

***NOAA Standard Operating Procedures
for Reimbursable Agreements***

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14. Reimbursable Standard Operating Procedures

NOAA cooperates with public and private agencies through reimbursable projects consistent with the need to carry out effectively and efficiently its authorized programs and the general policies of the Federal Government. Chapter 10 of the Finance Handbook prescribes NOAA's policies which must be adhered to by the Line/Staff Offices (LO/SOs) in negotiating, obtaining approval, and performing work for external customers. The chapter was revised in accordance with policies agreed to by the NOAA Reimbursable Work Group as a result of Business Process Reengineering (BPR) efforts. The authorities applicable to the receipt of funds from federal and non-federal entities for reimbursable work efforts are included in Appendix A for Chapter 10. NOAA Administrative Order 216-109 establishes NOAA policy for reimbursable research by NOAA laboratories.

This document defines NOAA's Standard Operating Procedures applicable to Reimbursable Agreements. The policies apply to all NOAA organizations and cross-serviced agencies which provide goods and services on a cost reimbursable basis to the public, private, and/or other Federal, state and local agencies. For purposes of these standard operating procedures, the term "reimbursable agreement" includes MOAs, MOUs, acceptance documents and funding documents (e.g., MIPRs, modifications, etc.)

Note: Questions regarding policy or procedures should be directed to the FMC reimbursable liaison. The FMC reimbursable liaison will contact LO HQ, as needed, for legal or budget/accounting advice. Questions regarding use of the system functionality and screens should be directed to CBS Client Services at 301-427-1023 or via email to: ClientServices@noaa.gov

14.1 Preparation of Reimbursable Agreements & Modifications

NOAA will only accept reimbursable work if the necessary legal authority exists for performing the work and the work can be performed without adversely affecting regular NOAA programs. Work not related to NOAA's normal functions may be accepted only if the following additional conditions are met:

- a. The project cannot be performed economically by the requesting federal agency with its own facilities or by government-wide service agencies, such as the Government Printing Office or the General Services Administration.
- b. The performance of the project by NOAA is allowable by law or statute and is in the best interest of the Federal Government.

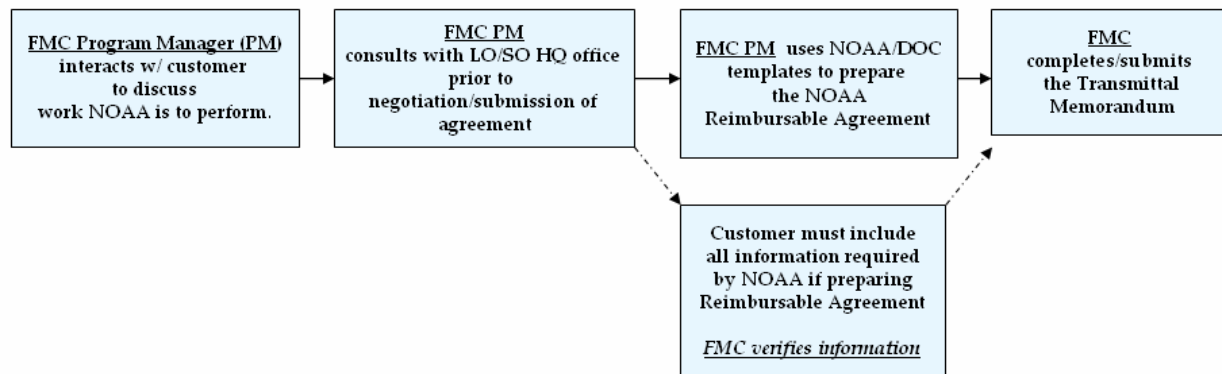
All proposed agreements and letters of intent will be reviewed and cleared by the DOC Office of General Counsel prior to any formal negotiations unless the requirement has been waived by the General Counsel in writing. An agreement may take the form of an exchange of correspondence, a contract, or a purchase order with documentary acceptance and must be in existence prior to the performance of work. Agreements should provide specifically for recovery of total cost; they should indicate that the amount or amounts of costs listed therein are estimated and that actual costs will be billed for the project.

A generic NOAA reimbursable agreement model is available which includes the minimum information necessary in a reimbursable agreement. In addition, the Office of General Counsel (OGC) web site, http://www.ogc.doc.gov/gen_law.html contains model agreements required by specific legislation. If the OGC website includes a model for the specific legal authority to be used, the applicable model should be used. For all other agreements, use the NOAA reimbursable agreement model. Additional clauses and language may be required to be added to the NOAA reimbursable agreement model, depending on the applicable authorities.

A NOAA Reimbursable Agreement Cover Sheet form has been developed to provide a summary of the critical legal and accounting information contained in the agreement and required for customer billing. This form must be completed and included as part of the reimbursable agreement package. Some information on the form (e.g., project code) may not be available until after approval of the agreement, and should be completed at that time.

When entering into new agreements with other federal customers, the time of year should be taken into consideration. Agreements/funding accepted after June may not allow enough time for NOAA to obligate or expend the funding within the federal customer’s funding availability, especially for one year funding. If a Line Office program office is contemplating entering into a relationship with another party, that office should contact their respective Line Office Headquarter reimbursable representative as early in the partnering process as possible, so that they can provide guidance and help ensure from the beginning that the office is using the most appropriate agreement authority.

The flowchart shown below depicts the Reimbursable Agreement preparation process:



All agreements, amendments, and modifications require clearance from DOC OGC unless specific exceptions have been granted by OGC. The following table outlines the standard operating procedures Line/Staff Office and FMC users must follow for preparing reimbursable agreements with federal and non-federal customers or working with customers to prepare reimbursable agreement documentation:

Step	Action	Time to Complete
1	<p>The FMC program manager interacts with the customer to discuss the work NOAA is being requested to perform. Those discussions should include:</p> <ul style="list-style-type: none"> ✓ Does NOAA have the legal authority to receive the funds from the customer? ✓ Does NOAA have the programmatic authority? ✓ Does NOAA have the necessary resources to complete the work if the customer provides adequate funding? ✓ Will waiver requests for advance payments and/or overhead need to be prepared/submitted for approval? <i>{If applicable, refer to sub-section with waiver procedures}</i> <p>Note: The items indicated above are not an all inclusive list.</p>	Varies
2	<p>The FMC program manager must consult with his/her LO/SO HQ office prior to negotiation and submission of an agreement for signature in order to avoid delays in completing agreement preparation and review and to ensure that the program office is making proper determinations regarding the legal basis for an agreement.</p>	Varies
3	<p>If NOAA prepares the reimbursable agreement, the FMC prepares the NOAA reimbursable agreement using NOAA and DOC OGC templates and cost models available at http://www.ogc.doc.gov/gen_law.html</p> <ul style="list-style-type: none"> ✓ The agreement should include a comprehensive description of the terms between NOAA and the customer(s) ✓ For agreements covering more than one year, a provision for periodic review should be included in order to determine if revisions, renewals, or cancellations apply. <p><i>Note: Questions regarding financial information, billing address, etc. can be addressed with the LO/SO HQ at this point in order to avoid delays in approving the reimbursable agreement package.</i></p>	Varies
4	<p>If the customer prepares the reimbursable agreement, the FMC verifies that all information required by the NOAA model is included (refer to previous step).</p> <p>Note: This step does not apply for NOAA-prepared agreements.</p>	Varies
5	<p>The FMC completes a transmittal memorandum (including applicable signatures) with an executive summary and the NOAA Reimbursable Agreement Cover Sheet.</p>	1-3 days, including internal review and/or approval
6	<p>Continue with review/approval process outlined in the next section.</p>	

