



## MEMORANDUM FOR THE RECORD

**SUBJECT:** Civil Service Labor and Labor Related Other Personnel Costs

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### Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the requirements for ensuring a successful year end closeout of labor and labor related other personnel costs that must be considered prior to fiscal year end and others that will be required prior to posting to SAP.

### Guidance

The following must be considered prior to fiscal year end:

1. Need for Agency guidance regarding the following:
  - a) Cutoff for approval of change of station (COS) moves including GHS/HHG
    - Funding is based on when the webform is approved at the center and submitted to the NSSC or the Enter on Duty (EOD) date, whichever is earlier
      - NSSC obligates anticipated projection in advance of finalized COS orders
    - Recommend no webforms be submitted to the NSSC for processing between September 3, 2010 and October 1, 2010
      - This will need to be coordinated with Center Human Resource Offices and the NSSC
  - b) Student loans
    - Recommend processing no later than September 3, 2010
      - This will need to be coordinated with the NSSC
  - c) Awards
    - Recommend no awards, excluding Presidential Rank Awards which are accrued at fiscal year end, should be processed between September 6, 2010 and October 8, 2010
  - d) Recommend early cutoff for processing of extended TDY generated taxes processed by NASA Travel Offices
    - Recommend cutoff prior to processing of fiscal year end accrual by each Center

- Although Centers may process accruals from 9/1/2010 through 9/16/2010, the actual accrual posting date will be 9/30/2010 for all Centers
- e) Reimbursable funding
- Must follow obligation authority of customer funds
2. Presidential Rank Awards
- a) Must use FY 2010 funds since approved on September 30, 2010
- Recommend earlier approval be granted
- b) Agency will distribute funds (awards + tax liability) early September
- c) All applicable centers will accrue total anticipated cost
- d) In October, some will receive partial payments since they are expected to reach a salary cap
- SES bonus white paper recommends funds should be obligated and remain obligated until the award is actually paid/costed
    - Per NEACC since funds will be obligated before October 1, 2010 Centers should be able to post cost to expired funds
      - NEACC will include this in test scenarios for 11.1
3. WebTADS leave allocation:
- a) SR 194696 scheduled for 11.1 implementation
- Release will address current FYE leave allocation in time for FY2010 split pay period processing
  - Vice allocating leave on entire pay period, leave will be allocated based on direct charges by FY for the split pay period only
    - September 30, 2010 and earlier leave will be allocated to prior year WBSs
    - October 1, 2010 and later leave will be allocated to FY2011 fiscal year WBSs
4. Coordination will be required between Human Resources and Center Labor Analysts to ensure the following are considered when processing the fiscal year end labor accruals:
- a) Determine lump sum cost based on departures before September 11, 2010
- b) Provide financial impact of incentive payments (recruitment, relocation, retention, severance, etc)

- c) Determine impact of hires and losses prior to October 1, 2010
- d) Project additional overtime or other project requirements
- e) Project impact of compressed schedules on costs
- f) Project reimbursable fund impact

5. Labor accrual:

a) Overall process:

- Each center chooses a pay period file processed within the same accrual month.
- ALDS automatically applies the designated increase to salary, overtime, differentials, and related benefit costs by WBS/Fund based on the number of applicable days to be included. In FY10 there will be 14 days
  - All of pay period 20 (9/12 – 9/25/10)
  - 4 days of pay period 21 (9/26 -9/30/10)
- ALDS Tool allows % increase to above costs if additional staff, overtime, etc. is expected
  - ALDS also allows costs to be deleted manually if necessary
- Other personnel costs accrual tool allows increasing only the following costs by WBS/Fund
  - Buyout
  - Lump sum
  - Presidential rank award
  - Retention bonuses
  - SES bonuses

b) Accruals should occur no later than September 17, 2010 and should include the following:

- Standard accrual to include salary, overtime, differentials, and related benefit costs by WBS/Fund based on the number of applicable days to be included
  - Accrual of reimbursable labor funds is an option, but should be left to each Center's discretion
- Use of the ALDS Accrual Tool to increase the above costs should be left to each Center's discretion

- The other personnel costs accrual tool should be used by all Centers to accrue known other personnel costs to be processed within the accrual timeframe
- c) Will require extensive coordination between the following offices at each Center
- Human Resources
    - September hires and losses
    - Change of Station (COS) including HHG and GHS
    - Incentives offered
    - Lump sum calculations based on losses from pay periods 18 and 19 (lump sum follows by 2 pay periods)
  - Resources/Finance
    - Projecting above costs
    - Understand potential program impact (i.e. overtime)
    - Identifying projections to ALDS
    - Impact of compressed schedule on prior year costs
    - Incorporating changes from Labor Budget
6. Non-split pay period ending September 25, 2010 (please note that PPE 9/25/2010 is the first pay period of FY2011.
- a) Under normal circumstances Centers would be able to review program funding reports from ALDS on September 29, 2010 (as long as processing occurs without delays), thus allowing for redirection of project funds to labor for issues that may arise
    - The specific date for reopening ALDS is TBD by the NEACC Release Team
    - Recommend a JV if additional expiring funds are required after review of ALDS program funding reports
  - b) Impact for the split pay period is unknown at this time

The following must be considered prior to SAP posting in FY2011:

1. Split pay period ending October 9, 2010
  - a) Centers will be able to review program funding reports from ALDS no earlier than October 13, 2010

- Need to determine process for gathering funds needed to cover fund shortages identified
  - 2 year appropriations
    - If 100% obligations are required, contracts will need to be deobligated very quickly and budget availability changed to labor commitment item
  - 1 year appropriation
    - Year end accrual estimates critical
    - Need to have enough to process all days September 30, 2010 and prior
    - Do not want to overstate accrual and lose funds
- 2. Once the accrual is reversed in FY2011, in cases where funding shortages are identified after review of program funding reports from ALDS, Centers should follow the recently approved process noted below:
  - a) Current SAP system edits allow users to process upward obligation adjustments on expired funds up to 10% or \$500.00, whichever is lower. Anything outside of these parameters will require an SR and OCFO approval
  - b) SR's created to request approval of upward obligation adjustments on expired funds should be categorized as Yearend and include "CAS" in the description. This will ensure that they receive top priority for review and approval by the OCFO. If an SR has not been acted upon within 2 business days, Centers should contact OCFO/Charles McIntosh or OCFO/John O'Fallon to request expedited processing
  - c) Per recently approved Agency procedures, expiring Funds will not be rolled up at the Agency level as part of the FY 2010 closing process. Instead any unobligated funds remaining in expiring accounts will remain at the Centers until the end of the first quarter of FY 2011. This will leave a small amount of funding available at the Centers to facilitate the completion of adjustments to existing obligations anticipated early in FY 2011.

The items listed above will facilitate obligation of all one year funds where they will be utilized and will allow for unobligated labor funds to be obligated using other non-labor mechanisms prior to fiscal year end. Although these steps will help mitigate the risk associated with CAS being a one year appropriation, Centers recognize a risk still exists but can be minimized following Agency recommended procedures.