelf lands--the deductions, referred to as undistributed offsetting receipts, are made from budget totals rather than offset by function and subfunction and by agency. Offsetting receipts are subdivided into two major categories:

1. Proprietary Receipts from the Public. Collections from the public deposited in receipt accounts that arise from the conduct of business-type activities. Examples are sales of timber, power, steam, and isotopes.
2. Intragovernmental Transaction. All collections or deposits into receipt accounts in which the payment is made by a Federal agency. Intragovernmental transactions may represent either receipts from off-budget Federal entities, where a payment comes from a Federal entity whose funds are excluded from the budget totals, or intrabudgetary transactions, where both the paying and the receiving accounts are within the budget. Intrabudgetary transactions, in turn, are further subdivided into three groups:
 - a. Interfund Transactions. Transactions where the payment is from a Federal to a trust fund, or vice versa.
 - b. Federal Intrafund Transactions. Transactions where both the paying and the receiving accounts are Federal funds.
 - c. Trust Intrafund Transactions. Transactions where both the paying and the receiving accounts are trust funds.

ONLINE BANK. A bank that has the capability to transfer funds electronically through the FEDWIRE Funds Transfer Network.

OTHER DEPOSITS

1. Service Deposits. Deposits with utility and transportation companies, required as a basis for services by them and returnable at the conclusion of their contracts.
2. Deposits on Returnable Containers. Deposits with vendors for containers when the containers are expected to be returned upon removal of contents. If it is known at the time of receipt that the containers in a particular shipment will not be returned--because they will be used in a contaminated area, because the cost to ship them back to the supplier would exceed the amount of the deposit, or for some other acceptable reason--the deposit should not be recorded in other deposits but should be recorded in the inventory, plant and equipment, or expense account, depending upon their nature. Since some vendors require only token or nominal deposits on containers but demand full cost if they are not returned, the full amount to be paid for the containers should be recorded when a determination is made that they are not to be returned. The cost to DOE for vendors' containers that are retained by DOE or its contractors for their own use as returnable containers should be charged to the stores account; the cost to DOE of special containers to hold or transport process materials should be charged to the completed plant and equipment account if the containers meet the criteria for retirement units stated in DOE 2200.6, FINANCIAL ACCOUNTING, Chapter VI, Plant and Capital Equipment; the cost to DOE

of vendors' containers that are destroyed or that for any reasons other than those stated in the preceding sentence, are not returned should be charged to the cost of operations or included in the cost of the materials they contain (on a consistent basis, of course).

3. Miscellaneous Deposits. Deposits that cannot be classified under either of preceding categories.

OTHER FEDERAL AGENCY ARRANGEMENTS. See REIMBURSEMENTS.

OUTLAYS. The amount of checks issued or funds electronically transferred, interest accrued on most public debt, or other payments; net of refunds; and reimbursements. Total budget outlays consist of the sum of the outlays from appropriations and funds included in the unified budget, **less** offsetting receipts. The outlays of off-budget Federal entities are excluded from the unified budget under provisions of law, even though these outlays are part of total Government spending. Federal outlays are recorded on the cash basis of accounting, with the exception of most interest on the public debt, for which the accrual basis of accounting is used.

OVERSIGHT COMMITTEE. The congressional committee charged with general oversight of the operation of an agency or program. **In some but not all cases, the oversight committee for an agency also is the authorizing committee for the agency's programs.** (See AUTHORIZING COMMITTEE.)

PARTICIPANT. See COSPONSOR.

PAYING AGENCY. The Federal agency making a disbursement in payment of an amount, **e.g.,** due to individuals or other Government agencies.

PAYMENT DATE. The date on which a check for payment is dated or a wire transfer **is** made.

PREPAYMENT. See **ADVANCE.**

PROCUREMENT INITIATION. The **process** by which the contracting officer accepts and begins action on a procurement request that has **been** properly approved by the program official authorized to allocate program funds and has been committed and recorded by the appropriate field financial office. For any individual procurement request, the **dollar** amount of the program initiation and the dollar amount of the procurement initiation will be identical.

PROGRAM. Generally defined as an organized set of activities directed toward a common purpose, objective, or goal, undertaken or proposed **by** an agency to carry out responsibilities assigned to it. **In practice, however, the term has many uses and thus does not have a well-defined, standardized meaning in the legislative process.** "Program" has been used as a description for agency missions, activities, services, projects, and **processes.**

PROGRAM INITIATION. An administrative recording **by** the program office that a procurement action has been requested from program funds. The dollar amount of the program initiation must equal the **dollar** amount on the procurement request.

PROGRAM MANAGER. An individual in an organization or activity responsible for the management **of** a specific function or functions and responsible for budget formulation and execution of the approved budget. The individual is the recipient of an approved funding program from the Office of **Budget** identifying his or her program dollars available to accomplish the assigned function.

PROGRAM RELEASE. A document initiated by program managers to execute their respective programs. The allotment provides the authority for the certifying official to certify fund availability on program release documents for a **specific** purpose, and these program release documents are **the** basis for establishing a commitment and, in some cases, obligation of funds. Examples of program release documents are travel orders, procurement requests, purchase orders, time and attendance cards, and other authorized documents. Funds must be certified on a valid program release document issued by an authorized program manager.

PROJECT. A major endeavor within a program, with firmly scheduled dates for beginning, intermediate, and ending milestones; prescribed performance requirements; prescribed costs; and close management planning and control. A project is not constrained to any specific element of the **budget** or accounting structure, **e.g.**, operating or construction.

RECEIVING REPORT. The document used to formally accept goods or services provided to the Department **by** contract or other authorization. The completed receiving report also describes shortages, errors, and other variances from the goods or services ordered and provides written evidence of acceptance of property or services **by** a Government official or designee.

RECIPROCAL ACCOUNTS. The integrated contractor accounts that are reciprocal to the same accounts on **DOE** books; for example, current account (cash transactions) and investment account (**noncash** assets in the possession of the contractor for which the contractor is accountable to DOE).

REFUNDS. Recoveries of excess payments that are credited to an appropriation or **fund** account. These items, such as the recovery of a salary overpayment or the return of the unused portion of a travel advance, **are** not included **as** reimbursements but are treated as reductions of outlays. Refunds also include credits to an appropriation of fund account that result from accounting adjustments relating to obligations or outlays where such procedures are permitted by law or regulations.

REIMBURSABLE AUTHORITY. Reimbursable obligation authority can only be acquired by **obtaining** an allotment through **the** DOE approved funding program process.

REIMBURSABLE PROCUREMENT. Procurement for a customer citing DOE funds on the contract or purchase order, with reimbursement by the customer.

REIMBURSABLE WORK. **Work** or services performed for a sponsor that are part of the sponsor's mission and for which the Department does not directly receive appropriated funds from Congress. In other words, the work or services performed are financed not by **DOE** appropriations, but rather by the funds of the ordering Federal agency or by cash advances from a non-Federal sponsor.

REIMBURSEMENTS. Amounts received from the public or other Government agencies that represent payments for goods and services furnished and that may be credited or authorized by law to the appropriation or fund account of the providing entity. An anticipated reimbursement is an estimated transaction that is neither earned nor collected, as in the case of transactions with the public, or for which there has been no order accepted, as in the case of transactions within **the** Government.

REIMBURSEMENTS COLLECTED. See REIMBURSEMENTS.

