

Position Classification Standard for Financial Management Series, GS-0505

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SERIES DEFINITION

This series includes all classes of positions the duties of which are to manage or direct a program for the management of the financial resources of an organizational segment, field establishment, bureau, department, independent agency, or other organizational entity of the Federal Government when the duties and responsibilities include: (a) developing, coordinating, and maintaining an integrated system of financial staff services including at least accounting, budgeting, and management-financial reporting, and sometimes also one or more of such related staff services as auditing, credit analysis, management analysis, etc.; (b) exercising effective control over the financial resources of the organization; (c) coordinating and synthesizing financial and management data so as to interpret the composite financial results of operations to all levels of the organization's management; (d) advising on, developing, coordinating, and carrying out financial policies, procedures, and plans; (e) reviewing, analyzing, evaluating, and reporting upon program accomplishments in financial terms; *and* (f) advising and assisting the management officials of the organization served by supplying financial management advice required to make management decisions, establish organizational goals and objectives, and in all respects to manage the organization.

EXCLUSIONS

All positions which involve the performance or direction of a "financial management" program which does not include as a minimum accounting, budgeting, and management-financial reporting are excluded (See [Digest Vol. 5](#) and [Digest Vol. 16](#) for guidance on positions which do not meet all three functions).

1. Any position which consists *exclusively* (or enough so for practical purposes) of work properly included in any one specialized series such as the [Job Family Position Classification Standard for Professional and Administrative Work in the Accounting and Budget Group, GS-0500](#); the [Management and Program Analysis Series, GS-0343](#); the [Support Services Administration Series, GS-0342](#); the [Statistician Series, GS-1530](#); etc., should be classified in whichever of such series is appropriate.
2. Positions which entail responsibility for the supervision, direction, or performance of work involved in the day-to-day operation of both the budget and accounting functions of an organization but which do not also include responsibility for "financial management" of the type or scope which is characteristic of the Financial Management Series, GS-0505 are classified in the [Financial Administration and Program Series, GS-0501](#).
3. Positions the duties of which are to manage, direct, or to assist in managing or directing, one or more operating programs when the paramount qualification requirement is management and executive ability and knowledge, rather than competence in financial management, are excluded. Such positions should be classified in an appropriate series, e.g., the [Program Management Series, GS-0340](#), or a series appropriate for any subject-matter knowledges required.

4. Positions involving application of a practical knowledge of financial practices and operations in such fields as land and mortgage markets, municipal revenues, evaluating the soundness of securities offerings, etc., are classifiable in the [Financial Analysis Series, GS-1160](#).
5. Positions the duties of which are to advise on or supervise planning, organizing, analytical, or equivalent work not of a clerical nature necessary in providing or negotiating for two or more administrative functions or services necessary for the internal administration, operation, and functioning of an organization when the paramount qualification requirement is subject-matter or functional knowledge or skill in executing such administrative functions or services are excluded. Such positions should be classified in the [Administrative Officer Series, GS-0341](#).

(The subsequent section of this standard titled "[Distinguishing Among Financial Manager, Other Managerial, Budget and Accounting Officer, and Administrative Officer Positions](#)" contains further information on exclusion of such positions.)

TITLES

The title, *Financial Manager*, is authorized.

(Note: Although the title "Comptroller" is widely used, there is no uniform meaning or application of the term in the Federal Government. Therefore, it has not been used as a title in this standard. Some positions which have been titled "Comptroller" may well be classified in the Financial Management Series, GS-0505; some may well be classified in other series, such as the [Program Management Series, GS-0340](#), the [Administrative Officer Series, GS-0341](#), the [Accounting Series, GS-0510](#), etc.)

THE NATURE OF FINANCIAL MANAGEMENT

Financial management is that part of total management which is concerned primarily with the financial affairs of an organization and the translation of actions, both past and proposed, into meaningful and relevant information for use in the management process. It includes the functions of budgeting, accounting, reporting, and the analysis and interpretation of the financial significance of past events and future plans. It sometimes also includes other related functions such as internal auditing, management analysis, and others. It is not primarily concerned with the technical procedures and methodology of those individual functions. Rather, it is characterized by the coordination and correlation of those functions into an effective and broad system of financial control that will assure that they, collectively more than individually, become an integral part of the management of the organization.

Financial management involves the art of interrelating data to obtain a perspective of the total financial situation that will assist managers¹ in program planning and decision-making. A very simple operating program² may require only a minimum of financial management, and this, in some cases, can be provided by the manager himself. However, many Federal agencies with complex programs have a need for broad financial advice and know-how -- advice that can only be furnished following a synthesis, analysis, and interrelating of meaningful financial data with programming and planning information by an organization and officials particularly adept and capable in financial matters.

