

**Office Work Instruction**

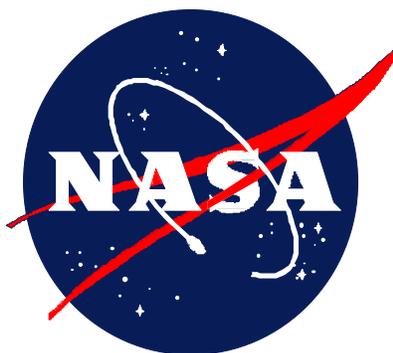
HOWI 7410-Y008 Baseline

Effective Date: November 30, 1998

Responsible Office: YB/Business Management Division

**Subject: Execute the ESE Budget**

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**OFFICE WORK INSTRUCTION**

**EXECUTE THE ESE BUDGET**

**(Conforming to ISO 9001 Quality System Requirements)**

<b>Earth Science Enterprise Office Work Instruction</b>		
<b>Execute the ESE Budget</b>	<b>HOWI 7410-Y008</b>	<b>Revision: Baseline</b>
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**DOCUMENT HISTORY LOG**

<b>Status (Baseline/ Revision/ Canceled)</b>	<b>Document Revision</b>	<b>Effective Date</b>	<b>Description</b>
Baseline		11/30/98	

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### PREFACE

The NASA Office Work Instruction (OWI) for Execute the ESE Budget documents the tasks and activities in conformance with the International Organization for Standardization's (ISO) 9001 requirements for quality systems. The manual supplements the *NASA Strategic Plan, Strategic Management Handbook*, and other higher level NASA directives, which form the basis for how NASA conducts business.

This OWI is not intended to duplicate or contradict any other NASA policy, procedures or guidelines, which currently exist. As such, the OWI will reference prevailing documents where a topic is addressed and existing coverage is deemed adequate. Additional information provided within is intended to supplement existing documentation regarding Headquarters (HQ) implementation of strategic and program/project management, as well as HQ conformance with the ISO 9001 Quality Management System (QMS) requirements.

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## 1.0 PURPOSE

This OWI provides information for the organizational structure, responsibilities, procedures, processes, and resources for executing the ESE budget in conformance with ANSI/ASQC Q9001-1994 and NPD 8730.3, *NASA Quality Management System Policy (ISO 9000)*. The OWI describes what is to be accomplished by the process, not how the work is to be performed. It addresses the overall policy, and references other documents which provide implementing guidance.

## 2.0 SCOPE AND APPLICABILITY

2.1 Scope. This work instruction describes procedures for the NASA Earth Science Enterprise (ESE) budget execution process. This process occurs during the current fiscal year and involves establishing and updating the annual operating plan, establishing funds control, and monitoring performance.

ESE budget execution processes are consistent with and parallel the Agency's budget implementation processes. The Agency processes are described in detail in the *NASA Budget Administration Manual*.

2.3 Applicability. This work instruction for Execute the ESE Budget applies to the NASA Office of Earth Science (OES, Code Y) offices and divisions. The Associate Administrator for Earth Science is responsible for maintaining this document. The controlled version of the manual is available on the World Wide Web (WWW) via the HQ ISO 9000 Document Library for the ISO 9000 QMS at <http://hqiso9000.hq.nasa.gov>. Any printed version of this OWI is uncontrolled (reference: HCP 1400.1, Document and Data Control). Proposed revisions of this manual will be accomplished by following HOWI 1410-Y015 (Approve Quality Documents).

## 3.0 DEFINITIONS

In general, the definitions given in ISO 8402 apply. Appendix B of the *Earth Science Enterprise Management Handbook* provides additional ESE-specific terms and definitions.

