1121 – ORGANIZATIONAL CHANGES
Issuing Office: OM/OMA/DMS 496-2832
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1. **Explanation of Material Transmitted**: This chapter contains policy and procedures for requesting NIH organizational changes, and explains the organizational change process. The following new policies have been added:

   - No organization may be composed of more than four organizational layers, not counting the NIH Director's Office as a layer.

   - Any SAC abolished after June 2002 will not be reassigned. Previously, abolished SACs could be reassigned to a new organization once the code was cleared from the HHS database.

   - Whenever a SAC is abolished, the NIH Organization Officer must be notified as soon as all personnel are transferred out of the SAC.

2. **Filing Instructions**:

   Remove: NIH Manual 1121 dated 5/15/02.

   Insert: NIH Manual 1121 dated 4/14/03.

Please note: For information on:

- Content of this chapter, contact the issuing office listed above.

- NIH Manual System, contact the Division of Management Support, Office of Management Assessment, OM on 496-2832.

- On-line information, enter this URL: http://www1.od.nih.gov/oma/manualchapters

Organizational Changes

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Organizational Changes

A. PURPOSE

This Manual Chapter explains the policy and procedures for implementing organizational changes at NIH.

B. POLICY

The NIH is the steward of biomedical and behavioral research for the Nation. Sound management principles must be applied to all proposed organizational changes at NIH. Changes must be in accordance with NIH's organizational mission. Consider the following principles for organizational changes:

1. Develop an organizational change that enhances productivity and effectiveness in accomplishing both short-term goals and long-range strategic plans. Determine whether the change will be beneficial to the organization's mission. Determine the reorganization's objectives and the assignment of responsibilities.

2. Use tools such as streamlining and delayering in order to use existing personnel and resources to their fullest potential, while minimizing any potentially adverse budgetary impact that change may have on the organization. Please note that no organization may be composed of more than four organizational layers, not counting the NIH Director's Office as a layer.

3. Analyze the potential impact. Determine if the result will be a flatter and simpler organization; a net decrease in organizational entities; and an improvement in supervisory ratios.

4. Work with the IC's Personnel Officer to determine whether personnel actions would eliminate the problem or issue, thus making reorganization unnecessary.

5. Clearly define organizational functions. Consider the nature and scope of the functions to be performed. Group similar functions to avoid overlapping responsibilities and fragmentation. Consider structural and functional alternatives. Generally, the recommended minimum size for an organizational component is six full-time equivalent positions.

6. Establish a separate organizational component only if the functions to be assigned are distinct from those of other established organizational components and cannot be performed by redistribution of tasks.

7. Delegate decision-making authority to the appropriate level. Clearly state the lines of responsibility and maintain mechanisms of communication.

C. REFERENCES

1. HHS General Administration Manual 8-60, "Reorganization Procedures."

2. HHS General Administration Manual 8-65, "Organizational Nomenclature."

3. HHS General Administration Manual 8-69, "Standard Administrative Code."

4. NIH Manual 1130, Delegations of Authority, General Administration No. 7, "Organizational Changes."

D. DEFINITIONS

1. **Function.** A responsibility of, or an activity conducted by, an organization to accomplish its mission, a description of which is incorporated into the functional statement of the organizational component.

2. **Functional Statement**. A written statement of the responsibilities and activities conducted within the component to accomplish its mission.

3. **Institute or Center (IC) Organizational Change Coordinator (OCC).** Appointed by the IC Executive Officer, coordinates and reviews the IC's organizational change proposals. Please see http://oma.od.nih.gov/about/contact/browse.asp?fa_id=8 for the listing. Each IC must have an OCC.

4. **Institutes and Centers (IC)**. Research institutes and centers, plus the National Library of Medicine, which report directly to the Director, NIH.

5. **NIH Organization Officer.** Coordinates, reviews, and processes organizational changes at all levels at NIH. Located in the Division of Management Support (DMS), Office of Management Assessment.

6. **Notification of Organizational Change (NOC), Form NIH 2500.** The official document which adjusts central organizational records and informs the appropriate officials of the organizational change. (See Appendix 1, Notification of Organizational Change, Form NIH 2500.)

7. **Organizational Changes.** Any one or more of the following actions are considered to be organizational changes:
    - Establish an organization.
    - Abolish an organization.
    - Transfer an organization.
    - Transfer a function.
    - Change an organization's functional statement.

