



**Core Competencies
for
Budget Analysts
in the Federal Government**

**EXPOSURE
DRAFT**

**A Joint Project of the
Chief Financial Officers Council
and the
Joint Financial Management Improvement Program**

161482

U.S. Government Chief Financial Officers Council

The members of the U.S. Government Chief Financial Officers (CFO) Council—the CFOs and Deputy CFOs of all the 24 largest Federal agencies and senior officials of the Office of Management and Budget and the Department of the Treasury—work collaboratively to improve financial management in the U.S. Government. The CFO Council has become a strong force for active cooperation among agencies dealing with common problems. Its composition of both political appointees and senior career civil servants ensures collaboration and continuity of effort.

Under the Chief Financial Officers Act of 1990, the CFO Council was established to advise and coordinate the activities of the agencies of its members on such matters as consolidation and modernization of financial systems, improved quality of financial information, financial data and information standards, internal controls, legislation affecting financial operations and organizations, and other financial management matters.

The CFO Act legislated broad authority for each CFO to oversee all financial management activities relating to the programs and operations of the agency. With this authority, the CFO will ensure that sound financial management practices are applied in all organizational components of his or her agency and that modern automated financial systems and tools are used. Specific CFO authority varies agency by agency, but may include some or all of the following financial and general management components: budget formulation and execution, facilities or property management, financial operations and analysis, financial systems, grants management, information resources management, personnel, and procurement. Information of the CFO Council can be found at its website:

www.financenet.gov/financenet/fed/cfo/cfo.htm

The Joint Financial Management Improvement Program

The JFMIP is a joint and cooperative undertaking of the U.S. Department of the Treasury, the General Accounting Office, the Office of Management and Budget, and the Office of Personnel Management working in cooperation with each other and other agencies to improve financial management practices in government. The Program was given statutory authorization in the Budget and Accounting Procedures Act of 1950 (31 USC 65). Leadership and program guidance are provided by the four Principals of the JFMIP—Comptroller General of the United States, Secretary of the Treasury, and the Directors of the Office of Management and Budget, and the Office of Personnel Management. Each Principal designates a representative to serve on the JFMIP Steering Committee, which is responsible for the general direction of the Program. The JFMIP Executive Director, and a program agency representative (who serves for 2 years) are also on the Steering Committee.

The Program promotes strategies and guides financial management improvement across government; reviews and coordinates central agencies activities and policy promulgations; and acts as catalyst and clearinghouse for sharing and disseminating information about good financial management practices. This information sharing is done through conferences and other educational events, newsletters, meetings with interagency groups and agency personnel, and through FinanceNet, an electronic clearinghouse on the Internet.

The JFMIP has worked on interagency projects that developed a financial systems framework and financial systems requirements. For the future JFMIP plans to assist Federal agencies in improving their financial systems through its Program Management Office. The Office will work on revising the Federal government's requirements definition, testing, and acquisition processes; the first target of opportunity is core financial systems. The objectives of the Office are to develop systems requirements, communicate and explain Federal and agency needs, provide agencies and vendors information to improve financial systems, ensure that products meet relevant system requirements, and simplify the procurement process.

Information on JFMIP can be found at its website:

www.financenet.gov/financenet/fed/jfmip/jfmip.htm or call 202/512-9201.



MEMORANDUM

DATE: November 30, 1998

TO: Members of the CFO Council and Senior Financial Managers

FROM:  Karen Cleary Alderman
JFMIP Executive Director

 Kenneth M. Bresnahan
Chair, CFO Council Human Resources Committee

Subject: Review of Exposure Draft for Core Competencies

Since 1995, the Joint Financial Management Improvement Program (JFMIP) and the Human Resources Committee (HRC) of the U.S. Chief Financial Officers Council, have worked together to develop core competencies, learning objectives and related development activities for personnel who work in CFO offices. This year, the HRC established a Review Board to ensure the currency of the core competencies documents. The Review Board updated the core competencies for accountants, budget analysts, and financial managers. Attached is an exposure draft of the updated core competencies for budget analysts. We would appreciate that you share this document with human resources personnel as well as those in the financial management community and have them review the draft document.