More fully, financial management may be described as --

Designing, establishing, and maintaining an integrated financial management *system*, including at least budgeting, accounting, and managerial-financial reporting, which will furnish *timely* data that are used in the direction, evaluation, and control of operations at the various levels of management. Such a system must be compatible with the requirements of the Bureau of the Budget, the General Accounting Office, and the Treasury Department, and should provide accountability for agency funds and assets and full disclosure of the financial results of agency operations. This involves responsibility for proper and economic management of all financial resources under jurisdiction of the agency, in accordance with a wide variety of laws and regulations. To accomplish this, a suitable financial management organization must be established and maintained, and must be staffed with appropriate, competent personnel. Rather than being limited to supervision of separate entities such as the budgetary system, the accounting system, the financial reporting system, etc., financial management consists of the integration and coordination of those operations into a comprehensive financial system that is compatible with management needs.

Such an integrated system necessarily includes:

- (a) Developing an integrated financial planning and reporting process that involves both long-range plans and the annual budget as a segment of those plans. Such a planning and reporting process must be designed to provide both broad and specific financial policies that will facilitate achievement of the program goals and objectives of the agency, form an effective basis for formulation and justification of budget requests, and provide reliable financial and managerial data for management and control in execution of the budget and long-range plans;

¹"Manager", as used throughout the standard, refers to the head of the field establishment, bureau, department, independent agency, or other organizational entity in the Federal Government.

²"Program" and/or "Operating Program", as used throughout the standard, refers to the total mission of the organization served (e.g., the total mission of the field installation), which can either be a single-function or a multi-function mission.

- (b) Using the end-products of the budgeting, accounting, and managerial-financial reporting organizations (by analyzing, evaluating, and synthesizing the data) to compare actual performance with planned objectives; interpreting and interrelating program plans, budget proposals, costs of operations, and program accomplishments; and accepting responsibility for the financial soundness of the agency -- not only in terms of current year financial operations, but in terms of the soundness of financial planning for future operations. This requires the chief financial officer's involvement, on an advisory basis, in the fundamental elements of program development, program execution, and program review and evaluation. It also involves furnishing integrated advice to the responsible program manager on the financial aspects of managing the agency's resources -- so that the manager can maintain a balance between requirements and available resources that will permit the attainment of program objectives with minimum costs and maximum efficiency.

THE COMPONENTS OF THE WORK OF FINANCIAL MANAGERS

In general, the work of the financial manager may be divided into two categories; viz., that which *must* be included to meet the minimum requirements for this series and that which *may* be included in addition. These are as follows:

A. Functions which *must* be included:

1. **Accounting** -- typically includes: (a) planning the program within delegated limits; (b) developing, revising, and/or adapting accounting systems; (c) executing day-to-day ledger maintenance and related operations for the classification and other recording of financial transactions; (d) analyzing the results and interpreting the effects of transactions upon the financial resources of the organization; (e) applying accounting concepts to solve problems, render advice, or to meet other needs of management; and (f) managing the total accounting program, including supervision of subordinate accountants, accounting technicians, voucher examiners, payroll clerks, and other similar supporting personnel.
2. **Budgeting** -- typically includes: (a) the formulation -- developing instructions, calls for estimates, preparing estimates, reviewing and consolidating estimates; (b) the presentation -- either within the organization or at hearings (within the agency, at the budget bureau, or subcommittee); and (c) the execution -- funds control, program adjustments, review of reports and preparation of reports.
3. **Managerial-Financial Reporting** -- typically includes *not only* the recurring budget, accounting, and financial reports but *also* program operation evaluation and statistical reports and other work performance type reports, both regular and one-time in nature. Managerial-financial reporting is the process of providing appropriate data to key officials at all levels of management for the purpose of helping to achieve the most effective program and financial management. Stress is placed on aiding in the making of management

decisions. Normally, much of such data will be of a financial character, developed from the accounting and the budget systems; however, frequently data will be a combination of both financial and non-financial information and, in some cases, the data may be entirely non-financial in nature. In its ideal form, the data are so integrated as to represent a single total data system. Since in good managerial-financial reporting, concern is given to the development of the systems that will provide the essential data, one of the normal responsibilities of the Financial Manager is the development, revision and/or adaptation of the managerial-financial reporting system.

4. **Advice to Management** -- typically includes: advising from a *financial* point of view and serving as the technical expert on the financial aspects of all matters.

