



## Department of Energy

Washington, DC 20585

June 19, 2003

### MEMORANDUM FOR DISTRIBUTION

FROM:

*Helene O. Sherman*  
HELEN O. SHERMAN, DIRECTOR  
OFFICE OF FINANCE AND ACCOUNTING POLICY

SUBJECT:

FY 2003 Application of Managerial Cost Accounting Standards

This memorandum and its attachment contain the FY 2003 guidance for application of Statement of Federal Financial Accounting Standards Number 4, Managerial Cost Accounting Concepts and Standards for the Federal Government. The FY 2003 application of these Standards and the resulting Supporting Schedules of Net Cost will be significantly different from previous years.

The prior years' business lines and responsibility segments will be replaced by the Departmental goals from the Department's Annual Performance Plan. The plan is comprised of 12 operational goals under the categories of Energy, Defense, and Science. There are additional goals under a category of Management, but these goals contain primarily programs whose costs were allocated to other programs in prior years (e.g. Departmental Administration) and the costs of these programs will be allocated again in FY 2003. Current plans are to report costs against the lower level program goals in the future. However, for FY 2003, the costs will be reported against the Departmental goals only. There are some programs that do not fit within the 12 operational goals and these will be included in the Schedule of Net Costs as other programs. The attachment to this memorandum is the Crosswalk of Budget and Reporting (B&R) Codes to Departmental Goals and Other Programs. Please review the crosswalk to ensure that the B&R's associated with your programs have been aligned with the proper goal(s) or other programs and that no B&R's associated with your programs have been omitted.

The time frames for completion of the financial statements have been accelerated considerably for FY 2003. We also will be preparing interim financial statements as of June 30, 2003. The FY 2002 costs will be restated into the new format, including the cost allocations, in conjunction with the preparation of the third quarter statements. Because of the accelerated reporting schedule, all cost allocations will be performed by the Headquarters (HQ) Office of Finance and Accounting Policy. This includes allocations previously performed by the field CFO's, as well as, the distribution of those costs for which we solicited input from HQ program offices, such as HQ program direction and security investigations costs. Unless you advise us otherwise, the allocations will be made on the same basis as in prior years.



We appreciate your support in complying with the cost accounting requirements in a timely manner. Please respond to this memorandum by July 3, 2003, to advise us if the crosswalk properly reflects all B&R's associated with your programs and if the allocation methodology utilized in prior years is still appropriate for FY 2003. If you have any questions about this memorandum, please contact Colin Powers at (301) 903-7313 or Jim Schanck at (301) 903-5013.

Attachment

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**Crosswalk of Budget and Reporting (B&R) Codes to Departmental Goals and Other Programs**

