

Chg 1: 11-11-2022

SUBJECT: LIMITED CHANGE TO DOE O 520.1B, *FINANCIAL MANAGEMENT AND CHIEF FINANCIAL OFFICER RESPONSIBILITIES*

1. EXPLANATION OF CHANGES. This Limited Change eliminates content related to the former cooperative audit strategy and defines roles and responsibilities necessary to support implementation of the Inspector General's new audit strategy.

2. LOCATIONS OF CHANGES:

Page	Paragraph	Changed	To
5	5.a.(2)	Leads financial management activities related to DOE programs and operations under the CFO Act, [Pub. L. 101-576 Section 902(a)(2)], and performs other responsibilities delegated by the Secretary.	Leads financial management activities related to DOE programs and operations under the CFO Act, [Pub. L. 101-576, relevant sections codified in 31 U.S.C. 902(a)(2)], and performs other responsibilities delegated by the Secretary.
7	5.a.(5)(d)	Maintains a Financial Management Council to provide collaborative leadership of the Department's financial management activities. The Council will consist of officials from the CFO, Designated Financial Officers, and others designated by the CFO.	Maintains a Financial Management Council to provide collaborative leadership of the Department's financial management activities. The Council will consist of officials from the Office of the CFO, a Designated Financial Officer for each represented Departmental Element, and others designated by the CFO.
11	5.b.(10)	Added.	Notifies the CFO and the Senior Procurement Executive when designating an official other than the Designated Financial Officer to serve as the Cognizant Federal Agency Official (CFAO) for Cost Accounting Standards Administration, to perform duties of the CFAO specified in the Federal Acquisition Regulations (FAR), including FAR part 30, and the FAR supplement at 48 CFR 9903.

Page	Paragraph	Changed	To
13	5.c.(16)(a) <u>2</u>	Provides a recommendation to the CFO for any deviations from standard financial management contract clauses, including the use of DEAR 970 financial clauses for non-M&O contracts.	Provides a recommendation to the CFO for any deviations from standard financial management contract clauses that have been referred to CFO consistent with the provisions of paragraph 5.a.(10) of this policy, including the use of DEAR 970 financial clauses for non-M&O contracts.
13	5.c.(16)(c)	Serves as a Contracting Officer's Representative (COR) for financial management issues. Designated Financial Officers serving as CORs are designated consistent with the requirements in DOE Order 541.1C (or successor policy). (Applies to all M&O contracts and non-M&O contracts with integrated accounting.)	Serves as a Contracting Officer's Representative (COR) for financial management issues. Designated Financial Officers serving as CORs are designated consistent with the requirements in DOE Order 541.1C (or successor policy). Designated Financial Officers will meet the relevant Federal Acquisition Certification for Contracting Officer's Representatives (FAC-COR) requirements referenced in DOE Order 361.1C (or successor policy). (Applies to all M&O contracts and non-M&O contracts with integrated accounting.)
14	5.c.(16)(d)	Reviews Cost Accounting Standards Disclosure Statements and provides recommendations of adequacy and compliance to the Contracting Officer. (Applies to all M&O contracts and contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause.)	Serves as the Cognizant Federal Agency Official (CFAO) for Cost Accounting Standards Administration, unless another official is designated as the CFAO by the Head of the Departmental Element. Performs duties of the CFAO specified in the FAR, including FAR part 30, and the FAR supplement at 48 CFR 9903. Maintains oversight and review functional staff as necessary to perform the functions of the CFAO, when designated. If not designated the CFAO, provides subject matter expertise to support the CFAO in performance of the duties specified in the FAR, including