Please submit any comments to us by January 29, 1999. The draft is posted electronically on FinanceNet under CFO Council Human Resources Committee and JFMIP websites at <<http://www.financenet.gov>>. Comments should be sent to:

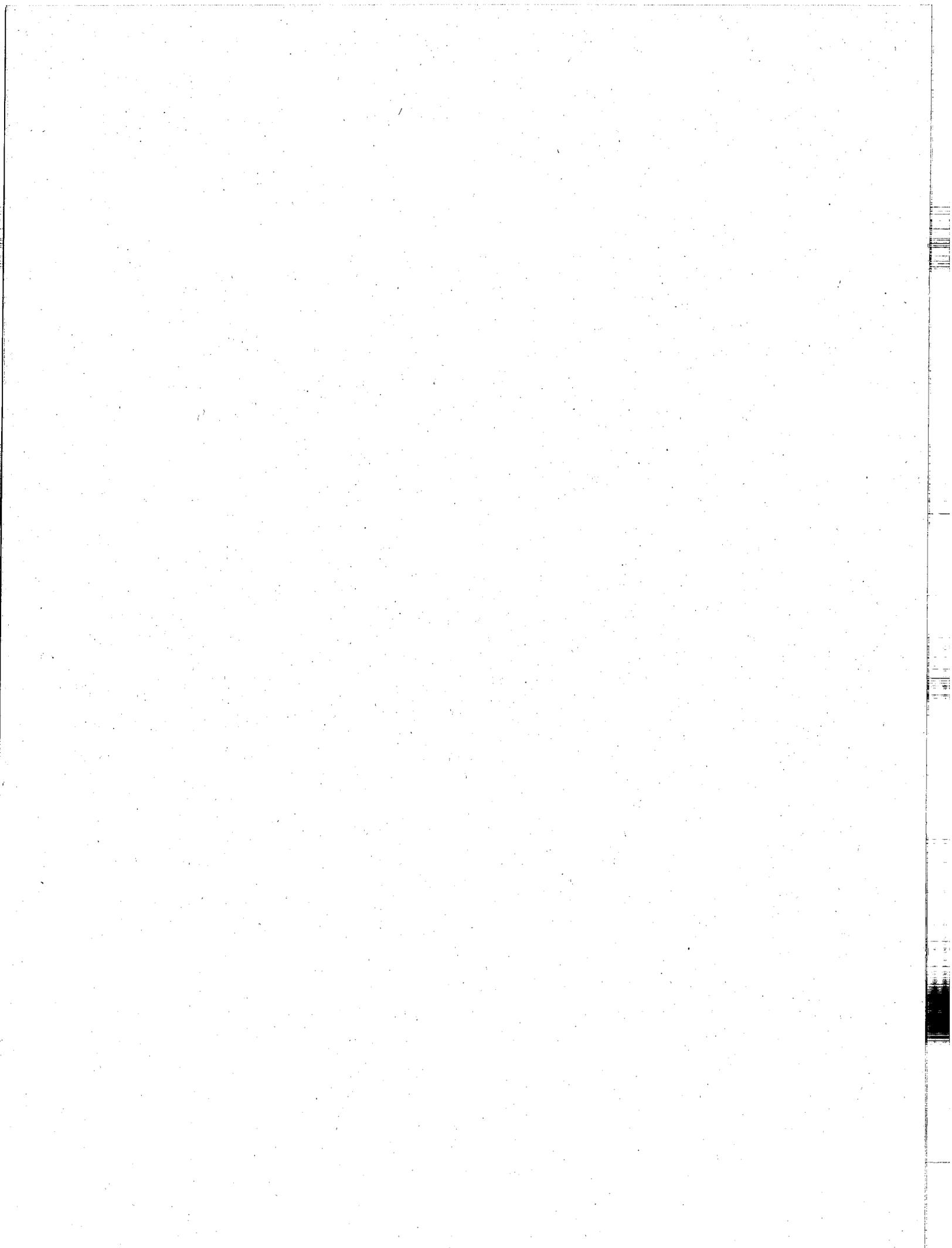
JFMIP

441 G Street NW, Room 3111

Washington, DC 20548 or you may fax your comments to (202) 512-9593.