## 4.0 REFERENCES

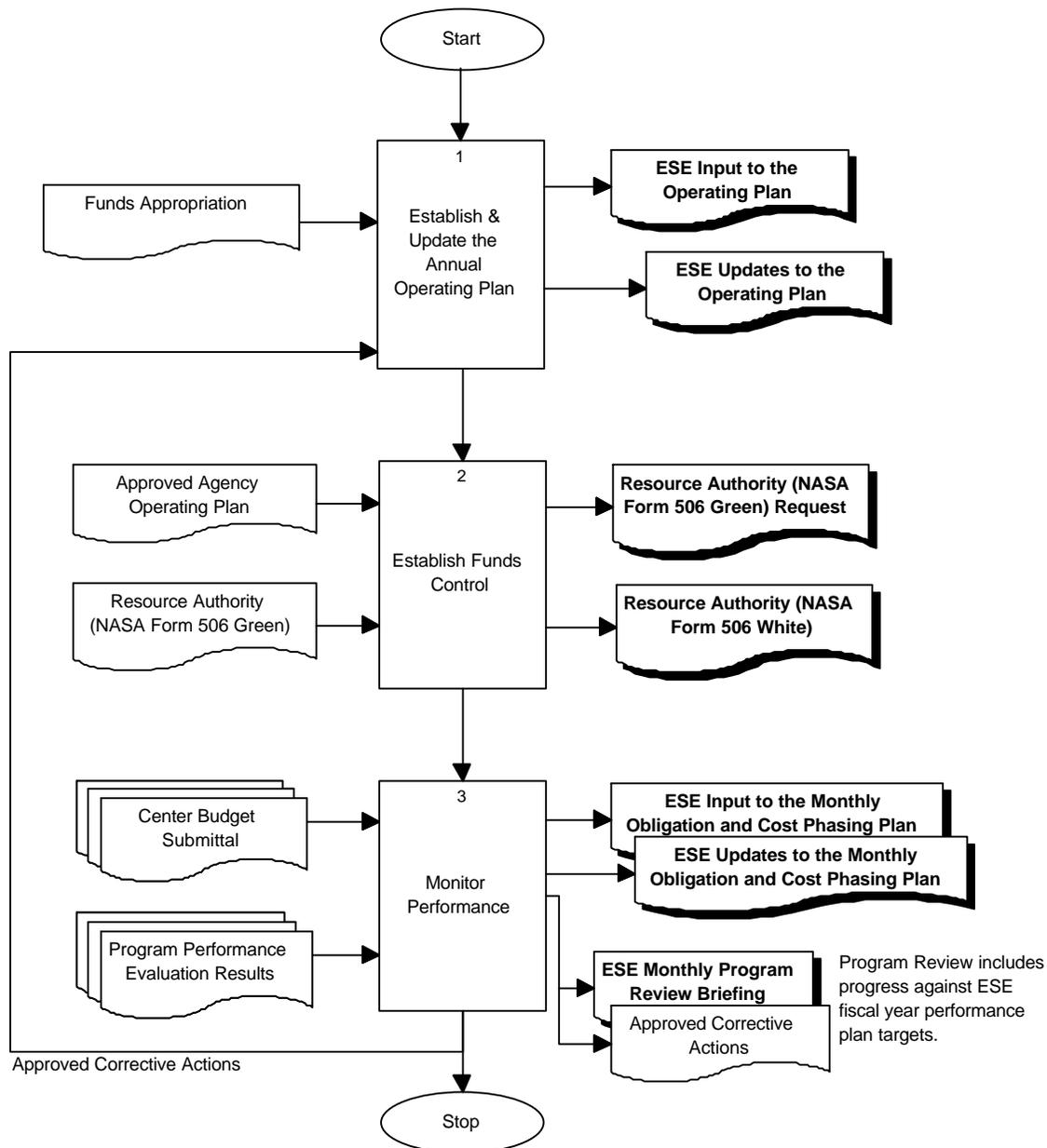
The following documents contain provisions that, through reference in this OWI or in policy or procedure documents, constitute the basis for the documented procedure:

NPD 1000.1	NASA Strategic Plan
NPG 1000.2	NASA Strategic Management Handbook
NPD 7120.4A	Program/Project Management
NPG 7120.5A	NASA Program and Project Management Processes and Requirements
NHB 7400.1C	NASA Budget Administration Manual
ANSI/ASQC Q9001-1994	American National Standard, Quality Systems-Model for Quality Assurance in Design, Development, Production, Installation, and Servicing
ANSI/ASQC 8402:1994	Quality Management and Quality Assurance - Vocabulary
NPD 8730.3	NASA Quality Management System Policy (ISO 9000)
NHB 1101.3	NASA Organization Handbook

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## 5.0 FLOWCHART

The following flowchart depicts the procedure described in Section 6. Outputs in boldface type represent the quality records listed in Section 7.