- Change an organization's name.
- Change an organizational entity's reporting relationship.
- Consolidate two or more organizational entities.

8. **Organizational Component.** Any part of the NIH organization that has all of the following characteristics:
   - Established as an organizational entity by law, regulation, the Secretary, or by an official to whom such authority has been delegated.
   - Has been formally assigned functions.
   - Has an approved Standard Administrative Code (SAC).

   Informal organizations such as teams, task forces, and working groups are generally not considered to be organizational components.

9. **Organizational Level.** Refers to the hierarchical location of an organizational component, regardless of its title, and is based on the organization's reporting relationships. The SAC reflects the organizational level.

10. **Organizational Nomenclature.** The group of names used to identify the relative hierarchical position that an organizational component occupies, such as branch, laboratory, section, and office. (See Appendix 2, Organizational Nomenclature and Title Designation).

11. **Program Organization**. A type of organization that is directly responsible for achieving the specific goals of the organization, whose functions consist of the operating or end purpose activities of the NIH. Examples of program organizations at NIH are those which are involved in direct biomedical research, research-related grant and contract activities, and the information collection and provision activities of NLM.

12. **Staff Organization**. A type of organization whose functions are comprised of advisory, consultative, counsel, service, or support activities related to management or administration that support program organizations. An example of staff organizations at NIH are those that perform administrative functions such as public information.

13. **Standard Administrative Code (SAC).** A unique identifier assigned to each organization. The SAC is the common organizational identifier for all organizations in the Department of Health and Human Services (HHS). The HHS General Administrative Manual (GAM) 8-69 specifies the code structure (see http://www.psc.gov/hhsmanuals.html).

    a. The SAC consists of alphabetic and numeric characters, and is designed to be concise, easy to remember, easy to say and write, and visually decodable. It is used in conjunction with reporting relationships, to designate the organizational level of an organizational component.

b. The number of characters required to completely identify a particular organizational element depends on the place of a given organization in the organizational hierarchy. For example:

- HN = National Institutes of Health
- HNA = Office of the Director
- HNA3 = Office of Extramural Research

c. Any SAC abolished after June 2002 will not be reassigned.

d. The NIH Organization Officer is responsible for issuing and maintaining SACs at NIH. For more information, please contact the NIH Organization Officer at 301-496-2832.

E. RESPONSIBILITIES

1. **IC Organizational Change Coordinator (OCC)**.

   a. Refers to the NIH Manual 1130, Delegations of Authority, General Administration No. 7, "Organizational Changes," (http://www3.od.nih.gov/oma/manualchapters/delegations/genadm/genad07/), to determine who has authority to approve the proposed change.
   b. Ensures the proposal is consistent with the policies in this issuance.
   c. Consults with the NIH Organization Officer at any point for assistance.
   d. Ensures that the appropriate IC or OD officials are involved in the planning and that they perform a review of the proposed organizational changes.
   e. Requests new SACs from the NIH Organization Officer, if needed.
   f. Obtains impact statements, in memo form, from the Personnel and Budget Officers of the IC or the OD.
   g. Completes and distributes the NOC, unless the approving official is outside the IC. (See Appendix 1, Notification of Organizational Change [NOC], Form NIH 2500.)
   h. After the organizational change has been approved, the OCC (or other IC official) determines when the changes are available for use in the NIH IMPACT personnel system by querying IMPACT for those changes.
   i. When the IC **does not** have the authority to approve the change: Sends the draft package, by e-mail or a mailed disk, to the NIH Organization Officer so he/she can advise on specific requirements. (Waiting until the request is finalized may result in delays if changes or corrections are required.)

2. **The IC or OD Budget Officer**.
   Determines what budget impact the change will have on the IC or OD. He or she considers such concerns as:
   a. Budget availability for any new or elevated FTEs and the impact on any FTE ceilings in effect.

b. The impact of the proposed change on the current and future year budgetary obligations.

c. Identification of any necessary reprogramming, changes in personnel levels (both budgeted positions and FTEs), and changes in budget activity or management accounts structure.