If you have any questions on the *Core Competencies for Budget Analysts in the Federal Government*, please contact Janet Laytham at (202) 219-6891 ext. 125, or Doris Chew at (202) 512-9216.

Attachment



Foreword

Recent legislation aimed at improving financial management has had a significant impact. Highly qualified and multi-skilled personnel are needed to perform the more complex tasks demanded of Federal budget analysts to assist in having a more efficient and effective government. With legislation such as the Government Performance and Results Act and Federal Financial Management Improvement Act, agency personnel are now required to use Federal requirements that are intended to provide greater accountability and better decision-making in a cost effective manner.

The Human Resources Committee of the U.S. Chief Financial Officers (CFO) Council and the Joint Financial Management Improvement Program (JFMIP) have undertaken efforts to improve the recruitment, training, retention, and performance of Federal financial management personnel. Since 1995, they have centered on a well-defined set of core competencies for financial management personnel. The core competency documents articulate the knowledge, skills, and abilities that are appropriate to help individuals be successful in their jobs. A review board was established in 1998 to ensure the currency of these documents. Core competencies for accountants, budget analysts, and financial managers were reviewed. We will be issuing the revisions separately for each occupational series.

This document, *Core Competencies for Budget Analysts in the Federal Government*, identifies the budget analysts core competencies under the following categories: Budgeting Concepts and Processes, Budget Presentation and Justification, and General. These core competencies (knowledge, skills, and abilities) enable budget analysts to meet the challenges of today's changing environment and the future.

In addition to the technical core competencies, leadership competencies must also be considered. Leadership competencies are the personal and professional attributes that are critical to successful performance in many occupations. The U.S. Office of Personnel Management (OPM) issued the *Leadership Effectiveness Framework (LEF)*.

LEF defines 27 competencies that are important for effective performance at all leadership levels within the Federal government. OPM identified five fundamental executive qualifications found on its website <<http://www.opm.gov/ses/html/ecq4.htm>>.

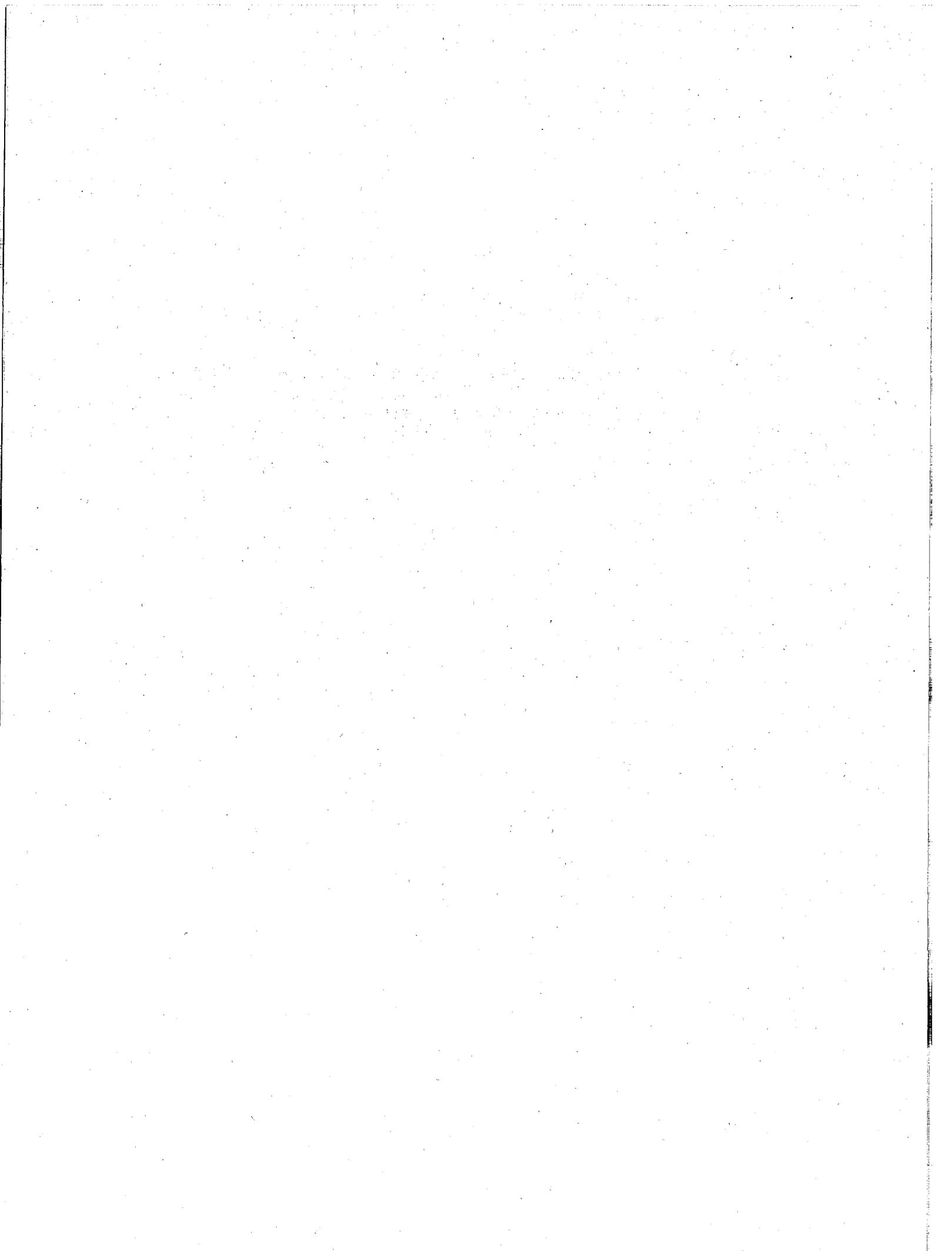
In 1998, the CFO Council approved the statement of principles for Federal financial education and training (Appendix A). This document should be used in conjunction with the other core competencies documents (Appendix B). The core competencies documents will promote a better understanding of human resources development in the Federal government. If you have any comments or changes to this document, please contact the CFO Human Resources Committee or JFMIP.

