



U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
DIRECTIVES SYSTEM

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Subject: ~~NON-FEDERAL REIMBURSEMENTS TO OSM~~

Approval:  Title: Director

1. Purpose. This directive establishes policies and procedures for the administration of Office of Surface Mining Reclamation and Enforcement (OSM) reimbursable agreements where OSM is the supplier of goods and/or services to a non-federal entity. These reimbursements currently include:

- a. Interagency Personnel Act Agreements.
- b. Sale of Mine Maps.
- c. Sale of vehicles.
- d. Copy fees.

2. Summary.

a. The administration of OSM Programs includes providing support through goods and services to non-Federal entities. Some of this support is provided on a reimbursable basis such that the customer reimburses OSM through a billing procedure after the goods or services have been received. Consequently, the reimbursement program has no impact on OSM appropriated funds.

b. Reimbursable orders (agreements) should only be written when such orders are in the best interest of the Government and within OSM's authority to cooperate with such agencies or individuals. There are two types of reimbursements (self-generating and formal agreements).

c. To the extent possible, reimbursable funds are budgeted, controlled, and accounted for at the same level as appropriated funds (e.g., signature authority, document flow through procurement and budget channels, etc.).

3. Definitions and Acronyms.

a. Inter-Agency Agreement. A written agreement with another Federal agency to establish a reimbursable order for goods and/or services (See OSM Directive PRC 7-1, "Interagency Acquisitions (Agreements)").

b. Supplier. The agency providing the required goods or services for which reimbursement will be received. (OSM is the supplier as it pertains to this directive.)

c. Receiver. The agency requesting the goods and/or services for which reimbursement will be made from its appropriated funds.

d. Interagency Personnel Act Agreements (IPAs). An agreement for the loan or detail of personnel by a Federal agency to a non-Federal entity (as defined in Title 5, U.S.C. 3371-3376) for which partial or full reimbursement will be made to the furnishing agency.

e. Direct Account Number. This account number represents an accounting cost center used in the Advanced Budget and Accounting Information System (ABACIS) to record obligations, accrued expenditures, and disbursements which uses authority granted directly to OSM by Congress. Funds for this account are provided directly to OSM by Treasury.

f. Reimbursable Account Number. This account number also represents an accounting cost center in ABACIS within which obligations, accrued expenditures, disbursements, bills, and collections are recorded. Authority to expend money out of this account has been established by virtue of a reimbursable agreement. Funds for this account are provided by the "receiving" activity. Cash is recorded in ABACIS after the service or goods have been provided and billed, and payment received. This account number is differentiated from direct account numbers by the letter "R" in the third to the last digit.

g. Activity. An organizational entity which has the authority to enter into an agreement or obligate budget authority.

h. Budget Authority. Passed by Congress in appropriation acts and apportioned by the Office of Management and Budget (OMB), direct and reimbursable budget authority is made available for obligation through the budget process. Availability to an activity is provided by means of a financial plan issued by the Budget Staff and entered into ABACIS by the Division of Financial Management (DFM). The combination of the direct and reimbursable authority determines the total authority available in the respective activity's budget. However, reimbursable authority can not be used for any other purpose than that authorized by the receiving agency. Thus, direct costs can not be charged against a reimbursable authority.

i. Anticipated Reimbursement Authority. Current year budgetary estimate of funds to be collected from states or other Governmental agencies in exchange for goods and/or services to be provided. They are identified with the appropriation under which the goods and/or services are to be provided. DFM enters OSM's anticipated reimbursement authority by appropriation into ABACIS from the

"Activity Allotment Program Reports" (DI520) or the "Apportionment and Reapportionment Schedule" (SF132) prepared by the Budget Staff. These reimbursable funds are not immediately available for obligation. Only after a financial plan has been prepared and entered into ABACIS do these funds become available for obligation.

j. Formal Reimbursable Agreements. These agreements are used to provide goods and/or services to other Federal agencies and non-Federal entities. They are initiated and monitored by the negotiating activities in close coordination with appropriate OSM procurement, personnel, budgeting, and accounting offices. Such agreements include IPA agreements with state agencies and Memorandum of Understanding with other federal agencies (PRC 7-1).

k. Self-Generating Reimbursements. These reimbursements are based on appropriation language which provides for the use of specific receipts from sales or services (e.g., the sale of mine maps and copy fees authorized under the Title 43 U.S.C. Part 1460 and the sale of vehicles authorized under the Federal Property Management Regulations Part 101-46.304 "Availability of proceeds of sale."). These reimbursements are also initiated by the supplying activities in coordination with appropriate OSM budgeting and accounting offices. Budget authority becomes available for obligation of these receipts after a financial plan has been entered into ABACIS.

