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Responsible Office: BR / Resources Management Division

Subject: Allocation and Control of Agency Resources

1. POLICY

NASA's policy is to maintain a system for the administrative control and allocation of Agency resources and funds to ensure that applicable directions, policies, statutes, and regulations are followed during the budget execution process. Ensuring the proper and effective use of resources entrusted to the Agency by the Administration, the Congress, and the other customers is critical to the Agency achieving its mission.

2. APPLICABILITY

This directive is applicable to NASA Headquarters and NASA Centers, including Component Facilities, and covers all programs, projects, and other activities financed by NASA.

3. AUTHORITY

- a. The National Aeronautics and Space Act of 1958, as amended, 42 U.S.C. 2451 et seq.
- b. 31 U.S.C. 1341(a), 1342, 1349-1351, 1511-1518, 1531-1536, and 1551-1557.
- c. Chief Financial Officers Act of 1990, P.L. 101-576, as amended.
- d. Office of Management and Budget (OMB) Circular A-11, "Preparation, Submission, and Execution of the Budget".

4. REFERENCES

- a. NASA's annual Authorization and Appropriation Acts.
- b. NPD 9050.3E, Administrative Control of Appropriations and Funds.
- c. Financial Management Manual (FMM) 9000-9700.
- d. Key elements for the allocation and control system of Agency resources are as follows: (See Attachment A.)
 - (1) NASA Operating Plan.
 - (2) Program Financial Plan.
 - (3) NASA Forms (NF) 506 (appropriation), 506A (appropriation), 506R

(reimbursable), and 506A-R (reimbursable) Resources Authority Warrants.
(4) NF 504-Allotment Authorization.

5. RESPONSIBILITY

a. The NASA Chief Financial Officer (CFO) is responsible for monitoring the processes for authorization, allocation, and control of resources to ensure that the processes are effective in satisfying applicable laws and regulations governing proper use of the Agency resources, and meeting mission objectives. The CFO is also responsible for the following:

(1) Providing Agency-level administration of Program/Project Operating Plans to develop an operating budget including the Congressional Operating Plan and Program Financial Plans.

(2) Maintaining Agency resources control through issuance of NF's 506 (appropriation), 506R (reimbursable), and 504.

(3) Final signature approval on NF's 506 and 506R, Resources Authority Warrants, which are the official documents establishing resources authority to conduct the approved programs and projects.

(4) The NASA CFO may designate an alternate official to approve the Resources Authority Warrants, NF's 506 and 506R.

(5) The NASA CFO shall ensure that feedback is provided through official channels to keep the Administrator fully and currently informed of significant actions, problems, or other matters of substance related to the exercise of authority delegated herein.

b. Cognizant Enterprise, Functional, and the Inspector General offices are responsible for the following:

(1) Preparation and submission of Program/Project Operating Plans to the Office of the Chief Financial Officer, Resources Management Division.

(2) Approving and maintaining in an up-to-date status the NF's 506A and 506A-R (reimbursable) for each activity under their overall direction.

c. The Chief, Budget Execution Branch, Resources Management Division, Office of the Chief Financial Officer, is responsible for preparing the allotment authorization (NF 504) to the Centers Directors and to the Director for Headquarters Operations.

d. The Chief, Agency Accounting, Reporting, and Analysis Branch, Financial Management Division, is responsible for certifying the allotment authorization (NF 504) to the Center Directors and to the Director for Headquarters Operations.

e. NASA Center Directors and the Director for Headquarters Operations are responsible for ensuring that resources authority (NF 506A and 506A-R) provided to their installations for each appropriation is used for approved programs, projects, and activities. They are also responsible for ensuring that obligations do not exceed the allotment authorization received by appropriation.

f. The Executive Council is responsible for addressing significant Agencywide capital investments and policy issues. It considers investment management decisions regarding Agency capabilities and infrastructure, and recommends budget guidance initiating each annual budget cycle.

g. The contract, grant, cooperative agreement, or other agreement officers are [or the program or project official is] responsible for ensuring that this NPD is cited in any arrangement involving activities financed by NASA.

6. DELEGATION OF AUTHORITY

The authority to allot funds to the Centers is delegated to the CFO or designee.

7. MEASUREMENTS

None.

8. CANCELLATION

NPD 7000.3D dated May 1, 1997

/s/ Sean O'Keefe
Administrator

ATTACHMENT A: (TEXT)

1. NASA Operating Plan - The Operating Plan is approved by the Administrator and transmitted to the Congress for agreement each fiscal year after the appropriations act has been signed. The Operating Plan specifies by program, project, or activity the resources approved for allocation for the current fiscal year.

The Agency's trust funds and reimbursables are excluded from the Operating Plan. The Operating Plan is developed on the basis of the authorization and appropriation actions by the Congress and the updated requirements as stated by the Enterprise, Functional, and the Inspector General offices. It is then reviewed and approved as part of the Agency's budget formulation process. The Operating Plan, as prepared by the Chief Financial Officer (CFO) and signed by the Administrator, becomes the baseline for funding authorizations during the fiscal year. Changes to the Operating Plan beyond specified thresholds require approval of the Administrator and notification to the appropriate Congressional Committees.

2. Program Financial Plan - The Program Financial Plan (PFP) states the planned resources allocation over the next 5 years for program and projects as approved in the annual budget formulation process. The PFP specifies by line item, program or project, the funds allocated in prior years, approved for allocation during the current fiscal year as set forth in the Operating Plan, and planned for allocation during the next 5 succeeding years. The Agency's trust funds and reimbursables are excluded from the PFP. The PFP is prepared by the NASA CFO's Office based on the recommendations of the Enterprise, Functional, and the Inspector General offices and the decisions made during the budget formulation process. It serves as the basic Agency resources projection and as the baseline for formulation of subsequent budgets. The Program Financial Plan is updated to the current Operating Plan for each budget formulation cycle.

