

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, DC 20250

DEPARTMENTAL REGULATION	NUMBER: DR 1010-001
SUBJECT: Organization Planning, Review, and Approval	DATE: January 4, 2018
	OPI: Office of Human Resources Management

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1. PURPOSE

This Departmental Regulation (DR) describes the policy and actions for making changes to organizational structures within the United States Department of Agriculture (USDA). It is intended to streamline and simplify the process of organizational change in order to facilitate the implementation of optimal organizational structures throughout the agency.

2. SPECIAL INSTRUCTIONS/CANCELLATIONS

- a. This DR supersedes DR 1010-001, *Organization*, dated July 20, 2006, in its entirety.
- b. This DR only addresses organizational changes that require the Office of the Secretary's (OSEC) prior approval. Mission Areas, agencies, staff offices, and Departmental Management will maintain procedures consistent with this DR for planning, review, and approval through their leadership of any reorganization that does not require prior approval of OSEC.

3. SCOPE

This DR applies to all USDA Mission Areas, agencies, and staff offices.

4. AUTHORITY

The authority to approve the creation, elimination, or transfer of an entire Mission Area, agency, or staff office is reserved to the Secretary pursuant to 5 U.S.C. 301 and *Reorganization Plan No. 2 of 1953*.

5. POLICY

- a. OSEC will approve organizational changes that require any or all of the following:
 - (1) The realignment or reorganization of a function across or within Mission Areas, agencies, or Departmental staff office lines;
 - (2) Any management-initiated reductions in staff;
 - (3) The closure or of an entire office or the effective curtailment of office operations;
or
 - (4) The transfer of an entire office across congressional district lines.
- b. Approved reorganizations are to result in a reasonable and supportable grade structure. In addition, organization changes must provide balance among Mission Area, agency, or staff office needs, economy and efficiency of operations, sound skill and knowledge utilization, and maximum attraction and retention of employees. Any organizational change that impacts the official organization chart must be prepared in the required format and contain the appropriate signatures as defined by this DR (see Appendix E). A copy must be provided to the Office of Human Resources Management (OHRM) for the record.

- c. The requirements of this DR do not apply to organizational changes that are directed by statute, or are a result of the direction of other Federal organizations that provide funding to the Department to carry out activities on their behalf. This exception does not relieve Mission Areas, agencies, or staff offices from the requirements to notify relevant organizations within the Department, to seek approval prior to the use of workforce restructuring authorities, or to document the organizational changes.

6. ROLES AND RESPONSIBILITIES

- a. Mission Areas, agencies, and staff offices proposing a reorganization are responsible for:
 - (1) Developing reorganization work plans in accordance with this DR;
 - (2) Consulting with unions as appropriate;
 - (3) Consulting with the servicing Human Resources Operations (HRO) organizations, budget officers/Chief Financial Officers (CFO), internal civil rights staffs, and other USDA Mission Areas, agencies, and staff offices potentially impacted by the reorganization; and
 - (4) Submitting approved documents for review and coordinating a meeting with OHRM, Office of Budget and Program Analysis (OBPA), Office of the General Counsel (OGC), and Office of Congressional Relations (OCR) to address, discuss, and resolve potential issues with effective implementation of the proposed reorganization.
- b. Mission Area, staff office, and agency HRO organizations are responsible for:
 - (1) Working with internal stakeholders on the development of the proposed reorganization and providing guidance on the classification, position management, and staffing implications;
 - (2) Assisting internal stakeholders as needed on collective bargaining agreements and considering human capital planning requirements in the proposed change;
 - (3) Coordinating the assignment of organizational structure codes in compliance with established data element standards that accurately reflect the functional placement of the organization within the hierarchy; and
 - (4) Completing required payroll/personnel actions for implementation.
- c. Civil Rights Offices are responsible for ensuring that all actions covered by this DR are in compliance with current civil rights and Equal Employment Opportunity (EEO) laws

and regulations, and, if applicable, identifying any barriers to full compliance and actions to eliminate or mitigate those barriers.

d. OHRM is responsible for:

- (1) Providing advice and assistance on organizational restructuring, position management, and span of control;
- (2) Ensuring coordination between the Mission Areas, agencies, staff offices and the Office of Personnel Management on the use of workforce flexibilities to implement organizational changes; and
- (3) Maintaining the repository for USDA official organization charts and ensuring that organizational charts on file are up-to-date.

