

Telling Budget Where To Go

The Bureau of Land Management's National Training Center presents supervisors audio forum. Now the host of your program, Yancy Brown.

Good morning, and welcome to the live audio stream, Telling Your Budget Where to Go. This important live audio forum is your opportunity to submit questions to our presenter so that the topics that are driving your workload are addressed. I'm your host, Yancy Brown, IT Training Coordinator here at the National Training Center, and we'd like to welcome all in attendance. Topics presented today are as follows: Spending plans and cuff records, FBMS, liquidating obligations, writing justifications, and training. At the end of this presentation, the question and answer session will take place. If you have questions to ask, please select star 1 on your phone, and you'll be prompted. Our presenter this morning is Theresa Dauty who has over 20 years of experience in government budget and finance. She currently works as an analyst for the BLM western district of Montana in Butte, Montana. This is where she manages budgets for the district and 3 field offices. Theresa has been both a mentee and a mentor in the National Training Center's mentoring program. Prior to coming to BLM, she spent the bulk of her career in the federal judiciary and has worked at Washington D.C. as a lead budget analyst. In Salt Lake City she has worked as a financial procurement administrator, in Los Angeles as a chief deputy for operations, and Theresa is also a graduate fellow of the Institute of Court Management in Williamsburg, Virginia and holds a BA in the University of Utah. She is also a veteran of the United States Air Force and certified mediator in the

Telling Budget Where To Go

Department of The Interior's core plus panel of neutrals. Here is our presenter for today, Theresa Dauty.

Hello everyone, and thanks for tuning in to Telling Your Budget Where to Go. As Yancy said, I'm Theresa Dauty, and I'm here in Butte America. We're gonna talk today about budget, and I always like to say that a budget is telling your money where to go instead of wondering where it went. Now for most of you, you went into resource management because you have a resource background, not a finance background, but now you realize you have to spend 10-50% of your time on budget. That might be something they sort of glossed over when you got the job. Now's your chance to ask all the questions you've been too busy or too embarrassed to ask or you didn't know exactly who to ask. Budget isn't going away, and in fact it's getting more complicated and requires a substantial investment of time from resource staff, managers, supervisors, and those in finance-related positions. This forum is your opportunity to submit some questions at the end as Yancy pointed out to us. So we're going to start with requesting that you write down your questions as you go. Because the question and answer period is at the end, please write them down as you go so we don't miss anything that you want to cover.

So we'll talk about spending plans, cuff records, FBMS and the status of funds, liquidating obligations, justifications and training, and some opportunities that are there for you to get more information.

Telling Budget Where To Go

So let's jump right in to one of my favorite topics, and this should probably be about slide 3 for you if you are following along with the PowerPoint that was sent out. Spending plans are your budget. Again, if you don't know where you're going how you'll know when you get there. Spending plans are critical for determining project scope and cost. You all scope out your projects, but this is different in that you need to break that project down by cost, by sub activity, and by project code or what is called in FBMS a work breakout structure or WBS if that's how you were funded. Remember that your spend plan will change as we move from the preliminary target allocation or the PTA to the annual work plan or the AWP. You may be plus or minus funds in specific sub activities, and you will need to adjust your projects visa VI your spend plan. So you start out saying the project's going to cost \$50,000, and as you go you need to keep track so you know is it more than 50 or is it less than 50 so you know how much you have available. Now here's a fun fact about FBMS. FBMS status of funds reports only show the project cost. FBMS is unable to add in your reasonable labor costs, so those have to be added in manually. So let's talk a little bit more about this. So in a situation where your region runs a centralized labor method, which is probably most of you, you have to run separate reports for projects, and those projects include your vehicle and miscellaneous ops cost, but they don't include your seasonal labor, so your analyst has to run separate reports on your seasonal labor costs, and then the analyst has to add those together to see which are actual available balances. This is what makes tracking this in your

Telling Budget Where To Go

spend plan extra tricky. You've got to be sure that you know from your reports what do they include and what do they not include. That gives you an adjusted balance, and that's really what you have remaining in your checkbook for that project. From that balance you must estimate your future project cost, vehicles, and seasonal labor going forward, and I can't emphasize enough how important it is to know the date of any of the reports so that you know which pay periods have posted and how many months the vehicles are included in those. You can look at the date on the report, but we all know that vehicles post a month behind and seasonal personnel costs post with the pay period, so there's always kind of a delay there as well. So your MLR allocations usually are not used for your central labor, your permanent staff. Those are used for projects and for seasonal labor, and your non-MLR accounts, which are your challenge cost share, your reimbursable fees, those sort of things, those can include all of your labor, or some of your labor, or just projects. It just depends. In our region, we are allocated work months, and you probably all are too, and those work months represent your central labor. So the state office takes money off the top to pay for the central labor and then allocates out the rest in MLR and non-MLR accounts for the projects, and again, those project dollars pay for your seasonal labor help.

