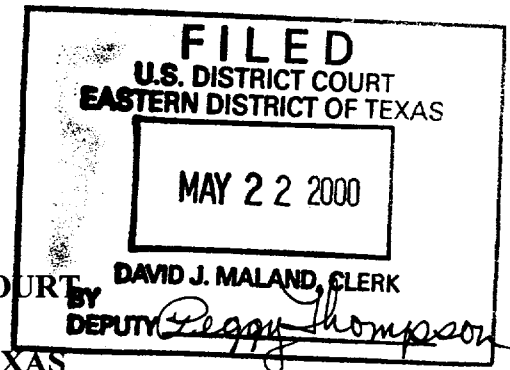


General Order No. 00-3



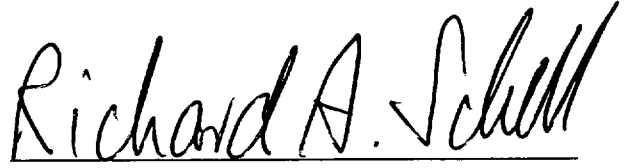
IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS

**GENERAL ORDER ADOPTING BUDGET ORGANIZATION PLANS
FOR U.S. DISTRICT CLERK'S OFFICE AND U.S. PROBATION**

It is hereby ORDERED that the attached Budget Organization Plan for the U.S. District Clerk's Office and the Budget Organization Plan for the U.S. Probation Office, having been approved by the judges of the court, are ADOPTED.

Signed this 18th day of may, 2000.

FOR THE COURT:


RICHARD A. SCHELL
Chief Judge

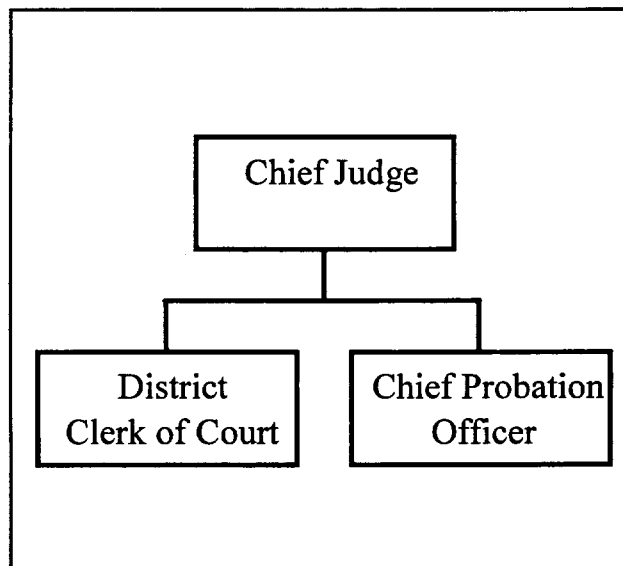
**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS**

**BUDGET ORGANIZATION PLAN
U.S. District Clerk's Office
Approved by the Court: March 2000**

Budget decentralization was approved by the Judicial Conference in 1987 and fully implemented in this court in FY 1994. The cost control monitoring system (CCMS) was locally implemented in FY 1995, and allotment simplification was locally implemented in FY 1998.

The Conference has directed each court to adopt written budget organization procedures and submit a plan to the Administrative Office. The following guidelines, along with the district clerk's office's *Internal Financial Control Plan*, provide the system for budget planning and monitoring for the clerk's office in the Eastern District of Texas. The district court clerk's office, probation office and bankruptcy court clerk's office have separate plans for budget organization.

I. Budget Management Structure



II. Duties and Responsibilities of Chief Judge and Clerk of Court

A. Chief Judge

By statute, the Director of the AO is responsible for handling contracting, procurement and property management and disposal issues for the federal courts. See 28 U.S.C. § 604. The director has delegated this authority to the chief judge. See 28 U.S.C. § 602(d). Although the chief judge acts as the "chairman of the board" in local financial matters, the responsibility for managing budget and financial programs has been delegated in writing by

the chief judge to the district clerk and chief probation officer for their respective court units.

The chief judge and other judges on the court receive from the clerk of court quarterly budget reports which contain a status of funds report, a summary of expenditures to date and a proposed plan of expenditures for the coming quarter. The chief judge and the district and magistrate judges are periodically notified of budget meetings being held by the clerk of court and are welcome to attend these meetings in person or via video.

B. Clerk of Court

Fund allotments are made directly by the AO to the clerk of court, who is responsible for ensuring that unit spending does not exceed the sum of these allotments.

