

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

ORDER

DOE O 130.1

Approved: 09-29-95

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: BUDGET FORMULATION

1. OBJECTIVE. The Department of Energy (DOE) shall prepare and submit sound budget requests to the Office of Management and Budget (OMB) and the Congress in a timely, cost-effective manner and in accordance with OMB directives and applicable federal laws. To this end, this Order prescribes the DOE budget formulation process with the following objectives.
 - a. To establish policy provisions for the Department's annual budget formulation process.
 - b. To define the roles and responsibilities of Departmental Elements and contractors participating in the Department's annual budget formulation process.
 - c. To explain the relationship and purpose of other budget guidance and information used in development of budget data; for example, the DOE Budget Formulation Instructions, Budget Call Guidance, and OMB Circular A-11).
2. CANCELLATION.
 - a. DOE 5100.3, FIELD BUDGET PROCESS, of 8-23-84.
 - b. DOE 5100.4, INTERNAL REVIEW BUDGET PROCESS, of 10-31-84.
 - c. DOE 5100.5, OFFICE OF MANAGEMENT AND BUDGET - BUDGET PROCESS, of 7-21-83.
 - d. DOE 5100.6A, CONGRESSIONAL BUDGET REVIEW, of 5-18-92.
3. APPLICABILITY. The provisions of this Order apply to all Departmental Elements for the purpose of accomplishing the Department's budget formulation process, which includes the development, review, and exchange of budget data. Specific provisions for Management and Operating (M&O) and Environmental Restoration Management Contractors (ERMC) are set forth in Attachment 1, Contractor Requirements Document.
4. REQUIREMENTS.

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Chief Financial Officer

- a. The Department's annual budget formulation process consists of four distinct phases. Detailed reporting requirements for each phase are contained in the DOE Budget Formulation Instructions.
 - (1) Field Budget Process. The field budget process is the first phase of the Department's annual budget formulation process. It is the process through which Field Offices prepare and submit field budget data to Headquarters Elements for use in the corporate review budget process.
 - (2) Corporate Review Budget (CRB) Process. The corporate review budget process is the second phase of the Department's annual budget formulation process. It is the process whereby Headquarters organizations use, among other budget related information, field budget data and spring planning decisions to develop initial organizational budget requests that are jointly evaluated and considered in the Department's internal budget review, resulting in CRB budget allowances.
 - (3) Office of Management and Budget (OMB) Budget Review Process. The OMB budget review process is the third phase of the Department's annual budget formulation process. It is the principal mechanism for preparing the Department's annual budget submission to the OMB. The Department's OMB request is based on the Secretary's final budget allowances resulting from the CRB process.
 - 4) Congressional Budget Review Process. The congressional budget review process is the final phase of the Department's annual budget formulation process. It is based on final Presidential funding and policy determinations resulting from the OMB budget review process.
- b. Departmental Elements and contractors shall use a performance-based, results-oriented approach to formulating budget requests.
- c. Budget requests shall fully support the goals and objectives of the Departmental Strategic Plan.
- d. Budget requests shall fully justify and describe intended program outputs and outcomes rather than inputs and processes. Outputs and outcomes shall be measurable and verifiable to the maximum extent practicable.
- e. Budget formulation activities shall be conducted in accordance with the requirements described in DOE Budget Formulation Instructions, CFO budget calls, and OMB Circular A-11, "Preparation and Submission of Budget Estimates." See Attachment 2, which explains the relationship of this Order to other budget guidance.

- f. Budget requests, including all budget-related materials, shall be based on cost estimates that have been thoroughly reviewed and deemed reasonable by the cognizant Field Office and Headquarters program organization.
- g. Budget formulation materials shall be prepared and submitted in accordance with the requirements described in DOE Budget Formulation Instructions, CFO budget calls, OMB Circular A-11, and other budget requests issued by the CFO.

5. RESPONSIBILITIES.

- a. Chief Financial Officer (CFO) through the Office of Budget.
 - (1) Oversees and directs the Department's annual budget formulation process.
 - (2) Develops and issues budget requirements and guidance through budget calls and other formal or supplemental requests, as necessary.
 - (3) Develops, issues, and maintains the DOE Budget Formulation Instructions, publishing revisions as necessary.
 - (4) Provides central coordination and maintains Budget Office points-of-contact for all four phases of the annual budget formulation process.
 - (5) Maintains a list of designated principal points-of-contact for Headquarters and Field Elements and contractors participating in the budget formulation process.
 - (6) Supports and provides assistance to the Office of Policy in coordinating the Department's spring planning process with the budget formulation process.
 - (7) Coordinates with the Office of Human Resources and Administration to ensure that full time equivalent (FTE) guidance is appropriately integrated into the budget formulation process.
 - (8) Provides assistance to Headquarters Elements in the development of their budget requests.
 - (9) Reviews CRB budget requests to:
 - a. Ensure program compliance with Secretarial planning decisions resulting from the spring planning process, CRB budget call, and the DOE Budget Formulation Instructions;