B. Functions directly related to the management of financial resources and which *may* be included:

1. **Management Analysis** -- typically includes: administering, supervising, or performing study, analysis, evaluation, development or improvement of managerial policies, practices, methods, and procedures;

2. **Records or Paperwork Management** -- typically includes: operating, maintaining, or administering one or more administrative control systems, services, processes or functions such as those for forms control, the handling of correspondence, directives control, the disposition of records;

3. **Auditing** -- typically includes: the establishment and improvement of audit policies, programs, methods, and procedures, and the achievement of a high standard of auditing; the proper timing and coverage of audits; the disposition of technical accounting questions developed in audits, including disposition through negotiations and conferences with affected business establishments or other interested organizations; responsibility for all auditing and related activities in connection with payments and cost analyses; and shaping, directing, and administering the audit activities;

4. **Statistics** -- typically includes: administering or performing professional work, or providing professional consultation in the application of statistical theories, techniques, and methods to the gathering and/or interpretation of quantified information; or advising on, administering, supervising, or performing work involved in collecting, editing, computing, compiling, analyzing; and presenting statistical data, where the work requires knowledge and application of statistical methods and procedures, and techniques, but does not require professional knowledge of the mathematical or statistical theories, assumptions, or principles upon which they are based;

5. **Digital Computer, Electric Accounting Machines, and Other Machine Systems** -- typically includes: supervising or administering overall digital computer systems activities, including combined digital computer-tabulating equipment organizations; performing staff planning and administrative work in administering a machine system organization, whether EAM, ADP, or other.

DISTINGUISHING AMONG FINANCIAL MANAGER, OTHER MANAGERIAL, BUDGET AND ACCOUNTING OFFICER, AND ADMINISTRATIVE OFFICER POSITIONS

Because there is a considerable degree of overlapping of functions among the above types of positions, the lines of demarcation are not clearly drawn. It is seldom feasible to determine the proper series and/or title on the sole basis of the subordinate functions (e.g., accounting, budgeting, personnel, etc.). The following material highlights the essential features which characterize each of the positions.

Administrative officer and assistant

Administrative officer or assistant positions that do not include responsibility for accounting, budgeting, *and* managerial-financial reporting are easily distinguished from financial management positions.

Many administrative officers or assistants are, however, responsible for financial management as one aspect of the total program of administrative or managerial services and functions that they provide. Such positions must be distinguished from financial management positions on the basis of the paramount qualifications required. If ability to manage a variety of administrative, managerial, and supportive services and controls is the paramount qualification requirement, rather than knowledge of financial management, then the position is that of an administrative officer or assistant. Contrarily, if the primary qualification requirement of the position is knowledge and ability in the field of financial management, then the position is classifiable in this series even though it may include responsibility for additional types of administrative or managerial service or control functions.

Budget and accounting officer

The key to distinguishing budget and accounting positions from financial manager positions is the presence in the latter type of position of a "comptrollership" concept of financial management. Although the budget and accounting officer exercises a high degree of expertise, competence, and knowledge of the organization and its functions and operations, the requirements of his position are to supervise the accounting operation and the budget operation. The financial manager provides the management officials of the organization he/she serves with authoritative accounting advice and authoritative budget advice and interprets the results and needs of each of these functions to those officials. The financial manager is the technical expert in both fields for the organization's management staff. He/she assures the coordination of these two separate functions within his subordinate staff to the extent that is required for the effective conduct of *each of these two functions*.

The financial manager, too, supervises the accounting and budget operations and provides (personally or otherwise) technical expertise in the budget and in the accounting functions. In

this respect and to this extent his position is similar to the position of budget and accounting officer. The financial manager, however, has further substantial responsibilities. He/she is responsible for developing and executing a comprehensive program of financial policy and financial control which constitutes a major and integral component of the organization's total management concept and practice. Both accounting and budgeting are essential ingredients of such a program of financial management, but, either separately or jointly, are no more than some of the raw material from which the financial manager builds his broad program of financial management. (This additional responsibility inherent in financial management positions is described in detail in the section of this standard titled "[The Nature of Financial Management](#)".)

Financial manager

The financial manager's role is characterized by responsibility for serving as a *financial advisor to management*. He/she does not manage (except for his own program). Through this *advisory service role*, the financial manager provides valuable assistance to top management in its task of managing and in reaching decisions.

The financial manager's program is aimed at utilizing accounting and fund control systems to maintain proper financial balance and to assure that management obtains maximum benefit from *financial* resources without sacrificing efficiency or violating rules or regulations. The financial manager is responsible for examining and reporting upon work progress and program accomplishments in financial terms.