So let's move from spend plans to cuff records. They kind of sound like the same thing, and they kind of are, but there's a little bit of a difference. Basically your cuff records are a checkbook register for each sub activity and project code if it's

Telling Budget Where To Go

applicable. You have your budget and your spend plan, but you have to keep track of actual expenditures against what you planned as each expenditure is made. If you've estimated \$1500 for fence posts and the actual cost is \$2000 then you need to adjust your spend plan based on what you recorded in your cuff record because what you estimated in the spend plan is different than what you actually spent. This affects your budget and your spend plan in your cuff records. You must balance your cuff records monthly against your credit card statement for all your staff and make adjustments for where you planned one amount but actually spent or obligated a different amount. Your spend plan is estimates and projections, but your cuff record is recording what you're actually spending so that you can keep adjusting your plan to stay within your allocation, and always remember to include your seasonal labor in your cuff records, and of course your vehicle. And there's many ways to keep a cuff record. You can use a spend plan and adjust it as you go, you can set up separate spreadsheets, it really doesn't matter as long as you're keeping track and making adjustments as you go. Remember, FBMS is only recording what's actually happened in terms of a commitment, an obligation, or expenditure. FBMS is not allowing you to do any planning in that system. That's why you have to keep it separate, starting with the spend plan and then cuff records as you go. You are not able to plan in the FBMS system.

So let's segue now into using FBMS. You must run separate reports, as we talked about, on seasonal help and subtract those from the available balances,

Telling Budget Where To Go

and you should be creating purchase requisitions as early in the year as possible so that the bulk of your funds get committed right away. FBMS is the official accounting record, and it's a great tool, but you have to understand how it works and what is included in your reports and what is not included. You also need to know what date the report reflects. That's different than the date it's run. It could be run today, but it could be reflecting pay periods through last Tuesday when we were paid, and it could be reflecting the month of vehicles that have posted or not posted. So you need to be aware of the dates that those things post to FBMS so when you run a report you know what pay period is included and what month of vehicles is included. Analysts call this a report period from day A to day B, from pay period A to pay period B. If you're not using the commitment feature by creating purchase requisitions, I really recommend that you start. This is the best way to tie up or commit your funds in the official FBMS system. The commitment or the purchase requisition starts the process of obligating funds. You're committing that amount for a project or for a particular purchase. The amount doesn't actually get obligated until a vender is contacted or a vender is selected during the contracting process, and then it is expended when that vender is paid, so if you look at FBMS reports, which we're gonna do here in just a second, there's like 3 different categories, committed, obligated, expended, and total obligations. That's very confusing, but that's basically showing how your expenditures are moving through the system and what status they're in. By using the commitment feature, the PR in FBMS, it helps you achieve various spending target rates throughout the year. I'm sure that like us you have spending rates

Telling Budget Where To Go

that have to be met at each quarter set by your state director, and that by August you have to have 98% of your funds committed. You cannot commit vehicles or seasonal labor neither at the region or the field office, and that's why it's important to have accurate projections for those big-ticket items through the end of the year so that they reflect in your spend plan and cuff records. You can commit and do a PR for a contract for a service or for a thing, but you cannot commit your vehicles ahead of time. You cannot commit for your seasonal labor ahead of time. Those hit the system as those expenses are actually incurred through the pay period process or through the monthly fleet adjustment period. Now credit card expenditures hit the system as they're made. Just like when you use your debit card at Wal-Mart or at the store. That's coming out within a day or 2 of your allocation. You're not committing those ahead of time.

We're on slide 6 now, your status of funds seasonal help, and we're gonna continue to talk about how to make sure that those are accounted for in your spend plan and cuff records. What you're seeing on slide 6 is a seasonal help report for our district through a specific pay period. I think this one happened to be through about pay period 7, and it's also by sub activity, so you can see for the office I have indicated here, or Missoula. This is the amount of funds that they've expended on seasonal in each of those sub activities. So once they know what they've already spent through a specific pay period, they can project out through the rest of the year, and we know that seasonal help varies from summer to winter. Because Montana has rough winters, not a lot of seasonal

Telling Budget Where To Go

help at that point. We're gearing up for that right now, so we're not able to do straight-line projections on seasonal because they're not spending at a continual rate every month. We had the bulk of our seasonal help come on in the summer. So we may have a very high projection for the end of the year, but at the beginning of the year we're really not spending very much. But you want to have those estimates and those projections to show how much of your allocation for any sub activity you think you're gonna spend. Remember that the pay periods are what FBMS is going to count or what they are reflecting. Not the date that we're paid, because when we get paid it's always for the previous pay period than what the current date would say. So you're always running a little behind. Very, very important to know all those dates and what you're looking at when you see a report. Know your report period.