14.2 Review and Approval of Reimbursable Agreements & Modifications

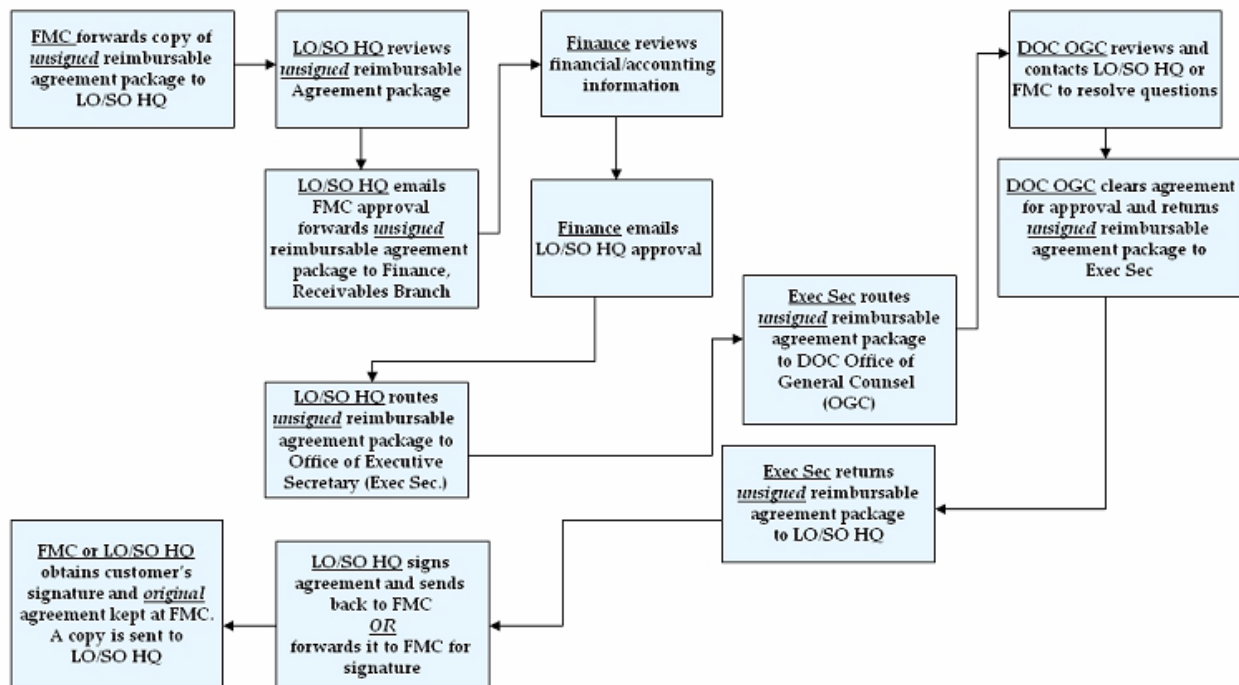
All new agreements, amendments, modifications and renewals thereto must be submitted to the Line Office/Staff Office Headquarters for review and clearance at least two months before the projected signature date (three months for agreements with foreign partners). This will provide time for review and clearance at the Line Office/Staff Office Headquarters, NOAA, and Departmental levels.

In general, the Office of the Assistant General Counsel for Administration (OGC/Admin) will clear all new, changed, or renewed agreements which provide for the expenditure of appropriations, including in-kind contributions, or which require substantial resource allocations (e.g., manpower) or any other substantive imposed requirement or modification. Line Office/Staff Office Headquarters will coordinate the review by OGC/Admin. Unless there is a question that an agreement may violate law or regulation, clearance by the OGC/Admin is not required for the following types of agreements:

- Time extensions with no change to the scope of work or funding
- A Multiple/Series Agreement in which the original language of the agreement previously has been approved by OGC/Admin, and NOAA is entering into the same agreement with different partners
- No-cost implementation agreement under previously cleared agreement that does not commit additional funding
- Any agreement that falls under NOAA Line Office Specific Authorities

The determination of whether an agreement warrants clearance through OGC/Admin must be made by the NOAA Line Office/Staff Office.

The flowchart shown below depicts the review/approval process for Reimbursable Agreements:



The following table outlines the standard operating procedures for the review and approval of Reimbursable Agreements and modifications:

Step	Action	Time to Complete
1	The FMC forwards a soft and/or hard copy of the <u>unsigned</u> agreement, Reimbursable Agreement Cover Sheet, approved waiver requests, Transmittal Memorandum, and the Customer Profile Form (for new customers/contacts) to the LO/SO HQ for review. This documentation is referred to as the <u>unsigned reimbursable agreement package</u> . <i>Note: Email submission of the required information is preferable.</i>	1 day
2	The LO/SO HQ reviews the <u>unsigned</u> reimbursable agreement package for required information and adherence to policy. The LO/SO HQ returns the <u>unsigned</u> reimbursable agreement package to the FMC for modification, if necessary, or indicates approval via email.	1-3 days
3	If revisions are requested, the FMC makes necessary changes and forwards the updated documentation to the LO/SO HQ for a final review.	1-3 days
4	The LO/SO HQ forwards the <u>unsigned</u> reimbursable agreement package to the Finance Office, Receivables Branch, for review.	1 day

Step	Action	Time to Complete
5	<p>The Finance Office reviews financial/accounting information and responds to the LO/SO HQ with suggested modifications, if necessary, or indicates concurrence via email and provides the following information:</p> <ul style="list-style-type: none"> ✓ Fund code ✓ Advance / Non-advance ✓ Billing Terms ✓ Customer/contact# <p><i>Note: Changes may be required if the agreement and funding document do not agree.</i></p>	1-3 days
6	If changes are required by Finance, the LO/SO HQ returns the <u>unsigned</u> reimbursable agreement package to the FMC for modification. After the FMC completes changes, the package is returned to the LO/SO HQ.	1-3 days
7	The LO/SO HQ routes the <u>unsigned</u> reimbursable agreement package to the Office of the Executive Secretary (Exec Sec).	1-2 days
8	Exec Sec routes the <u>unsigned</u> reimbursable agreement package to the DOC Office of General Counsel (OGC).	1-3 days
9	The DOC OGC reviews and clears the agreement for approval and contacts the LO Headquarters/FMC as appropriate to resolve questions/issues.	Varies – average of 1 month
10	The DOC OGC returns the cleared <u>unsigned</u> reimbursable agreement package to Exec Sec who returns it to the LO/SO HQ.	1-2 days
11	<p>The LO/SO HQ signs the agreement.</p> <p style="text-align: center;"><u>OR</u></p> <p>Forwards the agreement to the FMC for signature.</p>	1-2 days
12	<p>The LO/SO HQ obtains the customer's signature on the reimbursable agreement.</p> <p style="text-align: center;"><u>OR</u></p> <p>FMC obtains the customer's signature on the reimbursable agreement.</p>	Varies – average of 3-5 days
13	The original agreement is returned to or kept at the FMC. A copy is kept at the LO/SO HQ.	N/A

14.3 Funding Documents for Reimbursable Agreements

Funding documents may or may not be part of the Reimbursable Agreement. Funding documents must be received before reimbursable work can begin. Funding documents may be in the form of a military interdepartmental purchase request (MIPR), purchase request, purchase order or contract, etc.

