

ARS □ CSREES □ ERS □ NASS

Policies and Procedures

Title: Administration, Authorization, and Management of Research Funds

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This P&P provides an overview of ARS policy on research administration, authorization, and management of research funds and management responsibilities.

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1. REFERENCES

Agricultural Research Information System (ARIS) Handbook
OSQR Handbook, Peer Review of ARS Research Project Plans
Policy & Procedure 325.1, Funds Control at the Operating Level
Public Law (PL) 95-113, as amended
PL 97-255
7 CFR Part 2, Subpart C, Section 2.21
31 United States Code (USC)

2. ABBREVIATIONS

AANP	Associate Administrator for National Programs
AD	Area Director
AOP	Annual Operating Plan
ARIS	Agricultural Research Information System
ARMP	Annual Resource Management Plan
ARMS	Annual Resource Management System
ARS	Agricultural Research Service
BAS	Budget Allocation System
BPMS	Budget & Program Management Staff
BSC	Business Service Center
CAM	CRIS Activities Module
CATS	CRIS Allocation Tracking System
CD	Center Director

CRIS	Current Research Information Service
DA	Deputy Administrator
FMMI	Financial Management Modernization Initiative
FMAD	Financial Management and Agreements Division
IRC	Indirect Research Costs
LC	Location Coordinator
LD	Laboratory Director
MU	Management Unit
ONP	Office of National Programs
PDRAM	Program Direction and Resource Allocation Memo
RL	Research Leader
SAMS	Salary Management System
SBFO	Servicing Budget & Fiscal Officer

3. POLICY

The purpose of this Policy is to help prescribe project documentation and accountability procedures for ARS research, including temporary or permanent adjustments in direction to explore new problem areas. ARS is committed to continual improvement of its effectiveness through a managed program of research in support of national agricultural priorities. The Agency has well developed processes for planning, allocating, and tracking the resources used in the research programs. As a result, ARS can effectively manage its research and account for the use of resources to the Executive Branch, Congress, and other users of ARS research. There is a clearer recognition of the relevance of ARS work, credibility for ARS management, and sustained support for ARS research programs. While fiscal and program accountability are essential, the very nature of the research process also requires an element of flexibility in order to exploit opportunities which develop as a result of scientific inquiry. Scientific research involves exploration and delving into the unknown and often results in unanticipated findings. Scientists need the flexibility to pursue new research approaches and to use model systems to test the validity of their findings or to establish a promising new line of research. Such flexibility often contributes to the solution or further exploration of the assigned problem area and helps to define future research when a current project is nearing termination. For the Administration, Authorization, and Management of Research Funds all ARS employees shall adhere to the following:

Research and fiscal obligations shall be planned, allocated, and reported by individual research project. Resource planning shall be conducted so that the scope of the program/project is proper for the approved level of funding. The scope of the current program/project shall not be contingent upon future program increases or funding assistance from the Area or Headquarters. For the assigned level of funding, an optimum mix of resources (personnel, equipment, facilities, and "all other" funds) shall be achieved to accomplish the mission of the unit. Since resource management is a year-round continuous process, long-term planning shall be utilized to ensure that equipment, buildings, and grounds are adequately maintained, and that up-to-date equipment is available for research. Managers shall have contingency plans to address potential program increases, decreases, or absorptions which may occur.

Relevance of research projects is established through the National Program planning process. To verify that each research project has scientific merit the project will be reviewed as outlined by the ARS Office of Scientific Quality Review (OSQR) on <http://www.ars.usda.gov/Research/docs.htm?docid=1503> and in the OSQR Handbook, Peer Review of ARS Research Project Plans <http://www.ars.usda.gov/SP2UserFiles/Subsite/sciQualRev/OSQR%20Handbook%20August%202014.pdf> . No project shall exceed five (5) years in duration.

A system of allocations and financial plans shall be utilized to clearly assign financial management accountability. Specifically, BAS shall be used to allocate fiscal resources to individual projects. ARIS shall be used to describe the research objective and approach of individual projects, to document progress, and to identify research objective,

approach, investigator, and appropriate codes for classification of resources allocated. ARIS and BAS shall be used to officially change any allocation of fiscal resources on individual projects. ARMP shall be used to display a 1-year plan of how resources will be utilized for salaries, utilities, equipment, etc., by object class. CATS shall be used to track obligations by individual project for official reporting purposes. It shall be reconciled on a monthly basis to the National Finance Center FMMI accounting records and shall be used as the ARS funds control system. Refer to <http://www.afm.ars.usda.gov/ppweb/pplist.htm> for specific documentation on BAS, ARIS, ARMP, and CATS.

Fund holders shall have a performance element in their annual performance plan that addresses fiscal and program accountability. Lead Scientists on projects shall know what level of resources are assigned to their respective projects and shall use proper resource management procedures. All ARS employees shall be responsible for the effective use of resources.