l. Reimbursable Order. An "order" is any firm authorized formal agreement to furnish goods or services on a reimbursable basis. This order must be reduced to a written agreement and must be accompanied with a "Request Form for Reimbursable Services" (Appendix 1); and can only be recorded in the financial system through the issuance of a financial plan by the Budget Staff. The financial plan will increase the funds available to OSM (in the respective reimbursable account) for obligation.

m. ABACIS. Advanced Budget and Accounting Information System used in OSM for recording all accounting transactions and budgetary authority.

n. DI-1040 Bill for Collection. This document is used to bill non-Federal entities.

o. ATDR. Accounting Transaction Detail Report is a monthly report distributed to activities showing obligations, expenditures, disbursements, and collections.

4. Policy/Procedure.

a. Concept.

(1) Policy. It is the policy of OSM to enter into formal reimbursable agreements with State agencies whenever the object represents a problem of common interest; the solution will directly

aid OSM in carrying out its responsibilities and programs; and/or the economy of the agreement will benefit the Government, but will not increase OSM's cost of operation. The determination to enter into such an agreement must take into consideration the following factors:

(a) The work must be encompassed within OSM's normal and legal authority;

(b) The agreement is to provide some unique or special skill, service, or facility that is not available elsewhere;

(c) The work is not something that can be done, or is being done satisfactorily by privately-owned establishments, or more appropriately by another agency; and

(d) The work will not deter, delay, duplicate, or preclude activities or programs authorized under appropriations made directly to OSM by Congress.

(2) Authority. Agreements with other Federal agencies are covered in OSM Directive PRC 7-1 in "Interagency Acquisitions (Agreements)" authorized under the Economy Act of 1932 (31 U.S.C. 1535). Interagency Personnel Act agreements are authorized under Title 5, U.S.C. 3371-3376. Officials authorized to approve interagency agreements are designated in the OSM Directive OPM-5 "Delegation of Authority". Self-generating reimbursements are authorized under the Title 43, U.S.C. Part 1460 for mine map sales and copy fees and under Federal Property Management Regulations Part 101-46.304 "Availability of Proceeds of Sale" for vehicle sales.

(3) Preliminary Arrangement. OSM officials authorized to enter into reimbursable agreements, or their designated representatives, may enter into preliminary written or oral communications pursuing the possibilities of undertaking work by means of a reimbursable agreement. These discussions must not be binding on OSM but should determine the capability and willingness to cooperate, the cost, method of financing, reporting requirements, and any other information deemed necessary to successfully execute an agreement.

(4) Negotiation. Following preliminary discussions the agreement will be prepared for negotiation by an official authorized to sign reimbursable agreements under OPM-5-1 "Delegation of Authority". Assistance in the preparation of agreements should be sought from the appropriate office channels and DFM for financial language. Final review of all proposed agreements will be conducted by the responsible office prior to signature by the approving official. The purpose of this review is to insure that the agreement adequately addresses the contractual aspects including:

(a) Statement of purpose and description of the work to be accomplished clearly identifying the product and the performance standards.

(b) Funding arrangement. Provisions for billing, description of the method for transferring funds between the agencies (e.g., frequency and required approvals) an estimate of the total funding anticipated for the agreement.

(c) Period of the agreement. Beginning and ending dates of the effort encompassed by the agreement.

(d) Identification of the principal contacts delegated responsibility for administration of the agreement.

(e) Indirect cost. Regulations allow bureaus to recover indirect costs/overhead according to Departmental Manual Part 346, Cost Recovery to perform reimbursable work. The decision to charge indirect costs should be coordinated when developing the agreement. If indirect costs are determined appropriate, procedures for charging and computation of such costs should be coordinated with DFM.

(5) Format of Agreements. Formal agreements should be kept simple and concise and may be in any format acceptable to both parties, for example, correspondence letters or memorandums of agreements as long as all of the above information is included.

b. Stages of Reimbursements.

(1) Receipt of Reimbursable Authority. Reimbursement authority must be apportioned to OSM by OMB as provided by Congress under appropriation authority. This is based on the anticipated reimbursements included in the Fiscal Year Budget Submission prepared by the Budget Staff.

(2) Orders Received.

(a) A formal reimbursable "order" must include a copy of the formal agreement and the "Request Form for Reimbursable Services" with the estimated dollar amounts of supplies or services to be delivered. Self-generating reimbursables are projected annually on a "Request Form for Reimbursable Services" based on anticipated receipts.

(b) The receipt of reimbursable orders from activities must be recorded to increase the activity(s) budgetary authority by the anticipated cost of the reimbursable good and/or services requested by the receiving agency. The subsequent accounting transactions under the reimbursable account number can be monitored on the Accounting Transaction Detail Report (ATDR) which is distributed to the activities monthly.