1. General Responsibilities

- a. Manages the unit's budget on a day-to-day basis (note: the clerk has delegated this function to the budget analyst).
- b. Makes budgetary decisions.
- c. Coordinates with the chief probation officer and the clerk of bankruptcy court as necessary to fulfill court goals.
- d. Adheres to rules and regulations governing decentralized budget management and procurement.

2. Budget Planning

- a. Develops short-term and long-term budget goals.
- b. Coordinates development of quarterly spending plans to meet these goals.

3. Budget Execution

- a. Develops a system of local fund controls to ensure fund allotments are not exceeded.
- b. Organizes periodic financial management reviews consistent with the guidelines for budget decentralization.
- c. Reviews and approves the reprogramming of funds from one budget category to another.
- d. Initiates requests for supplemental funding.

III. Financial Operating Processes

A. Budget Planning, Development and Presentation

1. Calendar

The finance administrator monitors budget and finance deadlines and informs the clerk, budget analyst, procurement clerk and others as to dates for budget calls, appeals, reprogramming, etc.

2. Division of Budget Formulation Responsibilities

The budget analyst and procurement clerk have been delegated the responsibility of preparing the budget.

3. Coordination with Other Units

The clerk of court, chief probation officer and clerk of bankruptcy court confer throughout the year regarding joint projects and spending needs.

4. Priority Ranking and Determination

Should budget resources not be adequate to meet all budget needs, the clerk, at a budget meeting, discusses with the chief deputies, procurement clerk, finance administrator and systems manager the cost, urgency of need and alternate plans in order to set spending priorities.

5. Spending Plan Review and Decision Process

The clerk of court prepares quarterly spending plan reports and documentation which are reviewed by the district and magistrate judges. The court managers provide predictions of spending needs for special items. The procurement clerk and the budget analyst work together to project spending based on the previous fiscal year and the previous months of the current fiscal year to determine what funds are available for discretionary spending.

B. Budget Execution

1. Financial Status Reports

The status of funds report is prepared by the budget analyst at the beginning of each month and for each budget meeting. The report is submitted to the Administrative Office every three months, October through June, and every month July through September. The clerk and managers review the status of funds report at each budget meeting.

2. Accounting Input and Reconciliation

- a. Purchase orders are input into ASAP, our current budget tracking software, by the procurement clerk and the procurement assistant. Each of these individuals reviews and approves the other's purchase orders. All purchase orders are listed in a master log.
- b. Vouchers are entered by the finance deputy in preparation for printing checks. The vouchers are inspected and approved in ASAP by the budget analyst.
- c. Allotments and reprogramming are entered into ASAP by the budget analyst.

3. Program Spending Reviews

Clerk's office spending is reviewed each month during October through August, and weekly during September. The clerk and managers review spending during regularly scheduled budget meetings.

4. Reprogramming Procedures

- a. Intra-fund transfers are made by the budget analyst to place funds in the proper BOCs (i.e., budget categories) for purchases approved during budget meetings. Funds are also moved between BOCs based on projected spending needs for the fiscal year. At the end of the fiscal year, the budget analyst moves money between BOCs as necessary to pay bills that arrive late and are not on purchase orders.
- b. Inter-fund and inter-unit transfers are initiated by the clerk of court. They are entered into the Administrative Office's financial database on the Infoweb by the budget analyst and also into ASAP after being approved through the Infoweb..
- c. A monthly report is printed from ASAP showing all reprogramming activity. This report is submitted to the clerk for approval. The signed reports are kept on file by the budget analyst.

5. Supplemental Funding Requests

Requests for supplemental funding are initiated by the clerk of court and submitted to the AO via Infoweb or memo by the procurement clerk, budget analyst, systems manager or clerk. The clerk must certify that surplus funds are not available based on planned spending needs, and if appropriate, contact the bankruptcy clerk and chief probation officer to inquire if excess funds are available.

6. Personnel Projection System (PPS)

The Personnel Projection System database is managed and reconciled by the personnel specialist. The chief deputy in Tyler also has access to the database as a backup, and checks several times a year to see if PPS information has been entered properly into the database. The PPS system is also used to predict the needed amount of salary funds for the fiscal year. The personnel specialist reconciles the PPS system to the payroll printouts bi-weekly. The budget analyst enters a voucher in ASAP for each pay period based on the figures prepared by the personnel specialist.

