U.S. Department of Energy

Washington, D.C.

ORDER

DOE O 520.1C

Approved: 08-05-2026

SUBJECT: FINANCIAL MANAGEMENT AND CHIEF FINANCIAL OFFICER RESPONSIBILITIES

1. PURPOSE. This Order establishes Department-wide policy, authority, and responsibilities for financial management at the Department of Energy (DOE, the Department).

   This Order defines what is required for DOE financial and accounting management officials in accordance with Public Law (P.L.) 101-576, Chief Financial Officers Act of 1990 (CFO Act). It additionally establishes internal controls and financial management oversight requirements based on P.L. 97-255, Federal Managers Financial Integrity Act of 1982, Office of Management and Budget (OMB) policy, and internal control standards. Detailed implementation guidance is provided, where necessary, through the *DOE Financial Management Handbook* and Chief Financial Officer (CFO)-issued guidance.

   Nothing in this Order waives or limits statutory, regulatory, or contractual requirements, or the Department's authority to obtain information necessary to meet those requirements.

2. CANCELS/SUPERSEDES. DOE Order (O) 520.1B, Chg. 2 (LtdChg), *Financial Management and Chief Financial Officer Responsibilities*, dated December 18, 2024.

   Cancellation of a directive does not, by itself, affect contractual or regulatory obligations. Contractor Requirements Documents (CRDs) incorporated into contracts remain in effect for the life of the contract unless modified by contract action or regulatory change.

   Changes in federal law and regulation supersede this document.

3. APPLICABILITY, EQUIVALENCIES, AND EXEMPTIONS.

   a. Departmental Applicability.

      (1) This Order applies to all DOE Elements.

      (2) Heads of DOE Elements are responsible for ensuring compliance with this Order and CFO policy.

b. The Administrator of the National Nuclear Security Administration (NNSA) will assure that NNSA employees and contractors comply with their respective responsibilities under this directive. Nothing in this Order will be construed to interfere with the NNSA Administrator's authority under section 3212(d) of P.L. 106-65, National Defense Authorization Act for Fiscal Year 2000, to establish Administration-specific policies, unless disapproved by the Secretary.

c. DOE Contractors. Unless an equivalency or exemption applies, the CRD (Attachment 1) of this Order applies to:

(1) Management and Operating (M&O) contracts.

(2) Non-M&O contracts with Integrated Accounting (Department of Energy Acquisition Regulation [DEAR] 970.5232-8, or a successor clause).

(3) Contracts designated as improper payment reporting sites (DEAR 970.5232.2-2, Payment and advances).

(4) Any other contract identified by the cognizant Designated Financial Officer (DFO).

The requirements of this Order shall be incorporated into applicable contracts, including M&O contracts. The contractor is responsible for flowing down the requirements of this CRD, if applicable. Contractors shall comply with the requirements of applicable federal, state, and local laws and regulations in carrying out the requirements of this Order unless relief has been granted in writing. Omission of any applicable law or regulation from the Order does not affect the obligation of the contractor to comply with such law or regulation. Contractors must comply with the requirements of this Order, except to the extent modified by the equivalencies or exemptions identified herein or issued to the contractor in writing by DOE utilizing the process outlined in DOE O 251.1E, *Departmental Directives Program*, including as amended or updated.

d. Financial Assistance. This Order applies to the Federal Management of Financial Assistance Programs and does not apply directly to recipients of financial assistance.

e. Equivalencies/Exemptions for DOE O 520.1C.

(1) Equivalency. Navy/DOE Naval Nuclear Propulsion Program. In accordance with the responsibilities and authorities assigned by Executive Order 12344, Naval Nuclear Propulsion Program, codified at 50 United States Code §§ 2406, Deputy Administrator for Naval Reactors, and 2511, Naval Nuclear Propulsion Program, and to ensure consistency throughout the joint Navy/DOE Naval Nuclear Propulsion Program, the Deputy Administrator for Naval Reactors will implement and oversee requirements and practices pertaining to this directive for activities under the Deputy Administrator for Naval Reactors' cognizance, as deemed appropriate.