REIMBURSEMENTS EARNED. The amount of reimbursements to be collected, based on commodities, work, or services actually furnished (delivered), whether or not billed.

REPROGRAMMING. Utilization of funds in an appropriation account for purposes other than those contemplated at the time of appropriation. Reprogramming generally is accomplished pursuant to consultation between DOE, the Office of Management and Budget, and the appropriate congressional committees.

REVENUES. Inflows or other enhancements of assets of the Department or settlement of **its** liabilities (or a combination of both) resulting from delivering or producing goods, rendering services, or other activities that constitute the Department's mission-related work for which funds have been appropriated.

REVOLVING FUND. A fund established to finance a cycle of operations through amounts received by the fund. There are three types of revolving funds: **public** enterprise, intragovernmental revolving, and trust revolving funds.

SALARY OFFSET. An administrative offset to collect a debt under title 5, section **514**, of the United States Code by deduction(s) at one or more officially established pay intervals from the current pay account of an employee with or without his or her consent.

SALVAGE VALUE. An estimate of the amount that will be realized at the end of the useful **life** of a depreciable asset from the disposition of the asset as used property or scrap less cost of disposition.

SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS. Appropriations made available to incur obligations for which payments must be made only in the United States--owned foreign currencies that are declared in excess of the normal requirements of the United States by the Secretary of the Treasury. The appropriation **is made in** general fund dollar amounts, which are credited to **the** account or fund generating the currency or to miscellaneous receipts of the Department of the Treasury, as appropriate. The appropriated dollars are exchanged for excess foreign currency (held in the Department of the Treasury foreign currency fund accounts), and used to make payments.

SPECIAL FUND ACCOUNTS. See FUNDS.

SUNDRY COLLATERAL AND SPECIAL CONTRACT FUNDS. Special funds other than insurance collateral **funds**, employee **benefit funds**, and annuity funds established pursuant to specific contractual agreements.

SUPPLEMENTAL APPROPRIATION. An act appropriating funds in addition to those in an annual appropriation act. Supplemental appropriations provide additional budget authority beyond original estimates for programs or activities (including new programs authorized after the date of the original appropriation act) for which the need for funds is too urgent to be postponed until enactment of the next regular appropriation act (see APPROPRIATION).

TOTAL ESTIMATED COST OF A CONSTRUCTION PROJECT. The **total** estimated cost of a construction project is the gross cost of the project, including the cost of land and land rights; engineering, design, and inspection costs; direct and indirect construction costs; and the cost of initial equipment necessary to place the plant or installation in operation, whether funded out of operations or plant and capital equipment appropriations. It should be noted that in recent years Congress has authorized amounts for construction projects exclusive of amounts for construction planning and design. In these cases the amount authorized is used as a base for total estimated costs, even though it does not include planning and design costs.

TRANSFER APPROPRIATION ACCOUNT. A separate account established to receive (and subsequently obligate and expend) allocations from another appropriation. Transfer appropriation accounts carry symbols identified with the original appropriation. Since allocations are a distribution of an appropriation (representing, in effect, the sharing of some responsibility for the program rather than a payment for goods or services to be provided), the allocations are not treated as outlays in the parent account or as receipts in the transfer appropriation account. The subsequent transactions of the transfer account are usually reported with the transactions of the parent account.

TREASURY WARRANT. An official document, TFS Form 6200, "Appropriation Warrant," that is issued pursuant to law by the Secretary of the Treasury and that, by appropriation symbol, establishes the individual amounts appropriated by Congress. Treasury warrants can be issued on the basis of appropriation bills enacted by Congress or continuing resolution authority granted by Congress.

UNDELIVERED ORDERS. The amount of orders for goods and services outstanding for which the **liability** has not yet accrued. This amount includes any orders for goods or services for which advance payment has been made, but for which delivery or performance has not yet occurred.

UNFILLED CUSTOMERS' ORDERS. The amount of orders accepted from other accounts within the Government for goods and services to be furnished on a reimbursable basis and, in the case of transactions with the public, amounts advanced or collected for which the account or fund has not yet performed the service or incurred its own obligations for that purpose.

UNFUNDED COST. A cost that does not result in an obligation or expenditure against appropriations, revolving **funds**, or trust funds (e.g., depreciation or employees' earned leave).

VULNERABILITY ASSESSMENT. A review of the susceptibility of a program or administrative function to waste, loss, mismanagement, unauthorized use, or misappropriation of resources.

WAIVER. The cancellation, remission, or forgiveness of a debt allegedly owed by an employee to an agency as permitted or required by title 5, sections 5584 and **8346(b)**; title 10, section 2774; and title 32, section 716, of the United States Code, or any similar law.

WAREHOUSING. Holding a payment after it has been certified, to permit the payment to be made as close as possible to, but not later than, the payment due date or, if appropriate, the discount date.

WRITEOFF. The amount of no-year authority that is withdrawn from availability for obligation by administrative action, pursuant to title 31, section 1555, of the United States Code. This excludes amounts withdrawn from expired accounts pursuant to the Act of July 25, 1956 (31 U.S.C. 1552-1554), and exceptions made by the Congress (31 U.S.C. 1557).



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REFERENCES

(Note: **Inquiries** concerning the sources of these references **should** be addressed to the Office of Financial Policy, **MA-31.**)

1. UNITED STATES CODE, TITLE 31. Codifies laws pertaining to government **finance. Specific** sections important to the accounting directives:
 - a. Section 501 et seq. Establishes the Office of Management and Budget and **its** authorities and responsibilities.
 - b. Section 1100 et seq. Establishes the federal budget and fiscal and program information authorities.
 - c. Section 1300 et seq. Establishes appropriation requirement and **responsibilities.**
 - d. Section 1500 et seq. Establishes appropriation accounting requirements.
 - e. Section 3300 et seq. Establishes financial management requirements for **depositing**, keeping, and paying money.
 - f. Section 3500 et seq. Establishes financial management requirements for accounting systems and information and for the auditing, settling, and collection of accounts.
 - g. Sections 3700-3900 et seq. Establishes financial management requirements **for claims** of and against the United States Government.
 - h. Sections 6100-7300 et seq. Establishes **general** assistance administration **for** grants, contracts, **intergovernmental** cooperation, revenue sharing, and joint funding simplification.
 - i. Sections 9101-9109 et seq. Establishes the acquiring, budgeting, and accounting **for** mixed-ownership and wholly-owned Government corporations.
 - j. Section 9700 et seq. Codifies laws pertaining to fees charged and investment of trust funds.
2. CODE OF FEDERAL REGULATIONS, TITLE 4, SECTIONS 101-105. Implements the Debt Collection Act (31 **U.S.C., 3701-3719**) by regulations published jointly by **the** General Accounting **Office and** the Department of Justice.
3. OFFICE OF MANAGEMENT AND BUDGET.
 - a. Circulars.
 - (1) A-n : Budget Preparation (revised and reissued annually). prescribed the forms and procedures for budget **preparation** and submission.

