




Memorandum

**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Date: MAY 6 2010

Subject: CFO-2010-003 CFO Authority and Oversight Policy

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

To: Heads of Operating Administrations, OST Secretarial Officers, General Counsel,
Chief Financial Officers, OST Administrative Officers

PURPOSE

This policy has two purposes:

1. To restate the oversight role of the Assistant Secretary for Budget and Programs, and CFO (DOT CFO) pertaining to the Budget, Financial Management, and Program Performance offices throughout DOT and the Enterprise Service Center (ESC); and,
2. To explain the concurrence role of the DOT CFO over Core Senior Budget, Financial Management, and Program Performance positions including performance awards and bonuses.

AUTHORITY

The authority for this policy is Title 31 U.S.C. Section 902, CFO Act of 1990. The Congress mandated financial management reform by enacting the CFO Act (P.L. 101-576), which establishes a leadership structure, provides for long-range planning, requires audited financial statements, and strengthens accountability reporting. Some of the duties assigned to the CFO under this Act:

- Report to the head of the agency regarding financial management matters;
- Oversee all financial management activities relating to the programs and operations of the agency;
- Develop and maintain an integrated agency performance and financial management system, including financial reporting and internal controls;
- Direct, manage, and provide policy guidance and oversight of agency financial management personnel, activities, and operations, including:
 - The recruitment, selection, and training of personnel to carry out financial management functions; and,

- The approval and management of financial management systems design or enhancement projects.

RESPONSIBILITIES

Organizational Structures

To ensure that each DOT Operating Administration (OA) has an organizational structure in place that enhances DOT's financial efficiency and effectiveness and meets the spirit and intent of the CFO Act:

- Each OA and the Office of the Secretary of Transportation (OST) will staff a dedicated CFO position responsible for the oversight of all budget, financial management, and performance activities relating to the programs and operations of the OA. The OA CFOs will report directly to their Administrator. The OST CFO will report to the Deputy Assistant Secretary for Budget and Programs.
- The DOT CFO will provide policy direction and guidance to the Director of the Enterprise Services Center (ESC). For administrative purposes, the Director of ESC reports to the Director of the Mike Monroney Aeronautical Center.
- The DOT CFO may assign additional duties to an OA CFO as long as the additional duties do not detract from the OA CFO's primary responsibilities and functions.

Selection of Budget, Finance and Performance Personnel

The CFO Act addresses the need for a cadre of highly qualified budget and financial management professionals and assigns responsibility for recruiting, selecting, and training personnel to carry out budget and financial management functions to Departmental CFOs. The DOT CFO has determined that the following Core Senior Budget, Financial Management, and Program Performance positions are the center of effective financial management activities within DOT, and require special oversight by the DOT CFO:

- Chief Financial Officers;
- Deputy Chief Financial Officers;
- Directors of Budget;
- Directors of Financial Management/Accounting;
- Directors of Program Performance;
- OST Administrative Officers;
- Equivalent OA and OST positions in Budgeting, Financial Management and Program Performance;
- Director of the ESC;
- Deputy Director of the ESC.

To ensure that the DOT CFO maintains sufficient oversight and leadership pertaining to the qualifications, recruitment, performance, and retention of DOT's Core Senior Budget, Financial Management, and Program Performance positions (Core Positions):

- Any organizational change to OA or OST Financial Management or Budget offices must be approved by the DOT CFO.
- All Budget, Financial Management, and Program Performance Senior Executive Service selections submitted to the Executive Resources Board (ERB) must be routed to the DOT CFO for concurrence before the selection is finalized.
- All Core Positions, which are not at the SES level, must also be routed to the DOT CFO for concurrence before the selection is finalized.
- All changes to the Positions Descriptions for the Core Positions must be reviewed by the DOT CFO.
- Acting designations for the positions of CFO, Director of Budget, Director of Financial Management, and Director of Program Performance must be reviewed by the DOT CFO.
- Vacancy announcements for the positions of CFO, Director of Budget, Director of Financial Management, and Director of Program Performance must be reviewed by the DOT CFO before posting.
- Annual performance plans, annual ratings, and proposed awards and bonuses for Core Positions must be routed to the DOT CFO for concurrence.

APPLICABILITY/ DELEGATION / EXCEPTIONS

This policy applies to all DOT Operating Administrations, the Office of the Secretary, and the Enterprise Services Center.

EFFECTIVE DATE

This policy is effective May 6, 2010. It supersedes the CFO Authority and Oversight Policy, dated December 14, 2006