

U.S. DEPARTMENT OF ENERGY
Washington, D.C.

ORDER

DOE O 534.1

Approved: 09-29-95
Sunset Review: 09-29-97
Expires: 09-29-99

SUBJECT: ACCOUNTING

1. OBJECTIVE. To prescribe the policies and general procedures for the accounting and financial management of Department of Energy(DOE) accounting operations.
2. CANCELLATIONS.

The orders listed below are canceled. Cancellation of an order does not, by itself, modify or otherwise affect any contractual obligation to comply with such an order. Canceled orders which are incorporated by reference in a contract shall remain in effect until the contract is modified to delete the reference to the requirements in the canceled order.

- a. DOE 2100.3A, TRANSFER OF CONTRACTS BETWEEN DEPARTMENTAL ELEMENTS, of 6-8-92.
 - b. DOE 2200.4, ACCOUNTING OVERVIEW, of 3-31-88.
 - c. DOE 2200.5B, FUND ACCOUNTING, of 6-8-92.
 - d. DOE 2200.6A, FINANCIAL ACCOUNTING, of 1-7-93.
 - e. DOE 2200.7, COST ACCOUNTING, of 5-2-88.
 - f. DOE 2200.8B, ACCOUNTING SYSTEMS, ORGANIZATIONS AND REPORTING, of 6-8-92.
 - g. DOE 2200.9B, MISCELLANEOUS ACCOUNTING, of 6-8-92.
 - h. DOE 2200.10A, ACCOUNTS, CODES, AND ILLUSTRATIVE ENTRIES, of 8-9-89.
3. APPLICABILITY.
 - a. DOE Elements. Except for the exclusions in Paragraph 3c, below, this Order applies to all DOE elements.
 - b. Contractors. Except for the exclusions in paragraph 3c, below, the Contractor Requirements Document (CRD), Attachment 1, sets forth requirements that are to be applied to integrated contractors performing work for the Department. Contractor compliance with the CRD will be required to the extent set forth in a contract. Contractors shall be directed to continue to comply with the requirements of orders canceled by this Order until their contract are modified to delete the reference to the requirements of the canceled orders.

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of the Chief Financial Officer

- c. Exclusion. The Bonneville Power Administration (BPA) 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. Therefore, BPA is exempt from the provisions of this Order.

4. REQUIREMENTS.

- a. Establish and maintain an accounting system for the Department that:
- (1) Enables it to manage and maintain accountability of Departmental resources;
 - (2) Conforms to mandatory accounting and financial management guidance received from the Office of Management and Budget, the Department of the Treasury, and the General Accounting Office;
 - (3) Ensures the recording of cash, advances, receivables, inventories, and investment of funds; accountability for plant and capital equipment; current and long-term liabilities; and accounting for equity, reimbursable work, revenues, collections, and expenses;
 - (4) Accurately reports financial information on a timely and consistent basis;
 - (5) Interfaces with the Department's single integrated financial management system, which serves program management, budgetary, and accounting needs;
 - (6) Ensures that obligations and payments do not exceed funds appropriated by Congress; and
 - (7) Ensures that DOE and its integrated contractors' records contain sufficient details to account for all DOE funds, assets, liabilities, and costs.
- b. Impose upon integrated contractors the requirement that their system of accounts conforms with generally accepted accounting principles, produces accurate results, provides the necessary DOE financial reports, and does not conflict with the provisions of DOE directives concerning accounting and financial management.

5. RESPONSIBILITIES.

- a. Heads of Departmental Elements.
- (1) Ensure that the provisions of the DOE Accounting Instructions that apply to functions over which they have program direction and management responsibilities, both in the field and at Headquarters, are carried out.

- (2) Develop, with the Chief Financial Officer, budget and reporting classifications (B&R) and definitions that cover the specific functions and activities for which they are responsible.

b. Chief Financial Officer.

(1) Accounting Concepts and Standards.