Other managerial and executive positions

In general, managerial and executive positions are easily distinguished from financial manager positions. Normally, managers direct one or more operating programs (defined in footnote on page 3).

However, some positions are not so easily classified. For example, the functional responsibilities may be similar to or include those which are typical of financial manager positions, but there may also be present a more active and direct role in the overall management of the organization served. (Such positions sometimes result from the increment of additional responsibility to an especially competent financial manager.) Differences such as these must be taken into account in assigning positions of these types to both series and grade. Generally speaking, the presence in a position of characteristics such as the following to a significant degree excludes a position from this series:

1. Serving in a *determinative* rather than an *advisory* capacity in the management of operating programs or functional areas (other than those identified in this standard as of a financial management nature);
2. *Direct*, rather than *recommendatory*, involvement in the management of significant agency resources not of a financial nature;

3. Emphasis in the qualifications required on *broad managerial ability* rather than on financial management acumen.

[Exclusion paragraph No. 3](#) is applicable to positions which are excludable from this series on these bases.

HOW TO USE THIS STANDARD

The grade-level portion of this standard consists of three broad factors used to determine the grade levels of these positions. These are: Factor I -- Characteristics of the Operating Program; Factor II -- Characteristics of the Financial Management Program; and Factor III -- Characteristics of the Advisory Service Provided to Management.

Factors I and II also include three subfactors for each of which three degrees of intensity are identified. The discussions of factors I and II include simple instructions for determining the overall factor level through the use of the subfactor degree evaluations. A grade-level conversion table is provided so that the levels of the three factors can be converted into grade levels.

In addition, positions of overall assistants to financial managers may be evaluated by reference to the following factors and grade conversion table, provided due consideration is given to the lesser responsibility which is normally inherent in the assistant role. Normally, the position of full assistant is classified one grade below the financial manager position.

CLASSIFICATION FACTORS

With the exception of the factor "qualifications required" which is discussed below, the material covering the factors which must be used to differentiate grades among positions in this series is embedded in the factor discussions which follow. Discussion of other factors which are not meaningful in fixing grades for individual positions have been omitted.

QUALIFICATIONS REQUIRED

Financial management requires a positive and imaginative outlook, a depth of experience and training across and beyond specialty lines, and an understanding of varied skills that can provide broadly-based financial advice which will facilitate the conduct of Federal programs in accordance with the conditions of our times. It also requires an understanding of the program and organization of the agency served and the ability to devise and/or operate a system of financial management suited to that agency's program and organization. Following are the required knowledges, abilities, and other qualities. (Note that detailed knowledge of the individual financial management functions is *not* listed, since the breadth of these positions precludes a requirement for competence on the part of most financial managers in *all* of the individual functions. Most financial managers rely on subordinate staff specialists to provide

technical know-how in certain functions; however, in some positions in this series the duties require that the incumbent be a professionally-qualified accountant. (Such a requirement does not remove the position from this series.) Financial managers must have:

1. A broad knowledge of and ability to utilize principles, methods, techniques, and systems of financial management;
2. Ability to plan, direct, and coordinate difficult and complex programs;
3. Ability to develop, apply, and adjust financial plans and policies to attain agency objectives;
4. Ability to select, develop, and supervise a subordinate staff;
5. Ability to establish and maintain effective working relationships, not only with subordinate staff, but with all levels of key management officials, the latter particularly requiring the exercise of tact, ingenuity and resourcefulness;
6. Ability to make oral and written presentations in a clear and concise manner;
7. Ability to apply a high level of sound, independent judgment in the solution of financial problems and in the administration of a financial management program;
8. A broad knowledge of agency operating programs.

FACTOR I -- CHARACTERISTICS OF THE OPERATING PROGRAM

The nature, scope, impact, complexity, and characteristics of the operating program served provide both the arena and the boundaries for the work of the financial official. While for any particular operating program there is a very wide range within which a financial management program can fluctuate, it is necessary that the total setting of the position be measured and comprehended before it is feasible to appraise the grade-level worth of any specific financial manager's position. This factor, through its three subfactors, provides an evaluation of the setting in which the financial management program operates.

This factor is divided into three subfactors:

- A. Scope of Operating Program Served
- B. Type of Operating Program Served
- C. Management Level of the Operating Program

Each subfactor is in turn subdivided into three broadly defined degrees each of which encompasses a wide range of program characteristics.

Subfactor A -- Scope of operating program served

This subfactor is concerned with the extent to which the program and actions of the financial manager affect such things as the general economy, defense, international relations, health and welfare, natural resources, government operations, the public health, etc.