The joint Navy/DOE Naval Nuclear Propulsion Program is part of the DOE financial reporting entity and follows all applicable guidance in the *DOE Financial Management Handbook.*

(2) Equivalency. Power marketing administrations (PMAs). The requirements and responsibilities of this Order apply to the Bonneville Power Administration, the Southeastern Power Administration, the Southwestern Power Administration, and the Western Area Power Administration to the extent compatible with the PMA unique business operations and organic statutes.

The PMAs manage unique business operations using financial information reported according to guidance promulgated by the Financial Accounting Standards Board and Federal Energy Regulatory Commission (FERC). The PMAs are also part of the DOE financial reporting entity. PMA financial information is consolidated along with other parts of the reporting entity, consistent with federal accounting standards promulgated by the Federal Accounting Standards Advisory Board and any clarifying guidance provided by the DOE Chief Financial Officer. The CFO and each PMA CFO shall work collaboratively on application of this Order to address both PMA-specific and broader Departmental requirements.

(3) Equivalency. Bonneville Power Administration. The Bonneville Power Administration is governed by provisions of the Government Corporation Control Act and is exempt from the *DOE Financial Management Handbook* and internal control provisions of this Order.

(4) Equivalency. Federal Energy Regulatory Commission. FERC is part of the DOE's financial reporting entity and follows applicable guidance in the *DOE Financial Management Handbook*.

4. REQUIREMENTS.

a. Financial Management Oversight.

(1) The CFO Act requires the establishment of a CFO with the responsibility to direct, manage, and provide policy guidance and oversight of Departmental financial management personnel, activities, and operations.

(2) The *DOE Financial Management Handbook* establishes the financial, accounting, and budgetary policies and operational requirements necessary to implement this Order and other applicable Departmental directives.

(3) Departmental Elements shall ensure that:

(a) Financial and accounting policies, procedures, and guidance are consistent with those issued by the CFO.

(b) Financial and accounting management processes incorporate internal control requirements, including fraud risk management and payment integrity.

(c) Oversight of contractor financial and accounting activities is conducted in accordance with applicable contract clauses and coordinated with cognizant contracting authorities.

b. Financial Systems, Data, and Reporting.

(1) Financial management systems must conform to mandatory accounting and financial management guidance received from OMB, United States (U.S.) Department of the Treasury, Federal Accounting Standards Advisory Board, and applicable laws and regulations.

(2) Financial systems shall:

(a) Support accurate and timely financial reporting.

(b) Support reliable financial data.

(c) Include effective internal controls.

(3) Financial data used for DOE reporting shall be governed to ensure consistency, reliability, and transparency.

(4) Financial management system nonconformance must be corrected in a timely and effective manner. A financial management system nonconformance could include findings by the Department, the Government Accountability Office (GAO), the Office of Inspector General, and material weaknesses and deficiencies identified by internal control assessments.

(5) The CFO is responsible for DOE's consolidated financial reporting.

c. Internal Controls and Risk Management.

(1) The Internal Control Program must be conducted in accordance with this directive, OMB policy, and applicable laws and regulations.

(2) DOE shall maintain an internal control program aligned with federal internal control standards to support:

(a) Reliable financial reporting.

(b) Compliance with applicable laws.

(c) Effective management of financial risk.

(3) DOE Elements shall ensure internal controls are designed, implemented, and monitored. The CFO shall lead DOE's Payment Integrity and Fraud Risk Management Programs. DOE Elements shall support these programs consistent with CFO guidance.

(4) Where a significant deficiency or material weakness is identified, DOE will require additional oversight, information, or corrective action commensurate with the risk.