So the following slide, or number 7, is the status of funds, and I ran this through the MLR. This gives us a very quick snapshot of the allocation and where that stands and where that stands, any commitments through PR, any obligations of contracts, expenditures when those contracts get paid out or those credit card hits, and then our total obligations. So committed, obligated, and expended equals total obligation. That's the number that gets subtracted from your allocation. In our region, again we have the spend rate, and at the end of the year the district or the district manager and all of us are graded on how well we did in expending our funds and getting down to that magic 98% in August. So we're tracking this all the time and adding in our expenditures, or our projections

Telling Budget Where To Go

excuse me. Because remember, this report is only going to show the total obligations. Obligations it's not going to show us anything that we have planned for projects or that we have planned in the future for seasonal and vehicles, and those could be really big amounts, and so it may show that you have obligations balance overall of \$300,000, but you really have that accounted for in a spend plan for your project, seasonal, and vehicles. So I go ahead and I translate the status of funds. Go to slide 8. Of course, I headed out the western Montana district for all of our offices. Our authorized work plan budget. I usually change where it says consumable budget to let the managers who are looking at this report know is this the amount that's in there from the preliminary target allocations or is this from our authorized work plan, or is this from our authorized work plan change 1, change 2, change 3 as additional funds become available. So then I add the committed, obligated, and expended together to give them total projects and miss-op obligated in FBMS. What they've spent on services or things and for the miscellaneous operations to run their offices. Then I give them below that the total that they've spent on seasonal. In this instance that was through pay period 7, and then their current available funds. Remember, that seasonal amount was added manually by me into this report as I manipulated in Excel, and I'm sure all of your analysts are doing the same thing. That gets us a percent spent and obligated, and then we look at our projected amount for vehicles and seasonal, so we look at total obligations that are already made plus our projected, and that gives us a percent obligated and projected. So this is telling us here's what we've actually spent, here's what we're going to spend, and

Telling Budget Where To Go

here's what's left after that. So then we have projected available funds for projects and miscellaneous obligations. It's like looking at a checkbook and saying okay, I have all these checks outstanding that haven't hit the bank yet, and oh by the way, I also need to plan to pay for these other things in my personal budget. It's really the same concept. The terms are a little more complicated or complex, but it's really the same concept as how you run your home budget. You know what you spent, you know your checks that are outstanding, and you know what you have to plan for in the next month, year, whatever. So I produce these reports for each of the 6 offices that I support, and I also do a district-wide wrap up so that we can see how we're doing as a district.

Page 9, we're still talking about the status of funds translated, and I just gave you a little expanded version so that you could see a few of the sub activities. You see there in 1010, the authorized work plan gave us \$397,000. What is then obligated to date in obligations? Total obligations remember are what's committed on a PR, what's obligated in a contract, and what's actually been spent against that. So in this case, it's about \$92,000. Our seasonal cost through pay period 7 in sub activity 1010 is about \$15,000, so we have about \$289,000 available. That means that we've spent or obligated about 27% in FBMS as of the date this was run. Now we also have projected vehicle and seasonal expenses that are gonna come through the end of the year, and in 1010 that's about \$201,000. So our total obligated and projected for what we've already spent and the things we know we're gonna spend on seasonal help and

Telling Budget Where To Go

vehicles is \$309,618. So that means we're really about 78% obligated and projected. That's a big difference than 27%. So that means that we have another \$87,000 to spend on project, cost, and miscellaneous operations in sub activity 1010. So this gives us a little better view than just looking at an FBMS report. This is adding in additional things and adding in our projections from our spending plans so that we really have a much better idea of what our balances are by sub activity.

The next slide number 10 is our status of funds on vehicles, and we're gonna talk about adjusting our spend plan and cuff records. This is an FBMS report or vehicle report, and it shows managers and supervisors detail on their vehicle expenses. In the spend plan at the beginning of the year you're thinking well, our fleet is gonna cost us \$200,000 or \$300,000, and we've got some extra vehicles that we bring in for those seasonal to drive, and that's another \$200,000 or \$300,000. So those are just kind of projections, kind of gross amounts that you're gonna spread out through your sub activities. But every month as the fleet gets posted, the vehicles get posted, you need to be adjusting those amounts because they might be higher or they might be lower depending on the mileage that you're putting on those vehicles and whether you're accruing any other utilization charges. And generally, the amounts that get posted are higher than what you projected. Each year the vehicle costs continue to rise, and so you really need to be aware of that and build that into your spend plan.

Telling Budget Where To Go

So let's take a break from looking at reports and go to slide 11 where we're gonna talk about liquidating obligations. Now what does that mean exactly? Well that's also known as a de-obligation, and this occurs when the completed expenditure is less than the committed amount. So we did a purchase requisition for \$100,000, the contract went out and was obligated for \$100,000, but what was expended was something less than that. Maybe it was \$98,000, maybe it was \$50,000 because the company went out of business, but there's some amount in FBMS that is not going to be spent on that particular PR or that purchase order. On the slide I gave an instance of a PR for \$10,000, and the actual expenditure was \$9000. What are we gonna do with the extra \$1000? The extra amount, you need to release the obligation and then those funds add back into your allocation in that source year but sometimes you'll see that your balance goes up. You had an allocation of \$300,000 and you know you spent \$100,000, and your available balance should be \$200,000 in FBMS because that doesn't include any projections, but suddenly you have \$250,000 in there. Where did that come from? They didn't increase your allocation. Well what happened is that something got de-obligated, and there are different rules probably in different regions for how you can re-obligate those funds, but if they're for the same purpose and the same thing because the company went out of business, in our region we can go ahead and re-obligate that. If you want to use that \$50,000 for something completely different, well then you're supposed to go back to your program lead at the state office and be sure that's okay. You also have to remember when you re-commit those funds you need to use that

Telling Budget Where To Go

source year. You could get de-obligations on IGOs or contracts that might be 2 or 3 years old, and so they may be in the source fund year of XXX or 12X or 13X, and so when you go to re-obligate those you need to re-obligate them the way that they came in so that you're accessing those funds in the source year in which they were de-obligated. Your analysts can run detailed reports to find all this out and tell you what it was and exactly how much and what fund codes you need to use to get those things re-obligated.

