



# ADS Chapter 621 Obligation Management - Phoenix Accounting Procedure for Program-Funded USDH Salary & Benefits (S&B)

A Mandatory Reference for ADS Chapter 621

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USAID Bureaus and Missions are responsible for following the attached operational guidance which relates to adequately and timely recording commitments in Phoenix for program-funded USDH employee salary & benefits. Operating Units must ensure full compliance with the attached guidance.

M/CFO/WFS is responsible for providing to Bureaus and Missions program-funded USDH employee salary & benefit projections which are to be used by the Operating Units to timely record the commitments in Phoenix.

See below for more information.

**Program-Funded USDH Salary & Benefit (S&B)  
Phoenix Accounting Procedure  
Operational Guidance**

1) New Hire Salary & Benefit Projections -

A. When a new program-funded USDH employee enters on duty (EOD), HR/FSP will send notification to the cognizant Bureau or Mission for the applicable duty station and an e-mail with a copy of the cable to the Bureau AMS. This message notifies the Bureau or Mission and AMS of the date that the employee will be entering on duty. The cognizant Bureau or Mission timekeeper must remember to add the employee to the AETA time keeping system. After the employee is actually sworn in, HR/FSP will prepare an electronic Form SF-50 and provide a hard copy to the employee. HR/FSP will also notify M/CFO/WFS that a new employee has been added to the payroll.

B. After the employee's first pay period, M/CFO/WFS will immediately prepare an individual Salary & Benefit (S&B) Projection for the period beginning with the new employee EOD to the end of the current fiscal year. This S&B Projection will include the appropriate Expanded Object Class Codes (EOCC) for each new employee and will be forwarded to the Bureau or Mission Controller for processing the commitment in Phoenix.

2) M/CFO/WFS will prepare Annual Salary & Benefit Projections of all employees at the beginning of each fiscal year which will include the appropriate expanded object class codes (EOCC) for each employee. This will be forwarded to the Bureaus and Mission Controller during the first quarter for processing the commitment.

3) Upon receipt of a new hire or Annual Salary & Benefit Projection, the Bureau or Mission Controller will ensure that a commitment is immediately prepared and recorded in Phoenix for the total amount of the Salary and Benefit projection and will notify M/CFO/WFS that the funds are duly committed and advise the commitment number(s). Note – These Salary and Benefit commitments MUST NOT include any support cost commitments such as housing, utilities, space rental, travel costs, etc. Operating Units will commit and obligate support costs based upon separate legal obligation

instruments. Operating Units should notify M/CFO/WFS immediately when the S&B commitment is recorded. Notification should be sent via Email to Stephanie Phillips ([sphillips@usaid.gov](mailto:sphillips@usaid.gov)) and Bella Maipid-Smith ([bmaipid-smith@usaid.gov](mailto:bmaipid-smith@usaid.gov)).

- 4) M/CFO/WFS will be responsible for obligating the Salary and Benefit funds committed by the Operating Unit (Bureau or Mission). This will be done on a quarterly basis.
- 5) M/CFO/WFS will be responsible for processing and recording payroll and benefit costs paid and incurred against the program-funded S&B obligations.
- 6) Phoenix standard coding structure for commitment and obligation numbers should be as follows:
  - a) 1<sup>st</sup> three digits for country code (Mission) or Bureau acronym (USAID/W) following by a dash “-“
  - b) The letters “FSL” following by a dash “-“
  - c) Current fiscal year following by a dash “-“
  - d) Program-Funded employee last name

**EXAMPLES:**

  - (a) **Bureau:** ANE-FSL-07-Smith
  - (b) **Mission:** 306-FSL-07-Douglass
- 7) M/CFO/WFS will distribute quarterly reports to the Bureaus, Missions and to HR/FSP that show the status of commitments and obligations per program funded obligation, for each Bureau or Mission.
- 8) Both M/CFO/WFS and the Bureau and Mission Controllers should monitor Program-Funded USDH related S&B obligations to ensure that sufficient funds are available to close out the fiscal year.

If you have any questions regarding this process, please contact Don Douglass ([ddouglass@usaid.gov](mailto:ddouglass@usaid.gov) 202-712-5227) or Bella Maipid-Smith ([bmaipid-smith@usaid.gov](mailto:bmaipid-smith@usaid.gov) 202-712-4159).

**Program-Funded USDH Salary & Benefit Accounting  
Prevention of the Loss of Valuable OE Funding from the 2007 OYB  
Updated July 20, 2007**

**Background:** USAID’s payroll provider, USDA’s National Finance Center (NFC) is unable to make the distinction that USDH employees are funded by program funds under USAID’s current configuration. The program-funded USDH Salary and Fringe Benefits are charged to Agency OE funds using the same mechanism as all other US direct hire payroll costs. M/CFO/WFS is working on a backdoor solution to this problem, but that will not be in place until sometime during FY 2008.

In the meantime, the labor intensive procedures that have been in place for the last two years must continue to be used. That is, a commitment, followed by an

obligation, against the program funds. Then an expenditure transfer from the OE obligation to the Program-Funded obligation.

**Immediate action required:** M/CFO/WFS is in the process of instituting some changes now in order to allow us to be in a better position for the automated solution during FY 2008. The changes are:

1. Responsibility for commitment = Bureau or Mission Controller (no change),
2. Responsibility for obligation = M/CFO/WFS (moved from the Bureau or Mission Controller),
3. New standardized document numbering scheme (see guidance).

“PROGRAM FUNDED USDH – USAID – PAYROLL ESTIMATES” were distributed on June 21, 2007. They contained projections through PP 19 which covers through the FYE 2007 plus one additional pay period of the funds needed for each Program Funded USDH employee on our records. Accounting guidance was also attached which has been updated and is included with the above operational guidance. This document was written assuming we started at the beginning of the fiscal year 2007 and asked that amounts be adjusted accordingly for this point in time, approaching the start of the 4<sup>th</sup> quarter.

**If you have not already done so**, we need your office to record commitments, with sufficient funds to cover through Pay Period 19, ASAP. The obligations will be recorded and adjusted as needed by CFO/WFS. If you have any questions regarding this process, please contact Don Douglass ([ddouglass@usaid.gov](mailto:ddouglass@usaid.gov) 202-712-5227) or Bella Maipid-Smith ([bmaipid-smith@usaid.gov](mailto:bmaipid-smith@usaid.gov) 202-712-4159).

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