- (2) A-12: Uniform Classification According to Objects (7-22-80). prescribes standard **classifications** for the Government's financial transactions.
 - (3) A-34: Instructions on Budget Execution (8-26-85). prescribes **Government policies** for budget execution and reporting.
 - (4) A-70: Credit Policy (8-24-84). **Sets Federal policies** for reviewing and managing credit programs.
 - (5) A-102: Uniform Requirements for Assistance to State and Local Governments (1-81). Sets Federal standards for the administration of grants to **State** and local governments.
 - (6) A-110: Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations (7-3-76). Sets Federal standards for awarding grants and making other agreements with higher educational institutions, hospitals, and nonprofit organizations.
 - (7) A-123: Internal Control Systems (8-4-86). Prescribes policies and standards to establish and maintain internal controls.
 - (8) A-125: Prompt Payment (8-19-82). Prescribes policies and procedures to be followed in paying for property and services acquired under Federal contracts.
 - (9) A-127: Financial Management Systems (12-19-84). Prescribes **policies** and procedures for developing, operating, evaluating, and reporting on financial management systems.
 - (10) A-129: Managing Federal Credit Programs (5-9-85). prescribes **policies** and procedures for managing credit programs and collecting receivables.
 - (11) A-130: Management of Federal Information Resources (12-12-85). **Establishes** the **policy** for the management of **Federal** information resources and the procedural and analytic guidelines for their implementation.
- b. Bulletin 82-17: Budget Execution Procedures for Federal Credit Programs (9-7-82). Provides instructions for **all Federal** credit programs that are **subject** to annual limitations.
 - c. Memorandum M-85-10: Financial Management and Accounting Objectives (3-15-85). Prescribes the management objectives for Federal financial management and accounting.

4. DEPARTMENT OF THE TREASURY FINANCIAL MANUAL.

- a. Part 4. Prescribes procedures and forms to be used **by** Government agencies in causing funds to be disbursed from the Department of the Treasury.
- b. Part 6. Prescribes **procedures** and forms to be used by Government agencies for special transactions and procedures, such as cash advances, refunds, intergovernmental billing and collections, cash management, and payment procedures **upon** expiration of an appropriation or a continuing resolution.

5. GENERAL ACCOUNTING OFFICE POLICIES AND PROCEDURES MANUAL FOR GUIDANCE OF FEDERAL AGENCIES.

- a. Title 2. Prescribes the overall accounting principles and standards for ~~executive~~ **agencies** and may be cited as "generally accepted accounting principles for the federal government."
- b. Title 4. Prescribes the procedures for handling all claims for and against the United States except those under the exclusive jurisdiction of administrative agencies pursuant to specific statutory authority.
- c. Title 6. Provides the standards for developing, installing, and operating pay, ~~leave~~, and allowances of a financial system.
- d. Title 7. Provides the standards and related requirements for the development, installation, and operation of the Department's fiscal operations.

6. DOE DIRECTIVES.

- a. DOE 1000.3A, INTERNAL CONTROL SYSTEMS, of 6-11-86, which Describes **policies** and standards for establishing, evaluating, improving, and reporting on internal controls.
- b. DOE 2100.3, TRANSFER OF CONTRACTS BETWEEN DEPARTMENTAL ELEMENTS, of 9- - (1, which establishes **policies** and procedures for transferring contracts and similar instruments between Departmental Elements.
- c. DOE 2100.8, COST ACCOUNTING, COST RECOVERY, AND INTERAGENCY SHARING OF DATA PROCESSING FACILITIES, of 3-3- - Implements **Office** of Management and Budget Circular A-121 and prescribes policies for cost accounting, cost recovery, and the sharing of automated data processing facilities.
- d. DOE 2200.3, FINANCIAL MANAGEMENT OF CIVILIAN NUCLEAR WASTE ACTIVITIES, of 1- -85, which establishes **policies** and procedures for the **financial** management of funds related to the Department's **civilian** nuclear waste program.
- e. DOE 4600.1A, FINANCIAL ASSISTANCE PROCEDURES MANUAL, of 4-1-87, which **establishes the** various processing and procedural requirements for financial assistance award and administration.
- f. DOE 5100.1A, PROGRAMMING, BUDGETING, AND ACCOUNTING FOR THE ACQUISITION OF LOW VALUE CAPITAL EQUIPMENT, of 10-18-84, which defines and sets forth policies **for the acquisition** of low-value capital equipment.
- g. DOE 5100.11, BUDGET EXECUTION--OFFICE OF MANAGEMENT AND BUDGET APPORTIONMENT AND TREASURY WARRANT PROCESS, of 5-1-84, which describes the process whereby the Department receives apportionments and warrants.
- h. DOE 5100.12, BUDGET EXECUTION--DEPARTMENT OF ENERGY **BASE** TABLE, of 3-12-84, which **describes the** development and maintenance of the base table and its relationship to other budget execution phases.

- i. DOE 5100.14, ALLOTMENT AND APPROVED FUNDING PROCESS, of 9-17-86, which sets the Department's **policies** and procedures for issuing allotments and approved funding plans.
 - j. DOE 5160.1A, REPROGRAMMING, RESTRUCTURING, AND APPROPRIATION TRANSFER PROCEDURES, of 12-1-86, which establishes the **policies, criteria,** and procedures for the Department to reprogram, restructure, and transfer appropriations.
 - k. HQ 2100.1A, FINANCIAL MANAGEMENT OF MONEY RECEIVED FROM PERSONS WHO HAVE ALLEGEDLY VIOLATED DEPARTMENT OF ENERGY REGULATIONS, of 5-11-81, which prescribes policies for the Headquarters administration of funds collected as a result of civil penalties levied against firms in violation of petroleum price controls.
7. ACCOUNTING PRACTICES AND PROCEDURES HANDBOOK. This handbook provides accounting system guidance that shall be followed until it is replaced by the accounting directives (DOE 2200.4-2200.10).

US. Department of Energy
Washington, D.C.

PAGE CHANGE

DOE 2200.4 Chg 1

6-8-92

SUBJECT: ACCOUNTING OVERVIEW

1. PURPOSE. To transmit revised pages to DOE 2200.4, ACCOUNTING OVERVIEW, of 3-31-88.
2. EXPLANATION OF CHANGE. To make organizational title, routing symbol, and other editorial changes required by **SEN-6**. No substantive changes have been made.
3. FILING INSTRUCTIONS.

a.	<u>Remove Page</u>	<u>Dated</u>	<u>Insert Page</u>	<u>Dated</u>
	1 and 2	3-31-88	1	6-8-92
			2	3-31-88
	i and ii	3-31-88	i and ii	6-8-92
	I-1 and I-2	3-31-88	I-1 and I-2	6-8-92
	11-11 and 11-12	3-31-88	11-11	3-31-88
			11-12	6-8-92
	11-21 (and II-22)	3-31-88	11-21 (and II-22)	6-8-92
	III-1 thru III-6	3-31-88	II I-1 thru III-6	6-8-92
	Atch 1, page 1	3-31-88	Atch 1, page 1	3-31-88
	and 2		Atch 1, page 2	6-8-92
	Atch 1, pages 13	3-31-88	Atch 1, page 13	6-8-92
	and 14		Atch 1, page 14	3-31-88
	Atch 2, pages 3	3-31-88	Atch 2, pages 3	6-8-92
	and 4		and 4	

