

PART 2009 - BUDGETS

Subpart A - Budgetary Controls and Reports

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PART 2009 - BUDGETS

Subpart A - Budgetary Controls and Reports

§2009.1 General.

This subpart defines the method to be used by officials in maintaining a control of administrative expense funds and of approved positions.

§2009.2 Definitions.

- (a) Allotment and Obligations - See Subpart B of this Part.
- (b) Appropriation - Funds for administrative expenses of the Rural Development authorized by Congress and available as apportioned by OMB on a quarterly basis. They include but are not restricted to Salaries and Expenses, Rural Development. Funds are also transferred from other appropriations and sources for administrative expenses.
- (c) Master Allotment Account - The jurisdictional and purpose designation of an administrative expense allotment made to a principal allottee. See RD Instruction 2009-D.
- (d) Principal Allottee - Individual to whom an allotment, allocation or allowance is made and who is responsible for obligation control. - See §2009.54 of Subpart B of this Part.
- (e) Finance Office - The office referred to in this Instruction is the Rural Development Finance Office located in St. Louis, Missouri.
- (f) NFC - USDA National Finance Center located in New Orleans, Louisiana.

§2009.3 Allotments.

- (a) The National Office, Budget Staff will prepare an "Allotment Advice," to approve allotments for administrative expenses. Allotments are made by a designee to the Administrator, usually the Director, Budget Staff, see §2009.53(a) of Subpart B of this Part, to a master allotment account. Allotments will be made on Form AD-704, "Allotment Advice." A posting copy of each approved allotment will be transmitted to the Finance Office for verification and submission to NFC in New Orleans for entry to the allotment ledger.

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RD Instruction 2009-A
§2009.3 (Cont.)

(b) Allotments may be made on a consolidated account basis to the Assistant Administrator, Finance Office, for overall control or to an appropriate National Office official, the Assistant Administrator, Finance Office, or State Director by a specific code account to meet current reporting requirements.

(c) The amounts on the individual allotment advice form will determine the amount that is available for obligation for specific periods, usually quarterly.

(1) Annual allotments.

(i) The fourth cumulative quarterly allotment (October 1 to September 30) will be the annual allotment. This amount is the principal allottee's limit on proposed annual obligations for budgetary reports and estimates.

(ii) Changes in amounts must be approved on numbered revisions of the allotment advice. An approved change in the annual allotment can necessitate revision of allotments for unexpired quarters.

(2) Cumulative quarterly allotments. When the principal allottee requests or when necessary, adjustments may be made by the National Office between cumulative quarterly allotments without changing the total allotment. As quarterly allotments expire, subsequent adjustments will be shown only in the current and remaining quarters.

(3) Allowances. Annual allocations or allowances, etc. may be used as a guide for planning purposes to keep expenses within the master allotment account. There is no violation of the Anti-Deficiency Act if the total obligations under all allowance accounts do not exceed the annual allotment. Annual allowance amounts may be adjusted during the year for financing and approved staff year changes.

(4) Recording of allotments. The amounts shown on the allotment advice are self-explanatory. The "prior amount" column will be blank if the advice represents an original allotment. If the advice is a revision, then the amounts shown in the "cumulative amount" column of the last approved allotment will be shown in the "prior amount" column of the form that is currently being processed.

(5) Unobligated quarterly allotments. The unobligated allotment shown on Report Code 502, "Status of Allotment Ledger Accounts," as of December 31, March 31, and June 30, is available for obligation in the next quarter. A surplus under one account cannot be used to cover a deficit under another account. Instead, a request for an allotment adjustment must be made if warranted.

§2009.4 Control of obligations.

The principal allottee is responsible for the obligation of allotted funds. The official accounts must show obligations and available funds accurately. Current and accurate estimates are required. If the projected planned use of funds cannot be adjusted to available quarterly allotments, the principal allottee may request an allotment increase. Such a request must be made sufficiently in advance of the proposed obligation to permit the Budget Staff to take action on the request. If an obligation causes an overrun of the cumulative quarterly allotment, the Finance Office will inform the principal allottee and notify the National Office of the problem. Allowances to states also provide for control of funds. State Director's are responsible for the control of resources allocated to the state. Each state should continually monitor its internal procedures and reporting requirements to assure adequate controls and safeguards over budgetary resources are in place and being maintained to avoid over-obligation. Reprogramming requests are not to be made during the last month of each fiscal year.

(a) Form RD033-1, "Notice of Miscellaneous Obligation." When Form RD033-1 is the obligating document under this Subpart, the principal allottee or designee will prepare the estimate and send it to the Finance Office in an original and one copy. All travel obligations must be submitted monthly.

(1) The State Director must send to NFC separate Forms RD 033-1 by the fifth of each month for each of these obligations (travel for each allowance account code will be included in the blanket obligation):

(i) For travel, other than General Services Administration (GSA) automobile cost, by State, District, and County Office personnel.

(ii) For cost of GSA automobiles used by State, District and County Office personnel.

