February 16, 2007

BULLETIN NO. 07-03

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES


Purpose. This bulletin provides guidance for estimating funding levels under the full-year Revised Continuing Appropriations Resolution, 2007 (H.J. Res. 20).

Background and coverage. Division B, Title I, of H.J. Res. 20 provides full-year funding for accounts not funded by the Department of Defense Appropriations Act, Division A (Public Law 109-289) and the Department of Homeland Security Appropriations Act (Public Law 109-295). Accounts are generally at the level provided in the applicable FY 2006 Appropriations Acts.

For accounts that are funded at the 2006 level, the level does not include any amount designated as an emergency requirement or for overseas contingency operations, pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for FY 2006. It also excludes the effects of any rescission or cancellation of funds or contract authority other than:

- The 1.0 percent Government-wide rescission made by section 3801 of Division B of Public Law 109-148, the Department of Defense, Emergency Supplemental Appropriations to Address Hurricanes in the Gulf of Mexico, and Pandemic Influenza Act, 2006;
- The 0.476 percent rescission made by section 439 of Public Law 109-54, relating to the Department of the Interior, environment, and related agencies; and
- The 0.28 percent rescission made by section 638 of Public Law 109-108, relating to Science, State, Justice, Commerce, and related agencies.

Additional funding is provided for 50 percent of the cost of any 2007 increase in rates of pay for employees funded by the Act. This includes the cost of increased pay received by employees and higher agency contributions for employee benefits resulting directly from such pay raise.
OMB Estimates. A report (Continuing Resolution Calculations by Account, Treasury Run) showing OMB’s calculation of the funding levels provided by the revised CR is available to MAX A-11 users at https://max.omb.gov/maxportal/a11/crReports.do. OMB will use these amounts as control totals for its review of agency responses to this Bulletin.

A second report (Continuing Resolution Calculations by Account, 2007 Enacted) showing OMB’s calculation of the 2007 enacted level is available to MAX A-11 users at https://max.omb.gov/maxportal/a11/crReports.do. It begins with the 2007 appropriation calculated in the Treasury Run report and adds 2007 advance appropriations, 2007 offsetting collections and spending authority from the 2008 budget database, and mandated transfers from the 2006 column of the 2008 budget database, with a few adjustments to reflect expected transfers. We anticipate using these levels as the basis for the report required by section 114 of the CR and will adjust these amounts to reflect the information submitted by agencies on Attachment B. If you believe the adjustments shown in this report are incorrect, please contact your OMB representative.

Required agency actions. Please provide the following to your agency’s OMB representative by 5 PM, Thursday, February 22, 2007. It is imperative to keep to this schedule so that we can meet the reporting requirement in section 114 of the CR.

1. A list of appropriated accounts by Treasury Appropriation Fund Symbol (TAFS), type of budgetary resource, and the amount contained in each account using the electronic format provided in Attachment B. Amounts shown on this attachment must reconcile to the control totals contained in the Continuing Resolution Calculations by Account, Treasury Run report. Differences greater than $2 million by OMB budget account must be justified and should be discussed with your OMB representative. Attachment A provides detailed guidance for budget and accounting offices to execute and report the amounts appropriated under the Revised Continuing Appropriations Resolution, 2007. Upon approval by OMB, agencies should provide a copy of the reconciled Attachment B to the Budget Reports Division, Financial Management Service (FMS), Department of the Treasury. FMS will use the data provided in this attachment to calculate the appropriation amounts to be warranted.

2. Any additional supporting information requested by your agency’s OMB representatives including justifications of any modifications or differences to the control totals provided by OMB in the Continuing Resolution Calculations by Account, Treasury Run report.

3. FY 2007 reappropriations.

4. Any justifications of any modifications or differences to the advanced appropriations, collections/spending authority from collections/change in uncollected customer payments from Federal sources/offsetting receipts, transfers in, and transfers out included in the Continuing Resolution Calculations by Account, 2007 Enacted report, to arrive at the 2007 enacted amount.

5. Agencies required to submit a plan to the Congress pursuant to section 113 of the Revised Continuing Appropriations Resolution, 2007, shall provide a complete draft copy of that plan to the agency's OMB representative no later than March 1, 2007.
6. Agencies should immediately begin to work with their OMB representative on the content of the operating plans.