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

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



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

ORDER

DOE 2200.4

3-31-88
Change 1: 6-8-92

SUBJECT: ACCOUNTING OVERVIEW

1. PURPOSE. To establish Department of **Energy(DOE)** accounting **policy, principles, and standards**, and to explain the administrative control of funds, financial and cost accounting, **and** the financial reporting system in accordance **with Government** regulations and generally accepted accounting principles.
2. CANCELLATIONS.
 - a. DOE 2100.1A, GLOSSARY OF FINANCIAL TERMS; of 10-23-81.
 - b. DOE 2200.1, ACCOUNTING POLICY AND PRACTICES, of 11-9-79. (See Attachment 2, page 4, paragraph 7.)
3. SCOPE. The provisions of this Order **apply to** all Departmental Elements and **integrated** contractors performing **work** for the Department as provided by **law** and/or contract and as implemented by the appropriate contracting officer.
4. EXCLUSION. The Bonneville Power Administration is-governed by the provisions of the Government Corporation Control Act and, as such, operates in accordance **with** generally accepted accounting principles issued by the Financial Accounting Standards Board. **In** following the generally accepted accounting principles and meeting legislative requirements, the Bonneville **Power** Administration **will**, from time to time, deviate from-the provisions of this Order.
5. OBJECTIVES.
 - a. To provide an introduction **to**, and overview of, the **accounting** directives and the accounting system;
 - b. To provide an outline of accounting concepts **and standards; and**
 - co To **summarize** the accounting responsibilities.

DISTRIBUTION:

1A11 Departmental Elements
Vertical line denotes change.

INITIATED BY:

Office of Chief Financial Officer

6. **DEFINITIONS.** Attachment 1, Definitions, provides a consolidated glossary of financial terms used in accounting directives. In some instances a term may be defined **within** the text of an Order when its use is limited to the subject matter.
7. **REFERENCES.** Attachment 2, References, is a consolidated listing of references for subject matter contained in accounting directives (DOE 2200 series).

BY ORDER OF THE SECRETARY OF ENERGY:



LAWRENCE F. DAVENPORT
Assistant **Secretary**
Management and Administration

TABLE OF CONTENTSCHAPTER I - INTRODUCTION

Page

1.	Applicability	I-1
2.	Organization of the Directives	I-1
	a. DOE 2200.4, ACCOUNTING OVERVIEW	I-1
1	b. DOE 2200.5B , FUND ACCOUNTING	I-1
	c. DOE 2200.6, FINANCIAL ACCOUNTING	I-1
	d. DOE 2200.7, COST ACCOUNTING	I-1
	e. DOE 2200.8B , ACCOUNTING SYSTEMS, ORGANIZATIONS, AND REPORTING	I-1
	f. DOE 2200.9B , MISCELLANEOUS ACCOUNTING	I-2
	g. DOE 2200.10A, ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES	I-2
3.	Inquiries	I-2
	a. Exceptions and Exemptions	I-2
	b. Policy and Interpretation	I-2
4.	Policy	I-2

CHAPTER II CONCEPTS AND STANDARDS

1.	DOE Accounting Concepts	II-1
	a. Objectives	II-1
	b. Reporting Entities	II-1
	c. Elements of Accounting and Financial Reporting	II-1
	(1) Assets	II-1
	(2) Budget Authority	II-2
	(3) Budget Resources	II-2
	(4) Collections	II-2
	(5) Equity	II-2
	(6) Expenses, Losses, and Transfers Out	II-3
	(7) Financing Sources	II-3
	(8) Liabilities	II-3
	(9) Obligations	II-3
	(10) Outlays	II-4
	(11) Results of Operations	II-4
	d. Usefulness of Accounting Information	II-4
	(1) Timeliness	II-4
	(2) Relevance	II-4
	(3) Reliability	II-4
	(4) Cost Benefit	II-4
	(5) Materiality	II-4
	(6) Comparability	II-4
	(7) Consistency	II-5
	e. Recognition	II-5
	(1) Accrual Accounting	II-5
	(2) Matching	II-5
	(3) Allocation	II-5
	f. Measurement	II-5
	g. cost	II-6

h. Accounting Standards	II-6
(1) Accounts Payable	II-6
(2) Acquisition Cost of Assets	II-7
(3) Advances and Prepayments	II-8
(4) Appropriations for Property, Plant, and Equipment	II-8
(5) Cash	II-8
(6) Capitalization of Interest on Property, Plant, and Equipment	II-8
(7) Contingencies	II-9
(8) Equity	11-10
(9) Fair Value	11-10
(10) Financial Assistance Awards	11-11
(11) Financial Reports	11-11
(12) Foreign Currencies	11-12
(13) Fund Accounting	II-12
(14) Fund Control	11-13
(15) Imputed Interest	11-14
(16) Interest Payable and Receivable	11-14
(17) Inventories	11-14
(18) Investments	11-14
(19) Lease	11-15
(20) Leave	11-15
(21) Loan Guarantees and Commitments	11-15
(22) Long-Term Contracts	11-16
(23) Prior Period Adjustments of Financial Statements	II-16
(24) Payroll	11-17
(25) Property	11-17
(26) Receivables	11-19
(27) Research and Development	11-20
(28) Revenues	11-20
2. Internal Control Standards	11-21

CHAPTER III - RESPONSIBILITIES

1. Purpose	III-1
2. Secretary (S-1)	III-1
3. Under Secretary (S-3)	111-1
4. Heads of Departmental Elements	II-1
5. Chief Financial Officer (CFO;CR-1)	II-2
a. Accounting Concepts and Standards	II-2
b. Administrative Control of Funds	II-2
6. Inspector General (IG-1)	II-3
7. Headquarters General Counsel (GC-1)	II-3
8. Heads of Field Elements	II-4
9. Allottees	II-4
10. Field Element Chief Financial Officers	II-5
11. Heads of Contracting Activities	II-6
12. Certifying Officials	II-6
13. Program Managers	II-6
14. Personnel Officers	II-6

CHAPTER I.INTRODUCTION

1. APPLICABILITY. The accounting directives (DOE 2200.4 through DOE **2200.10A**) are integral parts of the DOE system of accounts. The scope of these directives is specified in DOE 2200.4, ACCOUNTING OVERVIEW, paragraph 3. Heads of contracting activities or designees shall interpret the provisions of these directives and review and approve the practices and procedures that are necessary for the integrated contractors to maintain a system of accounts acceptable to DOE. The integrated contractors' customary accounting practices shall be accepted if they conform with generally accepted accounting principles, produce accurate results, provide the necessary DOE financial reports, and do not conflict with the provisions of these directives. Several central Federal agencies, such as the Office of Management and Budget (**OMB**), the Department of the Treasury, and the General Services Administration (GSA), as well as the General Accounting Office (GAO), provide mandatory accounting and financial management guidance for Federal agencies. DOE must rely as much as possible on the issuances of these oversight agencies, and such material will not be restated in these directives, except where necessary to specifically implement policies or general procedures or to provide clarification.
2. ORGANIZATION OF THE DIRECTIVES. The contents are organized by related subject matter into a series of seven directives. The material covered in each directive is summarized below:
 - a. DOE 2200.4, ACCOUNTING OVERVIEW, provides introductory material, definitions, references, principles, standards, internal control requirements, and responsibilities.
 - b. DOE 2200.5B, FUND ACCOUNTING, provides DOE policy and general procedures for accounting for appropriations, funds, and obligations. The chapters cover administrative control of funds; accounting for appropriations; other funds, such as special, trust, and revolving funds; and obligation accounting.
 - c. DOE 2200.6, FINANCIAL ACCOUNTING, covers accounting and financial management topics necessary for financial statement presentation in areas other than fund accounting. The directive is organized in balance sheet topic order, from assets to liabilities and equity accounts. Topics related to cash management and disbursements are included in the appropriate asset and liability chapters.
 - d. DOE 2200.7, COST ACCOUNTING, provides **policy** and general procedures for costing and pricing of products and services.
 - e. DOE 2200.8B, ACCOUNTING SYSTEMS, ORGANIZATIONS, AND REPORTING, covers reporting **by** contractors and field elements to Headquarters through the **Financial** Information System, financial reporting standards, required

Departmentwide internal financial reports, and required financial reports to entities external to DOE.