3. **The IC or OD Personnel Officer**.
Determines the impact of the reorganization on staffing levels, placement of staff, and whether the necessary mechanisms are in place to hire the requested FTEs. He or she considers such concerns as:

a. Probable impact on current and proposed grade levels, and appeal rights of current employees.

b. Current position descriptions for GS-12 and above which will have to be revised or abolished if the proposed organizational change takes effect.

c. Newly established positions proposed for classification at the GS-12 level and above.

d. Justification of staffing implications regarding any new SES and equivalent or supervisory positions, changes in staffing requirements, and negotiations with bargaining units.

e. Personnel actions such as promotions or reassignments that are contingent upon the approval of the proposed organizational change.

f. Impact of FAIR Act/A-76, HHS, and NIH restructuring and delayering initiatives, and other aspects of the DHHS and President's management objectives.

g. Procedures to be followed when the proposed reorganization results in the elimination of positions or changes to lower grade.

4. **NIH Organization Officer.**

a. Provides the OCC with advice and assistance, upon request.

b. Provides new SACs by referring to the master listing of used and available codes.

c. Coordinates with the Department to process all SAC changes.

d. Updates the on-line organization charts at http://www1.od.nih.gov/oma/manualchapters/management/1123/.

e. Updates the on-line functional statements at http://oma.od.nih.gov/ms/organization/function/index.html.

f. If the IC does not have the authority to approve a particular organizational change:

(1) Reviews draft documents for accuracy and for adherence to sound organization and management principles.

(2) Writes the *Federal Register* notice (which includes a Statement of Organization, Functions, and Delegations of Authority), if one is needed. The *Federal Register* notice is required for all organizational changes that require approval by the NIH Director or a higher level official, or significant changes that affect the general public. The OCC and the Office of the General Counsel will have the opportunity to review this document while in draft form.

(3) Requests senior-level NIH clearances when an organizational change needs approval from the NIH Director or a higher level official. If any of these officials

has questions or concerns, the NIH Organization Officer coordinates with the
OCC for resolution.
(4) Completes and distributes the NOC.

5. **Office of Human Resources**. The Office of Human Resources (OHR) reviews any
organizational change proposal requiring the approval of the NIH Director or a higher
level official. OHR assures that all necessary personnel considerations have been taken
into account.

6. **The Office of Budget.** The Office of Budget (OB) reviews any organizational change
proposal requiring the approval of the NIH Director or a higher level official. OB advises
the NIH Organization Officer on the budgetary and personnel ceiling impact of the
proposal.

F. PROCEDURES

1. **Preparation.**
The OCC or requesting official should review the general principles in Part B, Policy.
Remember to use the current official organization chart as the starting point, available at
http://www1.od.nih.gov/oma/manualchapters/management/1123/. Identify the
components that may be transferred, abolished, or modified. Sketch out a proposed
organization chart. Consider the potential impact of the proposed change and consult the
personnel office during the developmental stages.

2. **Documents that the IC Prepares.** These documents comprise the organization package.
The action memorandum in item a, below, is mandatory. Items b-f are required when
relevant to the package.
   a. **Action Memorandum** (and any addenda used) Required for all organizational
   change packages. The memorandum requests the organizational change and must
   clearly state:
   (1) Each requested organizational change.
   (2) The justification for the change(s).
   (3) Whether there is any adverse budget or personnel impact resulting from the
   action, and if so, a brief discussion of the impact.
   (4) Streamlining or other management improvements resulting from this action.
   Examples:
   - Enable a net decrease in the number of organizational entities (e.g., divisions,
     branches, sections).
   - Make the organization "flatter" and simpler by eliminating organizational
     levels.
   - Enable a net decrease in supervisory positions and the resulting change in
     supervisory ratios.
   - Abolish or converting into program positions any administrative-type positions.

(5) Significant functions to be transferred from one organizational entity to another. Significant functions are those that are integral to NIH's mission or of interest to the Director, the Secretary, members of Congress, the public, or the NIH community. Address how the priority of significant functions will not be compromised as a result of the reorganization. Either incorporate this discussion into the memorandum or place in an addendum.

b. **Current and Proposed Functional Statements**. Provide for all affected components. Functional statements describe the purpose, scope, and nature of the work proposed within each organizational component. Each organization must have a functional statement. (See Appendix 3, Guidelines for Writing Functional Statements.) If the organizational change does not involve changing any functional statements or establishing new ones, then omit this part.

c. **Current and Proposed Organizational Charts**. Show relevant areas of the IC and their staffing levels. (See Appendix 4, Organizational and Staffing Charts (Current and Proposed.) If the organization's structure will not be affected by the proposal, then omit this part.

d. **Budget impact statement**. Describe the expected budget impact of the organizational change and how the impact will be addressed. Each statement is written in memo form and is signed by the IC budget officer. Specifically, memos should include the following information:

   • Budget availability for any new or elevated FTEs and the impact on any FTE ceilings in effect.
   • The impact of the proposed change on the current and future year budgetary forecasts and obligations.
   • Identification of any necessary budget reprogramming.
   • Changes in personnel hiring levels.
   • Changes in budget activity or management accounts structure.