7. PROCEDURES

- a. Prior to implementing a reorganization or realignment, Mission Areas, agencies, and staff offices are to work with HROs, finance/budget officers, and other internal stakeholders to prepare the reorganization work plan and submit the document for concurrent clearance to OHRM, OBPA, OGC, and OCR through their Mission Area. Mission Areas, agencies, and staff offices should respond to the information requested in the reorganization work plan and identify the types of documentation to be prepared.
- b. After sufficient time for concurrent review of the work plan, the requesting organization must coordinate a meeting of representatives from the above-listed offices to discuss the work plan and address, discuss, and resolve any concerns with the work plan and implementation of the proposed reorganization prior to submitting the work plan to OSEC.
- c. OSEC can either inform a Mission Area, agency, or staff office to proceed with the reorganization work plan and delegate review and approval of future documentation to the Under or Assistant Secretary, inform a Mission Area, agency, or staff office to proceed and request future documentation be provided to OSEC for review and approval, or inform the Mission Area, agency, or staff office to not proceed with the proposed plan.
- d. The following documents are required, if applicable to the proposed change, as part of the review and approval process:
 - (1) The completed and approved work plan;
 - (2) A narrative describing the proposed changes and the rationale for those changes [required for all 1010 packages];

- (3) A Summary of Changes, in the form and content set forth in Appendix D, that details the effect that the proposed changes would have on the budget, as well as one-time costs associated with the proposed changes including relocation costs, severance pay, buyouts, retraining, outplacement services, and/or lease termination costs. The budget analysis should explain how one-time costs would be absorbed [required for all 1010 packages];
- (4) A statement acknowledging that all applicable labor relations organizations that represent affected employees have been notified of the proposal, and certifying that the proposing officials have met or will meet all applicable labor relations obligations [required for all 1010 packages];
- (5) Copies of current and proposed staffing plans for all affected organizations. The proposed staffing plans must specify proposed changes in positions and/or funding and must show all titles, pay plans, series, grades, and duty stations affected by the proposed changes [required if the proposed change will result in a change in staffing plan(s)];
- (6) A statement acknowledging that the proposed changes are in compliance with current civil rights and EEO laws and regulations, and, if applicable, identifying any barriers to full compliance and actions to eliminate or mitigate those barriers [required for all 1010 packages];
- (7) A current and proposed official organizational chart, in the form and content set forth in Appendix E, bearing the original signature of the appropriate Under Secretary, Assistant Secretary, Assistant to the Secretary, or staff office head [required if the proposed change will result in a change in the organizational chart];
- (8) Revised functional statements, in the form and content set forth in Appendix F, for all impacted units [required if the proposed change will result in a change to the functional statements];
- (9) If applicable, a description of changes that will be needed in the delegations of authority (per 7 CFR 2). If no change to the delegations is needed, a statement affirming that the delegations have been reviewed and that no changes are needed must be submitted;
- (10) If applicable, an Incidental Transfer Agreement (ITA); see Appendix G);
- (11) Signed notification from the Mission Area, agency, or staff office Chief Financial Officer indicating that all internal control requirements have been met (see Appendix H) [required for all 1010 packages]; and
- (12) A draft copy of a letter for the Secretary to the appropriate

Congressional committee(s) notifying them of the proposed organizational change and mitigating factors [required for all proposed changes that trigger one of the notification requirements included in USDA's annual appropriations language].