I f. DOE 2200.9B. MISCELLANEOUS ACCOUNTING, includes chapters on miscellaneous topics, such as payroll, travel, contract closeout, and grants. In addition, chapters are reserved for special accounting requirements that are not applicable to DOE as a whole, such as the Nuclear Waste Fund and Financial Management of Oil Overcharges.

I g. DOE 2200.10A. ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES, provides a reference source for DOE financial codes and their applications. It includes the general ledger chart of accounts and financial codes, along with illustrative accounting entries corresponding to the references from previous directives.

3. INQUIRIES.

a. Exceptions and Exemptions. Except where authority to approve an exception or exemption has been delegated to the field organization, the Head of the Departmental Element or Field Element shall forward, in writing, requests for exception to or exemption from the provisions contained in the accounting directives to the Office of Chief Financial Officer (CFO; CR-1) for approval.

b. Policy Interpretation and Revisions. Inquiries about policy interpretations of, or proposed revisions to, this Order shall be forwarded, in writing, to the Director of Financial Policy (CR-20). Copies of change requests should be forwarded to the Departmental DCP, AD-122, per DOE 1321.16, DEPARTMENTAL DIRECTIVES SYSTEM, page I-6, paragraph 10d.

4. POLICY. It is the policy of DOE that a system of accounts shall be maintained in accordance with regulatory requirements established by GAO, OMB, and the Department of the Treasury. The system of accounts shall adhere to generally accepted accounting practices and procedures when they do not contradict GAO, OMB, and Department of the Treasury regulations. Although a uniform classification of accounts is prescribed for DOE elements, each power marketing administration may have a chart of accounts based upon its own requirements. Heads of contracting activities or designees shall interpret the provisions of these directives and review and approve the practices and procedures that are necessary for the integrated contractors to maintain a system of accounting acceptable to DOE. The integrated contractor's customary accounting practices shall be accepted if they conform with generally accepted accounting principals, produce accurate results, provide the necessary DOE financial reports, and do not conflict with the provisions of these accounting directives.

Department of the Treasury average interest rate for marketable interest-bearing debt, and independent appraisals.

- (1o) Financial Assistance Awards. Funds shall be obligated upon execution of ~~the~~ Notice of Financial Assistance Award by the contracting officer. The agreement sets forth the amount, purpose, performance periods, obligations of the parties, and other applicable basic terms. Payments in advance of performance may be made as authorized by the terms and conditions of the Notice of Financial Assistance Award. Such payments shall be accounted for as advances until the recipient has performed under the award. Grantees shall use SF-269, "Financial Status Report," to report the status of funds for all nonconstruction projects unless specified in the award that SF-270, "Request for Advance or Reimbursement," or SF-272, "Report of Federal Cash Transactions," shall be used for this purpose. Additional reporting guidance is found in title 10, section 600.116, of the Code of Federal Regulations.
- (11) Financial Reports are designed to present the results of financial position and operations to management, other Government agencies, and the public. "
 - (a) General Principles.
 - 1 Reports reflect the results of financial transactions and fully disclose all material facts for the period covered. Reports also disclose such other data as may have an immediate and direct bearing on the financial position and operations pertinent to the management level to which the reports are addressed. Significant data applicable to prior periods are so identified.
 - 2 The cost of preparing a report and the timely issuance of the report are evaluated in the light of the usefulness of the data.
 - (b) Basic System Requirements. The accounting system is designed to facilitate the prompt preparation of all required internal and external financial statements and reports. Financial statements shall be prepared and issued in accordance with standards of the Department of the Treasury at the end of each fiscal year. The necessary statements are (1) Statement of Financial Position, (2) Statement of Operations, (3) Statement of Changes in Financial Position, and (4) Statement of Reconciliation to Budget Reports.
 - (c) Reports for Internal Management Purposes. Management is supplied monthly with reports reflecting costs and obligations incurred for actual operations. Statements of cost and revenue are provided, showing information by budget activity and program structure. When necessary, the reports shall be accompanied by

a narrative statement, statistical information, and interpretation for management. These managerial reports shall be used to exercise financial control over resources and to promote efficiency and economy in operations.

(12) Foreign Currencies. Cash in the form of foreign currencies is subject to the same accounting principles and standards that apply to domestic cash resources.

(13) Fund Accounting is a fundamental requirement to demonstrate compliance with legislation. Funds are derived from two basic sources: (1) funds derived from general taxation and revenue powers and from business operations and (2) funds held in the capacity of custodian or trustee.

(a) Funds derived from general taxation and revenue powers and from business operations include the following:

1 General Fund Accounts consist of receipt accounts used to record collections not dedicated to specific purposes and expenditure accounts used to record financial transactions arising under congressional appropriations or other authorizations to spend general revenues.

2 Special Fund Accounts consist of separate receipt and expenditure accounts established to record receipts of the **Govern-**ment that are earmarked by law for a specific purpose but are not generated by a cycle of operations for which there is continuing authority to reuse such receipts.

3 Revolving Fund Accounts are combined receipt and expenditure accounts established by law to finance a continuing cycle of operations, with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress. For power marketing administrations, the funds must be used for operations and payback to the Department of the Treasury of the Federal investment. Consolidated working funds under title 31, section 1536, of the United States Code are not revolving funds.

4 Management Fund Accounts are combined receipt and expenditure accounts established by law to facilitate accounting for and administration of **intra-Governmental** operations of an agency. Working funds, which are a type of management fund, may be established in connection with each of the foregoing account types to record advances from other agencies.

(b) Funds held by DOE in the capacity of custodian or trustee include the following:

- (c) Revenues **shal** 1 be classified by type, by avail **abi** 1 ity or **non-**availability for expenditure, and by appropriation or fund. Revenues earned shall be billed and collected promptly.
 - (d) Net income or loss from revenue-producing operations shall be separately accounted for and disclosed in the financial reports. The net income or loss shall reflect all costs of operations offset against the revenues received during the reporting period.
2. INTERNAL CONTROL STANDARDS. Internal controls shall be maintained to assure that all funds, property, and other resources for which the Department is responsible are properly used or safeguarded to prevent unwarranted waste, deterioration, destruction, misuse, or misappropriation. Further guidance on the internal control system is provided in DOE **1000.3B**, INTERNAL CONTROL SYSTEMS.



