



U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
National Policy

ORDER
1375.7H

Effective Date:
10/01/08

SUBJ: Organization Expenditure Codes (OEC)—Cost Center Segment Flex Field

1. Purpose of This Order. The Cost Center Segment is a part of the Accounting Flex Field (AFF). The AFF is the accounting code structure developed by the Department of Transportation (DOT) for the financial management system Delphi. This order prescribes the policy, procedures, and structure for the organization expenditure code used by FAA in Delphi. In this order this segment is referred to as OEC or org code.

2. Who This Order Affects. This order affects all FAA organizations that expend funding.

3. Where Can I Find This Order? You can find this order on My FAA website:

https://employees.faa.gov/tools_resources/orders_notices/

4. Cancellation. Order 1375.7G, Organization/Cost Center Codes Standard Data Elements, dated December 12, 2001 is canceled.

5. Explanation of Changes. This revision:

a. Changes the title of this order to Organization Expenditure Codes (OEC)—Cost Center Segment Flex Field from Organization/Cost Center Codes Standard Data Elements.

b. Contains policy and references the General Ledger (GL) Organizational Listing to view all active and non-active OEC codes.

c. Describes the newly established FAA Delphi Organization Hierarchy Tree. This Tree replaces the current FAA Organization Hierarchy/Tree in Delphi and will be the single point of Tree changes in FAA as a financial system of record for Labor Distribution Reporting (LDR) Tree used for LDR reporting and the Advanced Reporting System (ARS) Tree used for ATO reporting. See Appendix A, Delphi Organization Hierarchy Tree.

6. Policy. The Office of Financial Management (AFM) will approve all actions relating to the Organization Expenditure Codes (OEC) used in the agency. These actions include additions, end dates, renames, restructuring, etc.

7. Role of Organization Expenditure Code (OEC). The Organization AFF segment is used to identify the organizational hierarchy of the entity. This segment is designated as the cost center segment. It is used to control funds as well as fulfill statutory and managerial reporting requirements.

8. OEC Code Structure. The OEC is a 10-digit code that includes the region contraction, cost center code and placeholder. The OEC code structure is further defined in Appendix A, Delphi

Organization Hierarchy Tree and region contractions are listed in Appendix B, Washington Headquarters, Regions and Centers Table of Contractions.

9. Application. The organization expenditure code is used to control funds as well as fulfill statutory and managerial reporting requirements. The OEC will only be used for identifying organizations. Under Delphi other coding schemes such as project number, task number, budget line item (BLI), and object class identify other special requirements for gathering information. It is not mandatory that you have an OEC for each management level of an organization. It is at the discretion of the organization how it wants to manage its funding and reporting levels.

10. Responsibilities.

a. The Office of Financial Management (AFM-400) is the office of primary responsibility for Order 1375.7. In carrying out this responsibility, the office must:

(1) Review and decide on all proposals for the assignment or change of the OEC for all organizations within the FAA.

(2) Maintain approved listings of active org codes in the GL Organizational Listing and the Delphi Organization Hierarchy Tree. <http://Delphihelp.faa.gov> (select Useful Links).

(3) AFM will review actions to make sure there are no conflicts within Delphi; and

(4) Coordinate with the Office of Budget (ABU-200), if needed, to make sure the fund code, budget line item (BLI), and the allotment fund code (AFC) are valid.

(5) AFM will submit approved requests to the Enterprise Service Center (ESC) helpdesk for processing.

b. Air Traffic Organization (ATO), Lines of Business (LOB) and Staff Offices (SO) must assign a point of contact (POC). The POC will be the liaison for their organizations to manage and coordinate the OEC request to AFM.

c. ATO, LOB and SO point of contact must:

(1) Coordinate, review and approve OEC request from all organizations within the ATO, their LOB or SO before sending request to AFM to ensure organizational approval. An intermediate procedure for reviewing or approving the request before it goes to the POC can be established within your organization if needed.

(2) Notify their organizations when AFM has approved the request.

11. Procedures. Organizations requiring an OEC action (add, end date, rename, etc.) must submit to their OEC point of contact an Organization Expenditure Code Approval and Maintenance request form, FAA Form 1375-1. Download form, from <http://Delphi.faa.gov> under User Resources select Organization Expenditure Code. This web site also includes the procedures for requesting an OEC action and the list of OEC points of contact for your organization.

12. Approval. The signature line required on the OEC form must be filled out along with the appropriate justification. Contact AFM-400 prior to requesting an OEC action for reorganizations, functional realignments or creating new organizations. These types of changes require additional approval. The following are the level of approval required:

a. Reorganizations, functional realignments or creating new organizations relating to organizations two levels below the Administrator must have the Administrator's approval. This must be done in the form of a change to Order 1100.2D, Organization—FAA. A Notice must be provided until Order 1100.2D is available.

b. All other organizations may require a memorandum signed by an approving official two levels above the organization being restructured or created; this will be determined by AFM-400.