- (a) Establishes, maintains, and interprets 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.
- (b) Provides technical accounting advice and guidance to field offices directly performing accounting functions.
- (c) Reviews 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; evaluates the performance of such functions; and ensures that any necessary corrective action is taken.
- (d) Serves as liaison with the General Accounting Office (GAO), Office of Management and Budget (OMB), Department of the Treasury (Treasury), General Services Administration (GSA), other agencies, congressional committees, and industry in the areas for which the CFO is responsible.
- (e) Performs the accounting and certain statistical functions for headquarters and, to the extent that financial activities are centralized, for DOE as a whole.
- (f) Reports on the financial status of DOE and the results of its operations; furnishes 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 provides reports required by GSA, OMB, Treasury, and other central agencies.
- (g) Provides technical advice and guidance to Departmental components on the financial implications of proposed courses of action.

- (h) Develops and keeps current policies and procedures for DOE Accounting.

(2) Administrative Control of Funds.

- (a) Establish policies and procedures for Departmental systems of administrative control of funds.
- (b) Submit apportionment requests to the Director of OMB and receive and record OMB apportionments.
- (c) Administer the allocation of congressional control levels from the base table and internal distribution decisions, issue approved funding programs 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.
- (d) Continuously reconcile OMB-approved apportionments and Treasury warrants to appropriations, approved funding program totals to allotments, and allotment totals to base table controls.
- (e) Serve as the allottee for all funds managed at Headquarters, except when other allottees have been designated.
- (f) 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.
- (g) Coordinate all fund withdrawals with the allottee or funds approval officer to ensure that the withdrawal does not create an over-obligation.
- (h) 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.

c. Inspector General.

- (1) Investigate allegations of illegal conduct, wrongdoing, fraud, waste, and misuse that are associated with fund control violations.

- (2) Advise the CFO of facts derived from any investigation that has fund control violation implications.

d. Heads of Field Elements.

- (1) 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.
- (2) Interpret DOE accounting policy, principles, and objectives for contractors and approve the practices and procedures necessary for contractors to carry them out.
- (3) 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.

e. Allottees.

- (1) 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.
- (2) 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.
- (3) Ensure that accounting reports are periodically reconciled to source documents, all errors are identified, and corrective actions are taken in a timely manner.
- (4) 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.

f. Field Element Chief Financial Officers.

- (1) Establish and maintain the official accounting records, which must be supported with valid documents and periodically reconciled to detect and correct recording errors.

- (2) 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.

g. Heads of Contracting Activities.

- (1) Ensure that program release documents are signed by the appropriate authorizing official.
- (2) Ensure that funds are certified and that obligations incurred are not in excess of the amount certified as available by the certifying official.
- (3) Ensure that all obligating documentation is forwarded to the servicing Field CFO for recordation within 3 workdays of the time the obligation is incurred.
- (4) Notify the program manager no later than September 15 of each year of the status of all procurement documents to ensure that required procurements will be obligated before year-end.

h. Certifying Officials.

- (1) Maintain the current commitment status of the allottee's funds at all times.
- (2) 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.

i. Program Managers.

- (1) Ensure that program release documents are controlled in accordance with established document flows and procedures.
- (2) Ensure that funds are spent for purposes intended by Congress.
- (3) Assist allottees by reconciling accounting reports to source documents, identifying errors, and taking corrective actions in a timely manner.
- (4) Ensure that sufficient funds are reserved to cover outlays for personnel expenses.
- (5) Ensure that all proposed reductions in allotments have been verified with allottees as available for withdrawal prior to certification.

j. Personnel Officers.

- (1) Take action to execute the disciplinary measures approved by the Under Secretary.
- (2) Ensure that the disciplined employee's personnel file is updated to reflect any actions taken.

6. CONTACT. If you have additional questions regarding this Order, please contact the Office of Financial Policy at 202-586-4860.

BY ORDER OF THE SECRETARY OF ENERGY:



ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

CONTRACTOR REQUIREMENTS DOCUMENT

In addition to all specified rules and requirements related to the establishment and maintenance of an integrated accounting system, the contractor shall follow the procedures as specified in the Department of Energy's Chief Financial Officer's Accounting Handbook.

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1 (and 2)
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ATTACHMENT 1

CONTRACTOR REQUIREMENTS DOCUMENT

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