The following table outlines the standard operating procedures related to funding documents:

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
1	If the funding document is not part of the agreement, the <i>FMC</i> must contact the customer to request the necessary funding document.	1 day
2	Funding document is received by the FMC. <i>Note: The funding document must be received prior to agreements being recorded in CBS.</i>	Varies by customer
3	Continue with the process for establishing new reimbursable projects and agreements in CBS outlined in the next section.	

14.4 Establishing New Reimbursable Projects and Recording New Agreements in CBS

Reimbursable work cannot be performed for another organization until a reimbursable project number has been established and pertinent approvals obtained. Reimbursable projects shall not be established and used for internal, NOAA-only purposes.

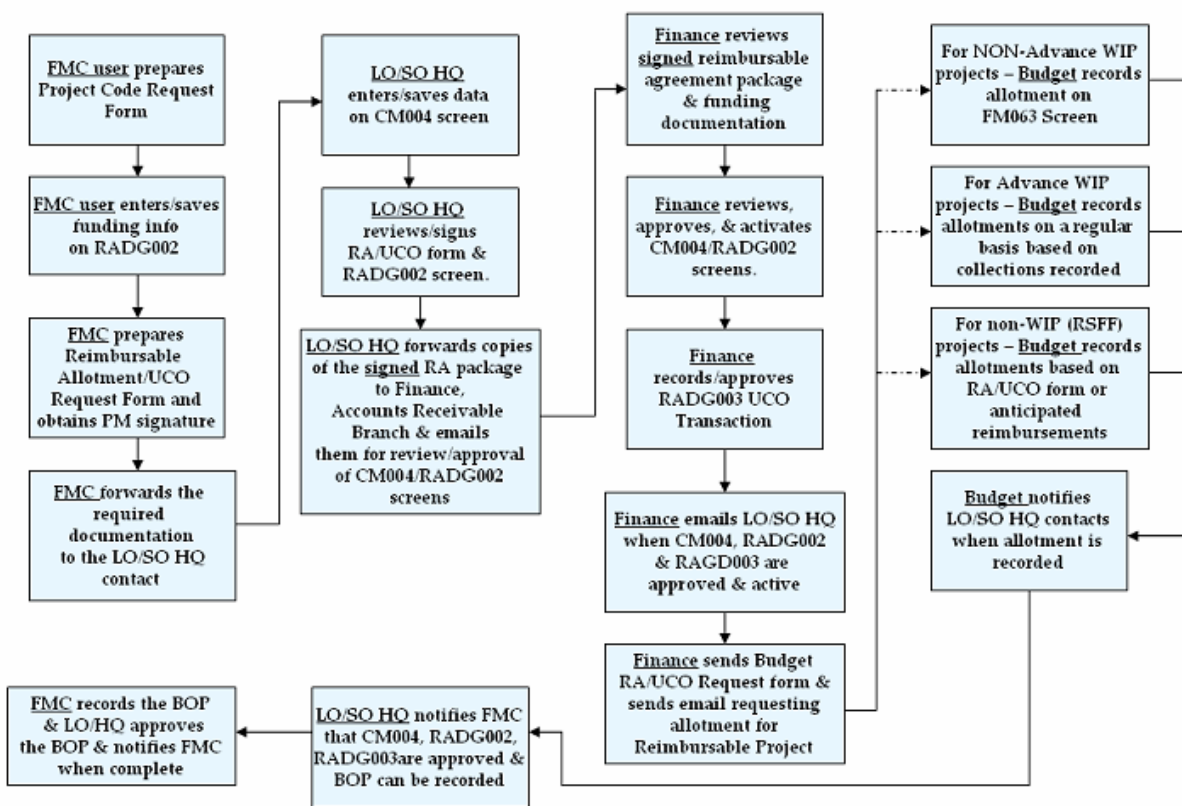
NOAA's policy is that projects in Fund Codes 0006 (Advance) and 0007 (Non-Advance) shall consist of one customer (federal or non-federal), one agreement, and one funding document (unless multiple funding documents have the same funding period). This policy will make billing, carryover, financial statement reporting, and program management easier and more effective. This policy will also eliminate audit and financial statement reporting problems, mainly having to do with the inability to accurately reflect trading partners for government-wide elimination entries.

Reimbursable agreements with federal customers, state and local government and institutions governed by states, e.g., colleges and universities, shall include either advances or quarterly billing plans. These agreements should not include both advances and payment plans.

When possible, projects shall be used by only one LO/SO to preclude issues related to audit, carryover, and automated billing; help ease program management functions; and avoid potential cost overruns. If two or more LO/SOs must use one reimbursable project, the initiating LO/SO must own the project and must take responsibility for the management and oversight of the project and for clearing any cost overruns. To the extent possible, Reimbursable Sales/Fixed Fee projects in Fund Codes 0096 and 0097 should follow the same policy.

The flowchart shown below depicts the process for creating new reimbursable projects and recording new agreements in CBS:

14.4 Establishing New Reimbursable Projects & Recording Agreements in CBS



The following table outlines the standard operating procedures for establishing new reimbursable projects and recording new Reimbursable Agreements in CBS:

Step	Action	Time to Complete
1	The FMC user prepares the CBS Project/Task Request Form with the information required to establish the new reimbursable project code requested.	1 day
2	The FMC user enters the funding information into the RADG002 Reimbursable Agreement Screen and saves, but does not approve transaction. <i>Note: The RADG002 screen is not required for non-WIP projects within Fund Codes 96 and 97.</i>	See step #1
3	The FMC user prepares the Reimbursable Allotment/UCO Request Form and obtains the program manager’s signature.	1 – 2 days

Step	Action	Time to Complete
4	<p>The FMC user forwards the CBS Project/Task Request Form, the Reimbursable Allotment/UCO Request Form, and any other required documentation (e.g., funding document for federal customers, Customer Profile Form, etc.) to their LO/SO HQ reimbursable contact, and notifies them that the RADG002 screen is ready for review.</p> <p><i>Note: As noted above, the RADG002 screen does not apply to non-WIP projects within Fund Codes 96 and 97.</i></p>	See step #3
5	The LO/SO HQ reimbursable contact enters data on the CM004 Project Code Maintenance Screen, but does not approve.	1 – 3 days
6	The LO/SO HQ reimbursable contact reviews the Reimbursable Allotment/UCO Request Form and the RADG002 screen and resolves any issues with the FMC user. If changes are made, the LO HQ sends a copy of the updated Allotment/UCO Request Form to the FMC and notifies them of changes to the RADG002 screen.	See step #5
7	<p>The LO/SO HQ reimbursable contact sends a copy of the <u>signed</u> reimbursable agreement package, which includes the following documents, to the Finance Office, Accounts Receivable Branch:</p> <ul style="list-style-type: none"> ♦ CBS Project/Task Request Form ♦ Final accepted agreement with cover sheet or TWA ♦ Funding document (for Federal customers) ♦ Reimbursable Allotment/UCO Request Form (preferably by email attachment) ♦ OGC clearance memo ♦ Advance payment and overhead waiver approvals 	See step #5
8	The LO/SO HQ reimbursable contact sends an email to Finance requesting review and approval of the CM004 and RADG002 screens. The email should provide the project code, the agreement number, and the RADG002 control number and indicate what documentation was submitted; whether it was attached to the email, faxed, or mailed; and the date submitted (if not attached).	See step #5
9	The Finance Office reviews the <u>signed</u> reimbursable agreement package and the CM004 and RADG002 screens and notifies the LO/SO HQ contact if any changes are required.	3 – 5 days

