

**U.S. Department of Energy**  
**Washington, D.C.**

**ORDER**

**DOE O 534.1A**

Approved: 07-05-01

This directive was reviewed and certified as current and necessary by (Enter Name), (Enter Title)  
Director, Office of Management, Budget and Evaluation/Chief Financial Officer, XX-XX-XXXX.

**SUBJECT: ACCOUNTING**

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1. OBJECTIVE. To prescribe the requirements and responsibilities for the accounting and financial management of the Department of Energy (DOE).
2. CANCELLATION. DOE O 534.1, *Accounting*, dated 9-29-95. Cancellation of an Order does not, by itself, modify or otherwise affect any contractual obligation to comply with such an Order. Canceled Orders incorporated by reference in a contract remain in effect until the contract is modified to delete the reference to the requirements in the canceled Orders.
3. APPLICABILITY.
  - a. DOE Elements. To ensure sound financial management and overall consistency in exercising the financial management statutory authorities that vest in the Departmental Chief Financial Officer (CFO) under the Chief Financial Officers Act of 1990 [Public Law (P.L.) 101-576] or in the Secretary as head of Agency, the Departmental policy and procedural guidance established in this Order are applicable to all Departmental elements, including the National Nuclear Security Administration. This Order does not apply to the Federal Energy Regulatory Commission as an independent regulatory commission and only applies to Bonneville Power Administration to the extent it is consistent with statutory authorities.
  - b. Contractors.
    - (1) The Contractor Requirements Document (CRD), Attachment 1, sets forth requirements that apply to major facilities management contracts that include the CRD. [Major facilities management contracts are management and operating, management and integrating, and environmental restoration management contracts, and all include Department of Energy Acquisition Regulation (DEAR) clause 970.5204-2 (previously 970.5204-78), "Laws, regulations, and DOE Directives."]  
This CRD does not apply to other than major facilities management contracts.
    - (2) The official identified in the "Responsibilities" paragraph of this Order as responsible for identifying the contracts in which the CRD must be included (the CFO of the field element) must tell the contracting officer which major facilities

management contracts are affected. Once notified, the contracting officer is responsible for incorporating the CRD into the affected major facilities management contracts via DEAR clause 970.5204-2 (previously 970.5204-78), “Laws, regulations, and DOE directives.”

- (3) Regardless of the performer of the work, major facilities management contractors with the CRD incorporated into their contracts are responsible for compliance with the requirements of the CRD. Affected major facilities management contractors are responsible for flowing down the requirements of this CRD to subcontracts at any tier to the extent necessary to ensure the contractors’ compliance with the requirements.

4. REQUIREMENTS. Establish and maintain an accounting system for the Department that—
  - a. enables the Department to manage and maintain accountability of Departmental resources;
  - b. conforms to mandatory accounting and financial management guidance received from the Office of Management and Budget (OMB), the Department of the Treasury (Treasury), and the General Accounting Office (GAO) and all applicable laws and regulations;
  - c. ensures prompt identification and recording of all transactions related to management of the Department’s assets, liabilities, equity, revenues, and expenses, including cash, advances, receivables, inventories, and investment of funds; accountability for plant and capital equipment and current and long-term liabilities; and accounting for equity, reimbursable work, revenues, collections, and expenses;
  - d. reports financial information accurately and on a timely and consistent basis;
  - e. is a single, integrated financial management system that serves program management, budgetary, and accounting needs;
  - f. ensures obligations and payments do not exceed funds appropriated by Congress or otherwise made available in amount, purpose, and time;
  - g. ensures DOE and its integrated contractors’ records contain sufficient details to account for all DOE funds, other assets, liabilities, and costs; and
  - h. ensures consistency with Congressional, OMB, and Departmental controls.