List of Abbreviations

CFO	Chief Financial Officer
CFO Act	Chief Financial Officers Act of 1990
FFMIA	Federal Financial Management Improvement Act of 1996
GPRA	Government Performance and Results Act of 1993
IT	Information Technology
JFMIP	Joint Financial Management Improvement Program
OMB	Office of Management and Budget
OPM	Office of Personnel Management

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Introduction

The decision to develop core competencies for Federal financial personnel was made in 1994 at a government-wide training symposium sponsored by the Chief Financial Officers (CFO) Council and the Joint Financial Management Improvement Program (JFMIP). The goal of that Symposium was to identify priorities and develop strategies for the professional development of the Federal financial workforce. At the time, Federal financial management was facing unprecedented and significant changes demanded by the convergence of new legislation (CFO Act of 1990, The Government Management Reform Act of 1994, and the Government Performance and Results Act of 1993); an increasing rate of accounting standards issuances, and evolving business practices. Attendees agreed that the first priority would be to identify the core competencies for financial management personnel. This would serve as a base to help CFOs recruit, develop and retain a highly qualified workforce with the knowledge and skills needed to succeed in the 21st century.

The Core Competency project was completed in 1998. A full range of Financial Core Competencies documents has been published. These are:

Framework for Core Competencies for Financial Management Personnel in the Federal Government. This document includes accountants, budget analysts and financial managers. It was published in November 1995.

Core Competencies in Financial Management for Program Managers in the Federal Government.

Core Competencies in Financial Management for Information Technology Personnel Implementing Financial Systems in the Federal Government;

Core Competencies for Financial Systems Analysts in the Federal Government; and

Core Competencies in Financial Management for Management Analysts and Financial Specialists.

Revision

Now that the Joint Financial Management Improvement Program and the Human Resources Committee of the Chief Financial Officers Council have completed their collaborative work defining core competencies for the Federal financial workforce, they have established a Core Competencies Review Board. Since 1995, when the first work was published, changes to financial management have continued to evolve. Subsequent legislation, new FASAB standards, and changes in the profession at large, require revisions to the documents so that they continue to serve as valued reference guides for the financial community.