Degree A. -- The operating program served is among the largest and most critical of the Government's many programs and is characterized by paragraph 1 and two or more of paragraphs 2 through 5:

1. The program is nationwide or worldwide in its operations and impact;
2. The program is critical to the operations of a number of large and important Government agencies or of other programs of comparable size, impact, and national significance;
3. The program has a *critical* impact on a wide variety and number of the most important industries which function on a national or close to national basis; or otherwise has a *critical* impact on the total financial economy of the nation;
4. The program and its financial management are frequently or continually very much in the public eye and are subject to an unusually high degree of attention by the Congress, the press, and in the arena of public debate and discussion.
5. The program is multipurpose or multi-function *and* consists of a large number and wide variety of subordinate "programs" many of which individually are equivalent to degree B of this subfactor.

Degree B. -- The operating program served is substantial in size and impact and is normally characterized by one or more of the following:

1. The program is nationwide or worldwide in its operations;
2. The program constitutes a substantial aspect of the program or operations of several departments or independent agencies; or is a significant aspect of Governmentwide operations;

3. The program has a substantial impact on a number and variety of substantially nationwide industries, or on a few of the largest nationwide industries;
4. The program and its financial management are from time to time (but significantly less constantly and frequently than is true for Degree A) prominently in the public eye and are subject at such times to more than usual attention by the Congress, the press, and in the arena of public debate and discussion;
5. The program is multipurpose, multi-function, or consists of a number and variety of subordinate "programs" when several of these purposes, functions, or programs are themselves substantial in scope, e.g., comparable to Degree C of this factor.

Degree C. -- The operating program served is characterized by or does not significantly exceed the following: (See [Digest Vol. 5](#) for situations which do not meet this lower limit.)

1. The program is substantially local or regional in scope;
2. The program is in or affects only a single department, bureau, or independent agency program although similar programs may exist in other agencies;
3. The program has a significant impact primarily on local industries or local segments of industries; or has a limited impact on a national scale;
4. The program and its financial management are the subject of attention (on a national, regional, or local basis) by the press, the Congress, and the public to the degree which is normal or usual for most governmental activities, with more intense interest occurring only rarely and then often only on a limited geographic scale;
5. The program may consist of a number of subordinate functions or "programs" but few, if any, are of a scope and magnitude to require their own administrative support or financial management organizations.

Subfactor B -- Type of operating program served

This subfactor reflects the type of organization served, considering the basic mission or purpose for which the organization exists. When there is a mixed program, a general characterization of the basic mission should be made and the appropriate degree assigned.

While all activities of the Government are important, there are situations where the mission of the organization places exceptional demands on the financial management machinery of the organization. Activities which are particularly "charged" from the standpoint of national security, or activities which must be geared to regular operation on a "crash" basis may involve special problems. The continually fluctuating or dynamic nature of the program may add to the complexity of the financial manager's position. Other examples of exceptional demands

resulting from the mission of the organization may be situations in which the programs of the organization are subject to extreme fluctuations, requiring very large-scale seasonal or periodic adjustments of the financial plan, work force, or initiation of new and experimental programs, etc. Special problems may also be involved in activities which are the subject of intense public interest and concern so that they are in the limelight of public discussion, political implications, or economic controversy. In general, the application of the following degrees to the organization's mission will in almost all instances result in an accurate appraisal of the position under this subfactor. When, however, factors such as those enumerated in this paragraph as of significantly greater or lesser impact than is normally the case *for missions of the type and scope involved*, this fact should be considered in resolving reasonable doubts as to which of the degrees is most appropriate.

Degree A. -- The operating program or programs are highly complex and varied, involve an extraordinarily large budget, and/or are otherwise of a nature which affords the greatest scope and need for financial management and the greatest opportunity for a financial management program to have a critical impact on the operating program. Examples of such operating programs include:

1. Large-scale industrial, commercial, or financial operations;
2. Broad research and development programs which involve on individual research efforts the combined efforts of many contractors, subcontractors, laboratories, universities, or other appropriate organizations, as, for example, a project to develop a weapons systems.

Degree B. -- The operating programs involve substantial need for financial management and afford substantial opportunity for a financial management program to function as a major participant or major tool of overall management. Examples of such operating programs include:

1. Programs which involve the expenditure of significant proportions of the program budget for purposes other than employee salaries and administrative support and service, e.g., programs of a public welfare, medical welfare, agricultural, educational, or comparable nature;
2. Research and development programs of sufficient magnitude and scope as to require their own administrative support and financial management organizations;
3. Industrial, commercial, or financial operations of lesser scope and magnitude than are characteristic of Degree A of this factor;
4. Programs with diversified personal service operations of such nature as to create substantially greater problems of scheduling, controlling, costing, etc. (e.g., as in providing substantial and varied services to other agencies, State and local governments, private enterprise, and the general public on a reimbursable basis) than are normally characteristic of programs described in paragraph 1 of Degree C of this subfactor.