(5) Detailed internal control procedures are established through CFO guidance.

d. Financial Management Organizations Outside of the Office of the CFO. Key financial management activities are performed by organizations outside the Office of the CFO and are to be coordinated with the CFO consistent with statutory responsibilities. Each financial management organization is led by a DFO, assigned by the Head of the Departmental Element in consultation with the CFO. DFOs must possess appropriate financial management expertise, including contractor oversight. The CFO maintains the official list of DFOs, their organizations, and the federal offices and major contractors they support.

e. Contractor Financial Management and Oversight.

(1) The DFO leads oversight and monitoring of contractor financial and accounting operations. (Applies to all M&O and non-M&O contracts with Integrated Accounting.)

(2) For Integrated Contractors:

(a) Financial systems shall produce reliable data supporting DOE reporting.

(b) Accounting practices shall support transparency and cost accountability, in alignment with the *DOE Financial Management Handbook*, as appropriate.

(c) Internal controls shall manage financial risk and protect public funds.

(3) Additional requirements may be imposed where required by law or where significant deficiencies or material weaknesses are identified.

(4) Nothing in this paragraph limits audit or oversight authorities.

5. RESPONSIBILITIES.

a. Chief Financial Officer.

(1) The DOE CFO is the Department's senior authority for financial management. The DOE CFO leads financial management activities related to DOE programs and operations under the CFO Act [P.L. 101-576, relevant sections codified in 31 United States Code § 902(a)(2), Authority and functions of agency Chief Financial Officers], and performs other responsibilities delegated by the Secretary.

(2) The CFO shall:

(a) Establish Department-wide financial management and budget policy and guidance. Permanent requirements and guidance will be documented in the *DOE Financial Management Handbook*. Temporary guidance or annual guidance may be issued through memoranda or annual guidance documents. Temporary and annual guidance documents sunset (expire) after one year or earlier if stated on the guidance document.

(b) Oversee financial systems, financial data, and financial reporting integrity.

(c) Lead Internal Control, Payment Integrity, and Fraud Risk Management Programs.

(d) Ensure compliance with applicable financial management laws and reporting requirements.

(e) Access financial records and information necessary to carry out these responsibilities.

(f) Review and concur or non-concur (or for NNSA, advise) with requests for deviations from the standard DEAR financial management clauses in solicitations and contracts.

(3) The CFO retains authority to require additional information when necessary to meet statutory, regulatory, or reporting obligations.

(4) The DOE CFO directs, manages, and provides oversight of DOE financial management personnel, including consultation with the Heads of Departmental Elements or the appropriate hiring official on the selection of DFOs and/or reorganizations affecting the structure, functions, staffing levels, and responsibilities of the DFO organizations.

b. Heads of Departmental Elements.

(1) Heads of DOE Elements shall ensure that:

(a) Financial management activities align with CFO policy and guidance.

(b) Qualified DFOs are appointed in coordination with the CFO.

(c) Financial systems and processes produce accurate, timely, and reliable information.

(d) Financial risks, deficiencies, and noncompliance are addressed promptly.

(2) The DOE Element shall support the DOE Internal Controls and Payment Integrity Programs. The DOE Element shall advise the CFO of financial management issues or concerns, including crosscutting financial management issues and concerns regarding information, systems, and records.

(3) The DOE Element will consult with the General Counsel to determine whether there are Antideficiency Act violations or other appropriations law violations; reporting to the Office of Inspector General shall be consistent with DOE O 221.1, current version.

c. Designated Financial Officer.

(1) The DFO shall:

(a) Lead financial management activities for assigned organizations.

(b) Ensure compliance with DOE financial policy.

(c) Provide reliable financial information to support decision-making and reporting.

(d) Identify and elevate financial risks and deficiencies.

(e) Identify the contracts into which the CRD of DOE O 520.1C must be included and inform the Contracting Officers responsible for those contracts. For nonintegrated contracts, describe reporting requirements of the contractor and relevant provisions of the *DOE Financial Management Handbook*. Provide guidance to Contracting Officers on which financial management clauses and financial management-related CRDs should be included in acquisition plans, requests for proposal, or contracts.

(f) Support oversight of Integrated Contractors consistent with paragraph 4e.