The *Core Competencies for Budget Analysts in the Federal Government* has been revised to include the following changes in emphasis:

- Analytic skills. Crunching the numbers will always be important for budget analysts, but understanding what the numbers mean is much more critical for effective performance. The ability to discern relationships between budget numbers and performance results is increasing important.
- Knowing the business. Just as one cannot be an effective budget analyst without knowing the Congressional budget/appropriations process or accounting fundamentals, today's budget analysts

must also know and understand the functional programs of their agencies. Justifying budget needs and relating resources to performance results requires program knowledge.

- Using new tools. Technology changes and innovations are constantly providing new tools. Analysts must be able to select those which are most appropriate and then learn to use them expertly.

The revision was prepared by an interagency team of budget analysts.

The core competencies needed to perform the duties of federal budget analysts are divided into three distinct levels. These levels are:

- Level 1 Entry level: learning and applying fundamental policies and procedures, and performing routine activities. This stage can entail 1 to 3 years of developmental experience.
- Level 2 Journeyman level: applying proficiencies as a fully functional and experienced analyst. At this level one is beginning to make sound recommendations to resolve complex budget issues and is capable of integrating a successful multi-disciplinary approach to problem solving.
- Level 3 Senior level: normally a team leader or first level supervisor. At this level the budget analyst makes sound judgements and recommendations, and coordinates and directs others to address budget issues competently.

The knowledge, skills and abilities (KSAs) are listed in the first column of the following matrix. In the center of the matrix, the column entitled "Learning Objectives" describes the performance activities that demonstrate successful achievement of the respective competencies, and the final column lists examples developmental activities and education/training to gain the competencies. These activities include on-the-job training and formal training courses. [Source documents prepared by the Department of Defense served as models for these core competencies.]

How to Use This Document

This document should be used as a guide for making a multitude of workforce decisions from considering qualification factors for recruiting to planning and executing staff development programs. It should stimulate discussion between management and staff regarding training choices or rotational assignments and also assist management to communicate its expectations to staff to help them grow personally and professionally.

Employees should be aware that they have a responsibility for building these core competencies in order to prepare themselves for effectively executing their duties. However, this document is merely a guide. While providing advice to help budget analysts become more effective, it does not guarantee promotion or qualification for specific positions.

Core competencies (Knowledge of, Ability to Use, or Skill in using):	Levels			Learning objectives	Developmental activities	
	1	2	3			
A. Budgeting Concepts and Processes						
1.	Basic budget, accounting and program concepts, principles and terminology. Agency budget principles and procedures and the agency's financial management system.	X	X	X	Conduct research into Agency's financial status. Provide advice to agency officials on budget policies and procedures. Prepare Congressional justification.	<u>Courses:</u> Budget formulation, presentation, & execution. Federal accounting concepts and principles.
2.	Nature, characteristics, applications and structure of appropriations and other funds that support accomplishment of the agency's missions.	X	X	X	Prepare status of funds which analyzes agency's current funding position and estimates end-of-year spending.	<u>Courses:</u> Federal budget process. Appropriations Law. Work experience
3.	OMB and agency object classes, agency accounting code conventions, and document flow processes.	X	X	X	Track documents through accounting system for purpose of determining funding status. Prepare status of funds, estimate costs of specific program increments, and prepare Congressional justification books and the President's Budget appendix.	Rotational assignments. Learn structure and use of agency financial management systems. Study pertinent OMB circulars. Track obligations and costs through accounting system.
4.	Agency systems for the administrative control of resources, fund allocation and fund control, paperwork management, program objectives, inter and intra-agency reimbursable agreements and funding and financial reports.	X	X	X	Monitor agency's use of funds; provide advice on spending actions; operate agency's fund control system; prepare apportionments and other OMB required documents; design and use system processes and procedures that ensure financial management integrity.	<u>Work experience:</u> Study agency's administrative control of funds procedures. Compile continuing resolutions authority requests. Prepare temporary appropriations warrant requests for submission to Treasury. Prepare 1105 apportionment requests. <u>Courses:</u> Program analysis Project management Database management