CHAPTER III
RESPONSIBILITIES

1. PURPOSE. To establish Departmental responsibilities for the accounting directives (DOE 2200.4 through DOE 2200. 10A).
2. SECRETARY (S-1).
 - a. Shall prescribe a system for the administrative control of funds within DOE.
 - b. Shall submit all reportable Anti-Deficiency Act violations to Congress and the President.
 - c. In this capacity, the Secretary has delegated authority to the Office of Chief Financial Officer (**CFO;CR-1**), for the financial administration of DOE funds and appropriations, including the establishment and management of budget and accounting systems throughout the Department, except as delegated to the administrator of the power marketing administrations (**PMA's**).
3. UNDER SECRETARY (S-3) shall:
 - a. Approve or disapprove disciplinary action recommended by the **CFO(CR-1)**, upon notification that a violation(s) of fund control regulations has occurred, and ensure that appropriate disciplinary action is taken.
 - b. Provide concurrence or nonconcurrence on the report of any disciplinary action(s) related to funding violations, within 10 workdays of notification by the **CFO**, in order to close the violation file.
4. HEADS OF DEPARTMENTAL ELEMENTS shall:
 - a. Ensure that the provisions of the accounting directives that apply to functions over which they have program direction and management responsibilities, both in the field and at Headquarters, are carried out.
 - b. Inform the **CFO(CR-1)** of changes in functions and activities planned for future budget requests.
 - c. Develop, with the **CFO**, budget and reporting classifications and definitions that cover the specific functions and activities for which they are responsible.

5. CHIEF FINANCIAL OFFICER (CFO: CR-1) shall:

a. Accounting Concepts and Standards.

- (1) Establish, maintain, and interpret policy and general procedures for accounting and related reporting essential to the financial integrity and efficient management of the Department's financial resources and to the safeguarding of its funds and property.
- (2) Provide technical accounting advice and guidance to field offices directly performing accounting functions.
- (3) Review activities throughout DOE to evaluate the adequacy of established policies, procedures, and standards governing accounting and related reporting functions for which the **CFO is** responsible; evaluate the performance of such functions; and ensure that any necessary corrective action is taken.
- (4) Serve as liaison with the General Accounting Office (GAO), the Office of Management and Budget (**OMB**), the Department of the Treasury, the General Services Administration (GSA), other agencies, congressional committees, and industry in the areas for which the **CFO** is responsible.
- (5) Perform the accounting and certain statistical functions for **Head-**quarters and, to the extent that financial activities are centralized, for DOE as a whole.
- (6) Report on the financial status of DOE and the results of its operations; furnish periodic reports on such obligations, costs, and other matters within the **CFO's** area of responsibility as are needed for the sound management of DOE operations; and provide reports required by GSA, **OMB**, the Department of the Treasury, and other central agencies.
- (7) Provide technical advice and guidance to offices and divisions on the financial implications of proposed courses of action.
- (8) Develop, with Heads of Departmental Elements, current budget and reporting classifications and definitions covering the specific functions and activities for which they are responsible.
- (9) Develop and keep current policies and procedures for this manual.

b. Administrative Control of Funds

- (1) Establish policies and procedures for Departmental systems of administrative control of funds.
- (2) Submit apportionment requests to the Director of **OMB** and receive and record **OMB** apportionments.

- (3) Administer the allocation of congressional **control levels** from the base table and internal distribution decisions, issue approved funding program calls, and prepare and issue approved funding programs and allotments that conform to all legal and administrative limitations on the appropriations and funds of DOE.
- (4) Continuously reconcile **OMB-approved** apportionments and Department of the Treasury warrants to appropriations, approved funding program totals to allotments, and allotment totals to base table controls.
- (5) Serve as the **allottee** for all funds managed at Headquarters except when other **allottees** have been designated.
- (6) Ensure that the allotments and approved funding programs issued each month accurately reflect all increases, withdrawals, and reallocations requested in the previous month and, where appropriate, that the Department financial information system has been updated accordingly.
- (7) Coordinate all fund withdrawals with the **allottee** or funds approval officer to ensure that the withdrawal does not create an **overobligation**.
- (8) Review, in coordination with the Office of General Counsel (**GC-1**), all reports of violations or alleged violations of legal limitations and advise the Secretary (**S-1**) or Under Secretary (**S-3**) as to whether a report shall be made to the Congress and, through **OMB**, to the President; recommend disciplinary action when appropriate; and notify the DOE component promptly of any disciplinary action taken.
- (9) Monitor **all** reports of violations of administrative limitations received from DOE components to ensure that reports are submitted in a timely fashion and to ensure that corrective action is adequate.

6. **INSPECTOR GENERAL (IG-1)** shall:

- a. Investigate allegations of illegal conduct, wrongdoing, fraud, waste, and misuse that are associated with fund control violations.
- b. Advise the **CFO(CR-1)** of facts derived from any investigation that has fund control violation implications.

7. **HEADQUARTERS GENERAL COUNSEL (GC-1)** shall:

- a. Review all reports of apparent violations submitted by the **CFO(CR-1)**.
- b. Issue a determination within 30 days as to whether the apparent violation is reportable to the President or Congress, or both.
- c. Either concur or decline to concur with the **CFO's** recommendation on disciplinary actions.

8. HEADS OF FIELD ELEMENTS shall:

- a. Execute all accounting and related financial reporting functions, including establishing an effective system of internal control, for all DOE activities under their jurisdiction, in compliance with the policies, principles, and objectives specified in the accounting directives.
- b. Interpret DOE accounting policy, principles, and objectives for contractors and approve the practices and procedures necessary for contractors to carry them out.
- c. Develop and keep current field organization instructions on accounting procedures that outline the accounts and records maintained, flow of all documents, functions of all organizational units, and reporting of information necessary to show clearly the accounting operations performed by the field **organization**.
- d. Ensure that their integrated contractors develop and maintain written current accounting practices and procedures.
- e. Review and approve their integrated contractors' accounting practices and procedures and any revisions before they are put into effect.

9. ALLOTTEES shall:

- a. Establish and maintain an effective system for the administrative control of funds allotted to them and the commitment of funds, including the certification of fund availability for each transaction prior to obligation, in accordance with approved funding programs and allotments.
- b. Designate, in writing, an authorizing official(s) to sign program release documents and determine the fund citation(s) or accounting classification(s) that accompanies each authorization; this includes ensuring that funds are used for the purposes for which they were appropriated in accordance with title 31 **U.S.C.** section 1301. **At** Headquarters, Assistant Secretaries or equivalents shall designate the authorizing officials to sign program release documents. The **CFO**, the **allottee** for Headquarters elements, shall designate certifying officials for Headquarters.
- c. Ensure that the designated authorizing official is adequately trained and **fully** competent to prevent the occurrence of violations.
- d. Inform, by memorandum or notice, all employees serviced under the approved funding program of the identity of the individual(s) authorized to sign program release documents and of the prohibition against unauthorized persons' signing program release documents or incurring liabilities.
- |** e. Provide the **servicing** Field Element **CFO's (Field CFO's)** and contracting officers (heads of contracting activities) **with** current listings of persons, and their **alternates**, authorized to initiate program release documents.

- f. Provide written instruction for incurring obligations to the certifying official detailing the documents, document flows, and controls within the organization.
- g. Ensure that all program release documents are processed in accordance with established document flows and procedures.
- h. Request sufficient funds for the apportionment in the new fiscal year to cover upward adjustments of obligations incurred against appropriations for previous years (contingencies), even if the activity that the funds support has been or is planned to be discontinued.
- i. Ensure that accounting reports are periodically reconciled to source documents, all errors are identified, and corrective actions are taken in a timely manner.
- j. Ensure that no acceptance of voluntary service by the United States and no employment of personal service is in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.
- k. Sign and issue reports to the **CFO** prepared by the Field **CFO** if responsible for administrative control of funds in paragraphs 9b through j, on any violation or apparent violation of a legal or administrative limitation.
- l. For the Headquarters allotments for which the **CFO** is the **allottee**, **responsibilities** in paragraph 9b through j, with the exception of designating certifying officials, are assigned by the **CFO** to the approved funding program holder or recipient.