Degree C. -- The operating programs involve minimal current need for financial management and currently offer limited opportunity for the financial management program to function as a major participant or a major tool of overall management. Examples of such operating programs include:

1. Programs in which the program budget is primarily for employee salaries and administrative support and service;
2. Programs of any type or scope in which the program management plan or method of operation does not include the use of a financial management program to more than a minimal degree.

Subfactor C -- Management level of the operating program

Financial manager positions vary in organizational setting from the department or agency level to field installation or field activity levels. Differences in organizational levels carry very important differences in the level of delegated authority for setting policies, establishing procedures, and accomplishing objectives -- both those of the overall agency and those of the financial management program. Associated with this delegated authority is the related responsibility for coordinating the financial management program and synthesizing data therefrom for management's use. This subfactor measures the overall effect of the managerial setting on the financial manager's position.

Degree A. -- This is the "primary policy level" and is the level at which are determined -- subject only to the framework of laws and to the regulations and policies issued by the President, the Congress, the Bureau of the Budget, the General Accounting Office, and similar control agencies having Governmentwide jurisdiction the programs, policies, and procedures which are to be the work and method of operation of the organizations. In most cases, this is the department or agency level of Government.

Degree B. -- This is characterized as the "*secondary policy level*" at which there is a positive responsibility and a significant freedom for developing and adapting *significant* operating policies, procedures, programs, standards, operating goals, etc., within the overall framework established by the "primary policy level."

(Note: This degree is not used for all organizations which are immediately below the "primary policy level." If the organization is not materially and substantially concerned with the development of significant internal operating policies, procedures, or programs, or if little more is involved than the restatement of issuances from the "primary policy level", the program should be evaluated at Degree C rather than at this degree.)

Degree C. -- This is characterized as the "*operating level*" at which the primary function is conducting operations in conformity with comprehensive policies, procedures, and specifically detailed programs established by a higher organizational echelon. "*Operating-level*" programs have authority and opportunity to adapt the policies and procedures established by higher echelons to fit the local conditions and needs. However,

this authority does not extend to changing the essential substance of the prescribed policies and procedures. (When authority to adopt policies and procedures to fit local needs and conditions is *not* present, the question of whether the position of head of the "financial" program is of the type classifiable in this series must be carefully considered.) (See [Digest Vol. 5](#) for situations which do not meet this lower limit.)

(Note: Responsibility for reviewing, coordinating, and synthesizing the results of subordinate level organizations is included in many programs. This type of responsibility is usually, but not invariably, included in programs at the primary and secondary policy levels and may be found at the operating level in some instances. Since credit for this responsibility in specific reference to the financial manager's responsibility is provided elsewhere in this standard, the presence or absence of this responsibility should not be used to determine the appropriate degree under this subfactor.)

Procedure for establishing the overall value of Factor I

1. Evaluate all three subfactors to determine the proper degree for each;
2. Make sure that successive borderline decisions are as evenly balanced as is feasible between conservative and liberal decisions;
3. Using the following criteria, assign a single overall level for the total factor.

Level 1 -- At least 2 subfactors are evaluated at Degree A.

Level 2 -- At least 2 subfactors are evaluated at Degree B.

Level 3 -- At least 2 subfactors are evaluated at Degree C.

FACTOR II -- CHARACTERISTICS OF THE FINANCIAL MANAGEMENT PROGRAM

This factor is concerned with the evaluation of the responsibility and difficulty involved in managing and directing the subordinate staff and subordinate functions (accounting, budgeting, reporting, etc.) which go toward making up the financial management program. In a sense, this factor is most concerned with the kind and value of the management responsibility with which each financial manager is vested over his own subordinate staff.

This factor is divided into three subfactors:

- A. Volume of Special Staff Management Problems
- B. Nature of the Staff Management Responsibility

C. Scope of Functional Coverage

Each subfactor is in turn subdivided into three broadly defined degrees.

Subfactor A -- Volume of special staff management problems

This factor provides a means of appraising and giving credit for the existence in some positions of certain types of special problems which seriously complicate the management and direction of some financial management programs.

Degree A. -- This degree is characterized by the presence, in a significant and substantial degree, of at least two elements of special difficulty which are comparable to the following (and which have not been credited under another factor or subfactor).