8. CHANGES REQUIRING INCIDENTAL TRANSFER AGREEMENTS:

- a. ITAs are only required if personnel, funds, property, space, or records transfer from one Mission Area, agency, or staff office to another. In such cases, a written ITA will be prepared subsequent to the approval of the organizational change to document which personnel, funds, property, space, or records will be transferred (see Appendix G).
- b. The losing Mission Area, agency, or staff office is responsible for preparing the ITA and circulating it for signature. The following officials must sign the ITA:
 - (1) The head of each Mission Area, agency, or staff office involved in the transfer if the transfer is between agencies;
 - (2) Each Under Secretary, Assistant Secretary, Assistant to the Secretary, or staff office head involved in the transfer;
 - (3) The Director, Office of Operations;
 - (4) The Director, OHRM;
 - (5) The Director, OBPA; and
 - (6) The Assistant Secretary for Administration (ASA).
- c. The losing Mission Area, agency, or staff office must provide a copy of the ITA to OHRM after final approval by the ASA.

9. REVISING ORGANIZATION CHARTS

- a. Any approved changes in an organization's structure may also require a change to one or more titles of the organizational units impacted by the change. Mission Areas, agencies, and staff offices will revise internal working charts and the official organizational chart, as reorganizations are approved by the head of the organization.
- b. Functional (working) charts reflect lines of reporting and oversight for organizational functions and activities. These charts do not necessarily reflect the organizational structure codes that were built to support the reporting relationships and the

payroll/personnel reporting requirements; however, through a crosswalk, unit activities should correspond to what is approved in the official organizational chart.

- c. The official organizational charts reflect approved organizational structures and the codes that support the hierarchical lines of reporting as well as payroll/personnel reporting requirements. The hierarchy will reflect the Office of the Under Secretary, the Office of the ASA, or staff office Director down to the division or equivalent level of the organization.
- d. Proposed title changes of Mission Areas, agencies, staff offices, or those offices and programs identified in statute can only be changed by statute, Executive Order, regulation, or Secretary's Memorandum.
- e. OHRM, as the repository, maintains the current approved official organization charts in the required format (see Appendix E).

10. RECORDS RETENTION AND DISPOSAL

Organizational files are permanent records. All records should be maintained in accordance with the appropriate records retention period, and disposed of in accordance with the National Archives and Records Administration (NARA) approved disposition schedules and records keeping guidance.

- END -

APPENDIX A

DEFINITIONS

- a. Agency: Organizational units of the Department, other than staff offices, whose heads report to officials within the Office of the Secretary, Deputy Secretary, Under, and Assistant Secretaries.
- b. Branch: An organizational component of an agency that reports to a division or equivalent.
- c. Congressional Notification: A letter that is drafted for the Secretary's signature notifying the Appropriations or other authorizing committee(s) of the proposed organizational change.
- d. Division: A major functional component within an agency or staff office.
- e. Function: An action, role or activity assigned to and performed by an organization.
- f. Functional (working) Organization Chart: For purposes of this DR, a graphic representation of an organization's current or proposed structure at each level which is reflected from the Under Secretary's level down to the lowest level impacted. This chart may reflect position titles.
- g. Interagency Transfer Agreement (ITA): A required document that provides information on personnel, funds, property, space, and records that are affected by functions and activities that transfer between Mission Areas or agencies. This agreement must accompany the reorganization proposal for a transfer of function.
- h. Mission Area: A group of agencies with related functions that report to the same Under or Assistant Secretary. Research, Education, and Economics (REE) is an example of a mission area.
- i. Office: A permanent facility in a state, county, city, or a National Forest that is recognized as a discrete entity by both members of the public and the agency, and to which Federal employees are permanently assigned. Offices are described by separate listings in public or agency phone books and Web sites. An ARS laboratory in Florida, and a Food Safety and Inspection Service (FSIS) District Office in Colorado are examples of offices.
- j. Official Organizational Chart: A graphic representation of the organization's proposed structure that reflects each level of the hierarchy from the Office of the Under Secretary, ASA, or Staff Office head down to the division level or equivalent. It must reflect the organizational structure codes that support the payroll and personnel system. It must bear the agency or organization's mission statement, signature of the Under Secretary and the

ASA, and the date of the last approved organization chart that is being superseded by the current organization chart. Official organizational charts should not have employee names listed. Official organizational charts are maintained by OHRM.