Step	Action	Time to Complete
10	<p>The Finance Office reviews, approves, and activates the CM004 screen and the RADG002 screen. Finance makes, and notifies the LO/SO HQ of, any minor changes before approving the transaction. If there are questions or any significant changes are required, Finance contacts the LO/SO HQ prior to making revisions.</p> <p><i>Note: The RADG003 screen is not required for non-WIP projects within Fund Codes 96 and 97.</i></p>	See step #9
11	<p>The Finance Office records and approves the RADG003 Unfilled Customer Order transaction.</p>	See step #9
12	<p>The Finance Office notifies the LO/SO HQ reimbursable contact via email, when the CM004, RADG002, and RADG003 transactions are approved and active.</p>	See step #9
13	<p>The Finance Office sends the approved Reimbursable Allotment/UCO Request form to the NOAA Budget Office via email attachment or fax and sends an email requesting an allotment for the reimbursable project.</p> <p><i>Note: The NOAA Budget Office does not accept Reimbursable Allotment/UCO Request forms or reimbursable allotment requests from any source other than the Finance Office.</i></p>	See step #9
14	<p>For non-advance WIP projects, the NOAA Budget Office records the full amount of the allotment on the FM063 screen upon receipt of the Reimbursable Allotment/UCO Request form and the request from Finance and notifies the LO/SO HQ contacts when the allotment is recorded. If necessary, NOAA Budget contacts the Finance Office for additional documentation.</p> <p><i>Note: This step also applies to non-advance non-WIP (RSFF) projects with formal agreements.</i></p>	1 - 5 days
15	<p>For advance WIP projects, the NOAA Budget Office records allotments on a regular basis from a query of collections recorded to-date, and notifies the LO/SO HQ contact when the allotment is recorded. If necessary, NOAA Budget contacts the Finance Office for additional documentation.</p> <p><i>Note: This step also applies to advance non-WIP (RSFF) projects with formal agreements.</i></p>	Ongoing; weekly
16	<p>For advance and non-advance non-WIP (RSFF) projects, the NOAA Budget Office records allotments based on anticipated reimbursements or actual collections based on Finance Office review and approval of the Reimbursable Allotment/UCO Request form. The NOAA Budget Office notifies the LO/SO HQ contact when the allotment is recorded.</p> <p><i>Note: The FMC performs a quarterly review of RSFF project activity and works with the LO/SO HQ to determine whether any allotment adjustments are necessary.</i></p>	See step #14

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
17	The LO/SO HQ reimbursable contact notifies the FMC that the CM004, RADG002, and RADG003 transactions are approved and active, and that the allotment is available and the BOP can be recorded.	1 day
18	The FMC Budget Analyst records the BOP and notifies the LO/SO HQ when complete.	1 – 3 days
19	The LO/SO HQ Budget Analyst approves the BOP and notifies the FMC when complete.	See step #18

14.5 Billing & Collecting for Reimbursable Projects

Reimbursable agreements with Federal agencies and state and local governments provide for payment either in advance or on a reimbursable basis. When performing work for non-federal customers, NOAA is required to receive payment in advance of the performance of services.

There shall be no mixing of advance and reimbursable payment plans in any reimbursable agreement due to audit issues. The procedures for billing and collecting for WIP and Reimbursable Sales/Fixed Fee (non-WIP) projects are broken out into individual sub-sections for advance and non-advance.

Reimbursable agreements are funded on a cost reimbursement basis and require billings to be in accordance with the terms of the agreement and policies of the Office of Management and Budget (OMB) and the Department of Commerce (DOC). In general, Federal agencies should not be funding reimbursable agreements with advances, and non-federal commercial enterprises should fund agreements with advance payments.

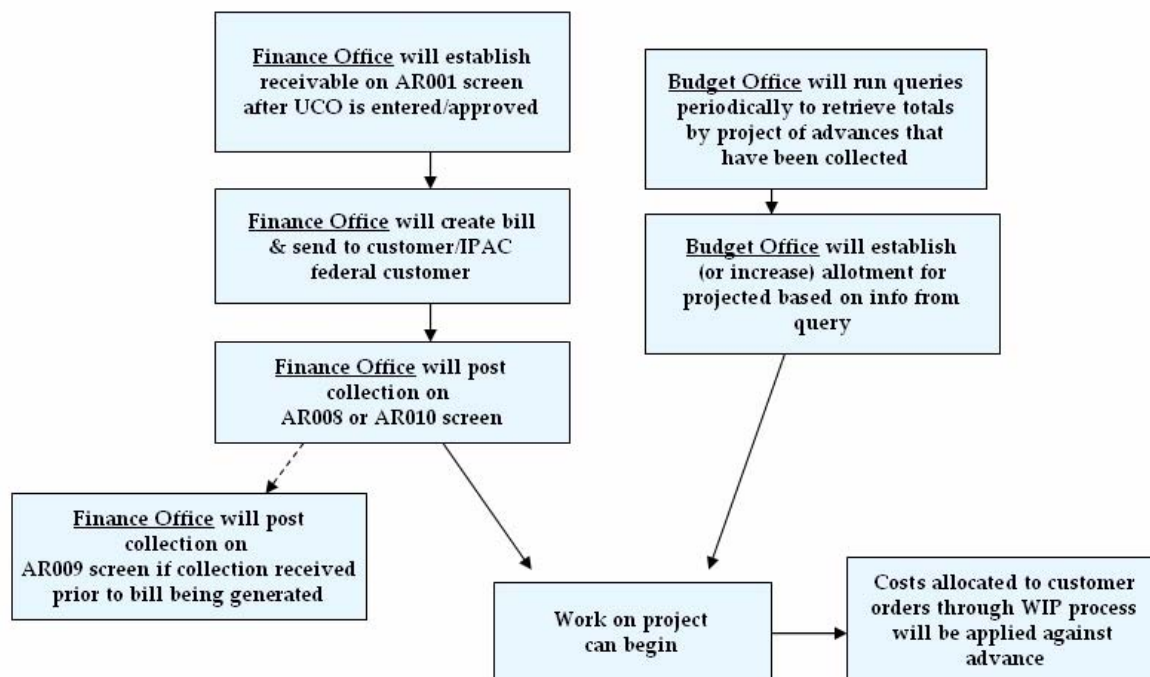
- All federal reimbursable projects and all non-federal reimbursable projects with advance waivers will have bills prepared and sent to the customer on a quarterly basis (the billing cycle can be longer, but not shorter).