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## 6.0 PROCEDURE

The following table describes the flowchart of Section 5.

<u>Actionee</u>		<u>Action</u>
Business Management Division	1	<p><u>Establish and Update the Annual Operating Plan.</u> The annual Operating Plan is the total amount of New Obligational Authority (NOA) appropriated by Congress to the Agency. The Agency establishes the initial Operating Plan at the beginning of each fiscal year, and then updates the Operating Plan in the middle of the year or as required in order to deal with major budget changes. This activity includes the following major tasks:</p> <ul style="list-style-type: none"> <li>❑ <i>Establish the Initial Operating Plan.</i> Following the appropriation of funds by Congress to the Agency, the Agency sends a letter to Congress detailing the plan for spending the appropriated funds. The Business Management Division prepares the ESE section of this letter, and sends it to the Office of the Chief Financial Officer for editing and incorporation into the Agency letter. This letter and the supporting data establish both the funding control levels (which are generally consistent with the control levels displayed in the President's budget), and the specific amounts for each program/project. It also includes explanations of any budget changes between the President's budget and the Operating Plan. The Congressional response to this letter may either accept the Operating Plan, accept it with some concerns, or reject specific Agency proposals. The issues, if any, are resolved by the Office of the Chief Financial Officer and the Office of Legislative Affairs, with assistance from the Strategic Enterprises as needed.</li> <li>❑ <i>Update the Operating Plan.</i> At the midpoint of the fiscal year (or at other times depending upon specific budget issues), the Agency updates the initial Operating Plan. The process used is essentially the same as the process by which the initial Operating Plan is established. As necessary, the Business Management Division coordinates updates with the directors of the technical divisions (Research; Applications, Commercialization, and Education; and Program Planning and Development). It is important to note that, although the Agency is legally required to submit a "reprogramming" or to update the Operating Plan when a previous control needs to be changed by five hundred thousand (500,000) dollars or more, as a practical matter the Agency discloses all changes in the Operating Plan to the OMB and to the Congress.</li> </ul>
Business Management Division	2	<p><u>Establish Funds Control.</u> The Business Management Division is responsible for ensuring that resources authority (funding) is distributed to the Field Centers in accordance with the approved Operating Plan and in a manner that enables an undisrupted flow of work in the programs and projects. This activity consists of two tasks: request resources authority from the Office of the Chief Financial Officer, and distribute resources authority to the Centers. These two tasks are described below in summary form. More detailed descriptions of the NASA funds control process are included in the <i>NASA Budget Administration Manual</i>.</p>

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- ❑ *Request Resources Authority from the Office of the Chief Financial Officer.* When appropriated funds become available to the Agency, the Business Management Division prepares a request for the Office of the Chief Financial Officer to release resources authority (NASA Form 506 Green) to the Associate Administrator for Earth Science. The requested funds must be consistent with the approved Operating Plan. In order to ensure the timely commitment, obligation, and costing of ESE resources, the resources authority request to the Chief Financial Officer generally includes the maximum level of funding that can be released consistent with Agency policy and with prudent financial management.
- ❑ *Distribute Resources Authority to the Field Centers.* Following the receipt of resources authority from the Office of the Chief Financial Officer, the Business Management Division distributes the resources authority (NASA Form 506 White) to the Field Centers. The distributed amounts in this "506 authority" must be consistent with the approved Operating Plan and with ESE policy.

Business Management 3  
Division  
  
Associate  
Administrator

**Monitor Performance.** The Business Management Division tracks performance against the monthly obligation and cost phasing plan and the fiscal year performance plan targets. The monthly plan reflects the level of work to be completed by each program and project. The Agency establishes the initial plan at the beginning of the fiscal year, and usually updates it in the April/May time frame. Performance against the plan is the primary means used by the Agency to assess program and project financial status.