   If no impact is expected, the memo should state that. (For simply retitling an organization, omit this part.)

e. **Personnel impact statements**. Describe the expected personnel impact of the organizational change and how the impact will be addressed. Each statement is written in memo form and is signed by the IC personnel officer. Specifically, memos should include the following information:

   • Probable impact on current and proposed grade levels, and appeal rights of current employees.
   • Current position descriptions for GS-12 and above which will have to be revised or abolished if the proposed organizational change takes effect.
   • Newly established positions proposed for classification at the GS-12 level and above.
   • Justification of staffing implications regarding any new SES and equivalent or supervisory positions.
   • Changes in staffing requirements.
   • Negotiations with bargaining units.

- Personnel actions such as promotions or reassignments that are contingent upon the approval of the proposed organizational change.

  If no impact is expected, the memo should state that. (For simply retitling an organization, omit this part.)

  f. **Transfer Agreement**. Include an approved transfer agreement <u>only</u> when functions and resources are transferred from one IC to another IC.

3. *Federal Register* **Notice**.
    The NIH Organization Officer prepares the *Federal Register* notice. The purpose of the *Federal Register* notice is to notify the public that an organizational change has taken place. The OCC and the Office of the General Counsel shall review and approve the draft before it is finalized. For organizational changes that are sent to the NIH Director or a higher level official for approval, a *Federal Register* notice is necessary.

4. **Review Process.**
    a. If the approving official is within the IC, follow the IC's internal procedures to request final approval of the package. Then skip to Item 7 below. To determine who the approving official is for each specific reorganization, see NIH Manual 1130, Delegations of Authority, General Administration No. 7, "Organizational Changes," located at
        http://www3.od.nih.gov/oma/manualchapters/delegations/genadm/genad07/.)

    b. For all other organizational changes (including <u>all</u> changes within the Office of the Director, NIH), send the draft package in electronic form if possible to (Microsoft Word is preferred) to the NIH Organization Officer for review. (The e-mail address is eaterj@od.nih.gov.) The NIH Organization Officer checks the documents for accuracy and may recommend changes that will clarify the request. Then, after the requesting official signs the request memo, the OCC forwards the entire package for final clearance to the NIH Organization Officer, 6011 Executive Blvd., Suite 601, MSC 7669.
    c. For all organizational change requests within the Office of the Director, NIH (excluding the Office of Research Services), the NIH Organization Officer sends the package to the OD Executive Office for review.
    d. If the NIH Director or a higher level official is the approving official, the NIH Organization Officer will request concurrence, at the same time, from the following officials:
        - Deputy Director for Intramural Research.
        - Deputy Director for Extramural Research.
        - Associate Director for Budget.
        - Associate Director for Legislative Policy and Analysis.
        - Associate Director for Science Policy.
        - Director, Office of Human Resources.
        - NIH Legal Advisor.

If any of the officials above does not concur, the NIH Organization Officer will forward the comments to the OCC, who replies directly to the official(s) and coordinates resolution of the concern(s). The NIH Organization Officer needs to receive a copy of the decision and concurrence for the request to go forward.

e. The NIH Organization Officer sends the package, through the Deputy Director for Management, to the approving official. When the Secretary is the approving official, the NIH Organization Officer will coordinate with the Executive Secretariat to forward the package to the Department.

f. When the NIH Organization Officer receives the package back from the approving official, he/she will notify the IC of the decision.

5. Notification to the NIH Community.
If the reorganization was approved within the IC, then the OCC will prepare and distribute the NOC. In all other cases, the NIH Organization Officer will prepare and e-mail the NOC. The NIH Organization Officer will ask the OCC how widely the form should be distributed, beyond the list of required officials. If the organizational change is very complex or sensitive, the NIH Organization Officer may ask the OCC to review the form before it is issued.