(g) Serve as the Cognizant Federal Agency Official (CFAO) for cost accounting standards administration unless another official is designated as the CFAO by the Head of the Departmental Element. Perform duties of the CFAO specified in the Federal Acquisition Regulation (FAR), including FAR part 30, and the FAR supplement at 48 Code of Federal Regulations (CFR) § 9903, Contract Coverage. Maintain oversight and review of functional staff as necessary to perform the functions of the CFAO, when designated. If not designated as the CFAO, provide subject matter expertise to support the CFAO in performance of the duties specified in the FAR, including FAR part 30, and the FAR supplement at 48 CFR § 9903. (Applies to all M&O contracts; also applies to contracts with the DEAR clause 970.5232-3, or a successor clause, or 970.5216-7, or a successor clause.)

(2) The DFO shall support the DOE Internal Controls and Payment Integrity Programs. The DOE Element shall advise the CFO of financial management issues or concerns, including crosscutting financial management issues and concerns regarding information, systems, and records.

(3) The Director, CFO Office of Finance and Accounting, performs the applicable functions of the Designated Financial Officer for Departmental Elements and offices without a Designated Financial Officer.

d. Head of Contracting Activities.

(1) The Head of Contracting Activities shall:

(a) Ensure DFOs have the appropriate authority as Contracting Officer Representatives to provide direction on the administration of financial matters for applicable M&O and non-M&O contracts with integrating accounting.

(b) Assist in resolving contractor financial management issues.

e. The Departmental Internal Control and Assessment Review Council (DICARC)

(1) Functions. The DICARC provides oversight of the Departmental Internal Control Program and promotes collaborative efforts to evaluate risk as appropriate. The DICARC constitutes the Senior Management Council for internal controls, as described in OMB Circular No. A-123. The DICARC also constitutes the DOE Senior Risk Management Council, which serves the function of the Risk Management Council recommended by OMB Circular No. A-123 and GAO.

(2) Membership. The DICARC is chaired by the CFO. The DICARC charter is approved by the Secretary and details membership, including voting and non-voting members.

f. Contracting Officer. For all applicable contracts and upon notification that a site/facility management contract is affected by this Order, the contracting officer(s) shall incorporate the requirements into the affected contract(s) via the "Laws, Regulations, and DOE Directives" clause of the contract, or through negotiation and modification, as appropriate.

6. INVOKED STANDARDS. This Order does not invoke any DOE technical standards or industry standards as required methods. Any technical standard or industry standard that is mentioned in or referenced by this Order is not invoked by this Order.

7. STATUTORY BASIS AND INTERPRETATION. This Order implements requirements of, and is consistent with, applicable federal laws, including:

a. P.L. 101-576, Chief Financial Officers Act of 1990, which establishes the authority and functions of CFOs.

b. P.L. 81-784, Title I, Part II, as amended, Accounting and Auditing Act of 1950, which requires federal agencies to maintain effective systems of internal controls.

c. P.L. 97-255, Federal Managers' Financial Integrity Act of 1982, which requires internal management controls to be established in accordance with GAO standards.

d. P.L. 103-356, Government Management Reform Act of 1994, which requires CFO Act agencies to provide an audited annual financial statement.

e. P.L. 104-208, Title VIII, Federal Financial Management Improvement Act of 1996, which provides requirements for Federal financial management systems.

f. P.L. 106-531, Reports Consolidation Act of 2000, which authorizes the consolidation of key financial and performance management report required of federal agencies.

g. P.L. 116-117, Payment Integrity Information Act of 2019, which codified and updated existing federal improper payment laws.

h. 31 United States Code §§ 1341–1342, §§ 1349–1351, and §§ 1511–1519, the Antideficiency Act, which prohibits agencies from obligating or expending federal funds in advance or in excess of an appropriation, and from accepting voluntary services.

i. 48 CFR § 9, the “Department of Energy Acquisition Regulation,” which establishes DOE acquisition regulations including financial management clauses.

j. OMB Circular No. A-123, “Management’s Responsibility for Internal Control,” which establishes OMB policies for internal controls.

