

**NATIONAL WEATHER SERVICE INSTRUCTION 70-217**

**FEBRUARY 1, 2023**

**Financial Management**

**Financial Management Policy, NWSPD 70-2**

**SERVICE LEVEL AGREEMENTS**

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**NOTICE:** This publication is available at: <http://www.nws.noaa.gov/directives/>.

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**SUMMARY OF REVISIONS:** This is a new directive. The purpose of this directive is:

- To establish oversight and standardization within NWS for the review, documentation, and approval of SLAs and associated funding transfers.
- This policy provides guidance for intra-agency fund transfers associated with cost-reimbursable or cost-sharing technical tasks.

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**Service Level Agreements**

<b>Table of Contents</b>	<b>Page</b>
1. Introduction.....	2
1.1 Preface.....	2
1.2 Purpose and Scope.....	3
1.3 Authority.....	3
1.4 Policy.....	3
2. Roles and Responsibilities.....	5
2.1 NWS FMC (Funding Provider).....	5
2.2 NWS CFO1.....	5
2.3 NOAA Program Office (Funding Recipient).....	6
3. Documentation & Record Keeping.....	6
3.1 Information to be included in SLA Documentation.....	6
3.2 Record Keeping.....	7
3.3 Retention.....	7
3.4 Storage.....	7
Appendix A: Definitions.....	A-1
Appendix B: Acronyms.....	B-1
Appendix C: References.....	C-1
Appendix D: Sample Template for SLA.....	D-1
Appendix E: Sample Template for SOW.....	E-1

**1. Introduction**

**1.1 Preface**

The National Oceanic and Atmospheric Administration’s (NOAA’s) National Weather Service (NWS) achieves mission success by working collaboratively across programs to access the resources required to execute strategic priorities. Achieving organizational and strategic objectives requires collaboration among various stakeholders, including NWS Financial Management Centers (FMCs), NWS Chief Financial Officer (CFO), and other NOAA Line Offices (LOs). Funding transfers for cost reimbursable work are often required.

The Fiscal Policy for Service Level Agreements (SLAs) describes the NWS process and the approval requirements for completing funding transfers. This document defines the types of funding transfers, associated processes, appropriate documentation, and required approvals across NWS.

The Fiscal Policy for SLA Funding Transfers does not include Inter-Agency Agreements (IAAs), Memoranda of Understanding (MOUs) and Memoranda of Agreement (MOAs), which are used to coordinate authorized activities with entities external to NOAA.

More information regarding IAAs is located at:  
<https://www.nws.noaa.gov/directives/070/070.php>

## 1.2 Purpose and Scope

The purpose of this policy is to establish oversight and standardization within NWS for the review, documentation, and approval of SLAs and associated funding transfers.

This policy provides guidance for intra-agency fund transfers associated with cost-reimbursable or cost-sharing technical tasks.

All SLA funding transfers will be executed through the financial system, which provides transparency.

## 1.3 Authority

- Federal Appropriations Law
  - Availability of Appropriations: Purpose
  - Availability of Appropriations: Time
  - Availability of Appropriations: Amount

## 1.4 Policy

This policy provides guidance for all SLA transfers associated with cost-reimbursable or cost-sharing technical tasks.

The SLA fund transfer request process includes stakeholders throughout NWS. The NWS FMCs initiate the process by identifying the need for a funding transfer.

All NWS SLAs (fund transfers within NOAA) will follow the review and approval process as described in the NWS [Procurement Control Directive](#). See the Procurement Control Directive for approving roles.

### 1.4.1 Required Documentation

SLA Statement: Description of tasks performed, period of performance, and amount of funds transferred.

OR

Statement of Work (SOW): A document that clearly identifies and outlines the work that will be done by the servicing office and to highlights the roles and responsibilities of each party which includes the period performance and amount funds that need to be transferred.

Bona Fide Need Statement: Description of Purpose, Time, Fund Code(s), Program Code(s), Program, Plan and Activity (PPA) Name(s), Corresponding Amount(s), Grand Total, FMC/Organization, Name and Bona Fide Need Certifier. Also briefly describe how this procurement supports the PPA(s) cited. If more than one source of funds is cited, describe the methodology used to determine the amount to apply to each funding source.

Cost Estimate: A forecast of the cost and other resources needed to complete the project. The following table summarizes approvals and documentation requirements for funding transfers between NWS FMCs and NOAA LOs.