6. Implementation of the Organizational Change.
   a. IC. The IC may need to do one or more of the following, depending on what is relevant:
   - Complete personnel actions.
   - Assimilate and assign necessary staff and resources.
   - Whenever a SAC is abolished, notify the NIH Organization Officer as soon as all personnel are transferred out of the SAC. This is necessary because of requirements of the NIH Business and Research Support System.
   - Update the Common Account Number (CAN) structure.
   - Revise administrative policies and procedures.
   - Monitor the change to determine whether goals were achieved.

   b. NIH Organization Officer.
   - Updates the organizational information provided at http://oma.od.nih.gov/ms/organization/.
   - Provides new, revised, and abolished SACs for HHS to update the main database system.

7. Effective Date of the Organizational Change.
The date that the reorganization is signed by the approving official is the effective date. There are occasions when the requesting office will choose a later date, but this must be indicated in the request memo.

G. RECORDS RETENTION AND DISPOSAL

All records (e-mail and non-e-mail) pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records;" Appendix 1; Part 1: Administration; Section 1100 General Administration; D. Organization and Functions; located at http://www1.od.nih.gov/oma/manualchapters/management/1743/.

NIH e-mail messages (messages, including attachments that are created on NIH computer systems or transmitted over NIH networks) that are evidence of the activities of the agency or have informational value are considered Federal records. These records must be maintained in accordance with current NIH Records Management guidelines. If necessary, back-up file capability should be created for this purpose. Contact the IC Records Officer for additional information.

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requester. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of the Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to Congressional oversight committees if requested and are subject to Freedom of Information Act requests. Since most e-mail systems have back-up files that are retained for significant periods of time, e-mail messages and attachments are likely to be retrievable from a back-up file after they have been deleted from an individual's computer. The back-up files are subject to the same requests as the original messages.

H. MANAGEMENT CONTROLS

The purpose of this manual issuance is to establish the NIH policy for requesting and implementing organizational changes at NIH.

1. **Review of Management Controls.** Through this manual issuance, the NIH Organization Officer is responsible for the method used to ensure that the management controls are implemented and working.

2. **Frequency of Review:** Ongoing.

3. **Method of Review:** The NIH Organization Officer reviews organization packages for approval outside of the IC and reviews all NOC forms to ensure compliance with this policy.

4. **Review Reports:** All official organizational changes are incorporated into NIH Manual 1123, "NIH Organizational Charts" (formerly called the NIH Organization Handbook), and annually sent to the NIH Deputy Director for Management for approval.

Appendix 1, Notification of Organizational Change (NOC), Form NIH 2500

A. **Purpose.**
    1. Informs the appropriate officials of the organizational change.
    2. Serves as the official document for adjusting central organizational records, including personnel records and systems.

B. **Form Preparation.**
    1. When the approving official for the organizational change is outside the IC: the NIH Organization Officer.
    2. When the approving official is within the IC: the OCC.

C. **Location.** The NIH Forms site provides the NOC in Word and Adobe Acrobat formats.

    http://forms.nih.gov/msword/misc/NH2500.DOC for Word format
    http://forms.nih.gov/adobe/misc/NH2500.PDF for Adobe Acrobat format

D. **Distribution.** Distribute either as an e-mail attachment or mail paper copies.

E. **Specific instructions for completing the NOC:**

    Item 1. To *(title, IC, and building/room).*
    The official who requested the organizational change and his/her title and IC. Include building and room number when distributing the form through the mail.

    Item 2. Type of Change.
    Check all boxes that apply.

    Item 3. Approval Authority.
    The official who approved the organizational change. The official must have been delegated the authority to approve the change. Please see http://www3.od.nih.gov/oma/manualchapters/delegations/genadm/genad07/ for the delegation of authority.

    Item 4. Effective Date.
    Usually the date that the approving official signed the request. There are occasions when the requesting office will choose a later date; this must be indicated in the request memo.

Item 5. Changes.
- List all the organizational changes that have just been approved. Every change must be clear, not implied, to assure that the change is implemented correctly. To explain complex changes, sometimes placing the data in a table is the clearest way. If the space is insufficient in item 5, use separate pages.
- Identify each <u>new</u> organization as Intramural, Extramural, or Other.

Item 6. Reorganized Components Please Note.
Reminder for relevant human resources staff to take the appropriate personnel actions.