7. Postage Reporting System (PORS)

The procurement assistant has authority to incur postage obligations and enters PORS information into the Infoweb database.

8. Immigration and Naturalization Ceremonies and Statistics (INS Reporting System)

The Tyler jury clerk is responsible for entering into Infoweb statistical information on naturalization ceremonies by date and location and the number of citizenship oaths administered.

C. Fund Control

1. Delegations

The chief judge has delegated authority to the clerk of court for management of annual allotments and procurement. These delegations are in writing and are maintained by the finance administrator. The clerk, in turn, designates various deputy clerks to perform budget and finance functions.

2. Budget and Obligating Authority

The *Internal Financial Control Plan* for the district identifies in Attachment I which deputy clerks have authority to incur obligations and sign vouchers, invoices and bills for payment. Their responsibilities in each area are specified in the *Plan*.

a. Reporting and Oversight Responsibilities

The *Internal Financial Control Plan* identifies deputy clerks' responsibilities including collections, receipts, deposits, disbursements, fund control, time and attendance, payroll certification, management of non-appropriated funds and management of procurement and property.

b. Spending Plan Changes

The clerk of court monitors actual spending against planned funding levels in each BOC, making adjustments as needed and reflecting these adjustments in the status of funds report.

c. Status of Unliquidated Obligations

The budget analyst provides a monthly report of unliquidated obligations on AO Form 185 to the Accounting and Financial Systems Division. Periodically the procurement clerk and the procurement assistant(s) check unliquidated obligations to determine if the obligations can be canceled, and notify the budget analyst of any purchase orders which can be de-obligated.

d. Status of Funds Report

The status of funds report is prepared and transmitted to the AO by the budget analyst within 10 days following the end of each designated reporting period. The budget analyst is the point of contact to answer questions about the report.

3. Expenditure of Funds

a. Authority for Approving Cash Outlays

The *Internal Financial Control Plan* contains the procedures used by the clerk's office to ensure that all vouchers are properly approved and supported by appropriate authorizations. These procedures comply with Treasury Department and judiciary regulations.

b. Pre-audit and Post-audit Requirements and Responsibilities

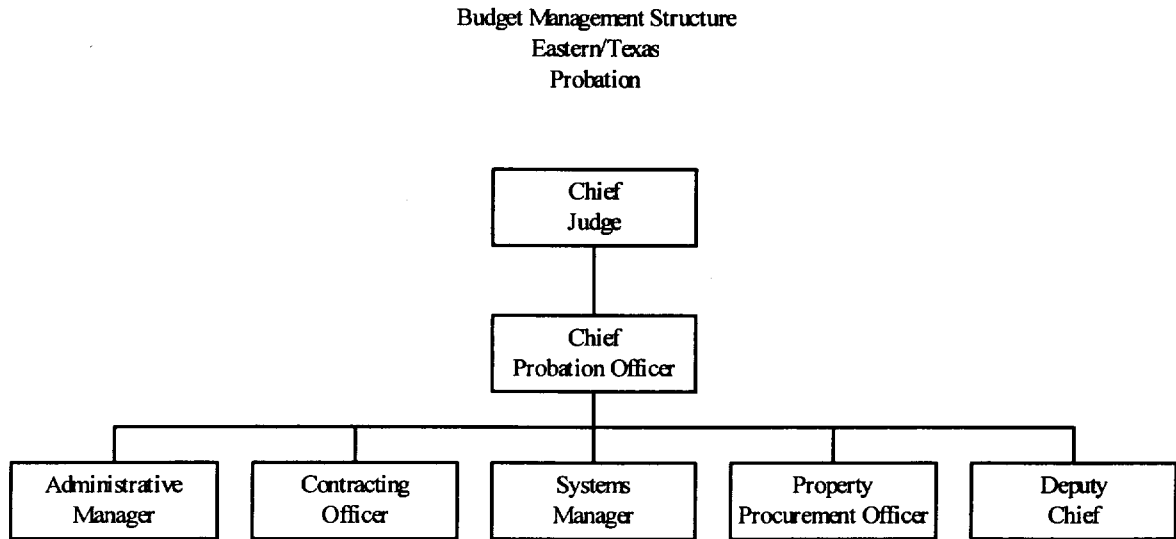
The clerk's office strives to minimize transaction errors by auditing invoices and vouchers before and after the disbursement of funds. The *Internal Financial Control Plan* describes these procedures in detail.