- ❑ *Establish the Monthly Obligation and Cost Phasing Plan.* Initial monthly obligation and cost phasing plans are requested as part of the Program Operating Plan (POP) data call issued by the Office of the Chief Financial Officer (HOWI 7410-Y006, Formulate the ESE Budget, describes the POP data call). The plans are generated by the Field Centers as part of the Center budget submittals and sent to the institutional program offices at Headquarters, which distribute the data to the appropriate Strategic Enterprises and Headquarters Staff Offices. As the institutional program office for GFSC, OES receives the GFSC inputs. Following receipt of the data (usually in September), the Business Management Division distributes it as appropriate, assesses the Center plans, and may recommend adjustments to the Associate Administrator. The plan is then submitted to the Office of the Chief Financial Officer for incorporation into the Agency plan.
- ❑ *Update the Obligation and Cost Phasing Plan.* Depending upon financial performance, external requirements, policy direction, and other factors, the Agency may request an update to the plan. This is often done in the middle of the fiscal year, in order to provide a better prediction of the Agency's financial status at the end of the current fiscal year. The process used to obtain data to update the plan is essentially the same as the process used to establish the initial plan, except that where the request for the initial plan is included with the Program Operating Plan, the request for an updated plan is sent out

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as a separate action.

- ❑ *Assess Financial Status.* The Business Management Division develops monthly assessments of ESE's program and project financial status, and presents these assessments to the Associate Administrator during the ESE Monthly Program Review. Although this assessment emphasizes performance against the cost plan, other financial metrics, such as rates of commitments and obligations, are also tracked. Monthly commitment and obligation rates are examined in order to ensure the timely use of ESE resources, and to identify any areas where there may be flexibility to redistribute funds to areas with higher priority needs.

Monthly cost performance is assessed through a plan versus actual analysis, with variance explanations provided where appropriate. In addition, cost rate projections are used to estimate end-of-year status. On the basis of this assessment, potential corrective actions are recommended to the Associate Administrator in those areas where financial performance varies significantly from plans and/or where it does not conform to applicable funds utilization metrics. Approved corrective actions may trigger an update to the Operating Plan.

- ❑ *Assess Progress Against Performance Plan Targets.* The Business Management Division develops monthly assessments of ESE's program and project status relative to the ESE fiscal year performance plan targets, as established during budget formulation. These assessments are included in the ESE Monthly Program Review briefing presented to the Associate Administrator.

## 7.0 QUALITY RECORDS

RECORD IDENTIFICATION	OWNER	LOCATION	MEDIA ELECTRONIC / HARDCOPY	RETENTION	DISPOSITION
ESE Input to the Operating Plan	Resources Team Lead	Business Management Division	Hardcopy	Retain for two (2) years	Destroy when two (2) years old
ESE Updates to the Operating Plan	Resources Team Lead	Business Management Division	Hardcopy	Retain for two (2) years	Destroy when two (2) years old
Resource Authority (NASA Form 506 Green) Request	Resources Team Lead	Business Management Division	Hardcopy	Retain for five (5) years	Destroy when five (5) years old
Resource Authority (NASA Form 506 White)	Resources Team Lead	Business Management Division	Hardcopy	Retain for five (5) years	Destroy when five (5) years old
ESE Input to the Monthly Obligation and Cost Phasing Plan	Resources Team Lead	Business Management Division	Hardcopy	Retain for two (2) years	Destroy when two (2) years old
ESE Updates to the Monthly Obligation and Cost Phasing Plan	Resources Team Lead	Business Management Division	Hardcopy	Retain for two (2) years	Destroy when two (2) years old

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RECORD IDENTIFICATION	OWNER	LOCATION	MEDIA ELECTRONIC / HARDCOPY	RETENTION	DISPOSITION
ESE Monthly Program Review Briefing	Resources Team Lead	Business Management Division	Hardcopy	Retain for two (2) years.	Retire 1 copy to Federal Records Center when 2 years old. Destroy when 8 years old.