5. RESPONSIBILITIES.

- a. Secretary. Submits all reportable Antideficiency Act (see paragraph 6a) violations to Congress and the President.
- b. Under Secretaries.
  - (1) Approve or disapprove disciplinary action recommended by the CFO upon notification that a violation(s) of fund control regulations has occurred, and ensure that appropriate disciplinary action is taken.
  - (2) Provide concurrence or nonconcurrence on the report of any disciplinary action(s) related to funding violations within 10 workdays of notification by the CFO in order to close the violation file.
- c. Chief Financial Officer.
  - (1) Accounting Concepts and Standards.
    - (a) Establishes, maintains, and interprets policy and general procedures for accounting and related reporting that are essential to the financial integrity and efficient management of the Department's financial resources and to the safeguarding of its funds and property.
    - (b) Issues the *DOE Accounting Handbook*, which sets forth the financial and accounting standards and operational requirements to implement this Order.
    - (c) Provides technical accounting advice and guidance to DOE elements directly performing accounting functions.
    - (d) Reviews activities throughout DOE to evaluate the adequacy of established policies, procedures, and standards governing accounting and related reporting functions; evaluates the performance of such functions; and ensures that any necessary corrective action is taken.
    - (e) Serves as liaison with the Federal Accounting Standards Advisory Board, GAO, OMB, Treasury, the General Services Administration (GSA), other agencies, congressional committees, financial

organizations such as the Chief Financial Officers Council and the Joint Financial Management Improvement Program, and the private sector in the areas for which the CFO is responsible.

- (f) Performs disbursement, accounting, and certain statistical functions for Headquarters, and to the extent financial activities are centralized, performs accounting and certain statistical functions for DOE as a whole.
  - (g) Performs disbursement and certain accounting functions for selected satellite service centers.
  - (h) Reports on the financial status of DOE and the results of its operations, including, as prescribed by the Government Management Reform Act of 1994, as amended (P.L. 103-356, dated 10-13-94), preparation and submission to the Congress and the Director of OMB, not later than March 1 each year, of an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office and activity of the Department.
  - (i) Furnishes periodic reports on obligations, costs, and other matters within the CFO's area of responsibility as they are needed for the sound management of DOE operations, and provides reports required by GSA, OMB, Treasury, and other central Agencies.
  - (j) Provides technical advice and guidance to Departmental elements on the financial implications of proposed courses of action.
- (2) Administrative Control of Funds.
- (a) Establishes policies and procedures for Departmental systems of administrative control of funds in accordance with the Antideficiency Act [31 U.S. Code (U.S.C.) 1513 and 1514].
  - (b) Submits apportionment requests to the Director, OMB, and receives and records OMB apportionments.
  - (c) Administers the allocation of congressional control levels from the base table and internal distribution decisions, issues approved funding program calls, and prepares and issues approved funding programs and

allotments that conform to all legal and administrative limitations imposed on appropriations and funds.

- (d) Continuously reconciles OMB-approved apportionments and Treasury warrants to appropriations, approved funding program totals to allotments, and allotment totals to base table controls and budgetary resources available for obligation.
- (e) Serves as the allottee for all funds managed at Headquarters except when other allottees have been designated.
- (f) Ensures the allotments and approved funding programs issued each month accurately reflect all increases, withdrawals, and reallocations requested in the previous month and, where appropriate, the Departmental corporate financial information systems have been updated accordingly.
- (g) Coordinates all fund withdrawals with the allottee or funds approval officer to ensure that the withdrawal does not result in an overobligation.
- (h) Monitors all reports of violations of administrative and legal limitations received from DOE components to ensure reports are submitted in a timely fashion and corrective actions are adequate.
- (i) Reviews, in coordination with the Office of General Counsel, all reports of violations or alleged violations of funds control legal limitations, and advises the Secretary or the cognizant Under Secretary whether a report shall be made to Congress and, through OMB, to the President; recommends disciplinary actions when appropriate; and promptly notifies the DOE component of any disciplinary action taken.

d. Heads of Departmental Elements.

- (1) Ensure that the most recent edition of the *DOE Accounting Handbook* is applied to functions over which they have program direction and management responsibilities, both in the field and at Headquarters, and that the requirements in the handbook are carried out.
- (2) Develop, with the CFO, budget and reporting classifications and definitions that cover the specific functions and activities for which they are responsible.