13. Update and Maintenance. After the year-end process, a Delphi report will be run to determine if there are org codes with zero activity. These org codes will be verified by the respective POC for its validity. If the org code is no longer being used, it will be end dated. An organization at anytime can request an org code to be end dated which initially will be given an inactive date so that no new activity or new obligations can be processed against it. The org code will be permanently end dated when the org code appears on the zero activity report. It is the responsibility of the organization to ensure all activity is transferred or closed-out from the end dated org code. You can find the [Checklist for End Dated Organization Expenditure Codes](http://Delphi.faa.gov), on <http://Delphi.faa.gov> under *User Resources select, Organization Expenditure Code (OEC)*.

14. Distribution. This order is distributed at the division level in Washington, regions, and centers with limited distribution to all field offices and facilities.



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Appendix A: Delphi Organization Hierarchy Tree

- 1. General.** This appendix explains the Delphi organization hierarchy Tree and how it will be used and maintained within the Organization Expenditure Code (OEC) process.
- 2. Delphi Organization Hierarchy Tree.** An organization tree is essentially a means of defining the hierarchical relationships between the different organizations that make up a business. It is a multilevel representation of the agency's organizational structure. Delphi uses organization hierarchies or the Tree for various purposes. They are used to determine valid expenditure and project owning organizations in determining burdened amounts using a burden schedule, and for reporting purposes. An example of the Delphi Organization Hierarchy Tree is illustrated at <http://Delphi.faa.gov> under User Resources select, Organization Expenditure Code.
- 3.** The Org code structure is a 10-digit code that includes the region contraction, cost center code and placeholder. The cost center code is designed to provide enough flexibility to allow all offices to adopt it to include the levels of detail needed for varying information requirements. Each digit in the cost center code represents an organization level.
 - a.** 2-digit region contraction represents where the organization is physically located (see appendix B).
 - b.** 6-digit cost center code identifies the organization. Smart coding, a specific series of codes assigned to organizations so you can instantly identify the organization, is used to identify specific organization structures expending cost. The first 2-digits of the cost center code represents a line of business, staff office, etc.
 - c.** 2-digit place holders
- 4. The Delphi Tree versus Smart Coding.** The Delphi Tree will eliminate the need for the above smart coding process followed in the past since it will allow movement of the org code/s across organization lines. If a realignment or restructuring of organizational functions is transferred from one line of business to another. The existing org codes can be moved and aligned under the receiving organization without creating new org codes. This preserves the history under the old organization structure till the realignment/restructuring and reporting the cost under the new structure for prior period comparison. The Tree will also provide the needed flexibility for detailed information requirements at the lowest level of an organization hierarchy.
- 5. Update and Maintenance.** The Delphi Tree will be updated and maintained through the OEC process. Request for updates to the Delphi Tree will be processed through the Enterprise Service Center (ESC) Helpdesk as part of the OEC request submitted by AFM-400. In order to generate year-to-year financial reporting comparisons, the Delphi Tree will be versioned as part of the Delphi Year End process. A new version will be created at the beginning of a new fiscal year.
- 6. Versioning during the year.** The Delphi Tree versioned during the year will only occur if a sizable change has been made and it compromises the integrity of the reporting process; this will be

determined by AFM-400. Major changes will not be implemented until the beginning of a fiscal year and information must be provided six months in advance. Download information needed for major changes from <http://Delphi.faa.gov> under User Resources select, Organization Expenditure Code (OEC).

7. What qualifies as major change?

- a. Any personnel change or cost center moves above 100 across Organization Tree.
- b. Any business rule that has Funding, Charge Controls (RT2) and Business Validation rule changes in Delphi.
- c. Any change to financial reporting during the fiscal year that distorts Prior Period Comparative Reporting.
- d. Any Consolidation of Organization (collapse one into another or creation of a new organization that never existed).

8. What qualifies as minor change? Changes that do not meet any or all of the factors above are minor changes. Generally, these changes can be implemented ad hoc at any time. An example of such a change would be the addition of a cost center within the current structure that does not have any of the attributes of a major change.

**Appendix B: Washington Headquarters, Regions, and Centers
Table of Contractions***

Washington Headquarters, Regions, and Centers	Contractions
Mike Monroney Aeronautical Center	AC
Alaskan Region	AL
Central Region	CE
William J. Hughes Technical Center	CT
Eastern Region	EA
Great Lakes Region	GL
New England Region	NE
Northwest Mountain Region	NM
Southern Region	SO
Southwest Region	SW
Washington Headquarters (Office of the Administrator)	WA
Europe, Africa, and Middle East Office (EU)	WA
Western Hemisphere Office (WH)	WA
Asia-Pacific Office (PC)	WA
Western-Pacific Region	WP

* In the Air Traffic Organization, Contractions represent the physical location of an organization.