(2) The Assistant Administrator, Finance Office will prepare the monthly Form RD033-1 for all travel applicable to Finance Office personnel.

(3) The Budget Staff of the National Office will prepare and send monthly Forms RD 033-1 for all travel charged to the National Office codes.

RD Instruction 2009-A
§2009.4 (a) (Cont.)

(4) During September of each year, before the allotment accounts are closed, a detailed examination of the unpaid obligation amounts must be made by each principal allottee. This will determine the adequacy of the amount currently recorded which requires funding from existing appropriations and will be paid in subsequent fiscal years. These unliquidated obligations are accountable and able to be certified to and/or reconciled with TFS Form 2108 (31 U.S.C. 1501A) by the Finance Office.

(5) The Finance Office is responsible for:

(i) The coordination of allotment ledger reports that are released from the National Finance Center and various subsystems maintained by Rural Development and reported from St. Louis.

(ii) Confirmation of obligations and notice of unobligated balances to principal allottees.

(iii) Review of obligations to see that they are realistic, promptly made, and in compliance with budget and fiscal regulations.

(iv) Providing principal allottees advice when obligation do not meet requirements.

(v) Making sure that:

(A) Recurring obligations are sent promptly.

(B) The appropriation (with limitation) to be charged is legally available for the purpose.

(C) The account code is correctly shown.

(D) The amount of the estimated obligation is adequate.

(E) The purpose is legal and within the approved allotment.

(b) Travel. The National Office assigns annual travel allocations to State Offices, the Finance Office, and the National Office. Consideration is given to past usage rates, number of traveling positions, personnel increases, current program plans, etc. Allocations are usually made to a cost center office (principal allottees) at the beginning of each fiscal year. The Budget Staff, National Office prepares Form AD-703 "Operating Plan" (Exhibit A-1) for each State allocation and transmits them to NFC. The Budget Staff also prepares revised Operating Plans during the fiscal year to reflect approved changes to State allocations (See Exhibit A-2). Information is provided in Exhibit A.

RD Instruction 2009-A
§2009.4 (b) (Cont.)

(1) The principal allottee is responsible for assuring that obligations in any period do not exceed the cumulative allocation. Report Code 502-ADM 10, Exhibit B-1, should be used to monitor obligations against allocations. A description of object classification related to travel accounts is listed on the attached Exhibit B-2. Information is provided in Exhibit B.

(2) The principal allottee may notify travelers of the amount available for their use or utilize some other method for control of obligations.

(3) Each month a review of Report Code 502 will be made by the principal allottee, who must examine the travel allocation accounts to see that the rate of obligations is not excessive. Each office will send a Form RD033-1, to the Finance Office for each travel allocation account covering expenses for the current month.

(i) A consolidated obligation amount for all travelers will be shown on the "amount of obligation" line in the upper right section of the Form. A separate Form RD033-1 is to be prepared for each allotment account code showing the cost of estimated travel for the period involved.

(ii) Obligations established by Forms RD 033-1 are liquidated at the end of the succeeding month. When travel vouchers are processed by NFC.

(4) All travel associated with relocation of employees is charged to a separate relocation allocation.

(c) Communications.

(1) Communication allowances are based upon the allottees' estimates, prior experience and the overall quarterly apportioned amounts. The communication allowance will be sent to:

(i) The State Director, for State, District and County Office expense costs with separate allowance accounts, as necessary, to meet current budgetary reporting requirements.

(ii) The Assistant Administrator, Finance Office for Finance Office expense.

(iii) The Director, Administrative Services Division, for National Office expense.

(iv) The Assistant Administrator, Finance Office, for all expenses when accounts are maintained on a National basis.

(2) Communications obligation and expenditure accounts will be maintained by NFC under the CAS system and the monthly Report Code 502-ADM-11 should be reviewed by the allottee for projecting future requirements.

(i) The obligations for communications expense are made each month by the NFC on the basis of the prior month's costs or the average monthly cost for the current fiscal year, whichever is greater, by individual allowance accounts. Monthly obligation estimates for communication expense will be required by principal allottees. Adjustment to projected obligation estimates will be computer generated by NFC. Principal allottees should continually review this account to see that amounts shown are reasonable.

(ii) Report Code 502-ADM-11 shows the activity in each allowance account. The reports are made on a cumulative fiscal year basis.

§2009.5 Personnel compensation and benefits.

The Budget Staff of the National Office maintains controls for all pay and benefits costs for each appropriation or fund available for administrative expenses. Staff-year limits approved by the National Office cannot be exceeded. Questions concerning procedures listed under paragraphs (a) through (e) of this section are to be directed to the National Office: Attention: Budget Staff.

(a) Financing of staff years. All staff years or positions are financed from Rural Development funds. The National Office will inform the Finance Office of any change in financing by furnishing a listing of the selected positions to be paid from other than Rural Development funds. Changes in financing of staff years or positions will be initiated only by the Budget Staff.