Core competencies (Knowledge of, Ability to Use, or Skill in using):		Levels			Learning objectives	Developmental activities
		1	2	3		
5.	Agency's budget operations and processes and how obligations and expenditures are incurred for assigned program areas.	X	X	X	Analyze and estimate assigned area of spending. Prepare accurate status of funds reports.	Study program regulations and operations; internal agency budget policies and procedures; and authorizing statutes. Details to program financial offices. Review legal constraints on prior year and current year budget execution. Learn about contracting procedures, reimbursable/direct procurement, MOU instruments, & inter-agency support agreements.
6.	Laws regarding appropriated and other types of funds (i.e., reimbursable accounts, working capital funds, and loan funds). Revolving funds concepts, fee-for-service operations and privatization criteria.	X	X	X	Resolve budget issues	<u>Courses:</u> Appropriations Law <u>Work experience:</u> Research appropriations case law.
7.	Budget formulation, presentation and execution concepts and processes. Current program and budget issues and state-of-the-art developments in the budget field. Key agency program policy and program performance issues.			X	Relate financial information to program policy objectives and performance results of the agency. Explain importance and impact of specific budget issues to high-level program officials.	<u>Work Experience:</u> Rotational assignments to program offices. Study agency Performance Plans, Strategic Plans, Annual Financial Statements, and Accountability reports. <u>Courses:</u> Public Administration Government Operations
8.	The Federal budget preparation process as it applies to the agency.		X	X	Prepare budget narratives and exhibits for inclusion in OMB and Congressional budgets. Brief Congressional staffers on budget request. Defend budget before Congressional oversight committees.	<u>Courses:</u> Federal budget process Budget formulation Budget estimating techniques Writing effective budget justifications Budget presentation and justification Budget execution Internal policies and procedures Rhetoric <u>Work experience:</u> Budget examiner

Core competencies (Knowledge of, Ability to Use, or Skill in using):		Levels			Learning objectives	Developmental activities
		1	2	3		
9.	The Congressional budget and appropriations process.				Provide advice on potential. Congressional reactions to proposed agency budgets. Determine possible course of Agency action in response to Congressional action.	<u>Courses:</u> Congressional appropriation and budget process. <u>Work experience:</u> Review and analyze oversight committee reports. Learn Congressional oversight committee procedures (House, Senate & Conference), budget resolution process, authorization/appropriation relationship. Learn role of OMB.
B. Budget Presentation and Justification						
10.	Basic missions, functions and organizational structure of the agency and its offices.	X	X	X	Prepare budget narratives to OMB and Congress. Review specific program objectives for adequacy of funding.	<u>Work experience:</u> Assist clients to prepare performance goals and measures and monitor progress. Rotational assignments and details. Site visits.
11.	The impact that agencies such as OMB and OPM, and GSA have on agency operations.	X	X	X	Ensure that budget narratives are consistent with oversight agency policies and guidelines.	Direct contact with OMB/OPM counterparts.
12.	Assigned program/account areas.	X	X	X	Fully comprehend the mission to articulate goals and means to achieve those goals.	Visit facilities (production, test, labs, etc.) with program managers.
13.	Public laws, executive orders, OMB circulars and bulletins, and agency directives which govern the budget process for assigned program areas.	X	X	X	Prepare President's appendix and technical budget exhibits in order to reflect agency's policy and financial situation consistent with information from agency's accounting system.	<u>Courses:</u> Appropriations law Budget formulation <u>Work experience:</u> Learn agency financial management policies and regulations.

Core competencies (Knowledge of, Ability to Use, or Skill in using):	Levels			Learning objectives	Developmental activities	
	1	2	3			
Budgeting Presentation and Justification (cont.)						
14.	Sufficient knowledge and ability to interpret and apply statutes, regulations, Comptroller General Decisions, court opinions, and specific Congressional mandates included in the agency's authorizing legislation, appropriation acts, and Committee reports.		X	X	Advise agency official on budget policy and procedures.	Appropriations Law courses. Work experience. Research.
15.	Basic techniques of budget, financial and economic analysis. Good business practices. Sound basis in general analytics.	X	X	X	Advise on financial operations of the agency. Prepare budget analyses, including price depreciation of program assets, and projections of future year costs. Prepare status-of-funds reports which estimate year-end spending. Prepare budget estimates for program increases. Compute and justify inflationary, uncontrollable increases. Identify financial issues before they become funding problems.	<u>Courses:</u> Basic and Federal Accounting Concepts and Principles. Economics Internal Controls Automated Data Processing controls (to ensure data integrity). Accounting Internal Controls Business Administration. Quantitative Mathematics. Statistics. Operations research. Regression analysis as a forecasting tool. Effects of foreign currency fluctuations.
C. General						
16.	Ability to integrate the requirements of the Government Performance Results Act into the budget process.		X	X	Prepare agency budget based on strategic and performance plans. Advise program managers on preparation of performance plans and measures to facilitate agency wide cohesion in budget plans.	Work experience. <u>Courses:</u> Strategic Planning Performance Measures