So we know that obligations include all the stages of a procurement or purchase, and we talked about adjusting our spend plans after the commitment or obligation is made if those 2 amounts are different. Liquidating an obligation by de-obligating it is basically the same thing. You need to go back and adjust your records. An obligation was made to a vender but the expense was for less, and I gave you some examples of how that can happen. You've got to de-obligate the remaining amount. If you're not going to use that remaining amount because the project was actually completed or you don't need that service, then you need to be sure you're talking with your local analyst and your state program lead so that they know that that money is sitting there so they can use it, or maybe they have something state wide that is the same purpose that they want to re-obligate those funds, but the key is to track those obligations and check on their status and de-obligate them as appropriate. Our state office goes through that exercise several times during the year, especially with permanent change of station or PCS. They plan for a certain amount for someone to move and it costs less than that, so 1 or

Telling Budget Where To Go

2 years down the road they'll de-obligate those funds and close out that move, and then those funds become available for use for another PCS. So there should be a spend plan and a cuff record for any unliquidated obligations and a spend plan and a cuff record when you're re-obligating those de-obligated amounts. You want to be sure that you know what you're state office directives on on that and what your guidance or rules are for the re-use or re-obligation of those funds.

So let's talk about writing justifications. We've gone through the report process so far and what those look like, and some key things to keep in mind with what's in and what's out of those reports. We've talked about de-obligations and how that changes your available balance in FBMS, so now we're gonna spend some time talking about writing the justifications that go with your project submissions when you're building your budget and your spend plan for the next fiscal year. We just went through that process in submitting all of our projects for FY15, and we submit ours to the state office. Every field office submits their projects in a project list and puts them in BPS, which as we know is going away the end of this month. So with each one of those projects, those projects could span several sub activities. The project is named XYZ, but that project XYZ is using funds from several different sub activities, and that's where our spend plan comes into play to be sure that we're tracking each of those sub activities within that individual project. So as you submit those projects and you're thinking about justifying those, because as we know the directives have come out from

Telling Budget Where To Go

Washington that all of the projects that BLM engages in or wants to start or continue with need to be tied to national priorities and the state director priorities. So you have a much better chance of being funded if you're tying your project specifically to the priorities that have been set nationally and locally. That's how you get your projects funded, and that's how the state office will go through and prioritize all those projects for everyone in your region or your state, and the ones that meet those directives or those state and national priorities are the ones that are gonna get funded. The best way to ensure your projects get consideration is to write solid justifications. Now keep in mind, somebody in budget at the state office or in Washington or in a program, somebody just like me is making a decision on what gets funded and what doesn't. Somebody like me is making a list of all those projects and prioritizing them, and the only thing they have to go off of is what you've written. The person who's prioritizing these and making decisions probably has never met you, doesn't know what a great resource manager you are, doesn't even know where Montana is maybe, has never been out to Montana or to your area, and they're looking at your justifications, and their job is to put those in priority order so that those submissions can be aligned with what congress enacts for our budget. So the better your justification, the more competitive your project. Don't assume that the person who's doing this prioritizing knows your region, knows you, knows about your program. Make sure that all of the key relevant information is in that justification, and break down your justification into dollar amounts for each sub activity. If you scoped your project and you know it's gonna cost \$100,000, and you're gonna use 5 different

Telling Budget Where To Go

sub activities, be sure that you're saying I'm using 5 sub activities with \$20,000 in each one or however that breaks down. That's just an example. Again, tie that work to national and local priorities set by your state director and the director of the Bureau of Land Management and state an impact if that work is not completed. If that project does not move forward, what happens? And I'm not suggesting that you type up a thesis for each one of these. Type up something very concise so that if I'm reading this and I'm making some judgment calls about how the priority list is gunna go for thousands of different projects, that I get a real good sense of what you're doing and why you're doing it and what's gunna happen if you don't do it. Each one of these is getting read by somebody and they have to make determinations off of what you put in your documentation.

So let's go to slide 13. I want to talk about budget training that's available, and then we'll go – I wanted to be sure that we left ample time at the end for questions because I think that's really important. We've moved through a lot of material and examples in the presentation, and so I want to be sure that you have lots of time to ask your questions and that we can get more specific for you.