MU funding obligations shall be consistent with the allocation level and shall not exceed the allocation level. Intentionally or negligently exceeding the allocated level could subject the responsible fund holder to disciplinary action. However, the fund holder shall be allowed to over/under obligate funds on a specific project by +/- 5 percent, or \$50,000, whichever is less, without making an official adjustment in ARIS. If funds are over/under obligated on a specific project, as referenced above, the net effect at the MU level must be zero percent.

Approved permanent or temporary adjustments made via ARIS, to individual projects, during the fiscal year, shall require that corresponding adjustments be made to the Financial Plan and accompanying project subaccount plans in CATS.

All program funds shall be allocated within CATS by individual project. During the year, releases may be made to an IRC account. The IRC account shall be distributed back to the benefitting project(s) in order to report total project obligations. The CAM will be used at year end to distribute IRC costs to benefitting projects and report total annual individual project obligations.

4. Procedures

A. Research Authorization

1. The Administrator, ARS, shall delegate responsibility to the ONP for setting research priorities, assigning projects, and allocating resources for the Agency. The AD's and other line managers (CD's, LD's, LC's, RL's) shall have overall responsibility for managing the research program and ensuring that resources (personnel and funds) are utilized effectively to achieve the assigned objective.

2. In setting research priorities, NPLs shall obtain input on research needs and opportunities from multiple sources including scientists, RL's, AD's, action and regulatory agencies, congressional directives, and all other customers and stakeholders. NPLs shall systematically evaluate such input against a set of project selection criteria and factors, including MU mission, scientist capabilities, existing program obligations, and location resource levels to decide problem areas to be addressed. Such a decision process shall be applied to the utilization of Agency base resources as well as to any base resource expansion derived from the annual budget development process.
3. After the NPLs allocate resources and project objectives to a specific research project through a Program Direction and Resource Allocation Memorandum (PDRAM), the lead scientist shall develop a Project Plan that fully describes the problem, research approaches, literature review, expected outcomes including milestones, overall budget, and the scientists assigned, including their qualifications (refer to the ARS Office of Scientific Quality Review (OSQR) on <http://www.ars.usda.gov/Research/docs.htm?docid=1503> and the OSQR Handbook, Peer Review of ARS Research Project Plans on <http://www.ars.usda.gov/SP2UserFiles/Subsite/sciQualRev/OSQR%20Handbook%20August%202014.pdf> for specific guidance). The project plan shall be peer reviewed for scientific and technical merit. After the review and certification by OSQR, the scientist shall submit documentation (AD-416 and AD-417) to ONP through ARIS to complete the process.
4. Fund holders shall have no authority for shifting funds among research units or program areas. As circumstances warrant during the planning process, project managers may request fund shifts through ARIS, but the change shall not take effect until it is approved by NPL/BPMS acting on behalf of the Administrator.
5. If mid-course corrections are needed for any reason to the objectives of the appropriate project, the NPL will issue a new PDRAM and will determine if an ad hoc review is necessary for the new or revised objectives. The lead scientist will incorporate the new objectives provided by the PDRAM into the research project and modify the AD-416/417 in ARIS accordingly.
6. All projects shall be limited to a maximum period of five years.
7. All Category 1 and Category 4 scientists **must** be assigned to one or more individual research projects to account for 100 percent of his/her time. All research conducted by a scientist shall be related to the assigned project(s).

B. Funding

1. Funds shall be assigned to fund holders for specific research projects. These projects shall be described by an ARS research project number, title, and dollar amount. Funds shall be used only for those projects unless exemptions are granted by the Associate Administrator, National

Programs. Exemptions, such as temporary and permanent adjustments, shall be submitted by the project manager via ARIS. These adjustments shall include shifts within the MU, as well as instances where ARS employees perform work for other Locations.

2. Funding arrangements with cooperating universities shall be properly maintained. Fund holders occasionally receive allocations for research that need to be conducted at universities where ARS locations are co-located. ARS employees shall **not** perform ARS-funded work for universities or make expenditures of funds from university accounts when those accounts are funded by ARS. (This does not preclude ARS employees from benefitting from accounts maintained for them by universities so long as those accounts are **not funded by ARS**, and the expenditures are authorized **by a university official** and not by an ARS employee.)
3. In **no** case shall ARS employees represent themselves as university employees.
4. Funds shall be obligated up to the assigned funding level without exceeding it. **Exception:** A tolerance is allowed for year end research project expenditures to vary from the allocated amount of plus or minus 5 percent or \$50,000 whichever is less, as long as the total assigned funding level for the MU is not exceeded. The assigned funding level for research projects is shown in the current allocation, and reflected on the Status of Funds report as the financial plan amount.
5. Funds which cannot be obligated by the project or management unit by year end shall be identified and reported to the appropriate management level in sufficient time to temporarily redistribute the funds to other high priority Agency needs. These redistributions **must** be completed through ARIS.
6. Unforeseen needs for additional funds shall be identified and properly justified as early as possible to the appropriate management level.
7. A cooperative effort between fund holders and the Administrative Officer/Technician (AO) in planning and tracking obligations shall be achieved. All funds shall be tracked within CATS by individual project (see P&P 325.1, Funds Control at the Operating Level <http://www.afm.ars.usda.gov/ppweb/PDF/325-01.pdf> for further information on funds tracking and reporting).
8. The following systems shall be used to track ARS resources:

BAS – used to allocate fiscal resources to individual projects.