- b Analyze budget requests to assess that program activities are reasonably priced out and that follow-on program activities can be adequately funded within outyear funding targets.
- (10) Reviews OMB budget requests to ensure program compliance with final Secretarial decisions resulting from the CRB process, the OMB budget call, OMB Circular A-11, and DOE Budget Formulation Instructions reporting requirements.
 - (11) Participates in OMB budget hearings and provides additional data if requested in support of the Department's budget request.
 - (12) Reviews congressional budget materials to ensure compliance with final Presidential policy and economic decisions, OMB allowance levels, the congressional budget call, DOE Budget Formulation Instructions, and OMB Circular A-11 requirements. Makes recommendations for revisions to Headquarters Elements, as necessary.
 - (13) Provides congressional budget materials to OMB and coordinates OMB comments with the appropriate Headquarters Elements as necessary.
 - (14) Briefs Appropriations and Authorization subcommittee staffs on the Department's budget and provides additional data as requested.
 - (15) Supports Departmental officials testifying at Congressional budget hearings and provides additional data to Congress, as requested, in support of the Department's budget request.
- b. Office of Policy.
- (1) Supports and provides assistance to the CFO in coordinating the Department's spring planning process with the budget formulation process.
 - (2) Designates and maintains a Policy principal point-of-contact for the budget formulation process.
- c. Headquarters Program Organizations that participate in the budget formulation process.
- (1) Prepare programmatic budget requirements and guidance needed by Field Elements to develop budget data required at Headquarters for the CRB process. Submit guidance to the Office of Budget in a timely manner for issuance in the field budget call.
 - (2) Designate and maintain a principal point-of-contact for the budget formulation process.

- (3) Develop internal procedures and controls to ensure compliance with all CFO requirements and to ensure that all field budget data requirements are submitted through the field budget process to eliminate the need for unilateral budget requests to Field Elements.
 - (4) Provide the Office of Budget with new or unforeseen field budget data requirements that need to be issued supplemental to the field budget call.
 - (5) Work through Field Office-designated budget points-of-contact rather than through direct interaction with contractors on field budget matters.
 - (6) Develop CRB budget requests consistent with the Department's Strategic Plan, Secretarial decisions resulting from the spring planning process, the CRB budget call, and DOE Budget Formulation Instructions.
 - (7) Develop OMB budget requests in compliance with final Secretarial budget decisions resulting from the CRB process, the OMB budget call, OMB Circular A-11, and DOE Budget Formulation Instructions reporting requirements.
 - (8) Participate in OMB budget hearings and provide, through the Office of Budget, additional data if requested by OMB in support of the program's budget request.
 - (9) Develop congressional budget requests in compliance with final Presidential policy and economic decisions, and supporting OMB funding allowance levels. Requests shall also comply with guidance, formats, and reporting requirements contained in OMB Circular A-11, the Congressional Budget Call, and DOE Budget Instructions.
 - (10) In coordination with the Office of Budget, brief appropriations subcommittee staffs on the organization's portion of the Department's budget and provide additional data to Congress through the Office of Budget, as requested.
 - (11) Testify at congressional budget hearings, if requested, and provide additional data to Congress, as needed, in support of the program's budget request.
- d. Other Headquarters Staff Offices that participate in the budget formulation process.
- (1) Provide requirements and guidance needed by Departmental Elements to develop budget data on crosscutting areas required for analysis during the budget formulation process. Submit such guidance to the Office of Budget in a timely manner to ensure the DOE Budget Formulation Instructions contain the most current guidance available.

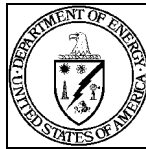
- (2) Designate and maintain a principal point-of-contact for the budget formulation process.
- (3) Develop internal procedures and controls to ensure that all budget data requirements are submitted through the budget formulation process to eliminate the need for unilateral budget requests to Field and Headquarters Elements.
- (4) Provide the Office of Budget with new or unforeseen budget data requirements that need to be issued supplemental to CFO budget calls.
- (5) Work through Field Office-designated budget points-of-contact rather than through direct interaction with contractors on field budget matters.

e. Heads of Field Offices.