- k. Program: An activity within an organization primarily concerned with the delivery of food or agricultural services.
- l. Realignment: The movement of a group of employees in their position and the activity performed when an organization structure change occurs. Realignments do not result in a change to the employee's position, pay or grade.
- m. Reorganization: The planned elimination, addition, or redistribution of functions or duties in an organization or the movement of a function/activity within a competitive area.
- n. Staff Office: Departmental administrative offices whose heads report to officials within the Office of the Secretary
- o. Staff Office Head: A general officer of a staff office who reports directly to the Secretary of Agriculture. The Director, OBPA is an example.
- p. Transfer of Function: Occurs when a function will cease in one competitive area and move to another competitive area that does not perform that function at the time of the transfer; or the movement of a competitive area in which the function is performed in a different local commuting area.
- q. Unit: Any component, subdivision, or group of employees that is directed by a supervisor.

APPENDIX B

ACRONYMS AND ABBREVIATIONS

APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
ASA	Assistant Secretary for Administration
CFR	Code of Federal Regulations
DM	Departmental Management
DR	Departmental Regulation
FS	Forest Service
FSIS	Food Safety and Inspection Service
FTE	Full-time Equivalent
FWS	Federal Wage System
GS	General Schedule
HRO	Human Resources Operations
ITA	Incidental Transfer Agreement
NARA	National Archives and Records Administration
NRE	Natural Resources and Environment
OBPA	Office of Budget and Program Analysis
OCR	Office of Congressional Relations
OGC	Office of the General Counsel
OHRM	Office of Human Resources Management
OSEC	Office of the Secretary
P.L.	Public Law
SES	Senior Executive Service
SL	Senior Level
ST	Scientific (or Professional)
U.S.C.	United States Code
USDA	United States Department of Agriculture

APPENDIX C

AUTHORITIES AND REFERENCES

- a. [5 CFR 351](#), *Reduction in Force*
- b. [5 U.S.C.](#) *Reorganization Plan No. 2 of 1953, as amended (7 U.S.C. 2201 note).*
- c. [5 U.S.C. 301](#), *Departmental Regulations*
- d. [5 U.S.C. 305](#), *Systematic Agency Review of Operations*
- e. [7 CFR 2](#), *Delegations of Authority by the Secretary of Agriculture and General Officers of the Department*
- f. [7 CFR 2.24](#), *Agriculture, Delegations of authority by the Secretary of Agriculture and General Officers of the Department, Delegations of Authority to the Deputy Secretary, Under Secretaries, and Assistant Secretaries, Assistant Secretary for Administration*
- g. [7 U.S.C. 2201](#), *Establishment of Department*
- h. [31 U.S.C. 1535](#), *The Economy Act of 1932, as amended*
- i. [DR 3080-001](#), *Records Management*, August 16, 2016
- j. [DR 3085-001](#), *Vital Records Management Program*, August 19, 2011
- k. Office of Management and Budget, Circular [A-123](#), *Management's Responsibility for Enterprise Risk Management and Internal Control*, July 15, 2016 (Note: Portions of this policy have been modified by [M-17-26](#), *Reducing Burden for Federal Agencies by Rescinding and Modifying OMB Memoranda*, June 15, 2017)
- l. [Public Law \(P.L.\) 103-354](#), *Department of Agriculture Reorganization Act of 1994*

APPENDIX D

SUMMARY OF CHANGES

Instructions for Preparing the Summary of Changes Table

- i. Attach a table in the form and content of the one shown below. Report current annual costs, proposed annual costs, and the difference between current and proposed annual costs for the current fiscal year.
- ii. Categorize costs as either "Salary and Benefits" or "Other." "Other" costs include travel, supplies, and equipment costs related to the identified full-time equivalents (FTE). A reduction in FTEs and salary and benefit costs usually results in a reduction in "Other" costs.