- (3) Ensure the roles and responsibilities for allottees, funds control certifying officials, and program managers (paragraphs 5f, 5i, and 5k, respectively) are clearly established within the Departmental element organization.
  - (4) Coordinate, review, and concur on approved funding program changes to accounts under their purview.
- e. Heads of Field Elements. Ensure that all accounting, budget, and related financial reporting requirements for all DOE activities under the element's jurisdiction are met through the Field CFO.
- f. Allottees.
  - (1) Establish and maintain effective systems for the administrative control of funds allotted to them and the commitment of funds, including the certification of fund availability for each transaction before obligation, in accordance with approved funding programs and allotments.
  - (2) Request sufficient funds for the apportionment in the new fiscal year to cover estimated obligations required, including work-for-others activities.
  - (3) Ensure accounting reports are periodically reconciled to source documents, errors are identified, and corrective actions are taken in a timely manner.
  - (4) Ensure acceptance of voluntary service by the United States and employment of personal service are not in excess of that authorized by law except in cases of emergency involving the safety of human life or the protection of property.
  - (5) Designate in writing an authorizing official(s) to sign program release documents and determine the fund citation(s) or accounting classification(s) that accompanies each authorization; this includes ensuring funds are used for the purposes for which they were appropriated, in accordance with 31 U.S.C. 1301. At Headquarters, Assistant Secretaries or equivalents will designate the authorizing officials to sign program release documents. The CFO, the allottee for Headquarters elements, will designate certifying officials for Headquarters.
- g. Chief Financial Officers of Field Elements, including the Director, Capital Accounting Center, for Headquarters Elements.
  - (1) Interpret DOE accounting policy, principles, and requirements for contractors, and approve the practices and procedures necessary for contractors to carry them out.

- (2) Establish and maintain the official accounting records, which must be supported with valid documents, system files, databases, and any other supporting data and periodically reconciled to detect and correct recording errors.
- (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.
- (4) Provide timely status reports on each allotment to the allottees for each approved funding program, reflecting commitments, obligations, costs, and expenditures against the approved funding program and the allotment.
- (5) Identify the contracts to which this Order applies so that heads of contracting activities can ensure that the CRD contained in Attachment 1 to this Order is incorporated into such contracts.

h. Heads of Contracting Activities.

- (1) Ensure program release documents are signed by the appropriate authorizing officials.
- (2) Ensure funds to be contractually obligated are certified as available for obligation by a certifying official and the actual obligations incurred do not exceed the certified amount.
- (3) Ensure all obligating documentation is forwarded to the responsible Field CFO for recording within 3 workdays of the time the obligation is incurred.
- (4) Ensure procurement information is available at all times to program managers on the status of their own procurements and funds control certifying officials on procurements under their cognizance.
- (5) Incorporate the CRD of this Order into contracts identified by the Field CFOs.

i. Funds Control 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.

j. Authorizing Officials.

- (1) Sign program release documents to signify approval.
- (2) Determine the fund citation(s) or accounting classification(s) that accompanies each authorization; this includes ensuring funds are used for the purposes for which they were appropriated, in accordance with 31 U.S.C. 1301.

k. Program Managers.

- (1) Ensure program release documents are controlled in accordance with established document flows and procedures.
- (2) Ensure funds are spent for the purposes for which they were appropriated, within the period of availability, and in the amounts authorized, in accordance with 31 U.S.C. 1301.
- (3) Assist allottees by reconciling accounting reports to source documents, identifying errors, and taking corrective actions in a timely manner.
- (4) Ensure sufficient funds are reserved to cover outlays for personnel expenses.
- (5) Ensure all proposed reductions in allotments have been verified with allottees as available for withdrawal before certification.
- (6) Prepare and provide input on approved funding program to CFO.
- (7) Obtain the status of all procurement documents to ensure, where appropriate, procurements will be obligated before the end of the fiscal year.
- (8) Provide oversight of all program management activities and operations, including maintaining status of project execution of existing and new awards, to assure timely obligations and disbursements of funds necessary to conduct program activities.



l. Personnel Officers (Administrative Control of Funds).

- (1) Take action to execute the disciplinary measures approved by the cognizant Under Secretary.
- (2) Ensure disciplined employees' personnel files are updated to reflect actions taken.

m. Headquarters General Counsel.