- (1) Develop and maintain budget guidance, policy, and procedures for the field budget process in accordance with this Order, the field budget call, and the DOE Budget Formulation Instructions.
- (2) Maintain and issue current Field Office budget policies, practices, and procedures in support of the annual field budget process through Field Office directives and manuals.
- (3) Designate a principal point-of-contact for the budget formulation process.
- (4) Oversee the field budget process practices and procedures for the Field Office and associated contractors. This includes proper oversight of budget formulation, documentation, cost estimating, and pricing validation reviews (as required) of contractor budget submissions.
- (5) Conduct budget validation reviews in a timely manner to ensure the data provided to Headquarters organizations for use in developing budgets have been reviewed and are deemed reasonable. As part of the field budget submission to Headquarters organizations, submit documentation of the Field Element budget review of contractor budget estimates. This documentation should report any relevant findings and actions to address such findings.
- (6) Facilitate interactions between Headquarters Elements and contractors involving field budget matters.
- (7) Ensure that field budget submissions are in compliance with guidance and reporting requirements issued in the field budget call and DOE Budget Formulation Instructions.

- (8) Through the contracting officer, ensure compliance with this Order by M&O and Environmental Restoration Management contracts.
 - (9) Notify and provide the Office of Budget with any requests for budget data received directly from Headquarters Elements not contained or referenced in the field budget call or not contained in supplementary field budget guidance issued by the CFO. Such notification is essential in determining whether the direct request is duplicative or adversely impacts the Department's field budget process.
6. CONTACT. For additional information, contact Melissa Andersen, Office of Budget, Budget Formulation (CR-132), at 202/586-8413.

BY ORDER OF THE SECRETARY OF ENERGY:



ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

CONTRACTOR REQUIREMENTS DOCUMENT

The following requirements shall apply to all Management and Operating Contractors (M&O) and Environmental Restoration Management Contractors (ERMC).

1. Comply with all requirements set forth in the field budget process chapter of the DOE Budget Formulation Instructions.
2. Submit all budget requests through the cognizant Operations or Field Office.
3. Designate a principal point-of-contact for the budget process.
4. Establish formal practices and procedures for performing budget process functions in accordance with the DOE Budget Formulation Process, Field Office guidance, and the DOE Budget Formulation Instructions. This includes assignment of responsibilities, preparation of budget materials, cost estimating, internal validation reviews, and documentation as required.
5. Develop and maintain a budget formulation manual in accordance with the DOE Budget Formulation Process, Field Office guidance, and the DOE Budget Formulation Instructions.
6. Develop and submit budget materials in accordance with guidance provided by the cognizant Field Office, the field budget call, and the DOE Budget Formulation Instructions.
7. Notify and provide the cognizant Field Office with any requests for budget data received directly from Headquarters Elements that are not contained in the CFO-originated Field Office guidance. Wait for a determination to proceed on direct field budget requests from the DOE Field Office before initiating action on such requests.

ATTACHMENT 2

THE RELATIONSHIP OF DOE 130.1 WITH OTHER BUDGET GUIDANCE.

DOE 130.1 establishes the budget formulation process. It sets forth budget formulation policy, describes the overall framework for each phase, and defines roles and responsibilities. DOE 130.1 does not provide all the varied and continually changing reporting requirements for each new budget formulation cycle. Budget guidance that is subject to continual change is provided through other related budget documents. These guidance documents are described below.

1. CFO BUDGET CALLS. Budget calls supplement this Order and provide specific information and requirements relevant to a particular phase of the budget formulation process. They contain items such as funding levels, due dates, and escalation rates and describe any new or changed data requirements. They also convey necessary revisions to the DOE Budget Formulation Instructions.
2. DOE BUDGET FORMULATION INSTRUCTIONS. The Budget Formulation Instructions contain detailed budget guidance such as definitions, key concepts, procedures for budget validation reviews, as well as the specific reporting requirements for each phase of the Department's annual budget formulation process. The Instructions are updated as needed to ensure all budget guidance is consistent with Departmental, OMB, and Congressional directives and applicable Federal laws.
3. OMB CIRCULAR A-11 - "PREPARATION AND SUBMISSION OF BUDGET ESTIMATES". OMB issues an annual update to Circular A-11 for the succeeding budget cycle. Print materials for the President's Budget Appendix shall be developed according to the guidance issued in this Circular. In addition, several sections of Circular A-11 require the submission of crosscutting budget data for inclusion in the President's Budget. These data shall also be developed in compliance with the formats and reporting requirements specified in the Circular.
4. OMB ALLOWANCE GUIDANCE. Congressional budget submissions shall be written to final OMB allowance levels. These funding levels are based upon final Presidential policy and funding decisions and are typically provided at the decision unit level of detail. OMB allowances shall be issued to Headquarters Elements through the budget control table provided with the annual congressional budget call.
5. CFO MEMORANDA provide supplemental guidance and are used to request additional budget data, as needed.