Contact. Questions regarding this bulletin should be directed to the agency’s OMB representative.

Rob Portman
Director

Attachments
INSTRUCTIONS FOR ACCOUNTING AND BUDGET OFFICES
RELATED TO EXECUTING AND REPORTING
REVISED CONTINUING APPROPRIATIONS RESOLUTION, 2007 OF HJ RES 20

OMB, working with the Treasury Financial Management Service, has prepared the following instructions related to executing and reporting the FY 2007 full year continuing appropriations of H.J. RES. 20.

What accounting event happened that must be acted on?


What amount do I have to report in the Treasury Appropriation Fund Symbol (TAFS) for the FY 2007 full year continuing appropriations amount?

For each account that is funded by the CR, you need to complete attachment B, on a TAFS level. The amounts shown on attachment B at the TAFS level must add to the amounts shown in the Continuing Resolution Calculations by Account, Treasury Run report at the OMB budget account level, rounded in whole dollars.

What action do I take if I do not agree with the FY 2007 full year continuing appropriations amount shown in the Continuing Resolution Calculations by Account, Treasury Run report?

Contact your OMB representative with an explanation of the reasons for the difference.

In general, what must I do?

When executing the FY 2007 continuing appropriations, ensure that the FY 2007 full year continuing appropriation amount shown on Attachment B is consistently reported on the SF 132, SF 133, and the actual column of the Program and Financing (P&F) schedule for the FY 2009 Budget.

Specifically, what must I do?

1. OMB Bulletin. Provide the data requested by this Bulletin by no later than 5 PM, Thursday, February 22nd.

2. FMS 6200 Warrant. The Department of the Treasury's Financial Management Service (FMS) Budget Reports Division will use the list of accounts and FY 2007 full year continuing appropriations amounts that agencies provide on Attachment B to calculate the amounts to be warranted. FMS will issue the FMS 6200 appropriation warrants for affected TAFSs appropriated from the General Fund of the Treasury or associated with unavailable receipt accounts. No appropriation warrants will be processed for TAFSs that are not included on Attachment B.
Treasury will not accept any appropriation warrant requests related to the FY 2007 continuing appropriations that have not been agreed to by OMB.

3. **SF 132 Apportionment.** Prepare a SF 132 Apportionment with the FY 2007 continuing appropriations amount on the applicable line number. Refer to the Treasury Financial Manual, U.S. Government Standard General Ledger (USSGL) Supplement or consult your agency's USSGL representative to identify the specific USSGL account codes. See OMB Circular No. A-11, Section 121 and Appendix F for further guidance.

4. **USSGL/FACTS II.** Record the FY 2007 continuing appropriations amount using the appropriate USSGL account codes in your accounting system so that the proper amounts will be reported via FACTS II. FACTS II will then create the SF 133 and initial set of data for the P&F schedule. See Treasury Financial Manual, USSGL Supplement or consult your agency's USSGL representative for further guidance.

5. **SF 133 Report on Budget Execution and Budgetary Resources.** By using FACTS II appropriately, the amounts will crosswalk to SF 133 line 3A1 "Appropriation". See OMB Circular No. A-11, Section 121 and Appendix F for further guidance.

6. **Budget Program and Financing (P&F) schedule.** As a result of correctly reporting the amounts via FACTS II for the fourth quarter of FY 2007, they will be automatically crosswalked to the appropriate P&F line number. The accounting and the budget offices must work together to ensure that the actual column of the FY 2009 Budget P&F schedule accurately reflects the FY 2007 continuing appropriations amounts. See OMB Circular No. A-11, section 82 for further guidance.

**How should the adjustment for pay be calculated?**

Section 111 provides for additional BA for one-half of the cost of the 2007 pay raises. This amount should reflect the increase in pay costs for 2007 due to the pay raises received by employees under Executive Order 13420, Adjustments of Certain Rates of Pay, dated December 21, 2006.

1. For employees not covered by statutory pay systems under Executive Order 13420, the amount of the adjustment should be calculated as if such employees received pay raises equal to General Schedule employees on the first pay period in January 2007.