(c) Any change in the reimbursable estimated amount, when identified, must be submitted to preclude an overobligation of available budget authority. If an order is reduced without proper

notice and obligations are greater than the estimated amount at the end of the fiscal year, an overobligation of funds could result. This would constitute a violation of 31 U.S.C. 1301(a) & 1341(a). If it becomes apparent that the costs are going to exceed the order, an amended order should be negotiated.

(3) Earned Reimbursements. Reimbursements are earned based on the actual delivery of goods and/or services to the receiver. After the terms of the agreement have been met, an adjusted reimbursable order or a final completion notice must be submitted to deobligate any remaining balances and close out the account. A clause in a personnel agreement allowing adjustments to the estimate for possible fluctuations (e.g., step increases, fringe benefit coverage, or period covered) will permit automatic coverage of increases and the deobligation of the unearned balance. When a reimbursement is earned, an accounts receivable is posted for which DFM will issue a bill to the receiver. If billing amount is unclear, the supplying office is required to furnish sufficient information to DFM for issuance of a bill (Appendix 2).

(4) Collection Stage. Collections which can be monitored on the ATDR under the reimbursable account number are recorded after the receiving agency has been billed and payment received. The amount recorded as a collection for each completed reimbursable order must equal the reimbursement earned. Collections cannot exceed reimbursements earned.

c. Responsibilities.

(1) The negotiator(s) for an agreement will insure that:

(a) the agreement is within the purview of the regulatory guidance specified herein;

(b) procurement, budgeting, and accounting offices are kept informed;

(c) procedures for processing agreements have been followed;

(d) goods and/or services are provided with respect to the terms of the agreement;

(e) sufficient information (Appendix 2), as necessary, is made available in a timely manner for recovery and billing for goods and services provided; and

(f) accounting data in their reports reflect accurate costs for the goods and/or services rendered.

(2) The Budget Staff will insure that:

(a) The effective and efficient operation of the OSM Reimbursement Program.

(b) the agreement is within the purview of the budgetary regulatory guidance specified herein;

(c) budgetary authority is properly requested, distributed, and reported as required to cover all reimbursable goods and/or services provided.

(d) reimbursable costs are charged to the correct program under the appropriation law; and

(e) allocations do not exceed budgetary authority.

(3) The Division of Financial Management will insure that:

(a) the agreement is within the purview of the accounting regulatory guidance specified herein;

(b) proper accounting procedures are used in recording reimbursable transactions (i.e., budgetary authority, obligations, expenditures, disbursements, bills, and collections) into the automated accounting system; and

(c) bills are prepared and issued for goods and services provided under reimbursable agreements.

(d) reports prepared with reimbursable accounting and budgetary data are accurate and timely.

(e) obligations do not exceed the budgetary authority for any one reimbursable account.

d. Procedures.

(1) Negotiator.

(a) The negotiators of the agreement must submit through their proper approving channels an annual "Request Form For Reimbursable Services" with the original signed agreement to the Budget Staff for issuance of a financial plan. For those agreements which cross fiscal years, a new request form must be submitted annually at the beginning of each fiscal year. Also, each year the negotiating activity will submit to their respective operations office budget section an estimate of anticipated reimbursements with their fiscal year budget submissions. During the fiscal year, any changes to any anticipated reimbursable projects must be forwarded immediately through budget channels to the Budget Staff with a copy to DFM, Attention: Chief, Programmatic Accounting Section.

Pertinent data from the agreement will be listed on the request form including:

1. Requesting Office
2. Type of Agreement (IPA, other)
3. Name and SSN of personnel, if applicable.
4. Effective dates of the agreement (Beginning and ending dates)
5. Brief description of services to be provided.
6. Payment provisions for billing (frequency, conditions, billing address, etc.)
7. Name and telephone number of the OSM official who will approve payments.
8. Name and telephone number of the receiver's billing official.
9. Name and telephone number of the receiving and supplying technical representatives.
10. Amount of funds to be obligated for current fiscal year (see C. Availability of Funds).
11. Estimated fiscal year amount by object class except where appropriation law permits an agreement to cross fiscal years and where all the funds are anticipated to be obligated by the end of the current fiscal year. IPAs are not subject to this exception.
12. Other information required to establish a financial plan will also be provided such as the activity or federal program supplying the goods or services. This will aid in developing a reimbursable account number to incur the costs and collect the reimbursement.

NOTE: The DFM cannot begin collection activity on a reimbursable agreement until all the information listed above is received.

(b) The activity offices will also be responsible for tracking reimbursable costs separately from direct costs to insure obligations and expenditures are applied correctly. They should notify the Budget Staff and DFM with any observed discrepancies.