So the end of what I'm gunna talk about is about budget training. Again that's on slide 13. The National Training Center along with many, many budget experts spent 2 or 3 years developing a very in-depth budget training course, and that is in DOI.Learn, and the course number is there on your slides, and the course length is about 6 hours, and I'd say that's 6 hours if you're humping through it,

Telling Budget Where To Go

and I would not suggest you do it 6 hours in a row. You can go back and pick up where you left off and work on it, you know, over a period of time. The course is going to provide you with an overview of the BLM budget process, and it's also going to help you understand your budget responsibilities in the budget process. So by collaborating with a broad range of specialists, the National Training Center produced this very in-depth budget training package. The instructors and collaborators on this training package include branch chief, district and field managers, Washington office program leads, budget professionals, management analysts, and supervisors in BLM program offices who oversee the budget in BLM offices. The training is broken down into modules and leads you through a variety of real-life exercises to prepare you for your budget responsibilities. And this isn't an overview type of thing. This is actually having you work on a spend plan, it's actually having you track your obligations given various scenarios, so I really recommend it. I had recommended to the National Training Center. After I reviewed it - I was asked to review it before it went live, and I suggested that they make it a part of the emerging leaders, programs. I don't know if it's applicable to pathways or some of the other leadership development programs that they have, and they're taking that under consideration for future years. It's so important that when you come into your supervisory position or as program folks that everyone understand the budget and understand where to go to get information and how to track these expenditures. I've worked not just for BLM. I've worked in other parts of government, and as the years go by it all gets more complex. It all gets more specific. Systems change, new systems are brought in, congressional

Telling Budget Where To Go

oversight, demands that we produce more specific reporting about accomplishments, about what's happening, about where the money went, and in order to get to that kind of specificity it requires a lot more coding, a lot more tracking, a lot more planning. In the budget world we talk about lumpers and splitters, and lumpers are folks who lump everything together and get estimates, and that's really what you're doing for your spend plan, and splitters are the folks on the accounting side and the folks kind of downstream from that who have to be sure that you stayed within your allocation, that you've stayed within your project amount, and that all of the beans are accounted for. So you're lumping and you're splitting. It's really not one or the other anymore, it's really both, and I know that it takes up a lot of your time as managers and supervisors, but that's just the reality of it. So I really encourage you to go through that full budget training, and thank you very much for being part of this today, and I hope you've got some good questions at the end.

So if you go to slide 14, I want to talk a little bit more about the course that combines video lectures and exercises in 5 specific areas: BLM budgeting process, kind of how it works from the national office on down; BLM cost structure, and that's something that I had a question submitted on about why that is so complicated and I'll speak to that in a moment, allocating operating funds, how those come down through Washington and your state office, then maybe your district office into the field; your BLM budgeting systems, the tools that you have available to help you; and then special funding. So please consider

Telling Budget Where To Go

scheduling some time for yourself to complete the course offering and pass the information on to other staff. This course could shave years off of the trial and error process of getting up to speed in budget on your own, and I really can't recommend it enough.

On slide 15, you're now able to tell your budget where to go. We've reached the end of our journey today except for our question period, and I want you all to know that you can contact me anytime for assistance. I challenge all of you to give your local budget analyst a call within the next week and chat about any issues or concerns that you have, and your analyst should be one of your best work buddies. So go forth and spend wisely, and now we'll open it up for questions. Yancy, do we have anybody who's got some burning issue on their mind?

I'm glad you asked, Theresa. We do have one person in the cue, and we're awaiting the go ahead to let them ask their question.

Okay. Let's go.

Alright.

Theresa, this is Dean in Burns.

Telling Budget Where To Go

Hello.

And since planning is such a big part of this whole budget situation, do you have any idea what's gonna replace the BPS system and when that's projected to come on line?

Well, the budget planning system, BPS, is being decommissioned May 30, and there is nothing being planned to replace it that I have been told about. There was talk I think at the Washington office of developing something. I don't think that really ever got off the ground, because if that was gonna happen they would probably have had to start quite some time ago. There's a lot of concern about that in our region. Our state office has told us that they are downloading everything that's in BPS right now to I think access a database so that we can keep track of it, but going forward there's just nothing that's coming out of Washington about what's gonna happen. Our state office has spoke to us about using spreadsheets. I think they're getting some input from the program leads about how that's gonna be managed going forward, but unfortunately I just don't have any information about what's gonna happen. I really don't think anything's going to happen. I think it's gonna probably be left up to the individual regions, and my take on that is as FBMS was brought up and they've gone to consolidating IT staffing, of course they're looking for ways to cut cost, and so the IT staff is looking at various programs that they have to support and software products, and obviously this is one that made that list. The only thing I can

Telling Budget Where To Go

suggest is that you keep everything in a spreadsheet so that at some point if they do develop a negative product one would hope you'd be able to load your spreadsheet into the new system, and if they offer any committee or work group opportunities about that, I hope all of you would volunteer to work on that to try and come up with a product.

Okay. Thank you.

Uh-huh.

Thanks Dean for your question out there in Burns, Oregon. Did that answer your question?

Uh yeah. It somewhat answers the – well yeah, she answered the question. There's really nothing planned at the moment. Uh, I guess we're just supposed to depend on our state leads and communicate more with them with our requests and plans. So yeah. So hopefully something comes down the pipe to where we can do some planning and get the projects rolling. Thank you.

Thank you. Again, I want to remind all participants or people out there in the field, if you do have questions, please select star 1 on your phone to get your

Telling Budget Where To Go

name in the cue for your question. Theresa, by the way, while we're waiting I do have a question.

Okay.

My question is why is FBMS budget coding so convoluted?