10. FIELD ELEMENT CHIEF FINANCIAL OFFICERS (Field CFO's) shall:

- a. Establish and maintain the official accounting records, which must be supported with valid documents and periodically reconciled to detect and correct recording errors.
- b. Provide a timely status report on each allotment to the **allottee** for each approved funding program, reflecting commitments, obligations, costs, and expenditures against the approved **funding** program and the allotment.
- c. Review the status of obligations and expenditures monthly, and take all actions necessary to ensure that any potential violation of legal and administrative limitations is detected within 30 days after the reporting cycle during which the potential violation occurred.
- d. Prepare a written report of any apparent violation for the signature of the **allottee**, and forward it to the **CFO** within 45 days after the end of the reporting cycle during which the potential violation occurred. The report shall provide the underlying facts and surrounding circumstances in sufficient detail to allow the Office of **CFO** to take action, if required. The required contents of the report are outlined in DOE **2200.5B**, FUND

ACCOUNTING, Chapter I, "Administrative Control of Funds." This requirement also applies to field elements where administrative control of funds is not performed by a Field CFO.

11. HEADS OF CONTRACTING ACTIVITIES shall:

- a. Ensure that program release documents are signed by the appropriate authorizing official.
- b. Ensure that funds are certified and that obligations incurred are not in excess of the amount certified as available by the certifying official.
- c. Ensure that all obligating documentation is forwarded to the servicing Field CFO for recordation within 3 workdays of the time the obligation is incurred.
- d. Notify the program manager not later than 9-15 of each year of the status of all procurement documents to ensure that required procurements will be obligated before yearend.

12. CERTIFYING OFFICIALS shall:

- a. Maintain the current commitment status of the **allottee's** funds at all times.
- b. Promptly certify availability of funds only for program release documents that have been signed by an authorizing official and that will not exceed legal or administrative limitations.

13. PROGRAM MANAGERS shall:

- a. Ensure that program release documents are controlled in accordance with established document flows and procedures.
- b. Ensure that funds are spent for purposes intended by Congress.
- c. Assist **allottees** by reconciling accounting reports to source documents, identifying errors, and taking corrective actions in a timely manner.
- d. Ensure that sufficient funds are reserved to cover outlays for personnel expenses.
- e. Ensure that all proposed reductions in allotments have been verified with **allottees** as available for withdrawal prior to certification (see DOE 2200.5B, FUND ACCOUNTING, Chapter I, "Administrative Control of Funds").

14. PERSONNEL OFFICERS shall:

- a. Take action to execute the disciplinary measures approved by the Under Secretary.

DEFINITIONS

(**Note:** Entries in this attachment are not numbered, because numerous additions and updates are expected as chapters are added to the accounting directives.)

ACCOUNTING CLASSIFICATION. A means of classifying financial transactions and account balances to provide needed information for the financial management of appropriations and related programs and budgets. This term includes, but is not limited to, the appropriation **symbol** (e.g., 89X0213), **budget** and retorting code (e. g., ORO 391 AA" 05), and the object **classification** (e. g., 252Q).

ACCOUNTING CONTROL. The plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records. They are designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets. Access to assets is permitted only in accordance with management's authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals. Appropriate action is taken with respect to any differences. (See INTERNAL CONTROL.)

ACCOUNTS PAYABLE. A control account that includes all amounts billed to the Department but not yet paid. Accounts payable also include amounts that the Department owes as required by law, regulation, or agreement and not necessarily represented by invoices.

ACCOUNTS RECEIVABLE. A control account applicable to all claims held against others for the future receipt of money, goods, and services.

ACCRUAL BASIS OF ACCOUNTING. A method of accounting in which revenues are recognized in the period earned and costs are recognized in the period incurred, regardless of when payment is received or made.

ACCRUED COST. See APPLIED COST.

ACCUMULATED ALLOWANCE FOR PURCHASE OF ANNUITIES. The accumulated allowance necessary to purchase annuities for employees.

ADDITIVE COSTS. All direct and indirect costs that are incurred **beyond** those that normally would have been incurred had DOE not **agreed** to perform the work or service. Additive costs are charged to others in all instances, except when a cooperative agreement has been executed that **provides** for sharing the cost.

ADMINISTERING OFFICE. The organization **responsible** for controlling all aspects of a work arrangement.

ADMINISTRATIVE CONTROL. Administrative control includes, but is not limited to, the plan of organization and the procedures and records that are concerned with the decision processes leading to management's authorization of transactions. Such authorization is a management function directly associated with the responsibility for achieving the objectives of the organization and is the starting point for establishing accounting control of transactions.

ADMINISTRATIVE LIMITATION. An upper limit placed on the amount of obligations or expenditures that may be incurred for a specific program, function, activity, or element of expense. Exceeding an administrative limitation is subject to Departmental rather than statutory rules and penalties. Administrative limitations can be imposed on the Department by Congress (e.g., congressional conference reports), the Office of Management and Budget (e.g., any executive branch directive containing an administrative limitation attached to an apportionment), or internal DOE management (e.g., ceilings on travel). Administrative limitations specified in approved funding programs may not be exceeded. Although administrative limitations may not be exceeded, they differ from legal limitations, for violations of administrative limitations are not necessarily violations of law. Violations of administrative limitations are violations of DOE policy. Exceeding an administrative limitation may, however, result in a legal violation at the Department level.

ADMINISTRATIVE OFFSET. The withholding of money payable by the United States to, or held by the United States on behalf of an individual, corporation, or other entity to satisfy a debt owed the United States.

ADMINISTRATIVE SUBDIVISION OF FUNDS. Any subdivision of an allotment that makes funds available in a specified amount for the purpose of incurring obligations or that can be further subdivided to make funds available in a specified amount for the purpose of incurring obligations, subject to limitations contained in the funding documents, statutes, regulations, or other applicable directives.

ADVANCE. Payment made in advance for the later delivery of goods, services, or other assets.

ADVANCE FUNDING. Authority provided in an appropriation act to obligate and disburse funds during a fiscal year from the succeeding year's appropriation. The funds so obligated are added to the budget authority for the fiscal year and deducted from the budget authority of the succeeding fiscal year. The appropriation language usually states the date after which the funds of the succeeding year may be obligated.

ADVICE OF ALLOTMENT. The document used to officially record allotments. It is issued to a manager for field activities or to the Chief Financial Officer for Headquarters activities. In conjunction with an approved funding program, the advice of allotment establishes organizational funding limits, which may not be exceeded. This document is the mechanism by which DOE controls funds to satisfy the requirements of the Anti-Deficiency Act (31 U.S.C. 1517).

AGENCY. Each authority of the executive branch of the Government of the United States, whether or not it is within or subject to review by another agency (5 U.S.C. 551(1)).

DISPOSABLE PAY. That part of current basic pay, special pay, incentive pay, retired pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay remaining after the deduction of any amount required by law to be withheld. To determine disposable pay, agencies must exclude deductions described in title 5, section **581.105(b)** through (f), of the Code of Federal Regulations.