14.5.1 Bill/ Collect --WIP Projects

The following sub-sections apply to the billing and collection process applicable to WIP reimbursable projects. The WIP process is run on a monthly basis to allocate costs from projects to the agreements.

14.5.1.1 WIP Advance Projects

Prior to billing for the advance, the reimbursable agreement needs to be established so that a bill can be prepared and sent to the customer. An unfilled customer order also needs to be established prior to the bill being prepared. Financial management policy requires collection of the advance from commercial customers in order for the allotment to be established for the project. A waiver of the advance policy can be requested from the Budget Office. (*See section 14.7.1 for detailed procedures related to advance payment waivers.*)



The following table outlines the standard operating procedures for billing and collecting for WIP advance reimbursable projects:

Step	Action	Time to Complete
1	After the UCO is entered and approved, the Finance Office establishes a receivable on the Accounts Receivable Screen (AR001).	1 – 3 days
2	The Finance Office prints and sends a bill to non-federal customers or bills federal customers via IPAC.	See step #1
3	The Finance Office records the billed collection on the Collections Screen (AR008) or on the IPAC Collections Screen (AR010) for IPAC collections.	See step #1
4	On occasion, a collection is received before a bill is generated by the Finance Office. The Finance Office records the collection on the Unbilled Collection Screen (AR009) without recording a bill.	See step #1
5	Periodically the NOAA Budget Office runs a query to retrieve totals by project of advances that have been collected.	Weekly
6	Based on the information retrieved in the query above, the NOAA Budget Office establishes (or increases) an allotment for the project.	1 – 5 days
7	Work on the project can begin.	

Step	Action	Time to Complete
8	<p>Costs for work on the project are allocated to the customer orders and applied against the advance through the monthly WIP billing process described in the next section.</p> <p><i>Note: The system produces a bill indicating the amount of costs incurred during the billing period, but the total amount due will be zero until the advance is used up. The system also produces a detailed billing statement identifying the total costs incurred for the agreement by object class.</i></p>	Monthly

14.5.1.2 WIP Billing Process and WIP Non-Advance Projects

The WIP billing process run at the end of each month includes the WIP Cost Allocation Process and the WIP Billing Compilation Process. The WIP Cost Allocation Process extracts accrued costs from Trial and allocates these costs to the associated reimbursable projects, agreements, and orders. The WIP Billing Compilation Process automatically generates bills for the costs that were allocated and released as part of the WIP Cost Allocation Process. For WIP advance agreements, the process will generate receivables and bills in the Accounts Receivable (AR) module which reflect a negative amount for the advance and a positive amount for the WIP costs, resulting in a bill with a net amount due of zero. For WIP non-advance agreements, the process will generate receivable and bill transactions for the amount of the WIP costs released. Quarterly bills are only released and generated at the end of each quarter of the fiscal year. For all WIP agreements (advance and non-advance) where the Detailed Billing Statement flag is checked on the RADG002 Agreement Screen, the system will produce a detailed billing statement with each bill that identifies the total costs billed by object class for the billing period covered.



The following table outlines the standard operating procedures for executing the WIP billing process and billing and collecting for WIP non-advance reimbursable projects:

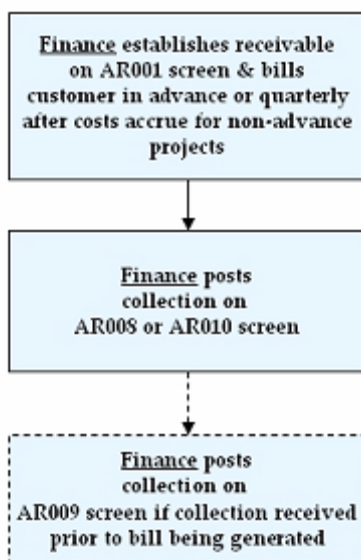
Step	Action	Time to Complete
1	At the end of each month, the Finance Office runs the WIP process using the WIP Cost Allocation Process (RADG004) screen.	1 day

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
2	On the WIP Allocation Modification and Release (RADG005) screen, the <i>Finance Office</i> verifies the cost allocation between the agreements.	See step #1
3	The receivable and bill are established when the <i>Finance Office</i> executes the process on the WIP Billing Compilation Process (RADG006) screen.	See step #1
4	The <i>Finance Office</i> prints and sends the bill to non-federal customers or bills federal customers via IPAC.	1 – 30 days
5	The <i>Finance Office</i> posts the collection on the Collection Screen (AR008) or on the IPAC Collections Screen (AR010) for IPAC collections.	1 – 3 days

14.5.2 Bill/Collect – Reimbursable Sales/Fixed Fee (Non-WIP)

NOAA Reimbursable Sales/Fixed Fee (RSFF) projects in FC 0096 and FC 0097 do not represent the typical reimbursable agreement or Memorandum of Understanding/Agreement (MOU/A), where established customers are billed after products are delivered or services are rendered. Many of these projects are titled “Multiple Non-Federal Customers,” and transactions are often managed similar to over-the-counter sales. For projects in FC 0096, the money must be collected or billed in advance for services or products (such as climatic data). For projects in FC 0097, the Finance Office or the LO/SO/FMC bills the customer when the product or service is delivered, or shortly thereafter.

Federal and non-federal customers should continue to be tracked separately by unique project codes to the extent possible. Every effort should be made to avoid mixing federal and non-federal activity on individual projects in FC 0096 and FC 0097 due to the potential audit and financial statement reporting problems.



14.5.2.1 Reimbursable Sales/Fixed Fee Advance Projects With Agreements

The following table outlines the standard operating procedures applicable to billing/collection for Reimbursable Sales/Fixed Fee projects with agreements on an advance basis:

Step	Action	Time to Complete
1	Upon receipt of the <i>signed</i> reimbursable agreement package, the Finance Office establishes a receivable on the Accounts Receivable Screen (AR001).	1 – 5 days
2	The Finance Office creates a bill and sends it to the customer or bills federal customers via IPAC.	See step #1
3	When the collection is received, the Finance Office posts the collection on the Collections Screen (AR008) or the IPAC Collections Screen (AR010).	See step #1
4	On occasion, a collection is received before a bill is generated by the Finance Office. The Finance Office records the collection on the Unbilled Collection Screen (AR009) without recording a bill.	See step #1

14.5.2.2 Reimbursable Sales/Fixed Fee Non-Advance Projects With Agreements

The following table outlines the standard operating procedures applicable to billing/collection for Reimbursable Sales/Fixed Fee projects with agreements that are not on an advance basis:

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
1	The Finance Office establishes a receivable on the Accounts Receivable Screen (AR001) at the end of each fiscal quarter based on accrued costs for the project or special instructions from the LO/SO HQ per the <i>signed</i> reimbursable agreement package	1 – 5 days
2	The Finance Office creates a bill and sends it to the customer or bill federal customers via IPAC.	See step #1
3	The Finance Office posts the collection on the Collections Screen (AR008) or on the IPAC Collections Screen (AR010) for IPAC collections.	See step #1
4	On occasion, a collection is received before a bill is generated by the Finance Office. The Finance Office records the collection on the Unbilled Collection Screen (AR009) without recording a bill.	