That's a great question and one that I get asked all the time. FBMS is a Department of Interior software product brought from the outside. I'm sure you all know that. It wasn't developed for Department of Interior or by Department of Interior. I think that they purchased it off the shelf and made some modifications. Earlier in the presentation I had alluded to budgets becoming more complicated, more reporting, and this is part of that. There's a lot of congressional inquiries about projects. For instance, it could be as specific as a state senator asking what happened to that boat launch that BLM was building out at Holter Lake. Well in the big scheme of the Department of Interior and BLM, that would be like a needle in a haystack to find that particular thing, but congress asked for those particular details because they want to report back to their constituents, so in order to do that and in order to really track cost by location and project and all of those things, you have to have coding to do that. So the coding structure that is in place allows for things to be tracked, you know, nationally, regionally, district wide, field office wide, by project with your WBS code because we're seeing more and more funds come down tied to specific projects. Now I've been here 3

Telling Budget Where To Go

years, and so I can't speak with a lot of authority about the way it was before I got here, but it seems like the money came down in larger pots, that you would get funding in 1010 and you could spend it on items that were necessary for projects in 1010. Well as it is now, the money comes down and it could be tied to a very specific project within that sub activity and a very specific office. A very specific national priority. You see, some project codes will span offices and span sub activities, and other project codes are very, very specific to an office in an individual thing. That is so those project codes can be called out later and costs can be reported for how much that particular thing costs and how long it took to accomplish it. The how long part is identified by the source year. That came in I think about 2 years ago. Instead of old money just lumping into your XXX source year, every dollar that's allocated or that comes in on challenge cost share or fees or anything is tied to a source year. That source year stays with that money until that account is zeroed out, and when I say zero I mean zero. It can't be -21 cents, can't be +21 cents, it has to be zero. So if a congressman or the public or Washington office wants to look and see how much are these projects costing the western district of Montana for instance and how long is it taking them to do those projects, because if you're carrying forward a lot of those funds that are XX and 12 X in the future years, that's an indication it's taking that long to spend the money. Now there could be reasons for that. It could be that the project takes a long time to complete, but the way that the folks who allocate the funds look at it is that gee, maybe you don't need so much this year if you have all of this old money you haven't spent and these old projects you haven't finished out yet. So

Telling Budget Where To Go

that is part of the reality of the fund code structure. Tracking cost, tracking projects, and tracking how long it took to spend the funds that were allocated. The other reason that the coding is so long in terms of digits is that there's a lot of extra zeroes built in so that as the volume increases or we get more and more years into FBMS with more data elements and data sets, we'll be able to expand our numbering into the future. That's why most of your data fields have a lot of zeroes at the end. It's a very long answer to a pretty short question, but it's a good question and one that I spend a lot of time talking with people about.

Great. I appreciate the answer. I see we have another question in the cue.

Okay.

From Burns, Oregon again.

Okay.

Theresa, as I'm interested in planning, I'm also interested in the accountability or reporting off results, project results, and so that leads me to my next question about PMDS. You discussed a training program that the learning center has put together. Does that program involve training as far as PMDS, and can you elaborate a little more about the budget process and how that whole system works together?

Telling Budget Where To Go

Okay. I'll do my best. That training does not specifically address tying in the accomplishments to the budget. That training is about tracking the budget once you get the funds and then planning for future funding and projects, but it doesn't tie it to those units of accomplishment, and I believe that those are the ones you're talking about reporting in the PMDS reporting system. Those target reports that are being produced track on the PE code, and if you have the cost structure in front of you, you know, that you have a cost center, you have a sub activity, you have a major obligation, major object code, and within that is a program element. Those are the things that are actually tracked in PMDS so that if you say in your district you're going to complete a project that has 100 JNs or PEs or I codes on a construction project, those are all being tracked, and again, it's another tracking mechanism at the national level to look at unit cost. So every time that a PE code is used or reported, they look back at the cost of that particular unit. Sometimes at the national level they're doing comparisons. Why does it cost Burns, Oregon \$20 per JN program element unit and it costs western Montana district \$25 for that same program element in that same sub activity. They're trying to do averages and figure out basically the cost of the work that's being done, and that helps them build budgets for requests to congress in future years because they're always working a couple of years ahead back in Washington. Now on those units in trying to come up with average costs, there's a lot of issues with that where well maybe that's because labor's more in one area versus another or supplies are more. Clearly you'd think supplies in Alaska

Telling Budget Where To Go

and getting them there are gonna cost more than the same supply in the lower 48. So there are a lot of considerations to that, but the target reporting is in a big part used for cost and seeing what things cost as compared to other areas, and also in being able to report to congress and to the public about what's being accomplished. What is happening or how much of something is happening nationwide, region wide, whatever area they want to look at for that particular activity to solve a particular issue. So that's what they're used for and why they exist and basically how they tie into the budget at a very, very high level. They're tying in those PEs at the highest level when they're putting the budgets together in Washington. It doesn't play out so much or maybe even at all at the local level.

Are those budget codes standard? I mean do they ever change? I've got a list of them, and I was just curious do they change over time or can you elaborate on that?

You mean do the PE –

The PE codes.