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			FAR part 30, and the FAR supplement at 48 CFR 9903. (Applies to all M&O contracts; also applies to contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause, or 970.5216-7 <i>Allowable Cost and Payment</i> , or successor clause.)
14	5.c.(16)(e)	Monitors contractors' cost accounting, including indirect rates and cost allocations, for: (Applies to all M&O contracts and contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause.)	Monitors contractors' cost accounting, including indirect rates and cost allocations, for: (Applies to all M&O contracts and contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause, or 970.5216-7 <i>Allowable Cost and Payment</i> , or successor clause.)
14	5.c.(16)(e) <u>2</u>	Incorrect allocation of costs to benefitting programs and projects which results in inaccurate reporting of costs. CAS compliance is required to accurately accumulate and report the cost of discretely appropriated DOE contract activities, reimbursable work projects, Laboratory Directed Research and Development activities, and other major projects.	Incorrect allocation of costs to benefitting programs and projects which results in inaccurate reporting of costs. Cost Accounting Standards compliance is required to accurately accumulate and report the cost of discretely appropriated DOE contract activities, reimbursable work projects, Laboratory Directed Research and Development activities, and other major projects.
14	5.c.(16)(e) <u>3</u>	Added.	Active management of indirect cost rates to minimize end-of-year variances.
14	5.c.(16)(f)	Added.	Considers the results of audits and reviews performed by the Office of Inspector General or other auditor and coordinates as necessary with the Office of Inspector General on the performance of audits and reviews required by the FAR, including the requirements of FAR 30.202-7

Page	Paragraph	Changed	To
15	5.c.(16)(f) – (l)	Renumbered.	5.c.(16)(g) – (m)
15	5.c.(16)(j)	Reviews contractor financial systems and changes to those systems as required by the contract terms, applicable acquisition regulations, and DOE financial reporting requirements, and recommends acceptance or rejection of those systems or changes to the Contracting Officer. (Applies to all M&O contracts and non-M&O contracts with integrated accounting.)	Reviews contractor financial systems and changes to those systems for compliance with contract terms, applicable acquisition regulations, and DOE financial reporting and accounting requirements as required to recommend acceptance or rejection of those systems or changes to the Contracting Officer. As appropriate, coordinates with the Contracting Officer to request audits or reviews of the contractor’s financial systems from the Office of Inspector General and considers the results of relevant Inspector General reviews or audits. (Applies to all M&O contracts and non-M&O contracts with integrated accounting.)
15	5.c.(16)(m)	Statement of Cost Incurred and Claimed, as applicable. (Applies to M&O contracts, in contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause.)	Coordinates with the Office of Inspector General (OIG) on incurred cost submission templates used for DOE contracts. (Applies to M&O contracts and contracts with the DEAR clause 970.5232-3, <i>Accounts, records, and inspection</i> , or successor clause or 970.5216-7 <i>Allowable Cost and Payment</i> , or successor clause.)
16	5.d.(1)	Confirms Designated Financial Officers are designated by Contracting Officers as Contracting Officer’s Representatives or equivalents for the administration of financial matters for applicable M&O and non-M&O contracts with integrated accounting, including cost accounting matters.	Confirms Designated Financial Officers are designated by Contracting Officers as Contracting Officer’s Representatives or equivalents for the administration of financial matters for applicable M&O and non-M&O contracts with integrated accounting, including cost accounting matters. Designated Financial Officers must meet all applicable requirements specified in DOE Orders

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			541.1C and 361.1C for designation as a Contracting Officer's Representative.
16	5.d.(2)	Verifies that a determination of adequacy and compliance of Cost Accounting Standards Disclosure Statements is made by the Contracting Officer in consultation with the Designated Financial Officer.	Verifies that a determination of adequacy and compliance of Cost Accounting Standards Disclosure Statements is made by the CFAO.
16	6.	Added.	<u>INVOKED STANDARDS.</u> This Order does not invoke any DOE technical standards or industry standards as required methods. Any technical standard or industry standard that is mentioned in or referenced by this Order is not invoked by this Order. Note: DOE O 251.1D, Appendix J provides a definition for "invoked technical standard."
16-18	6. – 7.	Renumbered.	7. – 8.
Attachment 1 – CRD, Contractors Only			
1-1	1.b.	Integrated contractors must follow the applicable standards and procedures in the DOE Financial Management Handbook. Integrated contractors must comply with subsequent revisions to the <i>DOE Financial Management Handbook</i> when notified under the "Laws, regulations, and DOE directives" clause of the contract.	Integrated contractors must follow the applicable provisions of the DOE Financial Management Handbook. Integrated contractors must comply with subsequent revisions to the <i>DOE Financial Management Handbook</i> when notified under the "Laws, regulations, and DOE directives" clause of the contract.
1-1	1.e.	Added.	Integrated contractors shall actively manage indirect cost rates by adjusting rates as needed during the course of the year to minimize end-of-year variances. Final indirect cost rates will be determined in accordance with contract and regulatory requirements.