**NAME OF MISSION AREA OR STAFF OFFICE
SUMMARY OF CHANGES**

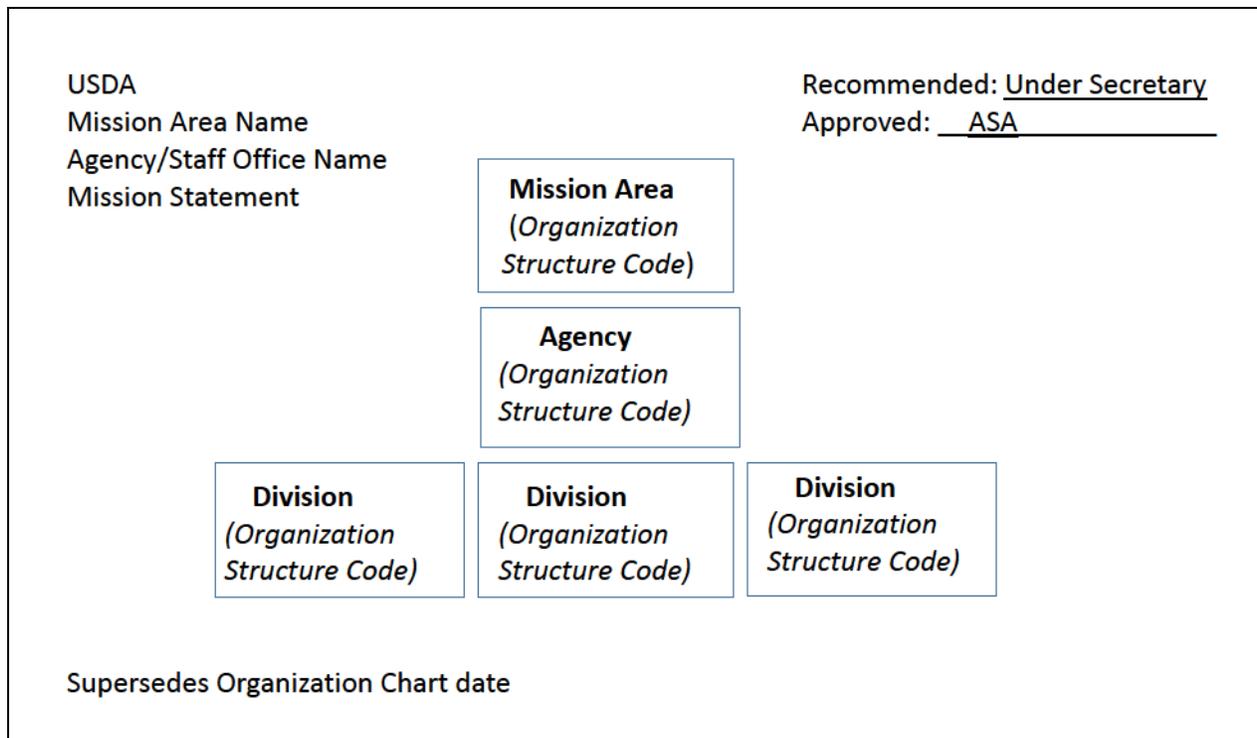
PAY PLAN AND GRADE/COSTS	CURRENT FTEs	PROPOSED FTEs	DIFFERENCE
SES, ST, or SL Positions			
GS-15			
GS-14			
GS-13 and below			
FWS Positions			
Other Positions			
Total FTEs ¹			
Annual Costs			
Cost of Salaries and Benefits			
Other Costs			
Total Costs			

¹These numbers should equal the actual staff years before and after the proposed reorganization. Assume that all Senior Executive Service and Senior Level positions are filled when completing FTE information.

APPENDIX E

SAMPLE: OFFICIAL ORGANIZATION CHART

1. All official organizational charts must be printable in landscape orientation on 8 ½” by 11” paper.
2. Organizational charts must show clear lines of authority. Do not show “dotted line” reporting relationships. Dotted line relationships are only appropriate for temporary project teams and may not be included in official organizational charts.
3. Include the Mission Area, agency, or staff office name and mission statement on the top left-hand corner of the chart immediately under “United States Department of Agriculture”.
4. Include one or two signature lines on the top right-hand corner of the chart. Provide two lines: one for the recommending official to sign and date, and one for the approving official to sign and date.
5. Include the date of the last approved organizational chart that is being superseded by the current organization chart at the bottom left corner of the new chart.
6. Include the organization structure code for each structure.