BUDGET ORGANIZATION PLAN
U. S. PROBATION
EASTERN DISTRICT OF TEXAS
Approved by the Court: March 2000

Budget decentralization was approved by the Judicial Conference in 1987 and fully implemented in this court in FY 1994. The cost control monitoring system (CCMS) was locally implemented in FY 1995, and allotment simplification was locally implemented in FY 1998.

The Conference has directed each court to adopt written budget organization procedures and submit a plan to the Administrative Office. The following guidelines, along with the *Internal Control Manual*, of the U.S. Probation office, provides the system for budget planning and monitoring for the probation office in the Eastern District of Texas. The district court clerk's office, probation office and bankruptcy court clerk's office have separate plans for budget organization.

I. Budget Management Structure



II. Duties and Responsibilities

A. Chief Judge

By statute, the Director of the Administrative Office is responsible for handling contracting, procurement and property management and disposal issues for the federal courts. See 28 U.S.C. § 604. The director has delegated this authority to the chief judge. See 28 U.S.C. § 602(d). The chief judge has delegated in writing the responsibility for managing budget and financial programs to the chief probation officer for the day-to-day operations of the court unit. The chief judge reviews the Status of Funds report quarterly.

B. Chief Probation Officer Role -Unit Executive

Fund allotments are made directly by the Administrative Office to the chief probation officer, who is responsible for ensuring that unit spending does not exceed the sum of these allotments.

1. General Responsibilities

- a. Manages the unit's budget on a day-to-day basis (note: the chief probation officer has delegated this function to the administrative manager).
- b. Makes budgetary decisions.
- c. Coordinates with the clerk of court and the clerk of bankruptcy court as necessary to fulfill court goals.
- d. Adheres to rules and regulations governing decentralized budget management and procurement.

2. Budget Planning

- a. Develops short-term and long-term budget goals.
- b. Coordinates development of quarterly spending plans to meet these goals.

3. Budget Execution

- a. Develops a system of local fund controls to ensure fund allotments are not exceeded.
- b. Organizes periodic financial management reviews consistent with the guidelines for budget decentralization.
- c. Reviews and approves the reprogramming of funds from one budget category to another.
- d. Reviews, approves and certifies requests for supplemental funding.

III. Financial Operating Processes

A. Budget Planning, Development and Presentation

1. Calendar

The administrative manager monitors budget and finance deadlines and informs the

administrative committee as to dates for budget calls, appeals, reprogramming, etc. The administrative committee consists of the chief probation officer, administrative manager, contracting officer, systems manager, property and procurement officer and deputy chief.

2. Division of Budget Formulation Responsibilities

The chief probation officer and administrative manager are jointly responsible for preparing the budget. The chief probation officer shall designate to the administrative manager the development of each component of the budget formulation. The spending plan shall be developed jointly by the administrative committee.

3. Coordination with Other Units

The chief probation officer, clerk of court, and clerk of bankruptcy court confer regarding joint projects and/or spending needs.

4. Priority Ranking and Determination

Should budget resources not be adequate to meet all budget needs, the chief probation officer discusses with the administrative manager, contracting officer and systems manager the cost, urgency of need and alternate plans in order to set spending priorities.

5. Spending Plan Review and Decision Process

The administrative manager prepares quarterly spending plan reports and documentation which are reviewed by the chief probation officer. The administrative committee provides predictions of spending needs for special items. The administrative manager, procurement officer and the contracting officer work together to project spending plans based on the previous fiscal year and the previous months of the current fiscal year to determine what funds are available for discretionary spending.

B. Budget Execution

1. Financial Status Reports

Reconciliation of the Monthly Unliquidated Obligations report (AO Form 185) and Account Balance report is prepared by the administrative manager. Quarterly reconciliation of the Status of Funds report is prepared by the administrative manager. The chief probation officer reviews the Account Balance report to monitor allotment balances and forecast expenses for the fiscal year.

2. Accounting Input and Reconciliation

- a. Purchase orders are prepared by members of the administrative committee and forwarded to the administrative manager for input into AcctraK, our current budget tracking software. Purchase orders are approved by the chief probation officer and/or administrative manager. All purchase orders are listed in a master log.
- b. Vouchers are prepared by members of the administrative committee and others and entered by the administrative manager into AcctraK. The vouchers are inspected and approved by the administrative manager and forwarded to the clerk of court for printing checks. The vouchers are inspected and approved by the clerk of court's finance deputy prior to expenditure of funds.
- c. Allotments and reprogramming are entered into AcctraK by the administrative manager.
- d. Quarterly reconciliation of the Status of Funds report with the Monthly Unliquidated Obligations report and Account Balance report is prepared by the administrative manager. The Status of Funds report is submitted to the Administrative Office every three months, October through June, and every month July through September.