In the event of conflict, statutory and regulatory requirements, followed by contract terms, take precedence over this Order and related guidance.

8. CONTACT. Questions concerning this Order shall be addressed to the Office of the Chief Financial Officer.

BY ORDER OF THE SECRETARY OF ENERGY:

JAMES P. DANLY
Deputy Secretary

ATTACHMENT 1
CONTRACTOR REQUIREMENTS DOCUMENT (CRD)
DOE O 520.1C, *FINANCIAL MANAGEMENT AND CHIEF FINANCIAL OFFICER RESPONSBILITIES*

This CRD establishes financial management requirements applicable to integrated Department of Energy (DOE) contracts, including Management and Operating (M&O) contracts, consistent with DOE financial management policy.

This CRD defines what outcomes are required of contractors. Contractors are responsible for determining how those outcomes are achieved, consistent with contract terms and applicable law.

Nothing in this CRD waives or limits statutory, regulatory, or contractual requirements, or DOE's authority to obtain information necessary to meet those requirements.

1. Integrated Contractors.

   a. A separate set of accounts and records must be maintained for recording and reporting all business transactions under the contract. An Integrated Contractor's books of account must be integrated with those of the Department using reciprocal accounts, consistent with contract requirements.

   b. An Integrated Contractor's system of accounts must conform with accepted accounting principles for the federal government and produce accurate results.

   c. An Integrated Contractor is to follow the applicable provisions of the *DOE Financial Management Handbook* (versions in effect as of the date of contract award or contract modification). Subsequent revisions to the *DOE Financial Management Handbook* are effective, as applicable, when notified under the "Laws, regulations, and DOE directives" clause of the contract.

2. Nonintegrated Contractors. Nonintegrated Contractors must provide financial information to DOE as required to support DOE accounting and financial reporting, including, as applicable, information on pensions and benefits, environmental liabilities, and DOE-owned assets. Information provided will be compliant with applicable financial reporting and accounting requirements specified by the cognizant DFO.

3. Enterprise Risk Management, Internal Controls, and Payment Integrity.

   For Department-wide Enterprise Risk Management, Internal Controls, and Payment Integrity Programs:

   a. The Office of the Chief Financial Officer (CFO) identifies those contractors considered Internal Control accessible units.

b. Contractors maintain compliance with DEAR 970.5203-1, which requires DOE M&O contractors to establish, document, and maintain effective management control systems that ensure resources are safeguarded and financial and operational information is accurate and reliable. The clause also requires periodic assessments of control effectiveness, corrective action tracking, and reporting to DOE.

c. DOE establishes objectives and high-level program and reporting expectations that are specific to Internal Control accessible units.

d. Contractors may leverage existing risk management and assurance processes, to include current evaluations and audits, to develop a lab-specific Financial Compliance Program. This program will leverage related internal controls programs and processes, be risk-informed, and follow annual CFO guidance to support Departmental compliance with Office of Management and Budget (OMB) Circular A-123.

e. To support Departmental compliance with OMB Circular A-123, contractors will provide updates on their efforts to mitigate risks and assess their Internal Control system. CFO will update input needed annually in its guidance and will consider Departmental requests in the context of other reporting and assessment efforts contractors are engaged in.

f. DOE site offices maintain oversight of compliance programs.

g. When identified by the Office of CFO as a DOE payment integrity reporting site, the contractor must assist DOE in meeting payment integrity obligations imposed by OMB Circular No. A-123, Appendix C, Requirements for Payment Integrity Improvement, and other relevant policies and statutes. Contractor activity is to be performed in accordance with annual guidance provided by the Department's CFO.

h. The contractor shall provide DOE access to records, systems, and information necessary to:

(1) Support DOE financial reporting.

(2) Support Internal Control assessments.

(3) Support audits, reviews, or investigations.

i. Nothing in this CRD limits the authority of the DOE Office of Inspector General, GAO, or other authorized reviewers.