1. The operating program and consequently the financial management program is marked by both short- and long-term instability with the consequential need for frequent, extensive, and basic revisions of financial plans, programs, and operations.
2. The types of operating programs or the conditions of operation are such that the usual approaches to problems will not suffice. The financial manager must develop new approaches, work in areas where there is no adequate experience data, develop and/or work with broad new concepts, and possess exceptionally imaginative and creative abilities to develop, present, and execute effective financial plans.
3. The operating programs at the several subordinate echelons or installations are so numerous and so varied from one to another, and the local conditions are so basically divergent, that the financial management programs present an exceptional degree of complexity in synthesizing financial and managerial data and in developing and executing an effective coordinated financial plan.

Degree B. -- This degree is characterized by the presence of one element of special difficulty comparable to those described in Degree A above.

Degree C. -- This degree is characterized by the absence of an element of special difficulty comparable to the types discussed in Degree A above.

Subfactor B -- Nature of the staff management responsibility

This subfactor deals with the scope and nature of the management problem which is inherent in supervising and directing the day-to-day operations of the several functions included in the financial management program. It measures the complexity of the staff management responsibility in terms of the organizational complexity of the financial management staff and the problems involved in coordinating the programs of subordinate echelons. The terms "providing technical direction", etc., used in the following degrees, should not be construed to mean the financial manager must *personally* be technically skilled in all of the subordinate

operations. Rather, it means that he is responsible for the provision of technical guidance, either from his own resources or through the capabilities of various specialists on his staff.

Degree A. -- The financial manager's subordinate organization is extremely large and organizationally complex. In a decentralized situation, it consists of a large number of subordinate financial organizations at several subordinate organizational levels (e.g., bureau, region, district, field station) with widely varying operations, programs and financial management problems. When the financial management program is centralized, his staff is comparable in size and complexity, i.e., is very large and is organized into a large number of subordinate segments (e.g., functional divisions) most of which are further subdivided into several organizational layers or echelons, each of significant size. In either situation there are very substantial problems in coordinating the activities and output of the many subordinate segments and in providing technical direction, guidance, and control to an extremely large financial management program.

Degree B. -- The financial manager's subordinate organization is large. When the financial management program is decentralized, it typically consists of a number of financial management organizations located at subordinate installations or stations. In a centralized program, the staff is comparable in size and normally is organized into a number of subordinate segments which are further subdivided, sometimes into two or more levels. In either situation, there are significant problems in coordinating the activities and output of the subordinate segments and in providing technical direction, guidance, and control to a large financial management program.

Degree C. -- The financial manager's subordinate organization is divided into several subordinate segments, some of which may be further subdivided. The financial manager provides both technical and administrative direction, guidance, and control to his staff. (See [Digest Vol. 5](#) for situations which do not meet this lower limit for the subfactor.)

Subfactor C -- Scope of functional coverage

This subfactor deals with the breadth or scope of the financial management program. It relates to the extent to which the program goes beyond the three basic functions of accounting, budgeting and managerial/financial reporting to include additional functional areas.

Degree A. -- Characteristic of this degree are financial management programs of exceptional breadth and comprehensiveness which provide a wide variety of management support and control services to management. Programs characteristic of this degree are concerned with long-range planning on a broad base, with the solution of major management problems, and the development of new and improved management techniques, support procedures, and controls to achieve the agency goals. In addition, programs at this degree are marked by the exceptional breadth of their functional coverage and include, as significant and substantial segments of the total financial management program, several (typically at least three unless there are two of outstanding size, scope, and impact) additional functions such as those listed below (or others of comparable breadth and complexity).

1. Management Analysis.
2. Auditing (Internal and/or External).
3. Statistical Services (for operating programs).
4. Automatic (Electronic) Data Processing (for operating programs in addition to financial management functions).
5. Program Analysis, Reporting, and Evaluation (of operating programs).

Degree B. -- Financial management programs at this degree are comprehensive and are concerned with the provision of a substantially greater than minimum range of financial management and general management services. Thus, programs at this degree are marked by the breadth of their functional coverage and include, in addition to the three basic functions of accounting, budgeting, and managerial/ financial reporting, at least one additional function (such as is listed above in Degree A or of comparable breadth and complexity).

Degree C. -- Financial management programs characteristic of this degree are those in which the three "basic" functions of accounting, budgeting, and managerial/financial reporting constitute the major substance of the program.

Procedure for establishing the overall value of Factor II

The same procedure is used for this factor as is described for Factor I. The subfactors are separately evaluated and an overall level assigned as follows:

Level 1 -- At least two subfactors at Degree A.

Level 2 -- At least two subfactors at Degree B.

Level 3 -- At least two subfactors at Degree C.