Item 7. Distribution.
Mandatory and additional officials to receive the NOC. The mandatory officials have already been checked on the form. In addition, select any appropriate officials from the list who should be notified about the reorganization. *Examples*: Send a notice of a major reorganization in the IC's extramural program to the Deputy Director of Extramural Research. Send a notice to the entire list when a new IC is established.

Two officials have been added to the distribution list, the NIH Directives Officer and the IC Manual System Contact. This site has their names and addresses: http://oma.od.nih.gov/about/contact/browse.asp?fa_id=4. The NIH Directives Officer is listed on this page under "NIH."

Item 8. Signature.
The person issuing the NOC. This is usually the OCC.

Item 9. Date.
The date signed by the official in item 8.

F. **Functional Statements.**
Each NIH organization must have a functional statement. Attach the functional statements for each <u>new</u> organization, and for organizations with <u>revised</u> functional statements. The NIH Organization Officer must receive all new and revised functional statements in electronic format (to eaterj@od.nih.gov), even when the form itself is mailed.

Notification of Organizational Change	1. **TO**: *(title, IC, and building/room)*

| 2. **TYPE OF CHANGE**:
☐ Establish organizational components *(Functional statements are attached.)*
☐ Abolish organizational components
☐ Transfer organizational components
☐ Retitle organizational components
☐ Revise functional statements *(attached)*
☐ Revise Standard Administrative Codes | 3. **APPROVAL AUTHORITY** |
| | 4. **EFFECTIVE DATE** |

5. **CHANGES**. List all changes that have just been approved. Include Standard Administrative Codes for each organization referenced. Identify each new organization as Intramural, Extramural, or Other. Use separate pages if more space is needed.

6. **REORGANIZED COMPONENTS PLEASE NOTE**: You are required to initiate action with your servicing personnel office. You must assure that all employees who are assigned to organizational components whose Standard Administrative Codes have been changed as a result of this organizational change are appropriately reassigned.

7. **DISTRIBUTION**: You may determine from the list below which offices may have a need for or interest in receiving a copy; however, you must send a copy to the offices already checked.

☐ Director, NIH	☐ IC Executive Officers
☐ Deputy Director, NIH	☒ OD Executive Officer *(only for OD/NIH changes)*
☐ Deputy Director for Extramural Research	☒ Director, Office of Management Assessment, OM
☐ Deputy Director for Intramural Research	☒ Director, Office of Human Resources, OM
☐ Deputy Director for Management	☒ Director, Div. H. R. Information Systems, OHR, OM
☐ Associate Director for Administration	☒ Director, Div. H. R. Program Effectiveness, OHR, OM
☐ Associate Director for Science Policy	☐ Director, Ofc. Acquisition Mgmt. & Policy, OA, OM
☐ Associate Director for AIDS Research	☐ Director, Ofc. Logistics & Acquisition Operations, OA
☐ Associate Director for Communications	☐ Director, Office of Budget, OM
☐ Associate Director for Disease Prevention	☐ Director, Office of Financial Management, OM
☐ Associate Director for Extramural Affairs	☐ Director, Division of Support Services, ORS, OM
☐ Associate Director for Legislative Policy and Analysis	☒ IC or OD Budget Officer
☐ Associate Director for Research on Minority Health	☒ IC or OD Personnel Officer
☐ Associate Director for Research on Women's Health	☒ IC or OD Manual System Contact
☐ Associate Director for Research Services	☒ NIH Directives Officer
☐ Director, Office of Equal Opportunity	☒ NIH Organizational Change Coordinator
☐ IC Directors	

8. **SIGNATURE**	9. **DATE**

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Appendix 2, Organizational Nomenclature and Title Designation

A. Background – Standard organizational terms, such as "division," "branch," and "section," are used within NIH to denote the levels of organizational hierarchy. This policy is governed by HHS policy, located in the HHS General Administration Manual (GAM) 8-65, "Organizational Nomenclature" (see http://www.psc.gov/hhsmanuals.html). In addition, NIH has been permitted to use titles which better describe activities or fit specific organizational needs. Examples of these terms are "institute," "laboratory," and "center."

B. Definition – Organizational nomenclature is a collective term for the names used to identify various organizational components.

C. Responsibility – The application of organizational nomenclature and title designations at NIH is the responsibility of DMS.

D. Policy – The assignment of titles to organizations and heads of organizations will conform with HHS GAM 8-65 unless an exception, as described below, is approved.