Core competencies (Knowledge of, Ability to Use, or Skill in using):		Levels			Learning objectives	Developmental activities
		1	2	3		
17.	Mathematics and Statistics	X	X	X	Analyze and interpret financial data and trends in assigned programs.	<u>Courses:</u> Mathematics Statistics <u>Work Experience:</u> Master PC software tools for statistical forecasting, trend analysis graphical presentation, exception reporting.
18.	Effective oral and written communication skills.	X	X	X	Prepare and present analyses, reports and budget justifications which are concise and clear to the targeted audiences. Write and explain budget instructions. Conduct and participate in effective meetings.	<u>Courses:</u> College level English courses such as English composition, literature, rhetoric, creative writing etc. Speech Briefing and presentation techniques. <u>Work Experience:</u> Speaking and writing subject to supervisory mentors.
C. General (cont.)						
19.	Information Technology	X	X	X	Use computer applications to efficiently extract data from agency financial systems and transform data elements into financial information for analysis and review. Define systems requirements for new software programs or modification to existing programs. Effectively articulate and convey those needs to information technology personnel.	<u>Courses:</u> Basic information technology including database management. Standard office software(i.e. spreadsheets, graphics, presentations). Agency financial systems and analysis software.
20.	Stress and time management	X	X	X	Use stress and time management techniques to meet tight deadlines. Find balance between work, family and recreation. Maintain good health habits.	<u>Courses:</u> Stress management Time management

Appendix A

Chief Financial Officers Council Statement of Principles for Federal Financial Education and Training

The Federal financial management community must make substantial investments in professional development of its workforce in order to successfully meet requirements for financial services and integrity. Well-designed and delivered education and training programs are critical to developing and maintaining the required level of technical, professional and managerial expertise for Federal financial management.

The following principles apply to planning and evaluating education and training programs for federal financial management.

Quality and Accreditation

Education and training providers should meet the standards for accreditation or certification that are appropriate for their course offerings. Providers should have an on-going process to assess and enhance the relevancy, currency and technical soundness of course content. These assessments should draw from customer as well as internal evaluations. Instructors should be evaluated for their effectiveness in communicating course content.

Core Competency Profiles

Education and training courses should demonstrate, in an affirmative manner, that each course is consistent with the core competency profiles for financial management occupations that have been identified by the CFO Council and published in partnership with the JFMIP. Where appropriate, practical application of course material to the Federal financial management environment should be emphasized.

Delivery

Education and training providers should provide flexible, effective alternative methods of course delivery, including on-site classroom, distance learning, self-study, etc., in order to meet the diverse needs of agencies and students.

Appendix B

Core Competencies Documents Issued for Various Disciplines

Core Competencies in Financial Management for Program Managers in the Federal Government

Core Competencies for Financial System Analysts in the Federal Government

*Core Competencies in Financial Management for Information Technology Personnel Implementing
Financial Systems in the Federal Government*

*Core Competencies in Financial Management for Management Analysts and Financial Specialists in the
Federal Government*

Revised Exposure Draft Documents

Core Competencies for Accountants in the Federal Government

Core Competencies for Budget Analysts in the Federal Government

Core Competencies for Financial Managers in the Federal Government

Appendix C

Major Contributors to Revisions to Core Competencies for Accountants

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Requests for Publications

JFMIP documents may be accessed electronically on FinanceNet Internet site:
<http://www.financenet.gov/financenet/fed/jfmip/jfmip.htm>

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