FACTOR III -- CHARACTERISTICS OF THE ADVISORY SERVICE PROVIDED TO MANAGEMENT

This factor is used to measure the scope and responsibility in the financial manager's position for providing integrated and comprehensive financial advice and assistance to management. Inherent in evaluating this factor is the need to consider the circumstances under which financial advisory service is rendered and the consequent relationship of the advisory service to the overall managerial decision-making function.

Special Note: Except in rare situations the potential scope and impact of the advisory service rendered is *directly related* to the nature and scope of *both* the operating program served and

the financial management program itself. This means that while it could be possible for a Financial Manager to render a minimum of advisory service although responsible for a broad functional financial management program and/or although serving a great variety and complexity of operating programs reverse situations could seldom, if ever, occur. In other words, it is not normally possible for a Financial Manager to provide the highest level advisory service to management when he is responsible for a minimum of financial management functional coverage or when the operating programs offer limited opportunity for financial management to function as a tool of overall management.

No subfactors have been provided for this factor; consequently, the overall levels provide the only evaluation required.

Level 1. -- This level exceeds Level 2 in that it represents an *unusual* degree of participation in the overall *general* management of the operating program served. The financial manager is a responsible member of the top management team and is relied on for authoritative advice on all aspects of financial management. In addition to the type of advisory services described at Level 2, he is a fully participating technical advisor in all or almost all significant management planning and policy and decision-making actions in his organization.

At Level I, the financial manager actively participates in formal and informal management sessions, including policy review and advisory boards or committees whose functions are not limited to financial management. The advisory services are significantly broader than those normally provided by a financial manager as described at Level 2. The significantly broader advisory role of a Level 1 financial manager involves *direct* participation (although in a staff advisory capacity) in all major aspects of the overall general management of the operating program served, including active participation in the making of management decisions that are related to general policy-setting matters and long-range program planning. (By contrast, the financial manager at Level 2 provides advice relating to those managerial planning, policy-formulation, and decision-making matters involving important financial considerations.)

Level 2. -- This level includes financial management advisory service relating to management plans, policies, and decisions involving important financial considerations. The financial manager participates in meetings, conferences, or other sessions concerning the general overall management of the operating programs for the purpose of representing the financial management program and for determining the significance of management decisions on financial plans and other financial matters.

Characteristic of Level 2 is the situation in which the financial manager regularly attends formal and informal management planning and policy and decision-making sessions concerning matters involving important financial considerations, in order to fulfill requests for financial data and advice. As the technical advisor in his field, the financial manager may be invited to contribute financial data, financial management advice, or recommendations based on his financial management expertise on a wide range of management problems. He/she may also attend a wide variety of managerial meetings, sessions, conferences, etc., as an observer so that he will be fully aware at all times of operating programs appropriately related to current management needs. Financial management is accepted and used within the organization as a significant aspect and

tool of overall management and the financial advice and data supplied by the financial manager plays a significant role in the handling of major management problems. The advisory service provided is broad in scope and consistently reflects all major facets of the financial management program of the organization.

Level 3. -- Characteristic of this degree is the situation in which the financial manager prepares and submits to various managerial levels a wide variety of financial reports, statements, and data of both a factual and analytical nature. While many of these are of a regularly recurring nature, others are prepared and supplied upon the initiative of the financial manager in order to bring actual or anticipated problems to the attention of the appropriate managerial levels. In addition, the financial manager is required to prepare and submit (in any appropriate method) financial data, advice, and recommendations on specific proposals, problems, plans, policies, etc., which are or will be subject to managerial consideration. From time-to-time the financial manager may be requested to attend various managerial meetings or sessions either so that he will be available if technical financial advice is needed, or as an observer of particularly significant managerial events. In this situation financial management is accepted and used within the organization as a significant matter for managerial consideration when major decisions or policies are involved.

GRADE CONVERSION TABLE

In using the following table, consider only the overall level values for the factors, i.e., do not, at this stage, consider further the degrees of the subfactors described under Factors I and II.

GS-12 -- All factors are Level 3

GS-13 -- One factor is above Level 3

GS-14 -- Two factors are Level 2

GS-15 -- All factors are Level 2; or one factor is Level 1 and another not lower than Level 2. (As pointed out in the special note on page 22, Level 1 is rarely, if ever, appropriate for Factor III when either Factor I or Factor II is at the minimum level).

Note: No financial manager position should be classified to a lower grade on the basis of this standard than would be the proper grade for supervising a subordinate staff of the size and type actually involved. (An appropriate [General Schedule Supervisory Guide](#) or other pertinent standard may be used to evaluate the position if this exception is applicable.)