

Reclamation Manual

Directives and Standards

- Subject:** Department Assessments
- Purpose:** To document the Bureau of Reclamations' business processes associated with assessments from the Department of the Interior. The benefit of this Reclamation Manual (RM), Directives and Standards (D&S) is to educate Reclamation managers and ensure consistent processes within Reclamation for managing Department Assessments.
- Authority:** The Energy and Water Development Appropriations Act of 1986, [November 1, 1985; Public Law 99-141, Title II, Section 205; 99 Stat. 571; 43 United States Code (U.S.C.) § 1472] and acts amendatory and supplemental thereto; 43 U.S.C. § 1467.
- Approving Official:** Director, Program and Budget (P&B)
Director, Management Services Office (MSO)
- Contact:** P&B, Mail Stop 94-30000
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- 1. Introduction.** The Department's Working Capital Fund (Department's WCF) was established pursuant to 43 U.S.C. 1467, to provide common administrative and support services efficiently and economically on a reimbursable basis to the Department's bureaus and offices as well as other Federal agencies. The Department's WCF is used to finance reimbursable activities including centralized services provided by the Immediate Office of the Secretary (IOS) and the National Business Center (NBC). Fiduciary responsibility for the Department's WCF rests with the Assistant Secretary – Policy, Management and Budget. The Office of Budget conducts the direct oversight and management of the Department's WCF with supervision by the Deputy Assistant Secretary – Business Management and Wildland Fire. The Department's WCF Consortium, established in 2003 and chaired by the Deputy Assistant Secretary – Business Management and Wildland Fire, is comprised of senior level bureau officials. The Department's WCF Consortium reviews and approves policies and procedures, including services and initiatives financed through the Department's WCF, the level of production and pricing methodologies. The Department's WCF Consortium also reviews and approves budget changes and provides oversight for the operation of the Department's WCF. The funding levels presented in the budget are the result of this review process, as they must receive approval from the Department's WCF Consortium. These costs are passed on to the Department's Bureaus, which are hereby referred to as Department Assessments.
- 2. Applicability.** This D&S applies to all programs and activities conducted, administered, and/or maintained by or on behalf of Reclamation.
- 3. Definitions.** Refer to Appendix D.

Reclamation Manual

Directives and Standards

4. Responsibilities.

- A. **Director, P&B.** The Director represents Reclamation at the Department's WCF Consortium meetings and communicates updates to current and new assessments to the appropriate program offices or the WCF Manager. The Director consults with the appropriate office (for example the WCF Manager or other program offices) on the funding determination.
- B. **Chief Information Officer (CIO) and CIO's Council (CIOC).** The CIO recommends Departmental and Reclamation-wide WCF Information Technology (IT) budgets and oversees the Reclamation CIOC. The CIOCs major responsibilities associated with WCF in support of and advice to the CIO include coordinating the Departmental and Reclamation-wide IT budget process, presenting IT activity budgets to the Chief Financial Officer's Council (CFOC) for approval/recommendation to the Chief Financial Officer (CFO); and preparing and documenting approved IT assessments on the 5-Year Assessment Summary.
- C. **WCF Manager.** In July 1994, the Commissioner designated the Director, MSO, who is also the Deputy CFO, as the WCF Manager. The WCF Manager is responsible for providing recommendations to the CFO for the Departmental and Reclamation-wide WCF assessments; overseeing the CFOC annual review process of WCF budgets; participating in Departmental; and other high-level WCF hearings and meetings.
- D. **CFO and the CFOC.** The CFO approves Departmental and Reclamation-wide WCF assessments that are funded out of the Reclamation WCF and oversees the Reclamation CFOC. The CFOCs major responsibilities associated with WCF in support of and advice to the CFO include overseeing WCF management, decision processes, and cost recovery activities; and preparing and documenting approved assessments on the 5-Year Assessment Summary.