Service Level Agreements		
Funding Transfer Amount	Documentation Required	Approvals Required
\$0 - \$3,499.99	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• Bona Fide Need Statement</li> <li>• Cost Estimate</li> </ul>	<b>Program Manager</b>
\$3,500.00 - \$249,999.99	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• Bona Fide Need Statement</li> <li>• SOW and</li> <li>• Cost Estimate</li> </ul>	<b>FMC Director</b>
\$250,000.00-\$499,999.99	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• Bona Fide Need Statement</li> <li>• Cost Estimate</li> </ul>	<b>OCFO Designee(s)</b>
\$500,000.00 - \$999,999.99	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• Bona Fide Need Statement</li> <li>• Cost Estimate</li> </ul>	<b>Chief Financial Officer</b>
\$1,000,000.00 - \$4,999,999.99	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• Bona Fide Need Statement</li> <li>• Cost Estimate</li> </ul>	<b>Deputy Assistant Administrator (DAA)</b>
\$5,000,000.00 +	<ul style="list-style-type: none"> <li>• SLA Statement</li> <li>• <b>Bona Fide</b> Need Statement</li> <li>• Cost Estimate</li> </ul>	<b>Assistant Administrator (AA)</b>

All SLA transfer requests, along with the required documentation for the scenarios, should be routed/mailed to the CFO’s Budget Formulation and Execution Division (CFO1) Budget Analysts at [nws.agreements@noaa.gov](mailto:nws.agreements@noaa.gov) to support the review and complete the transfer of funds. Approvals must be obtained before executing the funding transfers.

All SLAs will be executed through the by transfers or the allotment process under a Continuing Resolution (CR). Fund transfers should not be made using the Direct Cite process. Each process is described below:

- The transfer of funds is the process used to describe the action of transferring funds between FMCs or adjustments (increases or decreases) made to an allotment. NWS

OCFO recommends and prefers that FMCs use transfer for annual transfers of funds, which provides for transparency within the financial system to identify funds execution by the FMC Organization Code, as well as the associated program and project codes that an organization charges. The allotment process can be used while under a CR to transfer funds to another NOAA LO. The allotment, like a transfer, is documented in the financial system. All transfers, and the CR allotment requests, shall be planned and documented within an SLA.

- The Direct Cite of funds is defined as when a funding Office (i.e., FMC) provides its program line of accounting, including the sub-activity, fund code (which ties to the funding year), project code, and task code, to a receiving FMC, who then uses the accounting information to execute its operations (i.e., contracts, grants, etc.). The funds are not explicitly tied to the FMC obligating the funds, nor managing the projects and tasks. Within the financial system, all funds are displayed as being executed by the original Program FMC's organization code, even though another FMC obligated those funds.

## **2. Roles and Responsibilities**

### **2.1 NWS FMC (Funding Provider)**

- a. Identifies the need for the projects to be executed, defines the project's scope, and assigns program office staff to monitor the project. Identifies funding for the project.
- b. Coordinates with stakeholders during the development of the SOW and cost estimate. Prepares documentation and obtains the required approvals to support the scope and cost of the project.
- c. Reviews projects and their scope of work to ensure they meet the recording statute requirements (31 U.S.C. § 1501(a)) and the bona fide purpose rule prior to recording the obligation.
- d. Submits the package to the CFO1 Budget Analysts assigned to the FMC that includes a funds transfer request at [nws.agreements@noaa.gov](mailto:nws.agreements@noaa.gov).
- e. Prepares project code request forms to establish if new project codes are required for the agreement.
- f. Identifies the reporting requirements commensurate with the level of activity and Period of Performance (POP) to include progress reports and obligation and cost plans.
- g. Monitors the performance of the project and includes the cost projections and funds required in the obligation and cost plans.

### **2.2 NWS CFO1**

Receives funding transfer requests with the supporting documentation. Verifies that the request funding transfer is accompanied with the required approvals.

- a. Certifies and coordinates with Portfolio Budget Officer to ensure requesting office has adequate funds available for the transfer.

- b. If necessary, creates a new project code in the financial system and transfers funds to the project code.
- c. Assists in tracking and monitoring of agreements, including remaining unobligated balances and period of performance tracking.
- d. Coordinates and manages internal NWS SLA development per timeframe.
- e. Meets with Office of Planning and Programming for Service Delivery (OPPSD) and Office of the Chief Operating Officer (OCCO) as appropriate to manage overall process, schedule and address any concerns.

### **2.3 NOAA Program Office (Funding Recipient)**

**2.3.1** Coordinates with stakeholders during the development of the SOW and cost estimate. Receives the funds for the identified tasks. Executes the defined tasks or provides the services described in the agreement.

**2.3.2** Provides costing information and expense entries under approved agreements for review of the requesting office, with a copy to CFO1 Budget analyst.