Yes, they do. They change pretty much every year, and that doesn't mean all of them change every year, but they do change. They will eliminate some, they'll consolidate some, they'll sunset some, they'll bring on new ones, and they'll have

Telling Budget Where To Go

one activity that splits into 2 or 3 newer activities or program elements. So every year in the – I think it's the ABC system, you go into that and you can call up a screen to print out off of the sub activity and PE combinations, and this is a really, really good plan. I'm so glad that you brought this up because those combinations for any year are the only ones that can be used. So if somebody's doing work in – I'm just gonna use JN again or whatever it is, and they keep using JN across all sub activities when they're doing their timesheets or they're doing their target reporting, that will create a lot of errors in the system if JN isn't available in every one of those sub activities. So it's really important that the supervisor run those reports and then let their staff know if you are charging anything, whether it's on a credit card, whether it's your time, whether it's reporting projects, whatever, in this sub activity, these are the only PEs you can use for that. I see a lot of times where people do the same kind of work, so they're constantly reporting it but they're switching sub activities, and that creates what I call bomb outs in FBMS, and every one of those has to get corrected. So it's important to know those combinations. The other part of that is knowing your combination of your source year. This doesn't directly have to do with PMDS or PEs, but it's kind of the same sort of an issue. You need to know what source year you're using and what to access that funding with that sub activity with a matching PE that goes with that, and some of those PEs, as you know, require a project code, so that's another thing that has to be researched or maybe your state office has a cost target sheet with those on it so that you know when I use this sub activity with this PE I must use project or site location code. That's

Telling Budget Where To Go

particularly important or relevant in rec. If you have rec sites or you have operation and maintenance sites, they all carry their own location code as a WBS, and there are many PEs that require those to be used with them.

Thank you, Theresa, I appreciate it. You helped me create that link there between those codes and PMDS. I didn't realize that. And I also want to say that your tables that you used in your presentation, those are very nice and I'm gonna ask to get an example of those for my budget analyst. Appreciate your help.

Yes. Thank you.

Thanks for the question, Dean, out there in Burns, Oregon. Just to finish up real quick, one last question, Theresa, just for everybody out there in the field. What is one tip you can give us all that will make our lives easier?

Make your budget analyst your best friend at work. I say that a little tongue in cheek but not really. I think that knowing that person and interacting with them and being able to ask them questions, there's no – I tell everybody here there's no stupid question. You might get a stupid answer from me, but there's no stupid question. A lot of it is just understanding how the system works, that it's not that your analyst or your finance folks or whatever don't want to do something for you; 99.9% of the time it's systems driven. There's some rule, there's some

Telling Budget Where To Go

way the system works that we have to do it a certain way, so I think having those dialogues with them to understand that really helps so that you know what we have control over and what we can change and how we can structure our reports or whatever versus this is the way it comes and that's just kind of the way that it is. A second tip to that is really keeping good tracking, knowing what funds you have available and then keeping track of your expenditures as you go. I see a lot of folks trying to do that the last couple of weeks. They think they have until September 30, and they don't. Because our system cuts us off in August, we really have to balance by the n, and they're trying to do all their balancing, you know, a week or 2 before the system closes. I would suggest that you build in time every month and maybe even more than that at the end of the year that you're looking at your cuff records, you're balancing things out, you know what your spend plan is, you know how many pay periods you still have to pay for, and all of those sort of things, so when you get to the end of the year it's not a crisis, that you've done a lot of that work ahead of time. And you're analyst will really appreciate that too. Is there anything else?

It looks like we have some other folks chiming in with a question.

Okay.

We have Cheryl from out of Oregon, and she should be coming on shortly with her question.

Telling Budget Where To Go

Hi Theresa. This is Cheryl. Tara and I each have a question, but I'm gonna go ahead and go first.

Okay.

I am fairly new in my position as a budget analyst. In fact, I've only been in this position since the 1st of January.

Okay.

So thank you so much for the training. Every little bit helps, and then the other training you talked about, the 6-hour training. Is there anything else that I could take, that I need to be looking at? We're over here in eastern Oregon and we're pretty far from the state office, so it just kind of seems sometimes that we're floundering out here, so I just want to take whatever I can take to be helpful so that I'm helpful to our staff.

Right. Well when I came into this position, they were brand new 3 years ago. They didn't have analysts at all in our entire region, and they hired several of us at the same time to support different parts of the region, and so we didn't have anything. We went to the state office a couple of days and they gave us a manual and they went through some things, but for the most part it's been trial

Telling Budget Where To Go

and error and trying to gather as much information as I could not knowing if I was gonna need to use it or not. What I would suggest is that you give me a call maybe after this and I can go through a list of some of my source documents with you. Be sure you have an FBMS user's manual. Be sure you know how to get to that, that you're able to run those PE sub activity crosswalks that you know where to go to get your WBS codes. I'm not sure how your state is structured or what they produce or how much of that is online that you can use. I'm a big believer in printing things out. I know there's a lot of stuff online, but when I need it, I need it, and I need to go right to what I need, so I don't know how you have yourself organized, but there's a few key things you're probably want to print out and not just rely, you know, online. In terms of the whole DOI FBMS, there's a whole bunch of things out there. A lot of them don't apply to us. A lot of them are for other financial people or procurement people. Sometimes I'll watch some of those anyway just to kind of see what they're saying, even if it doesn't directly apply to my job. Like fleet, I don't necessarily do that part of it but I wanted to learn about that. So there are some kind of generic trainings out there that you could sit in on or look at and then say okay, what part of that really applies to me. The other thing that I would suggest is that you job shadow someone. If you have any travel funds available or travel filling or your state does, I would go sit with somebody that's really experienced for a couple of days at least and see how they have everything set up. Where do they go to get this? I was part of a mentoring program in Arizona, and Dean was too, and I think we can both speak to how valuable that is to have a resource that you can spend time with and in