3. NASA Forms (NF) 506 (appropriation), 506A (appropriation), 506R (reimbursable), and 506A-R (reimbursable), Resources Authority Warrants. The NF 506 is the official document by which the NASA CFO allocates resources authority for appropriated and trust funds for all years to Enterprise, Functional, and the Inspector General offices for execution of programs, projects, and other activities. The NF 506R is the official document by which the NASA CFO allocates reimbursable resources authority to the Resources Management Division based on reimbursable plans approved by the Enterprise, Functional, and the Inspector General offices during budget formulation for work to be performed on valid accepted reimbursable orders received from other Federal and non-Federal sources. The resources authority allocated on NF 506 will not exceed total resources

approved in the Office of Management and Budget (OMB) apportionment or in the Operating Plan and will be consistent with any additional constraints imposed by the Administrator or Congress. The resources authority allocated on NF 506R will not exceed total anticipated reimbursements as approved by the OMB by apportionment.

In the absence of an appropriation act at the beginning of the fiscal year, amounts reflected on the NF 506 will represent resources levels constrained to interim operations under a "Continuing Resolution." The NF's 506 and 506R are issued on a cumulative Program Year basis to allocate resources authority related to one or more approved/appropriated programs, projects, or activities, or to allocate reimbursable resources authority related to anticipated orders, for one or more approved projects, or activities under the cognizance of an Enterprise, Functional, and the Inspector General offices.

NF's 506A and 506A-R, Resources Authority Warrants. The NF's 506 and 506R amounts are reallocated by the Enterprise, Functional, and the Inspector General offices using NF's 506A and 506A-R to NASA Centers and to the Director for Headquarters Operations for NASA Headquarters for execution of approved appropriated and reimbursable programs, projects, and other activities within the total funds available in the applicable NF 504, Allotment Authorization (see paragraph 4). The cumulative resources authority reallocated on NF's 506A and 506A-R may not exceed the total resources as allocated on the governing NF's 506 and 506R. The NF's 506A and 506A-R are issued on a cumulative Program Year (PY) basis to allocate resources authority for approved programs, projects, or activities. NF 506A's are processed independently by the Enterprise, Functional, and the Inspector General offices. Starting with PY 1997, NF 506A-R's are reallocated directly to NASA Centers and to the Director for Headquarters Operations by the CFO Resources Management Division per August 16, 1996, process change.

a. NF 506: The document identifies the Office to receive the document; Appropriation; Program Year/Serial Number; Budget Line Item (BLI); Unique Project Number (UPN) or Facility Project Number (FPN); Fund Source; Program or Project Title; Program Plan; Resource Authority - Previous Total, Change, New Total; Remarks; Approving Official Name and Signature and date approved.

b. NF 506A: Document information includes the Office issuing the document; the NASA Center receiving the document; the Appropriation; the Program Year; the NASA Center Number; the Document Serial Number; the UPN or the 5-digit subsystem number or FPN, if applicable; the Fund Source; the Program or Project Title; the Resources Authority - Previous Total, Change, New Total; Remarks; Submitted By (signature) and date; Validated By (signature) and date; and Approved By (signature) and date. An approved signature indicates that the submission and validation processes have occurred.

c. NF 506R: The document identifies the Office to receive the document; Appropriation; Program Year; Serial Number; BLI; the UPN or FPN; Fund Source; Program or Project Title; Resources Authority - Previous Total, Change, New Total, Remarks; Approving Official name and signature and date approved. A consolidated document for each program year that includes all appropriations is used.

d. NF 506A-R: The document identifies the Office issuing the document; the NASA Center to receive the document; Appropriation; Program Year; Serial Number; BLI; the UPN or FPN; Fund Source; Program or Project Title; Resources Authority - Previous Total, Change, New Total, Remarks; Submitted By (signature) and date; Validated By (signature) and date; and Approved By (signature) and date. An approved signature indicates that the submission and validation processes have occurred. A consolidated document for each program year by Center that includes all appropriations is used.

4. NF 504, Allotment Authorization. The NF 504 is the official document for allotting funds to NASA Center Directors and to the Director for Headquarters Administration for NASA Headquarters to finance Agency programs, projects, and other activities. The allotment must be available prior to incurring obligations. The NF's 504 is issued at the appropriation

account level and also provides a mechanism for controlling at the appropriation level the total commitments and obligations to be incurred against NASA appropriated funds and amounts apportioned for reimbursements within the scope of resources authority contained on NF's 506A and 506A-R. The relationship between these documents is such that the NF 504 establishes the upper limit of funds available for obligation for all approved programs, projects, and other activities in each appropriation; whereas, the NF's 506A and 506A-R establish the upper limit on funds authorized for specific programs, projects, and other activities. The funds allotted on NF 504 shall not exceed the amount apportioned by the President through the OMB.

Allotment Authorization:

NF 504: The document identifies the NASA Center receiving the document; Program Year; Fiscal Year; Appropriation Symbol; Document Number; Effective Date; Expiration Date; Appropriation Title; Previous Total; Amount of Authorization; New Total; Fund Source (for certain accounts); Appropriated Funds; Reimbursable Funds; Instructions; Name and Title of Approving and Certifying Official and date of such actions. Instead of separate allotment authorizations for each appropriation account, a consolidated (includes all appropriations) allotment authorization for each program year by Center is used beginning with PY 1999. It contains the same data as shown above.

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