5. Overview of Appendices to this D&S.

- A. **Appendix A-1** – *Immediate Office of the Secretary and National Business Center Centralized Billing.*
- B. **Appendix A-2** – *Immediate Office of the Secretary Direct Billing.*
- C. **Appendix B** – *Budget Object Classification Codes for the Department of Interior (DOI) and Nation Business Center (NBC) Assessments.*
- D. **Appendix C** – *Departmental Assessment Flow Chart.*
- E. **Appendix D** – *Glossary.*
- F. **Appendix E** – *Prevalidation Form.*

Reclamation Manual

Directives and Standards

6. **Department Billing Methods.** Customer billing is accomplished utilizing one of the following mechanisms:
 - A. **Centralized Billing.** Centralized billing is used whenever the product or service being provided is not severable or it is inefficient to bill for the exact amount of product or service being procured. Customers are billed each year using a pre-established fixed price. The price is adjusted from year-to-year based on a review of the costs of providing services and customer consumption. The use of centralized billing is limited to the Department's bureaus, offices, and mandatory services. Bureau and office budgets are adjusted to reflect increases or decreases in the costs of services that are centrally billed. Refer to Appendix A-1.
 - B. **Direct Billing.** Direct billing is used whenever the product or service provided is severable and individual customer orders are used. Direct billing is used for both fixed fee and time and materials contractual arrangements. Reimbursable Support Agreements (RSA), government charge cards, and similar contractual documents are used to establish the customer and service provider relationship. This type of billing is used for discretionary services. Bureaus and offices adjust budget requests based on their estimates of service levels required and requested through the direct billing. Refer to Appendix A-2.
7. **Participation on Department Teams.** Employees assigned by the Reclamation Leadership Team attending Department committees, teams, councils, and boards are responsible to notify the Director, P&B of new initiatives, services, or projects proposed at meetings that may become future increases to existing and new assessments.
8. **Reclamation Business Processes.**
 - A. **Identification of Reclamation Funding Sources.** Upon approval by the Department's WCF Consortium, the Department's Office of Budget compiles a 3-year budget summary of the Department's WCF. This includes the offices within IOS and NBC. Reclamation's P&B Office determines whether existing or new services can be specifically and readily identifiable to a project or program. General provisions of Reclamation law, project-specific legislation, and specific provisions of contracts with water and power users govern this discretion. In the event budget line items are unidentifiable, the Director, P&B, will present to the appropriate Reclamation council for resolution.
 - B. **Formulate Assessment Costs into Budget Processes.** Upon notification by the Director, P&B, employees representing Reclamation on Department teams are responsible for incorporating increases or new assessments into the appropriate Reclamation budget cycle. Communication from functional program sponsors to budget committees and councils must emphasize these assessments as non-discretionary.

Reclamation Manual

Directives and Standards

- C. **Reclamation Approval Process for WCF Assessments.** The CIOC reviews and recommends all IT investments and assessments for consideration to the CIOC. The CFOC reviews and recommends all WCF assessments and their method of allocation to each Directorate for approval by the CFO. The CIOC and CFOC track these assessments on the 5-year Assessment Summary.
 - D. **Interagency Agreements.** The Department's Office of Budget's funding instrument that authorizes the Department to bill each bureau is a "Reimbursable Support Agreement (RSA)." Reclamation's P&B Office coordinates all RSAs for Department Assessments. Employees do not have warrant authority to sign Department RSAs, nor does this Department RSA obligate funds for Reclamation. Therefore, each employee representing Reclamation on Department teams and boards that agree to fund Department initiatives must seek Reclamation funding from the appropriate council. Then the employee must either provide an informal written budget prevalidation of funds (refer to Appendix E) to the Director, P&B, or generate a separate requisition to his or her local acquisition office to establish an Interagency Agreement to reserve funding for the new or existing initiative. The Contracting Officer will send a signed file copy of the Interagency Agreement to the Director, P&B. Agreements that exceed \$5 million need Solicitor approval.
 - E. **Budget Object Classification of Assessment.** Unique budget object codes are assigned to each assessment in the accounting system. Refer to Appendix B.
9. **Related References.**
- A. **Office of Management and Budget Circular A-11 – Preparation, Submission, and Execution of the Budget.**
 - B. **Bureau of Reclamation Standard Processes of Costing Business Practices.**