(b) Permanent-position ceilings. The National Office establishes staff-year or position ceilings for all offices. Employment officials of the State, Finance, and National Offices will keep records and controls to prevent violations of their ceilings.

(c) Temporary staff-year ceilings. The National Office authorizes and may limit temporary staff-years. These staff-years provides relief during peak periods of work or when employees go on extended leave. To request temporary staff-years, indicate the need and time period in your request to the Budget Staff, National Office. Records and controls must be kept to prevent violations of the limit. A temporary WAE (when actually employed) employee counts against the approved ceiling.

(d) Temporary Emergency Loan staff year ceilings. The National Office Budget Staff provides for temporary Emergency Loan staff years on an "as needed" basis. The staff years are financed from the Agricultural Credit Insurance Fund.

(e) Staff Year changes. National Office approval is needed for all additional staff years. Written requests with justification should be sent to the Director, Budget Staff. The State Director may transfer any staff-year assignment to another headquarters within his/her State without prior approval.

(f) Personal procedures. All positions will be filled only in accordance with established personnel procedures.

(g) County Committee services. Funds for County Committee pay and travel are controlled and monitored by the National Office Budget Staff. Projected obligations for committee expenses are computer generated by NFC and separate estimates do not need to be prepared.

§2009.6 [Reserved]

§2009.7 Miscellaneous nationwide accounts.

(a) Nationwide. Allowances for miscellaneous nationwide allowance accounts are to be established by the Finance Office.

(b) National Office. A National Office official will have responsibility for preparing obligation documents for the miscellaneous allowance accounts which are serviced by that office. This will include various working capital fund and other accounts. This responsibility will generally be delegated to the Director, Budget Staff or Director, Administrative Services Division. Unless specifically informed otherwise, all documents will be sent to the Rural Development Finance Office for transmittal to the National Finance Center, New Orleans.

(c) Obligation of funds. RD Instruction 2009-D is a guide to the obligation of funds. This Instruction establishes the various allotment or allowance code accounts under which the detailed obligation and expenditures will be recorded.

§§2009.8 - 2009.50 [Reserved]

Attachments: Exhibits A and B.

Operating Plan
(Form AD-703)

I. Purpose. Administrative control of allotments or allowances requires a monthly analysis by the principal allottee of cumulative obligations and available funds.

The preparation of an operating plan (Form AD-703) will assist in monitoring the availability of funds. Operating plans are completed for travel, communications, relocation, supplies, equipment, leasing and for total operating budgets as in the case of allottees 1 and 2; National Office and Finance Office. As an example, the attached sample Form AD 703 (Exhibit A-1) provides the annual state travel allowance which will be shown on Report Code 502-ADM-10, allotment distribution column.

II. Preparation of Operating Plans: Generally, most operating plans for administrative expense allocations will be prepared by the National and Finance Offices.

Should a principal allottee request a change in funds, a revised AD-703 will be prepared by the National or Finance Office as shown in Exhibit A-2. Revised plans will be prepared for the amount of the change only.

Exhibit A-1 & A-2 not automated see manual

Understanding of Report Code 502

"STATUS OF ALLOTMENT LEDGER ACCOUNTS"

Detail Travel Accounts
ADM-10

This report is prepared monthly, except for October, by the National Finance Center in New Orleans and reflects all obligations and related expenditures by detail code account, as recorded under the Central Accounting System of the Department.

These reports are to be reviewed by a cost center designee to ascertain the accuracy of the information as presented and to see if the approved operating plan as shown on Form AD-703 (Exhibit A-1 of this subpart) is reflected. If not, the Appropriation Accounting Section of the Finance Office should be notified immediately.

The Budget Staff and/or the Appropriation Accounting Section will assist you in the verification process, if necessary.

Reference Exhibit B-1 and B-2.

Exhibit B-1 not automated see manual

COLUMN 5 - OBJECT CLASSIFICATION

OBJECT CLASS 21

2111 - Common Carrier

Includes the cost of regularly scheduled common carrier transportation, airplane, taxi, train, bus, limousine, etc.

2121 - Mileage Allowances

Allowances for mileage when using a privately owned vehicle, including mileage to and from carrier terminals

2131 - Per Diem Allowances

Reimbursements to travelers at per diem rate in lieu of actual subsistence

2141 - Actual Subsistence

Reimbursements to travelers at actual cost of subsistence.

2151 - Other Travel

2160 - Vehicular Transportation

Charter charges for buses, airplanes, etc. SCS rentals

2161 - Vehicular Transportation

Commercial car rental

2162 - Vehicular Transportation

GSA rentals (except truck)

2163 - Vehicular Transportation

Rural Development leased vehicles

2232 - GSA Truck Rental

GSA rentals for trucks (Pickups)

OBJECT CLASS 26

Supplies Related to Rural Development Leased Vehicles

2611 - Gasohol

2615 - Diesel

2614 - Gasoline

2675 - Motor Oil and Other
Lubricants