



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Memorandum

Subject: ^{CF0-2011-001} Guidance for Executing Departmental Intra-Agency Agreements

NOV 23 2010

From: Christopher P. Bertram *C.P.B.*
Assistant Secretary for Budget and Programs, and Chief Financial Officer

To: Heads of Operating Administrations, OST Secretarial Officers, General Counsel,
Senior Procurement Executive, Chief Financial Officers, OST Administrative Officers, Chief
Acquisition Officers

In reviewing certain proposed intra-agency agreements (IAAs) among departmental components, my office has noted some inconsistencies among these important funding documents. After consulting with the Office of General Counsel and the Office of the Senior Procurement Executive, this memorandum reiterates existing policy for the proper form and content of all IAAs throughout the Department. This guidance also highlights related procedures for the management of these agreements during a period of temporary funding under a Continuing Resolution (CR). **OA Chief Financial Officers are responsible for ensuring that these policies are followed.**

When entering into IAAs for the provision of goods or services, the following procedures are applicable:

1. Each DOT Organization is responsible for ensuring IAAs are awarded and managed in accordance with Section 9 of the Financial Management Policies Handbook and other applicable laws and guidance.
2. No goods or services shall be provided until a fully executed IAA is in place. The fully executed IAA must include the full-year agreement amount in block 15 on DOT Form 2300.1a. Buyers must provide their obligation number in block 4A and provide a copy of their obligating document/purchase order to the Seller. A fully executed IAA includes all elements listed in Section 9.5.3.c, Required Elements of Interagency/Intra-agency Agreements, of the Financial Management Policies Handbook.
3. Renewable IAAs shall be established prior to the start of a new fiscal year. The full-year amount of the agreement must be included in block 15 on DOT Form 2300.1a.
4. For IAAs with a period of performance starting at the beginning of a fiscal year, the following language shall be included in the IAA and the buyers obligating document/purchase order:

“This agreement is Subject to the Availability of Funding. Should a Continuing Resolution be enacted, advances will be taken/obligations will be recorded in accordance with Continuing Resolution guidelines, with the CR percentage based on the FY XXXX agreement of \$XXX or the prior FY XXXX amount, whichever is less. Upon enactment of full-year funding for FY XXXX, remaining advances/obligations shall be taken/recorded as specified in the agreement.”

This language enables IAAs and obligating documents/purchase orders to be fully executed in advance of the start of the fiscal year should an appropriations act or CR not yet been passed.

5. Buyers must have a corresponding obligating document/purchase order signed and in place prior to the first day of the period of performance of the IAA. The obligating document must include the full-year agreement amount and the agreement must be recorded in the Department’s accounting system – Delphi. For IAAs with a period of performance starting at the beginning of the fiscal year, obligations shall be recorded as soon as Delphi opens for processing current year transactions.
6. Advance payments are mandatory for all agreements unless the enabling legislation does not authorize it. Initial advance payments must be collected when the agreement is first signed, and are to be collected quarterly, thereafter. For IAAs with a period of performance starting at the beginning of the fiscal year, advances will be taken by the Seller as soon as Delphi opens for processing current year transactions.

When executing IAAs during a period of temporary funding under a CR, the following procedures are applicable:

1. At the beginning of each CR period, buyers must immediately record an obligation in Delphi in accordance with the CR amounts.
2. Under a CR, the Seller should confirm with the buyer before an advance is taken to ensure that the advance amount is consistent with CR guidelines.

All existing FY 2011 IAAs and obligating documents shall be modified immediately to conform to this policy. When entering into future IAAs, OAs shall follow the guidance listed in this memo with no variation in the above procedures.

Any questions regarding these procedures should be directed to my office.