(2) Budget Staff

(a) The Budget Staff will establish, monitor and control the funding of the overall OSM Reimbursable Program to include projections and budget authority.

(b) All anticipated fiscal year reimbursements by appropriation will be included in the fiscal year DI520s and SF132s forwarded to DFM. Any changes will be updated quarterly by appropriation to DFM using the DI521s. This information is based on activity(s) fiscal and mid-year budget submissions and any changes received during the fiscal year.

(c) The Budget Staff will forward the original agreement and request form annotated with the account number, to DFM for establishment of the reimbursable account and institution of the billing process. The billing address for the paying agency should be furnished with the forwarded agreement copy.

(d) For self-generating reimbursements as defined above, the Budget Staff will establish reimbursable program controls and reimbursable accounts to be credited with the receipts. Financial plans will be prepared and issued at the beginning of each fiscal year and during the fiscal year as changes occur.

(e) The Budget Staff will review the ATDR to ensure internal control throughout the fiscal year.

(3) Division of Financial Management.

(a) DFM will record budget allocations (the financial plans) into ABACIS within the earlier of 15 days or the end of the month to insure availability to the user.

(b) DFM will maintain copies of all formal and self-generating reimbursable agreements and/or authority. DFM will record reimbursable budget authority, obligations, expenditures, disbursements, bills, and collections in ABACIS. On a quarterly basis for the first three quarters and monthly for the last quarter of the fiscal year, DFM will transfer to reimbursable accounts any expenditures charged to direct accounts which were funded under reimbursable agreements (e.g., IPAs). (Note - the transferring of expenditures from a direct account to a reimbursable account will make available funds in the direct accounts in the amount of the transfer to spend on OSM mission objectives.)

(c) DFM will bill for goods and services provided in accordance with the terms of the written reimbursable agreement and information from the supplying office (See Appendix 2).

(d) DFM will report reimbursable accounting information to the Department of the Treasury, the Office of Management and

Budget, and the Department of the Interior in the monthly, quarterly, and annual reports required by these agencies.

(e) DFM will monitor and coordinate with the Budget Staff and the supplying activities all reimbursable accounting transactions and controls.

5. Reporting Requirements.

a. Internal Reporting. Accounting reimbursable data will be included in the monthly operating reports furnished to the field and will be recorded in the Advanced Budget Accounting Control information System (ABACIS).

b. External Reporting. DFM will report reimbursable accounting data to the Department of the Treasury, the Office of Management and Budget, and the Department of the Interior in the monthly, quarterly, and annual reports required by these agencies.

6. Effect on Other Directives. None.

7. References.

a. Principles of Federal Appropriation Law, Chapter 6, pages 6-17 through 22, and 6-25 through 27.

b. United States Code, Title 43, Part 1460, "Copy Statutes"

c. United States Code, Title 5, Parts 3371-3376, "Assignments to and from States."

d. Federal Property Management Regulations, Part 101-46.304 "Availability of proceeds of sale."

e. OSM Directive, OPM-5, "Delegations of Authority".

f. OSM Directive, PRC-7-1, "Interagency Acquisitions (Agreements)".

g. United States Code, Title 31, Part 1535, "Agency Agreements".

8. Effective Date. Upon issuance.

9. Contacts.

Chief, Branch of Accounting, Division of Financial Management
(303) 236-0334, FTS 776-0334.

Chief, Budget Staff, FTS 268-2829

10. Keywords. Reimbursements, Supplier.

11. List of Appendices.

Appendix 1 "Request Form for Reimbursable Agreements"

Appendix 2 "Bill of Collection Request Form"

REQUEST FORM FOR
REIMBURSABLE SERVICES

Instructions: Use this form to request current Fiscal Year Reimbursable Obligation Authority and the establishment of a reimbursable account number for any service agreement for which OSM is the supplier. Fill out the form and send to the Budget Staff, Washington, D.C. with a copy to Division of Financial Management, ATTN: Programmatic Accounting Section.

Fiscal Year _____
Requesting Office _____
Office Code (Supplying Office) _____
Type of Agreement (IPA, detail, MOU, etc.) _____
Name of Employee (if applicable) _____ SSN _____
Begin/End Dates _____

Object Class (Current FY Estimate)

Personnel	\$	_____
Benefits	\$	_____
Travel	\$	_____
Trans	\$	_____
Rent	\$	_____
Print	\$	_____
Other	\$	_____
Supplies	\$	_____
Equipment	\$	_____
Grants	\$	_____

Total Estimated Amount \$ _____

Purpose of Service Agreement (Brief description) _____

Assistant Director or
Chief, Division of Administrative Services

Budget Officer

Reimbursable Account Number