3. Program Spending Reviews

The probation office's spending is reviewed each month during October through August, and weekly during September. The chief probation officer, administrative manager and members of the administrative committee review spending and spending patterns during budget meetings.

4. Reprogramming Procedures

- a. Intra-fund reprogrammings are approved by the chief probation officer and funds are placed in the proper BOCs (i.e., budget categories) by the administrative manager for spending needs for the fiscal year. At the end of the fiscal year, the administrative manager moves funds between BOCs as necessary to pay bills that arrive late and are not on purchase orders.
- b. Inter-fund and inter-unit reprogrammings are initiated by the chief probation officer and/or appropriate unit executive. They are entered into the Administrative Office's financial database on the Infoweb by the administrative manager and also into AcctraK after being approved through the Infoweb.
- c. A monthly report is printed from AcctraK showing all reprogramming activity. The reports are kept on file by the administrative manager with the

monthly reconciliation reports.

5. Supplemental Funding Requests

Requests for supplemental funding are initiated by the chief probation officer and submitted to the AO via Infoweb by the administrative manager. The chief probation officer must certify that surplus funds are not available based on planned spending needs, and if appropriate, contact the bankruptcy clerk and clerk of court to inquire if excess funds are available.

6. Personnel Projection System (PPS)

The Personnel Projection System database is managed and reconciled by the administrative manager. The systems manager also has access to the database as a backup. The administrative manager reconciles the PPS system to the Administrative Office's biweekly payroll printouts. The administrative manager enters a transaction into AcetraK for each pay period based on the figures reconciled with PPS and the payroll printouts. The PPS system is also used to predict the required salary funds for the fiscal year. The chief probation officer reviews PPS reconciliations.

7. Postage Reporting System (PORS)

The administrative manager has authority to incur postage obligations/refills and enters PORS information into the Infoweb database. Postage transactions are incurred from both shared and unshared meters. The clerk of court's procurement assistant notifies the administrative manager of postage obligations and the responsible probation clerk notifies the administrative manager of postage refills.

8. Interpreter Usage by Language Report

The Interpreter Usage by Language Report is prepared quarterly by the administrative manager and faxed to the Administrative Office. Interpreter "rate of pay" is monitored by the administrative manager.

C. Fund Control

1. Delegations

The chief judge has delegated authority to the chief probation officer for management of annual allotments and procurement. This delegation is in writing and maintained by the clerk of court and administrative files of the chief probation officer. The chief probation officer, in turn, designates various personnel to perform budget and finance functions.

2. Budget and Obligating Authority

The *Internal Controls Manual* for the probation office identifies personnel having delegated authority to incur obligations, sign vouchers and invoices for payment. Their responsibilities in each area are specified in the *Manual*.

a. Reporting and Oversight Responsibilities

The *Internal Controls Manual* identifies personnel responsibilities including drug contracting, disbursements, fund control, time and attendance, payroll certification, earning statements, common carrier tickets, management of non-appropriated funds and management of procurement and property.

b. Spending Plan Changes

The chief probation officer and administrative manager monitors actual spending against planned funding levels in each BOC, making adjustments as needed and reflecting these adjustments in the Status of Funds report.

c. Status of Unliquidated Obligations

The administrative manager provides a monthly report of unliquidated obligations on AO Form 185 to the Accounting and Financial Systems Division. Periodically the systems manager and contracting officer check unliquidated obligations to determine if obligations can be canceled, and notify the administrative manager of any purchase orders which can be de-obligated. At the end of each fiscal year, the administrative manager de-obligates unspent purchase order balances.

d. Status of Funds Report

The Status of Funds report is prepared and transmitted to the Administrative Office by the administrative manager quarterly (Jan 10, Apr 10, July 10) and monthly thereafter (Aug 10, Sept 10, Oct 10). The administrative manager is the point of contact to answer questions about the report.

3. Expenditure of Funds

The administrative manager strives to minimize transaction errors by auditing invoices and vouchers before they are forwarded to the clerk of court for disbursement. The *Internal Controls Manual* describes these procedures in detail.