Roles and Responsibilities — Financial Management

Brief

<table>
<thead>
<tr>
<th>Title:</th>
<th>Roles and Responsibilities — Financial Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication date:</td>
<td>9/2/2014</td>
</tr>
<tr>
<td>Effective date:</td>
<td>8/25/2011</td>
</tr>
</tbody>
</table>

BRIEF

Policy Summary

This policy identifies and clarifies the major financial management roles and responsibilities for senior Berkeley Lab division management teams, Principal Investigators (PIs)/Program Managers (PMs), and Office of the Chief Financial Officer (OCFO) Field Operations Resource Analysts (RAs)/Resource Managers (RMs).

Who Should Read This Policy

All Berkeley Lab employees with financial responsibilities

To Read the Full Policy, Go To:

The POLICY tab on this wiki page

Contact Information

Field Operations Manager, OCFO

Policy

<table>
<thead>
<tr>
<th>Title:</th>
<th>Roles and Responsibilities — Financial Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication date:</td>
<td>9/2/2014</td>
</tr>
<tr>
<td>Effective date:</td>
<td>8/25/2011</td>
</tr>
</tbody>
</table>

POLICY

A. Purpose

This policy identifies the major financial management roles and responsibilities at Lawrence Berkeley National Laboratory (Berkeley Lab).

B. Persons Affected

All Berkeley Lab employees with financial responsibilities

C. Exceptions
D. Policy Statement

Berkeley Lab will perform its financial management responsibilities in accordance with the terms of Contract DE-AC02-05CH11231 (Contract 31), the Federal Acquisition Regulations (FAR), Cost Accounting Standards (CAS), and all other relevant laws and regulations.

This policy identifies and clarifies the major financial management roles and responsibilities for senior division management teams, principal investigators (PIs)/program managers (PMs), and Office of the Chief Financial Officer (OCFO) Field Operations resource analysts (RAs)/resource managers (RMs).

1. Authority. The roles and responsibilities in this policy are set forth under the authority of the following University of California (UC), Berkeley Lab, and U.S. Department of Energy (DOE) regulations, guidelines, and documents:

   a. DOE Contract 31
      i. Section J, Appendix I – Lists DOE orders, including financial orders, to which Berkeley Lab must adhere.
      ii. Section J, Appendix O – The Berkeley Lab Deputy Director and Associate Laboratory Director for Operations are specifically named as the primary responsible and accountable managers for operational and scientific activities within the Laboratory.
      iii. Section H – Special Contract Requirements that include specific references to program development and budgetary administration (e.g., DOE and Work for Others [WFO])

   b. UC Standing Order 100.4 (dd) – UC Delegation of Authority (DA) 2100. UC Regents delegated signature authority to the Berkeley Lab Director and any subsequent designees.

   c. UC Contract and Grant Manual
      i. Chapter 1 – 520 (leadership of a sponsored project)
      ii. Chapter 10 – 330 (PI financial management responsibilities)
      iii. Chapter 13 – 910/920 (delegated authority to solicit and accept/execute grants and contracts)

2. Key Financial Roles and Responsibilities. Financial management is a shared responsibility at Berkeley Lab. Guiding principles for the key roles and responsibilities are as follows:

   a. For each division, the Division Director and his/her senior management team have overall financial responsibility and accountability for all division-managed programs.

   b. Principal Investigators/Program Managers have overall financial responsibility and accountability for the programs and projects they manage.

   c. Resource Analysts/Resource Managers provide financial support, knowledge, and expertise to the divisions and have financial responsibility and accountability for their actions.

3. Key Financial Principles. In executing the above roles and responsibilities, employees should follow Berkeley Lab’s “Ten Financial Commandments”:

   a. Don’t spend dollars you do not have. Funding must be placed in Contract 31, not just in the DOE Approved Funding Program (AFP) or contract award, before work can proceed.

   b. Spend funding only on the purpose for which it is intended.

   c. Don’t mix funding sources for projects without documented rationale.

   d. Don’t charge research costs to an indirect budget (except for Laboratory Directed Research and Development [LDRD]); i.e., overhead, organization burdens, recharges/service centers.

   e. Have a causal-beneficial relationship between the cost elements of an indirect budget and its corresponding distribution base.

   f. Maintain consistency in cost distribution practices over time.

   g. Use Full Cost Recovery — No subsidies to programs/projects.

   h. Record all costs of a project in the accounting period for which services were performed or goods delivered (include accruing for all appropriate costs in the correct period of performance to that project).

   i. Transfer costs only if necessary, appropriate, fully documented, and justified (as outlined in the LBNL Resource Adjustment Policy).

   j. Comply with DOE funding categories and related thresholds (e.g., colors of money):
      i. $500,000 — Capital Equipment
      ii. $2,000,000 — Major Item of Equipment (MIE)
      iii. $10,000,000 — General Plant Project (GPP)
      iv. $10,000,000 or greater — Line Item Construction Project

