

DIRECTIVES CONTROL FORM - ORO O FINAL DIRECTIVE

PART A (To be completed by the Division of Primary Interest (DPI))

1. **NUMBER AND TITLE OF DIRECTIVE:** ORO O 130, Chapter I, Chg. 1, BUDGET FORMULATION
2. **PURPOSE OF TRANSMITTAL:** New Directive Revised Directive Page Change
3. **THIS DOCUMENT MAY AFFECT THE WORK PERFORMED BY THE FOLLOWING CONTRACTORS:** (Check appropriate boxes)
- No (all contractors)
- Yes If yes, whom? BWXT Y-12 UT-B ORAU SURA
- Bechtel Jacobs Company
- Other contractors (list by type)

Many ORO contractors have approved S/RIDs or WSS sets that may affect applicability of contractor requirements from this directive. Applicability of contractor requirements must take into account the approved standards set for each particular contract.

4. **SIGNIFICANT PROVISIONS:** Are there any significant changes or impact?
 No Yes If yes, describe: This chapter is part of the ORO sunset review process. To reflect current responsibilities, subparagraph 4c(6) has been added and subsequent subparagraphs renumbered. Subparagraph 5b has been updated.
5. **CONTACT POINT:** Steve Morrell Planning & Budget Division, FM-72 576-0799
Name Organization Telephone

PART B (To be completed by the Directives Management Group (DMG)):

6. **FILING INSTRUCTIONS:**
- | <u>Remove</u> | <u>Dated</u> | <u>Insert</u> | <u>Dated</u> |
|-----------------------|--------------|--|--------------|
| ORO O 130, Chapter I | 12/30/1998 | ORO O Control Form | 07/17/2001 |
| Pages I-1 through I-3 | | ORO O 130, Chapter I,
Chg. 1, Pages I-1 through I-3 | 07/17/2001 |

ORO Orders are available on the ORO Directives Management Home Page at http://www.ornl.gov/doe_oro_dmg/orchklst.htm. The ORO Orders will no longer be mailed in printed copy unless you do not have Internet capabilities.

7. **APPROVED FOR DISTRIBUTION IN ACCORDANCE WITH THE OFFICIAL DIRECTIVES DISTRIBUTION LIST:**

Original signed by
Kenneth W. Warden, AD-440 07/17/2001
Signature Management Analyst, AD-440 Date

INSTRUCTIONS TO ADDRESSEES: THIS FORM IS TO BE FILED WITH THE DIRECTIVE AND RETAINED
Rev. 10/12/2000

U.S. Department of Energy

Oak Ridge Operations

ORO O 130 Chapter I Chg. 1

DATE: 07/17/2001

SUBJECT: BUDGET FORMULATION

1. PURPOSE. This chapter correlates to DOE O 130.1, BUDGET FORMULATION PROCESS, dated September 29, 1995, by assigning responsibility and accountability and providing administrative and/or contractual guidance to Oak Ridge Operations (ORO). Nothing in this issuance changes any requirements contained in any DOE directive.
2. CANCELLATION. This chapter cancels and replaces ORO O 130, Chapter I, BUDGET FORMULATION, dated December 30, 1998.
3. APPLICABILITY. The provisions of this chapter apply to ORO Principal Staff. Although the Contractor Requirements Document (CRD) attached to DOE O 130.1 is applicable to contractors to the extent set forth in their contract, no additional requirements intended for contractors are imposed in this chapter.
4. RESPONSIBILITIES.
 - a. Assistant Managers provide global insight and oversight for the budget formulation process including setting priorities and directing the paths forward.
 - b. Program Managers provide the more specific, programmatic guidance used to facilitate the completion of the missions established by ORO Senior Management.
 - c. Director, Planning and Budget Division.
 - (1) Oversees and directs ORO's annual budget formulation process.
 - (2) Develops and issues budget requirements and guidance through budget calls and other formal or supplemental requests.
 - (3) Develops, issues, and maintains the ORO Budget Formulation Handbook, published annually and revised as necessary.
 - (4) Designates a central point-of-contact with the DOE Headquarters (HQ) Office of Budget to follow the budget formulation process and its effects on ORO.
 - (5) Designates a principal point-of-contact for the budget formulation process.
 - (6) Oversees automated system development and deployment used to collect budget data.
 - (7) Coordinates with the ORO Human Resources Division to ensure that full time equivalent guidance is appropriately integrated into the budget formulation process.

- (8) Reviews budgets to ensure compliance with guidance and reporting requirements issued in the applicable budget calls, General Assumptions, and Budget Formulation Handbook.
- (9) Conducts budget validation reviews to ensure that the data provided to DOE HQ organizations for use in developing budgets has been reviewed and is deemed reasonable. Provides appropriate documentation to DOE HQ, reporting any relevant findings and actions to address such findings.
- (10) Notifies and provides the Office of Budget with any requests for budget data received directly from DOE HQ elements not contained or referenced in the field budget call nor contained in supplementary field budget guidance issued by the Chief Financial Officer (CFO). Such notification is essential in determining whether the direct request is duplicative of or adversely impacts the Department's field budget process.

5. REQUIREMENTS AND PROCEDURES.

- a. Field Offices are normally required to submit an annual budget request to the DOE CFO by April 15 of each year. Guidance is provided to the contractors in the form of a Contractor Budget Call, which includes the ORO General Assumptions, the ORO Budget Formulation Handbook, and the site-specific program guidance. These documents are provided to the contractors in late November, with subsequent updates providing the DOE HQ guidance in mid to late February.
- b. The schedule for each year's budget formulation is normally consistent from one year to the next. As an example of that schedule, the FY 2003 Budget Formulation Schedule is:

Issuance of Contractor Budget Calls	November 2001
Receipt of Contractor's Budgets	February 2002
ORO Internal Review	February-March 2002
ORO Budget to DOE HQ	April 15, 2002
Department's Internal Review	May-July 2002
DOE Budget Submission to OMB	September 2002
OMB Review of DOE Budgets	October 2002-January 2003
President's Budget Message/Package to Congress	February 2003
Congressional Budget Review	March-September 2003
Passage of Appropriations Bill or Continuing Resolution	No later than October 1, 2003

6. REFERENCES.

- a. DOE Budget Formulation Handbook, issued annually, which provides consolidated instructions for all programs and outlines all budget requirements.
- b. OMB Circular A-11, "Preparation and Submission of Budget Estimates."
- c. Supplemental guidance issued by the DOE HQ Chief Financial Officer.

- d. ORO Budget Formulation Handbook, issued annually and revised as necessary, which provides ORO's interpretation of the DOE Budget Formulation Handbook and provides instructions on how to submit and present the data for each required element.
 - e. ORO General Assumptions, issued annually and revised as necessary, which provides broad assumptions regarding items that are pertinent to all programs.
 - f. ORO Contractor Budget Calls, issued annually, which provides site-specific guidance to management and operating (M&O) and management and integration (M&I) contractors, and other contractors as applicable.
7. DEFINITIONS. None.
8. CONTRACTOR REQUIREMENTS DOCUMENT. None.
9. ATTACHMENTS. None