2. The amount of the adjustment should include the effect of increases in basic pay rates as well as in locality-based comparability pay for the employees of the agency. For large agencies with employees located in many pay localities, an acceptable alternative to calculating the pay raise by locality for each account is to assume the Government-wide average for all employees, subject to prior approval by the OMB representative with budget responsibility for that agency. The amounts shown as pay in the Continuing Resolution Calculations by Account, Treasury Run report assume the 2.2 percent Government-wide average pay raise.
3. The adjustment should include one half of the increased cost of agency contributions for employee benefits resulting from the 2007 pay raises, such as agency contributions for employee retirement, Social Security and Medicare contributions, and life insurance. It should not include benefits that are not directly increased by the 2007 pay raises, such as health insurance. Unless agencies have better data, they should assume that only 72 percent (the government-wide average) of benefits are directly affected by pay raises.

4. In general, the amount of the adjustment should be based on the number and distribution of each agency's workforce, as reflected by actual 2006 obligations reported in the 2008 Budget, since agencies should have been operating at no more than that level under the previous CR.

5. The adjustment should cover pay raises for reimbursable employees whose pay is funded in whole or in part by accounts that are funded by the CR, other than by chapters 2 and 11 of Title II. Generally this would apply to accounts that received an appropriation under the CR and also provide reimbursable services under the Economy Act. It does not include the cost of pay raises that would be recovered by sales to non-federal entities. It also does not include the cost of pay raises for employees of working capital funds and other revolving funds that are funded by fees and do not receive appropriations under the CR.

6. To the extent that agencies receive an adjustment for pay raises for reimbursable employees, agencies should not build this portion of the pay raise into the fees they charge for goods and services.

Could you give me an example of how the pay adjustment should be calculated?

The calculation involves two components -- the effect of the pay raise on employees’ salaries, and the effect on agency contributions for employees’ benefits.

To calculate the effect on employees salaries, add the amounts in the 2006 column of the 2008 budget for object classes 11.1, 11.3, 11.5, and 11.7 and multiply by 1/2 of the 2007 pay raise (e.g., 1.1% if using the Government-wide average) times 3/4 (since the pay raise is effective for 9 months of the fiscal year).

\[
\text{[sum of object classes 11.1, 11.3, 11.5, 11.7]} \times \frac{1}{2} \times \text{[percent pay raise]} \times \frac{3}{4}
\]

To calculate the effect on agency contributions for employees’ benefits, take the amount in the 2006 column of the 2008 budget for object class 12.1 and 12.2, multiply by 72% (the Government-wide average for the share of benefits directly affected by pay raises) times 1/2 of the 2007 pay raise (e.g., 1.1% if using the Government-wide average) times 3/4 (since the pay raise is effective for 9 months of the fiscal year).

\[
\text{[sum of object class 12.1 and 12.2]} \times 0.72 \times \frac{1}{2} \times \text{[percent pay raise]} \times \frac{3}{4}
\]
For special or trust fund
TAFS where a FMS 6200
warrant is processed, list the
associated unavailable
receipt account.

**Agency Name**

<table>
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<th>Treasury Agency FY1</th>
<th>Treasury Account FY1</th>
<th>Treasury Account Title (Pre-Transfer Basis)</th>
<th>Agency FY2</th>
<th>Treasury Account FY2</th>
<th>Treasury Account Title FY2</th>
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<th>Total 2006 BA</th>
<th>New MSAVES</th>
<th>Increase</th>
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<th>New 2007 Appropriations</th>
<th>Does the reduction require a FMS 6200 warrant to be processed by Treasury?</th>
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<th>FY2</th>
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**EXAMPLES:**

**Comments:**

- **FY1** will include a fiscal year for the first year of availability in a multi-year TAFS only.
- **FY2** will include a fiscal year for an annual TAFS, for the last year of availability in a multi-year TAFS, and a "X" for no-year TAFS.
- **Type of Budgetary Resource**
  - Appropriation = SF 132/133 line 3A1
  - Appropriation/Reduction = SF 132/133 lines 3A1 and 5 or 6B
  - Reduction = SF 132/133 line 5 or 6B
  - Obligation Limitation
- If you have identified another budgetary resource, please contact your agency's OMB representative.

**2007 Appropriations**

By components like pay increase, this TAFS amount is required to be reported in dollars and must reconcile to an amount shown on attachment A at the OMB account level.

**IN DOLLARS**

**Spreadsheets formatted as text.**