ARIS – used to submit requests for permanent and temporary fund transfers between projects.

CATS – used to track and reconcile obligations by individual projects for official reporting purposes.

ARMPS – used to plan the proposed one year budget by MU/CRIS, showing how funds will be utilized for salaries, utilities, equipment, etc.

C. OVERSIGHT AND MONITORING

1. The Associate Administrator for National Programs (AA-NP), shall have overall responsibility for planning, setting priorities, identifying necessary resources, and evaluating research programs. Deputy Administrators and National Program Leaders (NPLs) shall support the AA-NP in carrying out these responsibilities. The NP staff selects research programs to be implemented and directs allocation of Agency resources accordingly. This includes distribution of base funds, Agency discretionary funds, and program increases to research units.
2. NP staff, in setting and selecting research priorities and identifying necessary resources, shall be guided by policies of the Secretary of Agriculture, Office of Management and Budget, and the directives of the U.S. Congress. NP staff shall consider needs of research users and shall be aware of the research being conducted by other research organizations. By exercising program oversight, review, and evaluation, the NP staff shall assess progress toward objectives, shall ensure that resource use and research efforts continue to be relevant to priority program areas, shall specify necessary changes in direction, shall determine when the end point is reached, and shall recommend reallocation of resources to other problem or program areas.
3. The ARMP is prepared by the fund holder for each MU and provides detailed allocation information for each ARS Research Project and indirect research account. It is used to identify the proposed one year plan of how resources will be utilized for salaries, utilities, equipment, etc. Once finalized, the package is submitted to the appropriate Business Service Center (BSC) , and individual Area reviews are completed. These detailed reviews identify any resource management issues in the MU(s). The ARMP packages for the Area are then consolidated and submitted to Headquarters along with a multiyear analysis.

This process is then followed by a Strategic Resource Management Planning (SRMP) session that includes the Administrator, Area Director, and NP staff Deputy Administrators. It is here that the current year and multi-year projections are discussed and analyzed, and where agency trends are identified and action needs documented.

4. Project accountability shall be the responsibility of line management (i.e., ADs, CDs, and RLs); program accountability shall be the responsibility of program managers (NPLs and DAs). Annual performance reviews and reviews of laboratory performance shall be used to ensure that research accomplishments are commensurate with the assigned objectives and funds allocated to the project. The annual reporting system (AD-421) shall be used to assess the performance of research projects. ARS

National Programs' performance shall be evaluated by external review panels through the NP Assessment process.

5. PERFORMANCE ELEMENT FOR FUNDHOLDERS

The performance element for fund holders ensures that resources used for research efforts have program and fiscal accountability in that they are specifically identified with the objectives in one or more project(s). If assignments change, requests for funding adjustments must abide by Agency policy and be approved by ONP. Unforeseen needs for additional funds must be identified and properly justified for approval in a timely fashion. The performance element requires fund holders to take appropriate steps to inform and regularly update subordinates concerning Agency/Research Unit goals, policies and procedures.

6. RESPONSIBILITIES

The **Administrator** is responsible for the overall management of all ARS funds according to the mandates and constraints of the Congress and the Administration.

The **AA-NP** has the delegated responsibility for planning, setting priorities, allocating resources, and evaluating research programs.

The **Budget and Program Management Staff** is responsible for issuing allocations within the limits of funds appropriated to the Agency.

The **OSQR** is responsible for reviewing and certifying the scientific and technical merit of all ARS research projects every five years.

The **AD** and **Headquarters Allocation Holders** are responsible for:

- Management of the allocated level of funds.
- Using the funds for the purposes that the Agency intends.
- Designating the fund holders within their allocation.

The **Fund holders** are responsible for managing individual projects and ensuring that funds are used to support research including personnel, supplies, and infrastructure, on projects for which the funds are allocated. The fund holder is the individual indicated as such on the AOP.

The **FMAD** is responsible for Agency financial policy and the Agency's financial systems, including FMMI, CATS, SAMS, ARMP, CAM, and related supporting financial systems. FMAD will report to the Administrator on funds management performance.

The **Administrative Officer** is responsible for utilizing Agency mandated software systems; establishing local procedures for financial document flow; maintaining local funds control records, including individual project sub accounts; and issuing accurate funds status reports in a timely manner.

The **Servicing Budget and Fiscal Officer (SBFO)** is responsible for ensuring that the provisions of this DIRECTIVE are carried out in their respective areas by review and analysis of FMMI, CATS, and SAMS reports.

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