14.5.2.3 Reimbursable Sales/Fixed Fee Projects Without Agreements (Advance and Non-Advance)

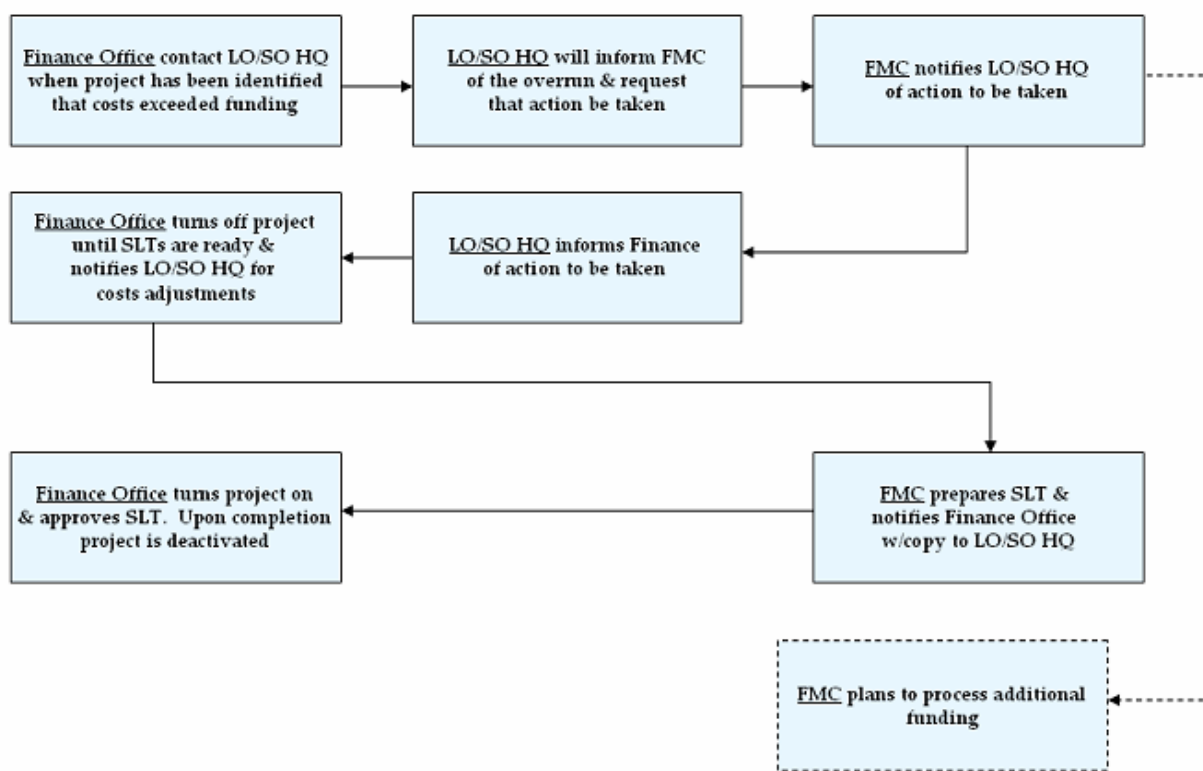
The following table outlines the standard operating procedures applicable to billing/collection for Reimbursable Sales/Fixed Fee advance and non-advance projects without formal agreements:

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
1	The Finance Office establishes a receivable on the Accounts Receivable Screen (AR001) upon receipt of the Reimbursable Allotment/UCO Request form and/or instructions from the LO/SO HQ for RSFF advance projects, or based on accrued costs at the end of each fiscal quarter for RSFF non-advance projects.	1 – 5 days
2	The Finance Office creates a bill and sends it to the customer or bills federal customers via IPAC.	See step #1
3	The Finance Office posts the collection on the Collection Screen (AR008) or on the IPAC Collection Screen (AR010) for IPAC collections.	See step #1
4	On occasion, a collection is received before a bill is generated by the Finance Office. The Finance Office records the collection on the Unbilled Collection Screen (AR009) without recording a bill.	See step #1

14.6 Cost Adjustments/Overruns

Cost adjustments may only be made within the current fund code fiscal year. No prior year cost adjustments or adjustments of costs that were billed/collected will be allowed without prior approval from the Finance Office Receivables Branch. The only exception to this policy will be clearing prior year cost overruns. If undocumented or improper adjustments are discovered, the project will be shut off in CBS by the Finance Office.

If the Finance Office identifies a project where the costs exceed the available funding recorded in the financial system, they will notify the LO/SO. If the LO/SO doesn't remedy the situation within 30 days, the Finance Office will turn off the project.



The following table outlines the standard operating procedures for processing cost adjustments and resolving cost overruns:

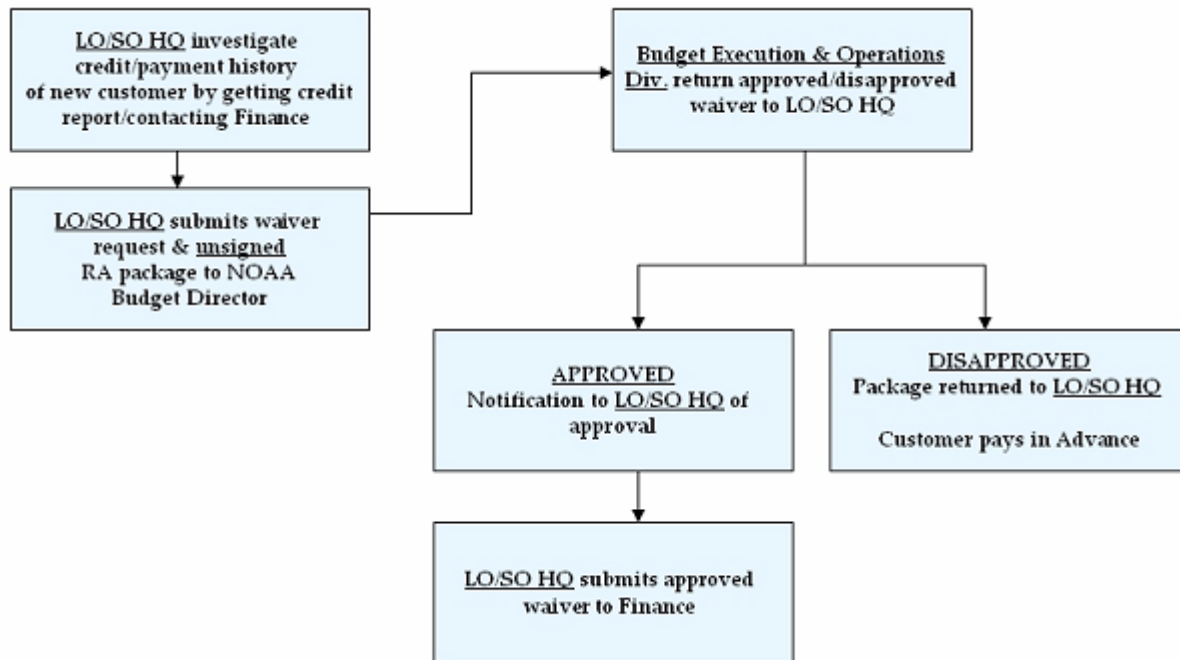
Step	Action	Time to Complete
1	If the Finance Office identifies a project where the costs exceed the available funding recorded in the financial system, they notify the LO/SO HQ.	1 day
2	The LO/SO HQ notifies the FMC of the overrun and requests appropriate action, e.g., process additional funding or cost adjustments via summary level transfer (SLT).	1 day
3	The FMC notifies the LO/SO HQ of the action they plan to take.	1 - 2 days