Telling Budget Where To Go

this particular case where it's very, very job specific, that you can really pick their brain and get a jumpstart.

Alright. Thanks, Cheryl, for that question.

Thank you. We have one more from this room. Is that okay?

Absolutely.

Okay. So my name's Tara McClain and I'm actually a realty specialist, and I don't know if you're gonna know the answer to this question, but since you have the stuff that was talking about justifications I'm kind of hoping you will.

Okay.

I'm wondering how program money is driven by widgets? I've gotten 2 opposing points of view from a couple of Washington office leads. One is because, you know, in lands and realty our work is very customer driven. It depends completely on what comes through the door, and so one person told me that it's important that we produce the widgets because if we're producing the widgets then the Washington office sees that we're producing the widgets and as a result they'll give us more 1430 money, which I'm sure you know 1430 – well maybe not in your neck of the woods. In our neck of the woods 1430 is always busted.

Telling Budget Where To Go

Okay.

And then on the flipside, I've had somebody tell me that it's really important that we not go over the widgets that were assigned to us because that shows Washington office that we're doing just fine with the amount of money that we have and that we don't need anymore. So which is it?

Both. Having worked in Washington, if you ask 5 different people you get 15 different answers. Yes it's driven by the widgets. We talked about that when we talked about the PMDS reporting and the PE codes, so when you're using your 1430 with your PE code that says you're doing that kind of work, that does in fact drive it. It drives the cost per unit of that widget, and it tells Washington and congressmen that amount of widgets are being done. On the other hand, there is a big guidance out there, I guess, to not go over the widgets. In our state, we are not allowed to go over 100% because the state office says you can't possibly be more than 100%. So what do you do then? I would seek advice from your state office about that. I know that they don't like to see in general that you go over your widgets, and that's not just because it shows you're doing more with less, which everybody wants, but it kind of goofs up the math because how can you do more than 100% of what you're supposed to be doing. It does make somebody think that the reporting is not right or something's wrong with that because 8 hours a day every day of the week all year long is basically 100%, so

Telling Budget Where To Go

you want to talk with your state leads about that too. The way that the funding comes down happens like 2 years – they're working on 15, 16, and 17 already back in D.C., and the way that they're able to work on things that far in advance is from running all of those reports and looking at historical data. That's a lot of how government works. They look back at historical data that says we did this so we're probably gonna do that again, and it costs this so it's probably gonna cost that again. So when you're submitting your BPS projects – I don't know if 1430 for you is part of that, I'm assuming it must be, but writing those justifications and talking about the cost per unit or what needs to be done in that area and what's not happening, or if we got this we'd be able to accomplish more, it's really getting the folks who make the decisions to understand what you're saying. With that as well though, they're starting with a dollar amount. It's not an infinite pot, so they're getting some idea through the congressional budget process and the committee review and the White House budget what those priorities are and how much funding is going to be tied to those. So when they're looking at prioritizing all of this or looking at how many widgets are gonna be accomplished into the future, they really are balancing that up against a best guess for how much funding is going to be allotted in that area, and that is based on national priorities, department priorities, and politics. What projects are going to be most favorably looked upon by the people who fund the Department of Interior and the Bureau of Land Management? That's just a reality. Congressmen want to have projects happen in their districts, they want to be able to say to their constituents that they provided funding for whatever it is or

Telling Budget Where To Go

new expansion or redoing of lands, or some new feature or some protection in their area, so I don't know if you follow the politics in Oregon or if you look at the websites from your congressmen that say what their priorities are. You can read those and then see how that translates out into their feelings about the projects that you're running in your office. Does that make sense?

Yes. Thank you.

Alright. We'd like to thank Cheryl _____ and her coworkers out there in Oregon for those excellent questions, and Theresa Dauty we know you can be reached – you put the information in the last slide, but –

It's Theresa Dauty at tldauty@blm.gov. that's my E-mail, and my direct office phone is 406-533-7620, and I'd be happy to speak with anybody at any time and try and show what knowledge I have and get you to the right place to get more specific answers if you need them.

Excellent. We would like to thank Theresa Dauty for her presentation, for her time and her expertise. The National Training Center would also like to thank our audio crew for this excellent performance they put on for us today, and we would like to thank all the participants in attendance as well as for giving these excellent questions. This audio forum will be placed on the National Training Center's

Telling Budget Where To Go

home page under the Knowledge Resource Center or KRC and also on our audio forum site. That concludes the presentation at this time.

_____ of the Bureau of Land Management's National Training Center