**2.3.3** Ensures all expenses are charged to approved project codes.

**2.3.4** Assists in the closeout or modifications to the approved agreements, as necessary.

## **3. Documentation & Record Keeping**

### **3.1 Information to be Included in SLA Documentation**

**SOWs** - SOWs should be used for SLAs to provide a greater level of budgetary detail needed to align tasks performed with budgetary information such as project and task codes, funding year, allotment, etc. A template with an example of an SOW is attached in Appendix E of this document. A template with an example of an SLA is attached in Appendix D of this document. At a minimum, SOWs should include the following information:

- Project Name
- Project Lead
- Total Proposed Cost
- Background
- Objectives
- Scope
- Deliverables

**Cost Estimates** - Cost estimates shall accompany SLAs. The estimates are needed to inform cost planning for specific projects and provide details on the types of costs needed to complete the tasks. At a minimum, cost estimates should include the following information:

- Project Name
- Description
- Deliverables
- Direct Labor Costs
- Direct Equipment, Materials, and Supplies Costs
- Travel Costs
- Indirect Costs

### **3.2 Record Keeping**

The FMC that funds an agreement is responsible for maintaining an electronic/digital file associated with the agreement for audit purposes. This file must be kept in accordance with Departmental record keeping requirements. This file, regardless of location, must contain the documents and information listed below, as applicable.

- A copy of the SLA documents and amendments that include signatures by all parties.
- A copy of the budget or other basis for estimating funds to be obligated and/or resources committed by each party if applicable.
- Financial information (e.g., billing, receivables, payables, etc.) if applicable.
- Other pertinent material.

More information regarding record keeping procedures is located at:

[http://www.corporateservices.noaa.gov/audit/records\\_management/schedules/chapter-100general.pdf](http://www.corporateservices.noaa.gov/audit/records_management/schedules/chapter-100general.pdf)

### **3.3 Retention**

The official agreement file must be retained in accordance with the applicable operating unit specific records retention schedule or the Government-wide general records schedule. To the extent you have questions about what materials constitute records and the length of time records must be maintained, you should consult with your operating unit's records management officer.

### **3.4 Storage**

The FMC and CFO1 are both responsible for maintaining and storing the SLA package documents and clearance in a file. This will ensure that all parties in NWS have access to the agreement if questions or concerns arise.

## Appendix A: Definitions

**Cost-Reimbursable** – A project where the costs of completing the agreed upon tasks and deliverables will be borne by an FMC other than the FMC completing the work.

**Funding Provider** – The program office or FMC that is initiating the request for funding transfer and providing the funds.

**Funding Recipient** – The program that is tasked with accomplishing the tasks outlined in the statement of work.

**Period of Performance** – The expected time frame that the agreement is valid and for the agreed upon tasks to be completed.

**Service Level Agreement** – A document that describes the roles and responsibilities as well as the terms and conditions that will govern the interaction of the requesting and servicing programs.

**Statement Of Work** – A document that clearly identifies the specific tasks to be performed which includes the purpose and time frame for completing the tasks.



**Appendix B: Acronyms**

AA	Assistant Administrator
CFO1	Budget Formulation and Execution Division
CR	Continuing Resolution
DAA	Deputy Assistant Administrator
FMC	Financial Management Center
IAA	Inter-Agency Agreement
LO	Line Office
M&A	Management and Administration
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
OCFO	Office of the Chief Financial Officer
OCOO	Office of the Chief Operating Officer
OPPSD	Office of Programming, Planning and Service Delivery
NOAA	National Oceanic and Atmospheric Administration
NWS	National Weather Service
POP	Period of Performance
SLA	Service Level Agreement
SOW	Statement of Work
U.S.C.	United States Code

**Appendix C: References**

1. [NOAA Finance Handbook](#)
2. [Appropriations Law \(Time, Purpose, Amount\)](#)
3. [Bona Fide Need Statement \(BFNS\) Guide](#)
4. [Bona Fide Need Statement Template on the Insider](#)
5. [Appropriations Reference Manual](#)
6. [Project Code Request Form](#)

**Appendix D: Sample Template for SLA**

- SLA= Service level actual, based on historical data collection
- [\(weekly reports collect availability metrics\)](#)

<b>Service Type</b>	<b>Service Element</b>	<b>Service Response</b>
<b>Weather Services</b>		
<b>Weather Services</b>		

**Appendix E: Sample Template for SOW**

**Statement of Work**

<TITLE OF PROJECT>

<DATE>

Project Title:

Proposed for: <FMC> Project Lead:

Total Proposal Cost:

**Background**

NWS \_\_\_\_\_ Office (XXX) and...

**Objectives**

The overall objectives of this project are to continue to...

**Scope**

Project Summary: The purposes of this project are:

This project supports the NOAA's NWS “

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” through ...

**Deliverables/Milestones:**

Task 1: reports are being done on a quarterly basis. (Q1 – Q4). Task 2:

**Project Management**

The overall lead of this project is...

**Total Cost Estimate (include/attach a Cost Proposal):** Please see the attached budget spreadsheet for details.

**Assumptions, Dependencies and Constraints**

General Assumptions for all projects are that:

This SOW is subject to the availability of funds, and work should not begin until final approval is given by the program manager.

**Project Specific Assumptions:**