E. Organizational Nomenclature

Listed below in hierarchical order are both standard and exceptional organizational terms.
1. Standard terms are used for the following:
    a. Division – a component reporting to an institute director.
    b. Branch – a component reporting to a division or office chief. In the intramural research area, "branch" generally denotes clinical research organization.
    c. Section – a component reporting to a branch chief.
    d. Unit – a component reporting to a section chief.
2. These exceptional terms may be used for the following:
    a. Institute – a program organization that conducts and supports biomedical research <u>and</u> is named as "institute" in statute or by Secretarial designation.
    b. Program – a line organization in a research institute. The title may not be used in administrative support, scientific support, and/or technical support areas.
    c. Center – a program organization at any level.
    d. Department – a program organization in the Clinical Center.
    e. Laboratory – a non-clinical research organization at the branch level.
    f. Office – a staff (as opposed to program) component at any organizational level.
    g. Staff – a component of small size at any organizational level.
    h. Service – an organization within a department in the Clinical Center.

F. Standard Title Designation for Heads of Organizations

1. Institute, Division, Program, Center – Director.
2. Branch, Laboratory, Department, Section – Chief (plus divisions within NLM's Division of Library Operations).
3. Office – Director.
4. Staff – If staff is used instead of office or division, the title "Director" is appropriate. If staff is used instead of branch or section, the title "Chief" is appropriate.
5. Unit – Chief or Head.
6. Service – Chief.

G. Exceptions to Organizational Nomenclature and Title Designation Policy

The organizational nomenclature, title designation, and hierarchical order stated in section E are to be followed. Exceptions must be requested through the Director, Division of Management Support, 6011 Executive Blvd., Suite 601, MSC 7669.

Appendix 3, Guidelines for Writing Functional Statements

Functional statements describe the purpose, scope, and nature of the work proposed to be performed within an organizational component. Write functional statements in the third person and make them action oriented. Describe the mission or functions of the organizational component succinctly and keep the level of detail appropriate to the organization (see item C below). Do not put information other than functions in these statements. A personnel position description is never a replacement for a functional statement.

A. Sample of a functional statement, in the correct format:

> **Division of Management Support** (HNAM74)
> (1) Directs and implements a broad range of NIH management programs--including regulations, records management, Privacy Act, Federal Register, forms management, organizational change, employee suggestions, and consulting services; (2) serves as the central coordinating point for the NIH Directives System and formal delegations of authority; (3) coordinates NIH efforts in complying with such requirements as OMB Circular A-76 and the FAIR Act; and (4) acts as the NIH focal point and liaison with HHS, and other Federal agencies in the coordination of management activities.

B. Number each function, as in the sample above. Do not put information other than functions in these statements. Phrases such as "Reports to the Division of XYZ" are not necessary. Full sentences tend to unnecessarily lengthen the statements, and are discouraged.

C. The functional statement of the largest component of an organization encompasses the functions of all its sub-components. That is, functions for divisions are written in general terms; functions for branches are more specific; and functions for sections are even more specific.

D. NIH Manual Chapter 1125, "NIH Functional Statements," at http://oma.od.nih.gov/ms/organization/function/index.html, contains all NIH functional statements for organizations above the section level.

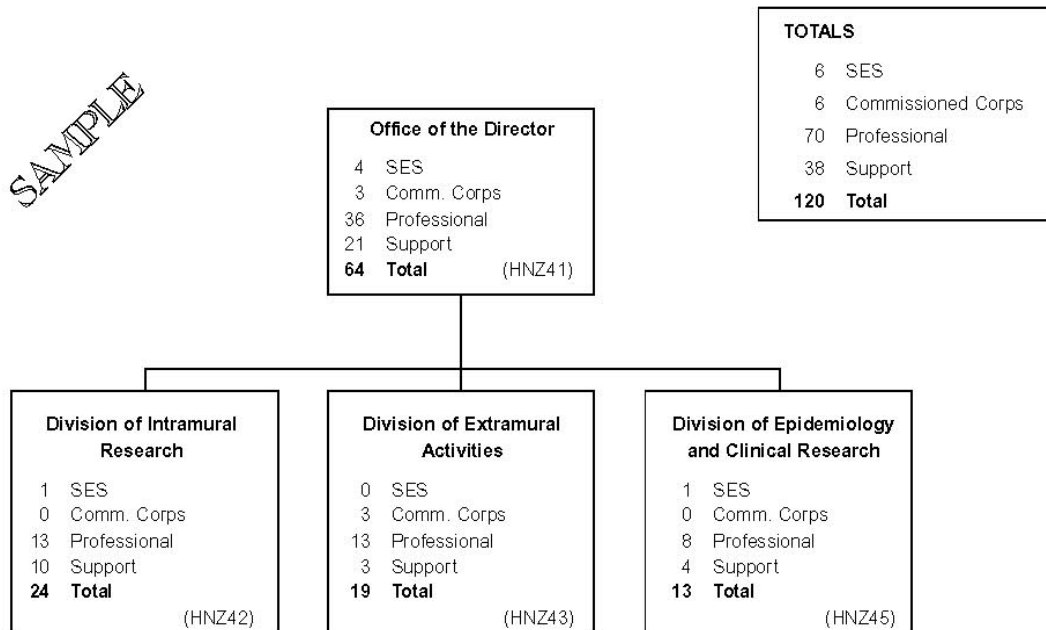### Appendix 4, Organizational and Staffing Charts (Current and Proposed)