- (1) Advises the CFO on legal issues in the accounting and financial management areas.
- (2) Reviews all reports of apparent Antideficiency Act violations submitted by the CFO, and issues determinations, within 30 days, on whether the apparent violations are reportable to the President, Congress, or both.
- (3) Either concurs or declines to concur with the CFO's recommendations on disciplinary actions in connection with apparent Antideficiency Act violations.

n. Inspector General.

- (1) Receives and evaluates allegations of illegal conduct, wrongdoing, fraud, waste, abuse, and other accounting irregularities.
- (2) Investigates, inspects, or audits, as appropriate, in response to allegations.
- (3) Advises the CFO of facts derived from any investigation, inspection, or audit that has fund control violation implications.
- (4) Has responsibility for audit of the Department's financial statements.

6. REFERENCES.

- a. The Antideficiency Act. Formerly section 3679 of the Revised Statutes and section 210 of the General Government Matters Appropriation Act of 1958. Formerly Title 31 U.S.C. 665, 665a, and 669. Before the 1982 recodification of Title 31 U.S.C., the Antideficiency Act consisted of nine lettered subsections of what was then 31 U.S.C. § 665. The recodification scattered the law among several new sections of 31 U.S.C., including §§ 1341–1342, 1349–1351, and 1511–1519.

- b. The Chief Financial Officers Act of 1990 (P.L. 101-576). Provides executive agency chief financial officers with the responsibility and authority for developing and maintaining an integrated agency accounting and financial management system that complies with certain specified requirements and for providing policy guidance for agency financial management activities and operations.
  - c. Department of Energy Accounting Handbook, dated 9-8-98. The primary vehicle for DOE's accounting/financial reporting requirements. The *DOE Accounting Handbook* is available at the following Internet address:  
<http://www.cfo.doe.gov/policy>.
  - d. The Department of Energy Acquisition Regulation (DEAR), Title 48 Code of Federal Regulations (CFR), Chapter 9. Implements and supplements the Federal Acquisition Regulation (FAR), 48 CFR, Chapter 1, and is not, by itself, complete—it must be used in conjunction with the FAR. The DEAR is divided into the same parts, sections, and paragraphs as the FAR; however, where FAR coverage is adequate by itself, there will be no corresponding DEAR part.
  - e. DOE O 520.1, Office of Chief Financial Officer, dated 1-19-01.
  - f. The Government Management Reform Act of 1994 (P.L. 103-356), as amended. Requires executive agencies identified in 31 U.S.C. 901(b) to prepare and submit to the Congress and the Director of OMB, not later than March 1 of each year, an audited financial statement for the preceding fiscal year, covering all accounts and associated activities of each office, bureau, and activity of the agency.
7. CONTACT. Questions regarding this Order should be directed to the Office of Financial Policy at 202-586-4860.

BY ORDER OF THE SECRETARY OF ENERGY:



FRANCIS S. BLAKE  
Deputy Secretary

## **CONTRACTOR REQUIREMENTS DOCUMENT**

### **DOE O 534.1A, *Accounting***

Regardless of the performer of the work, the contractor is responsible for compliance with the requirements of this Contractor Requirements Document (CRD). The contractor is responsible for flowing down the requirements of this CRD to subcontracts at any tier to the extent necessary to ensure the contractors' compliance with the requirements.

For Integrated Contractors. As an integrated contractor of the Department of Energy (DOE), you must maintain a separate set of accounts and records for recording and reporting all business transactions under the contract. Your books of account must be integrated with those of the Department through the use of reciprocal accounts. Your system of accounts must conform with generally accepted accounting principles, produce accurate results, and provide the necessary DOE financial reports. Your system of accounts must not conflict with DOE O 534.1A or the *DOE Accounting Handbook* (versions in effect as of the date of contract award or contract modification). You must comply with subsequent revisions to DOE O 534.1A or the *DOE Accounting Handbook* when notified under the "Laws, regulations, and DOE directives" clause of the contract. You must follow the applicable standards and procedures in the *DOE Accounting Handbook*.

For Nonintegrated Contractors. You must follow the applicable standards and procedures in the *DOE Accounting Handbook* (version in effect as of the date of contract award or contract modification). You must comply with subsequent revisions to the *DOE Accounting Handbook* when notified under the "Laws, regulations, and DOE directives" clause of the contract.