| <b>Goal Number</b> | <b>Departmental Goal</b>                        | <b>B&amp;R's</b>   |
|--------------------|---|--|
| <b>ENERGY</b>      |   |  |
| 01100              | Energy Supplies                                 | AA, AB, AC, AE, AF (except AF014010, AF17, AF19, AF85, AF86), AG, AI, AM, AS, AT, AU, AV, AW, AY, AZ, CA, CB, CC, CD, CH, CP, CV, EA, EB (except EB51), EN, GP, SA, WN03, WN0602, WN17, YN30, ZN03, ZN0602, ZN15, ZN16, ZN17, ZN20   |
| 02100              | Energy Conservation and Environment             | EC, ED, EE, EG, EJ, EK, EL, WB, ZN50   |
| 03100              | Energy Infrastructure                           | CF, EO, ES, ZN18   |
| 04100              | Long-Term Stewardship of Radioactive Materials  | DA, DB, DC, DE, DF, YN1201, ZN14   |
| 05100              | Energy Information                              | TA   |
| <b>DEFENSE</b>     |   |  |
| 06100              | Nuclear Weapons Stewardship                     | CG, DP, NB, NC, ND, NP, SO42   |
| 07100              | Control of Weapons of Mass Destruction          | AF17, AF19, GA, KK30, NN, PN, WN11, ZN11   |
| 08100              | Defense Nuclear Power                           | AJ*, WN0601*, ZN0601*  |
| 09100              | Cold-War Era Legacy Cleanup                     | AP, EU, EW (except EW10), EX, GG, YN0204041, YN0204042, ZN191901, ZN23   |
| <b>SCIENCE</b>     |   |  |
| 10100              | Scientific Advancement                          | KA (except KA1102, KA1202), KB (except KB0102, KB0202, KB0402), KC (except KC020401, KC030104), KD, KE (except KE02), KJ, KL, KM, KN, KP (except KP130103, KP14), KT, KV, LA*, SP, WN22  |
| 11100              | Medical Applications                            | AF014010, AF85, KP14, SS*, ST*, WN10, ZN0802, ZN10   |
| 12100              | Scientific Facilities                           | KA1102, KA1202, KB0102, KB0202, KB0402, KC020401, KC030104, KE02, KG (except KG05), KH, KP130103, KS*  |
| <b>OTHER</b>       |   |  |
| 13100              | Federal Energy Regulatory Administration        | VR, WN21, ZN21   |
| 14100              | Reimbursable Programs                           |  |
| 14200              | Reimbursable Programs - Federal                 | 40 (Except 4030), 50 (Except 5030), ZN1909020  |
| 14300              | Reimbursable Programs - Non-Federal             | 60, 65, 70, 75, ZN1909010, ZN1910010, ZN1910020  |
| 15100              | Other Programs                                  |  |
| 15200              | Inspector General                               | RA, WM30   |
| 15300              | ES&H  | HA, HB, HC, HD, HE, HF   |
| 15400              | Intelligence                                    | IN   |
| 15500              | Counterintelligence                             | CN   |
| 15600              | Independent Oversight and Performance Assurance | PB   |
| 15700              | Nuclear Safeguards and Security                 | GD   |
| 15900              | All Other Programs                              | 21, 4030, 5030, 82, 84, 86, 88, 90, WF, WN (except WN03, WN0601, WN0602, WN10, WN11, WN17, WN21, WN22), YN06, YN24, YN26, ZN (except ZN03, ZN0601, ZN0602, ZN0802, ZN10, ZN11, ZN14, ZN15, ZN16, ZN17, ZN18, ZN1909, ZN1910010, ZN1910020, ZN191901, ZN20, ZN21, ZN23, ZN50) |
| 16100              | Costs Applied to Environmental Liabilities      | YN0401110, YN0401120   |
| 17100              | Costs Not Assigned to Programs                  | YN0304, YN04 (except YN0401110, YN0401120), YN4050   |

**Crosswalk of Budget and Reporting (B&R) Codes to Departmental Goals and Other Programs**

| Goal Number                    | Departmental Goal                                   | B&R's  |
|--------------------------------|---|--|
| <b>ALLOCABLE COST SEGMENTS</b> |   |  |
| 99110                          | NNSA Program Direction                              | NS, PS   |
| 99120                          | Science Program Direction                           | KX   |
| 99130                          | EM Program Direction                                | EW10   |
| 99140                          | EE Program Direction                                | EB51, EH, EM   |
| 99150                          | FE Program Direction                                | AD, AN, AQ   |
| 99160                          | NE Program Direction                                | AF86, KK05   |
| 99170                          | Security and Emergency Operations Program Direction | GE, OS, SO10   |
| 99210                          | NNSA Safeguards and Security                        | FS20, FS25   |
| 99220                          | Science Safeguards and Security                     | FS10, FS15   |
| 99230                          | EM Safeguards and Security                          | FS30, FS35, FS40, FS45   |
| 99250                          | Security Investigations                             | GH, GI   |
| 99300                          | Oak Ridge Landlord                                  | AH, KG05   |
| 99400                          | Departmental Administration                         | 80, 83, 85, CR, CS, DG, EF, FA10, HG, IA, IM, IT, LD, LE, MX, NA, PE, RU, TR, UC, UE, UG, UR, WA, WE, WF, WG, WH, WL, WM (except WM30) |
| 99900                          | Other Allocable Non-Fund Costs                      | YN (except YN0204041, YN0204042, YN0304, YN04, YN06, YN1201, YN24, YN26, YN30, YN4050)   |

Note: \* - Program Direction not allocated