A. Provide one chart that illustrates the current structure and a second one for the proposed structure. The current chart must be consistent with the official NIH organization charts. View them at http://www1.od.nih.gov/oma/manualchapters/management/1123/, NIH Manual 1123, "NIH Organizational Charts" (formerly called the NIH Organization Handbook).

B. Provide staffing numbers for both charts. The purpose of this information is to show the relative sizes of the organizations that are involved in the change.

C. Show the appropriate level of detail on the organization charts. Illustrate all organizations involved in the change and the staffing for each component. *Examples*:
   1. When establishing a new IC division, show all divisions of the IC, with the staffing numbers for each. This shows the relative sizes of the new division compared with the existing ones. Do not break down the components within each division unless one or more of the components plays a part in the reorganization.
   2. When modifying sections within one laboratory, show just that laboratory plus all its sections. Again, if sections elsewhere in the division are involved, include those laboratories and sections as well.

D. For each organization shown on the charts, provide the staffing numbers. Include any staff increase or decrease that is a direct result of the reorganization.

E. For each component on the charts, break down the staffing numbers into these categories: SES, Commissioned Corps, Professional, and Support. Other categories, such as Wage Grade, may be used when relevant. Also, show the total number for each component and for the entire chart. Do not send lists of staff names to the NIH Organization Officer.

F. If a SAC for a new organization is needed, request it from the NIH Organization Officer, on (301) 496-8155, and include it on the proposed chart. You may also request the SAC after approval but before issuing the NOC.

G. The NIH Organization Officer does not receive lists of the names of personnel affected.

H. See the following sample charts. For complex charts, the NIH Organization Officer is usually able to draw the final charts, but all staffing numbers must be provided to him/her.

Appendix 4 (continued), Organization and Staffing Charts (Current and Proposed)

National Institute of New Diseases   **Current**

SAMPLE

TOTALS	
6	SES
6	Commissioned Corps
70	Professional
38	Support
120	**Total**

Office of the Director

4	SES
3	Comm. Corps
36	Professional
21	Support
64	**Total** (HNZ41)

Division of Intramural Research

1	SES
0	Comm. Corps
13	Professional
10	Support
24	**Total** (HNZ42)

Division of Extramural Activities

0	SES
3	Comm. Corps
13	Professional
3	Support
19	**Total** (HNZ43)

Division of Epidemiology and Clinical Research

1	SES
0	Comm. Corps
8	Professional
4	Support
13	**Total** (HNZ45)

National Institute of New Diseases   **Proposed**

SAMPLE

TOTALS	
6	SES
6	Commissioned Corps
70	Professional
38	Support
120	**Total**

Office of the Director

3	SES
3	Comm. Corps
26	Professional
17	Support
49	**Total** (HNZ41)

Division of Intramural Research

1	SES
0	Comm. Corps
13	Professional
10	Support
24	**Total** (HNZ42)

Division of Extramural Activities

0	SES
3	Comm. Corps
13	Professional
3	Support
19	**Total** (HNZ43)

Division of Epidemiology and Clinical Research

1	SES
0	Comm. Corps
8	Professional
4	Support
13	**Total** (HNZ45)

Division of Clinical and Prevention Research

1	SES
0	Comm. Corps
12	Professional
8	Support
21	**Total** (HNZ46)