

# Detail Labor Cost Adjustment Business Rules

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## **General Information**

To correct incorrectly recorded labor cost, adjustments should be made at the document or detail level to provide an adequate audit trail. Detail Labor Cost Adjustments (DLCA's) should be used to correct labor transactions. The process transfers dollar amounts as paid costs. DLCAs should be used as a means to correct erroneously recorded costs once Web TA corrections have been utilized.

## **Required Approvals**

**ALL DLCA'S** regardless of the amount must be reviewed and approved with signatures by the Originator's Supervisor or equivalent before being submitted to the Finance Office for posting.

**Transfers between Organizations:** Any DLCA that is transferring costs between organizations requires the signed approval of the affected organization. The originator of the DLCA must obtain the signed approval form from the affected organization which contains a statement that they concur with the DLCA action and it is appropriate for approval.

**DLCA'S regardless of the amount between two different fund codes and/or program codes and/or Fund Code Fiscal Years MUST** be reviewed and approved with signatures by the FMC Director or FMC Deputy Director before being submitted to the Finance Office for posting. (EDA/BIS: approval by the respective bureau budget execution office is required)

**DLCA's of \$500K or more MUST** be reviewed and approved with signatures by the LO Chief Financial Officer (CFO) or Staff Office Director, AND the respective bureau Budget Execution Office (BEX) before being submitted to the Finance Office for posting. **NOTE:** BEX may request additional supporting documentation as needed.

## **Business Rules for Detail Labor Cost Adjustments**

The below business rules are either Systematic or Administrative. The Systematic rules are enforced by systemic controls that have been programmed into the NFC module. The Administrative rules are NOAA-specific and have been agreed to by the NOAA Business Rules Working Group. Administrative rules do not have systemic controls and some of the rules include exceptions.

The following NOAA Business Rules apply when processing DLCAs using the CBS NFC005 and NFC045 Detail Labor Adjustment screens.

### **Systematic Rules**

**Only Current Fiscal Year can be adjusted:** No changes can be made to prior-year labor transactions.

**The 'FROM' and 'TO' Dollar Amounts must Match.** The DLCA dollar amounts must be equal on the

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‘FROM’ and ‘TO’ sides of the DLCA.

**Accounting Data must be Valid.** The system requires that each DLCA transaction include active accounting data. This includes the Fund Code, Fiscal Year, Program Code, Project Code, Task Code, Organization Code, and Object Class Code.

## Administrative Rules

**No Transfers are permitted to the Default Project Code.** DLCA’s transferring cost to the default project 09WGALB will not be processed.

Any transactions not corrected **within 6 consecutive pay periods** require FMC Director or FMC Deputy Director approval. Adjustments that cross fiscal years are not permitted, even if the correction is submitted within 6 consecutive pay periods.

A carryover package is permitted to use PY funds. However, the package **MUST** go through BEX regardless of the amount. BEX will review the package to ensure the LO is justified in the use of PY funds, and the funds are being used correctly.

## DLCA Submission Package Guidance

All DLCA requests **MUST** be submitted to the Financial Reporting Division via email at [DetailLaborAdjustments@noaa.gov](mailto:DetailLaborAdjustments@noaa.gov). Please note the **first GJ number on the approval form** and **the date** in the subject line of the email. The email **MUST** include the following documentation in one complete Adobe.pdf file to maintain electronic signatures.

If any of the required information is not included, the entire DLCA package, and batch, will be disapproved and returned:

- A signed CBS Detail Labor Cost Adjustment Approval Form.
- A clear and concise reason for the DLCA (on the DLCA approval form).
- The total adjustment amount referenced within the ‘Provide a clear and concise explanation for the correction’ section on the DLCA approval form.
- An email from the original signing authority, when out of the office, specifying the delegated signing authority and the authority duration.
- Documents are clearly legible, and oriented properly within the file, so that they can be reviewed efficiently (e.g. copying the pages within a package multiple times can distort the content and make the details difficult to read).

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## **DLCA Submission Review Criteria**

All DLCA requests will be reviewed and approved by FRD/FMB to ensure:

- All required approvals are documented per Page 1 of this document; and
- All adjustments adhere to the Business Rules explained on Pages 1-2 of this document.

Additionally, DLCA requests requiring BEX approval will be reviewed to ensure:

- The total amount of the adjustment is documented within the 'Provide a clear and concise explanation for the correction' section on the DLCA approval form.

## **Documentation Retention Requirements**

The Office Originating the DLCA and the Financial Reporting Division Must Retain the Signed CBS Detail Labor Cost Adjustment Approval Form.