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
4	The <i>LO/SO HQ</i> notifies Finance Office of the action to be taken.	1 day
5	If the FMC plans to process additional funding, see section “Establishing New Reimbursable Projects and Recording New Agreements in CBS.”	
6	If the FMC plans to make cost adjustments, the <i>Finance Office</i> turns off the project until the SLTs are ready and notifies the LO/SO HQ.	1 day
7	The <i>FMC</i> prepares the SLTs and notifies the Finance Office via email with a copy to the LO/SO HQ.	1 -2 days
8	The <i>Finance Office</i> turns the project on and approves the SLTs.	1 day
9	When all transactions have cleared and the agreement is completed, the <i>Finance Office</i> deactivates the project.	1 day

14.7 Waivers

All federal reimbursable projects and all non-federal reimbursable projects with advance waivers will be billed on a quarterly basis (the billing cycle can be longer, but not shorter). Waivers of overhead costs require legal authority and approval from the NOAA Budget Director. Overhead costs cannot be waived when using legal authorities that require full cost recovery. ***Waiver(s) of advance payments and/or overhead must be approved prior to signing the reimbursable agreement. Waiver language must be included within the reimbursable agreement.***

14.7.1 Advance Payment Waiver

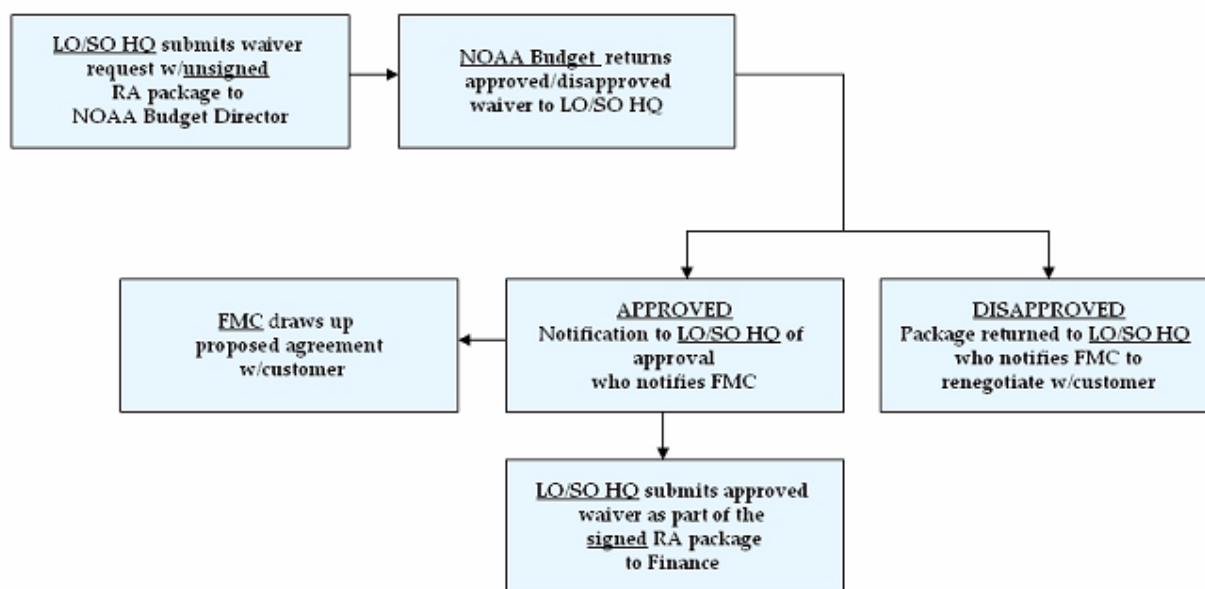


The request for a waiver of advance payment will be submitted by the LO/SO CFO to the NOAA Budget Director (OFA3) in the following sequence:

Step	Action	Time to Complete
1	Based on FMC requests, the LO/SO HQ investigates the credit and payment history of the new customer to the maximum extent possible. LO/SOs should contact the NOAA Finance Office Receivables Branch regarding their experience, if any, on the payment history of the proposed customer. If this information is not available, a credit report should be obtained prior to proceeding with a waiver request.	1-3 days
2	Based on FMC requests, the LO/SO HQ submits the waiver request, with the <i>unsigned</i> reimbursable agreement package, to the NOAA Budget Director for review.	See step #1
3	The NOAA Budget Director approves/disapproves the waiver and returns it to LO/SO HQ.	3-5 days
4	The LO/SO HQ is responsible for submitting the approved waiver to the Finance Office as part of the reimbursable agreement package.	
5	The Customer must pay in advance for a disapproved waiver.	

14.7.2 Rent & Overhead Waiver

Some legal authorities require full cost recovery and overhead charges under those authorities cannot be waived, such as the Economy Act, 31 U.S.C. 1535, and the Special Studies authority, 15 U.S.C. 1525.



The following table outlines the standard Steps for requests for waivers of NOAA support, directly charged depreciation, and GSA rent:

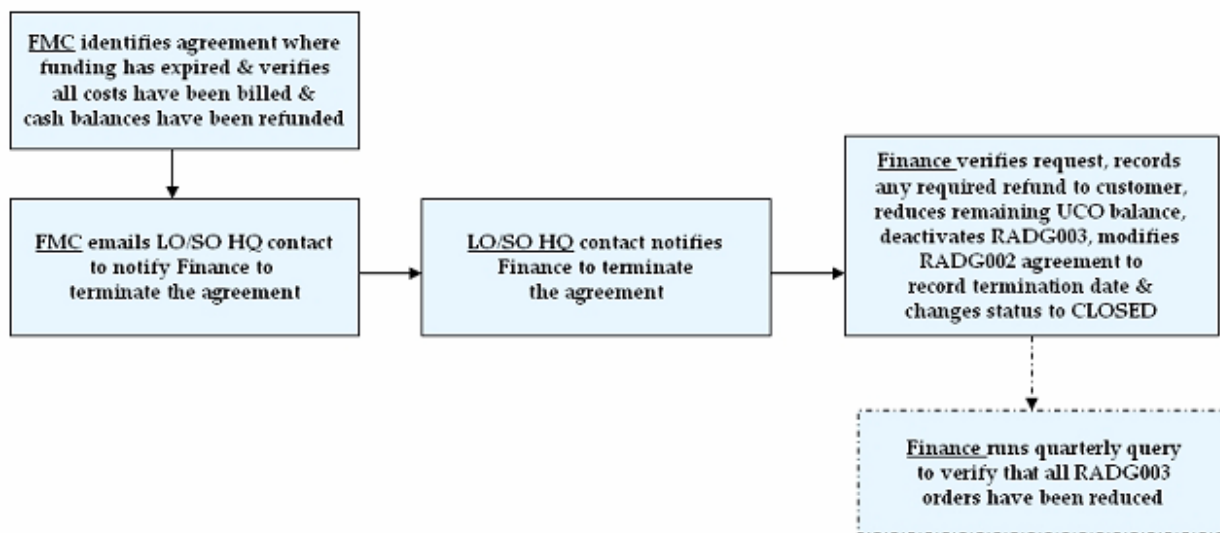
Step	Action	Time to Complete
1	Based on FMC requests, the LO/SO HQ submits the waiver request, with the <u>unsigned</u> reimbursable agreement package, to the NOAA Budget Director for review. Note: Requests for waivers of distributed costs must be fully justified in writing and must include the amount requested to be waived.	1-3 days
2	If disapproved, the NOAA Budget Office notifies the LO/SO HQ via email and returns the unapproved waiver request. The LO/SO HQ notifies the FMC to renegotiate with the customer. OR If approved, the NOAA Budget Office notifies the LO/SO HQ via email and returns the approved waiver request. The LO/SO HQ notifies the FMC.	3-5 days
3	The LO/SO HQ is responsible for submitting the approved waiver to the Finance Office as part of the <u>signed</u> reimbursable agreement package.	

14.8 Close Out of Agreements and Projects

Once the agreement or funding expires for projects in Fund Codes 0006 and 0096, the advance balance(s) will be refunded to the customer or given to the Treasury as a miscellaneous receipt six months after the agreement or project expiration date **unless** the Finance Office receives a signed no-cost time extension. If any projects in Fund Codes 0007 or 0097 have a positive cash balance (more collection than accrued cost), those amounts will be refunded to the customer or given to the Treasury six months after the agreement or project expiration date. This practice will preclude audit findings and increase the accuracy of NOAA’s financial statement reporting.

For federal customers, NOAA is limited to 5 years use of the funding once the customer’s appropriation has expired. NOAA cannot collect from the customer 5 years after the appropriation expiration date. After that 5 year period, remaining undelivered orders must be deobligated.

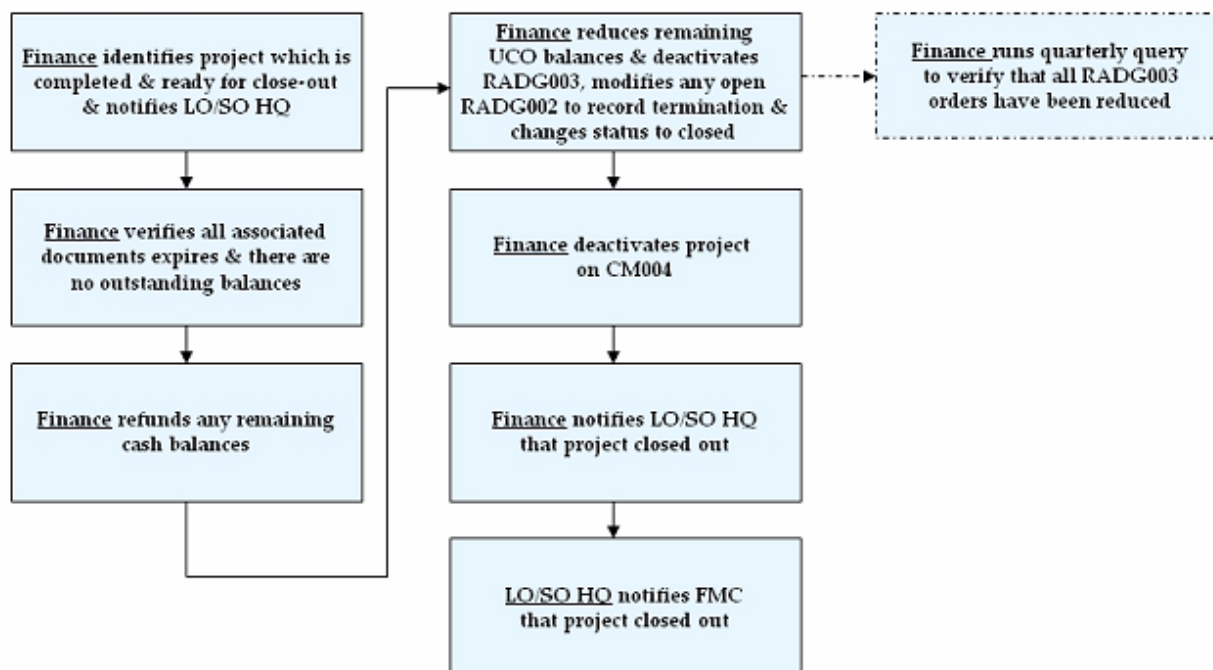
14.8.1 Termination of Reimbursable Agreements (RADG002 Funding)



The following table outlines the standard operating procedures applicable to terminating reimbursable agreements:

Step	Action	Time to Complete
1	The FMC identifies an agreement where the funding has expired and verifies that all costs have been billed and cash balances have been refunded. <i>Note: Suggest that this review be done quarterly. A report may need to be developed to facilitate this process.</i>	Quarterly Review
2	The FMC e-mails the LO/SO HQ reimbursable contact to notify the Finance Office to terminate the agreement.	1 day
3	The LO/SO HQ reimbursable contact notifies the Finance Office to terminate the agreement.	1 day
4	The Finance Office verifies the request, records any required refund to the customer, reduces the remaining UCO balance and deactivates RADG003, modifies the RADG002 agreement to record the termination date, and changes the RA Status to "CLOSED".	Varies depending on timing of next WIP cycle
5	The Finance Office runs a query prior to the end of each fiscal quarter to verify that all RADG003 order balances for terminated agreements have been reduced to zero.	Quarterly

14.8.2 Close-out of Reimbursable Projects



The following table outlines the standard operating procedures applicable to reimbursable projects which have expired:

<i>Step</i>	<i>Action</i>	<i>Time to Complete</i>
1	The Finance Office identifies a reimbursable project which is completed and ready for close-out and notifies the LO/SO HQ.	Quarterly Review
2	The Finance Office verifies that associated agreement dates have expired, UDOs equal zero, total obligations equal collections, unbilled costs equal zero, and there are no outstanding bills.	1-3 days
3	The Finance Office refunds any remaining cash balances.	Varies depending on timing of next WIP cycle
4	The Finance Office reduces the remaining UCO balance and deactivates RADG003 transactions, and modifies any associated open RADG002 agreements to record the termination date and update the RA Status to "CLOSED".	1-5 days
5	The Finance Office deactivates the project on CM004.	See Step #4
6	The Finance Office runs a query prior to the end of each fiscal quarter to verify that all RADG003 order balances for terminated agreements have been reduced to zero.	Quarterly
7	The Finance Office notifies the LO/SO HQ that the project has been closed out.	See Step #4
8	The LO/SO HQ notifies the FMC that the project has been closed out.	See Step #4