DUE DATE. The date on which payment should be made.

EARLY PAYMENT. Any payment made 3 days or more before the due date or the last day of the discount period.

EMPLOYEE BENEFIT FUNDS. Deposits with contractors for the purpose of providing funds for payments to contractors' employees suffering disabilities from certain specified causes.

EXPENDITURES. See OUTLAYS.

EXPIRED APPROPRIATION. An appropriation that is no longer available for new obligation but that is still available for payment of or adjustment to existing obligations.

FEDERAL DEBT. There are three basic concepts or tabulations of Federal debt:

1. **Gross Federal Debt.** The sum of all public and agency debt issues outstanding.
2. **Debt Held by the Public.** That part of the gross Federal debt held by the public. Debt held by Government trust funds, revolving funds, and off-budget Federal entities is excluded from debt held by the public.
3. **Debt Subject to Statutory Limit.** At present virtually all public debt, but only a small portion of Agency debt, is included in debt subject to statutory limit as defined by the Second Liberty Bond Act of 1917, as amended.

FIELD ELEMENTS. The components of the Department that have financial management responsibility for one or more **allottees**. This term is generally limited to power marketing administrations, the naval reactors offices in Schenectady and Pittsburgh, and the DOE Field Offices.

FIELD ELEMENT CHIEF FINANCIAL OFFICER. The management official responsible for the financial operations at a field element. This term includes officials with all or part of the responsibility for fund control, accounting, and managing the financial assets of the field.

FINANCIAL ACCOUNTING STANDARDS BOARD. An independent body established to promulgate accounting rules. The board is composed of representatives of universities, certified public accounting firms, and industry.

FINANCIAL INFORMATION SYSTEM. The Departmental information system that accumulates data from financial subsystems and consolidates that data for Departmental reports issued internally and to the Office of Management and Budget, the Department of the Treasury, and the Congress.

FISCAL YEAR. Any yearly accounting period, without regard to its relationship to a calendar year. The fiscal year for the Federal Government begins on 10-1 and ends on 9-30. The fiscal year is designated by the calendar year in which it ends; e.g., fiscal year 1987 is the fiscal year ending on 9-30-1987.

FOREIGN CURRENCY ACCOUNT. See SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS.

FORWARD FUNDING (GRANTS). The obligation of funds in one **fiscal** year for the financing of ongoing grantee programs during the succeeding year. The funds so obligated are added to the budget authority for the current fiscal year and deducted from the budget authorities of succeeding fiscal years. Appropriation language usually states the date after which the funds of the succeeding fiscal years may be obligated.

FUNDS. Accounting units established for ~~segregating~~ revenues and assets in accordance with law and for assuring that **revenues and** other assets are applied only to financial **transactions** for which they were appropriated or otherwise authorized. Funds are of different types and designed for different purposes.

1. **Federal Fund.** The fund collected and used by the Federal Government for the general purposes of the Government. There are four types of Federal fund accounts.

- a. **General Fund.** The fund credited with all receipts **that are** not earmarked by law and that are charged with **payments** out of **appropriations** of "any money in the Treasury **not** otherwise-appropriated" and out of general borrowings.
- b. **Special Fund.** A fund credited with receipts of the Government that are earmarked for a specific purpose. Generally, if the purpose of the fund is to carry out a cycle of business-type operations, it will be classified instead as a **public** enterprise fund.
- c. **Public Enterprise Fund.** A revolving fund credited with collections, primarily from **outside the** Government, that are earmarked to finance a continuing cycle of business-type operations.
- d. **Intragovernmental Fund.** Federal funds that facilitate financing of transactions with and between Federal agencies. Intragovernmental funds are of two types:
 - (1) **Public Enterprise Revolving Fund.** A revolving fund credited with collections, primarily from other agencies and accounts, that are earmarked by law to carry out a continuing cycle of intragovernmental business-type operations.
 - (2) **Management Fund.** A fund in which moneys derived from two or more appropriations are merged to carry out a common purpose or project, but not a cycle of operations. Management funds include consolidated working funds, which are set up pursuant to law to receive advance payments from other agencies or bureaus for agreed-upon undertakings, primarily for the benefit of the paying account.

5. GENERAL ACCOUNTING OFFICE POLICIES AND PROCEDURES MANUAL FOR GUIDANCE OF FEDERAL AGENCIES.

- a. Title 7. Prescribes the overall accounting principles and standards for executive agencies and may be cited as "generally accepted accounting principles for the Federal Government."
- b. Title 4. Prescribes the procedures for handling all claims for and against the United States except those under the exclusive jurisdiction of administrative agencies pursuant to specific statutory authority.
- c. Title 6. Provides the standards for developing, installing, and operating pay, leave, and allowances of a financial system.
- d. Title 7. Provides the standards and related requirements for the development, installation, and operation of the Department's fiscal **operations**.

6. DOE DIRECTIVES.

- a. DOE 1000.3B. INTERNAL CONTROL SYSTEMS, of 7-5-88, which prescribes policies and standards for establishing, evaluating, improving, and reporting on internal controls.
- b. DOE 21 00.3A. TRANSFER OF CONTRACTS BETWEEN DEPARTMENTAL ELEMENTS, of 6-8-92, which establishes policies and procedures for transferring contracts and similar instruments between Departmental Elements.
- c. DOE 2100.8. COST ACCOUNTING COST RECOVERY, AND INTERAGENCY SHARING OF DATA PROCESSING FACILITIES, of 3-3-83, which implements Office of Management and Budget Circular **A-121** and prescribes policies for cost accounting, cost recovery, and the sharing of automated data processing facilities.
- d. DOE 4600. 1A. FINANCIAL ASSISTANCE PROCEDURES MANUAL, of 4-1-87, which establishes the various processing and procedural requirements for financial assistance award and administration.
- e. DOE 5100.11A. BUDGET EXECUTION--OFFICE OF MANAGEMENT AND BUDGET APPORTIONMENT AND TREASURY WARRANT PROCESS, of 5-18-92, which describes the process whereby the Department receives apportionments and warrants.
- f. DOE 5100. 12A. BUDGET EXECUTION-- DEPARTMENT OF ENERGY BASE TABLE, of 5-11-92, which describes the development and maintenance" of the base **table and its** relationship to other budget execution phases.
- g. DOE 5100.14 ALLOTMENT AND APPROVED FUNDING PROCESS, of 9-17-86, which sets the Department's policies and procedures for issuing allotments and approved funding plans.
- h. DOE 5160.1B. REPROGRAMMING, RESTRUCTURING, AND APPROPRIATION TRANSFER PROCEDURES, of 5-18-92, which establishes the policies, criteria, and procedures for the Department to reprogram, restructure, and transfer appropriations.

- i. HO 2100.1A, FINANCIAL MANAGEMENT OF MONEY RECEIVED FROM PERSONS WHO HAVE ALLEGEDLY VIOLATED DEPARTMENT ONS, of 5-11-81, which prescribes policies for the Headquarters administration of funds collected as a result of civil penalties levied against firms in violation of petroleum price controls.
- 7. ACCOUNTING PRACTICES AND PROCEDURES HANDBOOK. This handbook provides accounting system guidance that shall be followed until it is replaced by the accounting directives (DOE 2200.4-2200.10A).