APPENDIX F

SAMPLE: FUNCTIONAL STATEMENT

Instructions for Preparing Functional Statements

1. On each page of the functional statements, include the name of the Mission Area, agency, or staff office and the date of the revision.
2. Group the major organizational components by office, division, branch, or other major organizational component designation.
3. For each organizational component, list each of the major functions that will be assigned to that major organizational component, including its subcomponents (e.g., when describing the functions assigned to a division, include the functions for every branch that is a part of the division).
4. Individual functions should be described succinctly. Functional descriptions must be consistent with the delegations in 7 CFR 2. An example of the required format is shown below:

UNITED STATES DEPARTMENT OF AGRICULTURE
AGENCY NAME
DATE

Office of the Director of Strategic Planning -- *Assignment of Functions*

1. Provides leadership, direction, coordination and assistance in the areas of: strategic planning for agency-wide strategic planning initiatives.
2. Provides leadership on behalf of the agency Administrator to ensure that the agency's strategic plans supports agency, Mission Area, and Departmental goals.
3. Coordinates the preparation of annual updates to agency strategic and performance plans.
4. Conducts special studies and reports to support the agency's strategic planning and long-term workload forecasting efforts.

APPENDIX G

SAMPLE: INCIDENTAL TRANSFER AGREEMENT

Instructions for Preparing Incidental Transfer Agreements

The Incidental Transfer Agreement (ITA) should contain all the information necessary to identify the functions, employees, funding, property, space, and records that are being transferred. The ITA should contain the following information:

Functions: The ITA should identify all of the functions to be transferred.

Staff Year Ceilings and Personnel: The ITA should identify the FTEs to be transferred for the current fiscal year and any other years for which a ceiling has been assigned. Senior Executive and Schedule C FTEs should be listed separately.

The ITA should also show the employees to be transferred by name, pay plan, title, grade, and type of position (e.g., full-time, part-time, seasonal).

Funding: The ITA should identify all funds to be transferred for the balance of the fiscal year as well as for any future fiscal years for which funds have already been requested.

Property, Space, and Records: The ITA should identify all records, personal property, and space that will be transferred. The losing organization can either itemize all items that will be transferred or make a blanket certification that all items associated with the function will be transferred.

Regulatory Considerations: Any transfer of rulemaking responsibility or transfer of a current delegation of authority in 7 CFR 2 should be identified in the ITA.

APPENDIX H

SAMPLE: MEMORANDUM OF NOTIFICATION TO
THE CHIEF FINANCIAL OFFICER

To: xxxxx
Chief Financial Officer, Department of Agriculture

Re: Human Capital Reorganization Notification to the Chief Financial Officer
Concerning Internal Controls

As the Chief Financial Officer or the Acting Chief Financial Officer of the organization affected by the restructuring, I have reviewed the human capital adjustments and agree that:

- Both the manual and internal controls have been reviewed in accordance with the new processes and procedures of the adjusted structure.
- The internal controls have been adjusted to ensure that proper approvals for contracts and forms will be maintained.
- Internal controls have been adjusted to safe guard the assets of the government.
- Internal controls have been adjusted to ensure the proper accounting and reporting of income, expenditures, obligations, asset purchases, asset dispositions, and liabilities.
- A-123, Section A processes have been adjusted to accommodate change in processes and the new internal controls. The documentation for A-123 has been adjusted for the internal control procedures and testing. The adjusted documentation for A-123 has been delivered to the Office of the Chief Financial Officer.
- The adjustment will not negatively affect the opinion of the annual audit.

The reorganization affects _____ (number adjusted) of staff with a total reduction of _____ FTEs. The reorganization will affect the areas of _____ (i.e. budgeting) of _____ (agency) in _____ (location).

The reorganization is expected to be implemented on _____ (date) and be fully completed by _____ (date).

_____ (signed)

_____ (date)

Mission Area/Agency/Staff Office Chief Financial Officer