E. Roles and Responsibilities
<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| Division Director and his/her Senior Management Team | - Provide strategic financial leadership/management for division programs  
- Ensure that a strong resource stewardship and funds-control environment and culture exist. This is typically delegated to the Deputy Director, Operations Manager, Deputy for Operations, and/or Business Manager.  
- Comply with Berkeley Lab's "Ten Financial Commandments" as stated above  
- Provide final division review and approval of project proposals, cost/spend plans, and major funding/cost actions. These functions are typically delegated to the Deputy Director, Deputy for Operations, Operations Manager, and/or Business Manager.  
- Provide ongoing operational awareness at the division level by:  
  - Measuring programmatic financial status (e.g., plans versus costs)  
  - Conducting periodic program/budget reviews  
  - Implementing and maintaining strong internal controls structures and mechanisms |
| Principal Investigator and/or Program Manager | - Work closely with the Division Resource Analyst (RA):  
  - Develop a project proposal based on the PI's technical work scope, resource requirements, and appropriate cost elements  
  - Develop an executable, fully burdened spend plan that ensures Full Cost Recovery  
  - Execute the project in a manner that ensures costs are appropriate, allowable, and allocable  
  - Understand, interpret, and apply knowledge of funding sponsor financial guidelines, policies, and contract terms as well as Laboratory policies  
  - Exercise delegated signature authority on affected financial and/or procurement actions  
  - Review and provide timely, accurate, and complete feedback/inputs to the RA on the following:  
    - Funding and cost projections for affected program/project spend plans  
    - Periodic budget execution reports  
    - Source materials and analysis used in division program/budget reviews |
| Resource Analyst/Managers (OCFO Field Operations) | - Work closely with the PI/Program Manager (PM):  
  - Prepare and/or coordinate the planning, development and submission of the financial and related administrative aspects of a project proposal based upon the PI's technical work scope and resource requirements  
  - Develop an executable, fully burdened spend plan that ensures Full Cost Recovery  
  - Review and update the spend plan and cost projections in a timely manner to ensure successful project execution  
  - Prepare source materials and analyses required for conducting periodic division program/financial reviews  
  - Understand, interpret, and apply knowledge of funding sponsor financial guidelines, policies, and contract terms as well as Laboratory policies  
  - Provide the division with periodic standard and ad hoc summary and detailed financial reports that are timely, accurate, and complete for the division's programs and projects  
  - Work closely with PIs/PMs to mitigate potential overcommitment and costing issues at funding control points during the year  
  - Exercise delegated signature authority on financial and/or procurement actions  
  - Develop, monitor, and maintain division Project IDs and tree structures  
  - Identify problematic issues concerning interpretation and implementation of DOE, UC, and Laboratory financial management policies and procedures. Review with Division Business Manager or the Deputy for Operations and OCFO Field Operations Manager. |

See LBNL Major Financial Management Roles and Responsibilities for further guidance and details for specific major financial management roles and responsibilities for each position described above.

### F. Definitions/Acronyms

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
</table>
Allocable: A cost charged to one or more cost objectives in accordance with the relative benefit received or other equitable relationship.

Burdened: Indirect costs. Laboratory burdens tend to be local in nature, and apply to particular divisions or functions, such as procurement burden, travel burden, or organization burden. Also refers to the "tax" that is allocated to a direct cost objective to recover the cost of a set of indirect activities.

Project Structures: Refers to the divisions’ hierarchical organization of their Project and Activity IDs such that they reflect and are consistent with their programs/projects work breakdown structures and relevant Laboratory financial policies and procedures.

Spend Plan: A detailed program or map of how (a budget) will be used up, paid out, or consumed; a monthly plan of encumbrances, expenses, and income for a project or organizational unit. The sum of the months’ planned obligations within the year should not exceed the corresponding appropriated or approved amount. Typically prepared prior to the start of a project and updated periodically as needed; includes details on how (budget or resource category) and/or when (monthly, quarterly, annual) a budget will be spent.

G. Recordkeeping Requirements
none

H. Implementing Documents
none

I. Contact Information
Field Operations Manager, OCFO

J. Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision</th>
<th>By whom</th>
<th>Revision Description</th>
<th>Section(s) affected</th>
<th>Change Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/2/2014</td>
<td>1.3</td>
<td>Goodman</td>
<td>Annual review; enhance policy language; no change to requirements</td>
<td>D, E</td>
<td>Minor</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>1.2</td>
<td>Goodman</td>
<td>Annual review completed 6/24/2013, editorial change</td>
<td>D.3</td>
<td>Minor</td>
</tr>
<tr>
<td>11/11/2012</td>
<td>1.1</td>
<td>Goodman</td>
<td>Annual review completed 8/25/12, no changes; update &quot;Next Review Date&quot;</td>
<td>All</td>
<td>Minor</td>
</tr>
<tr>
<td>1/2/2012</td>
<td>1</td>
<td>Goodman</td>
<td>Reformat for wiki</td>
<td>All</td>
<td>Minor</td>
</tr>
</tbody>
</table>

Document Information

**DOCUMENT INFORMATION**

Title: Roles and Responsibilities – Financial Management

Document number: 11.07.002.000

Revision number: 1.3

Publication date: 9/2/2014

Effective date: 8/25/2011
Next review date: 8/25/2015

Policy Area: Financial General Policies and Information

RPM Section (home) Financial Management

RPM Section (cross-reference) Section 11.11

Functional Division OCFO

Prior reference information (optional) RPM Section 11.11

Source Requirements Documents

- Contract 31, Section J.9, Appendix I, Contract 31's Directives List
- Contract 31, Section J.15, Appendix O, Key Personnel
- Contract 31, Section H, Special Contract Requirements
- UC Standing Order 100.4
- UC Contract and Grant Manual

Implementing Documents

none