

**OFFICE OF PERSONNEL MANAGEMENT
ATLANTA MERIT SYSTEMS OVERSIGHT DIVISION
ATLANTA, GEORGIA**

CLASSIFICATION APPEAL DECISION

Under section 5112(b) of title 5, United States Code

Appellant: [the appellant]

Position: Financial Manager, GS-505-14

Organization: Directorate of Resource Management
Engineering and Support Center
U.S. Army Corps of Engineers
[city and state]

Decision: Financial Manager, GS-505-14
(Appeal denied)

OPM Decision Number: C-0505-14-01, 8/20/96

Background

On June 4, 1996, the Atlanta Merit Systems Oversight Division, Office of Personnel Management, accepted an appeal for the position of Financial Manager, GS-505-14, located in the Directorate of Resource Management, Engineering and Support Center, U.S. Army Corps of Engineers, [city, state]. The appellant is requesting that his position be changed to Financial Manager, GS-505-15.

The appeal has been accepted and processed under section 5112(b) of title 5, United States Code. This is the final administrative decision on the classification of the position subject to discretionary review only under the limited conditions and time outlined in part 511, subpart F, of title 5, Code of Federal Regulations.

Sources of Information

This appeal decision is based on information from the following sources:

1. The appellant's letter of May 23, 1996, appealing the classification of his position.
2. The agency's letter of May 28, 1996, which transmitted the appellant's letter and provided position and organizational information.
3. A telephone interview with [the servicing classifier] on August 7, 1996.
4. A telephone interview with the appellant on August 8, 1996.
5. A telephone interview with Lieutenant Colonel [appellant's supervisor] the appellant's immediate supervisor, on August 12, 1996.

Position Information

The appellant is assigned to Position Number 96120, which was classified on May 15, 1996. The appellant, supervisor, and agency have certified to the accuracy of the position description.

The appellant serves as the Resource Management Officer for the Engineering and Support Center. He plans, organizes, directs, and coordinates the various resource management programs for the center, including accounting, budgeting, program evaluation, management reporting, manpower allocation, and management analysis. The resource management program serves center activities which in turn serve customers throughout the United States and occasionally other areas of the world. Funding is received from a number of different sources and appropriations, and involves direct funding, reimbursable funding, and revolving funds.

The appellant serves as the principal advisor to the Commander and managers of the center on all financial management issues, and serves as a member of various management committees charged with recommending policy and management actions to the Commander. He provides financial management advice and information for use in the decision-making process. He establishes center financial management policies consistent with direction received from higher headquarters and subject to the Commander's approval. He represents the center in dealing with outside organizations on financial management matters and issues.

The appellant oversees the operations of the Directorate of Resource Management. He establishes program objectives and monitors performance to ensure progress toward meeting the objectives. He reviews organizational structure, work flow, and work coordination to ensure effective use of available resources, and makes changes where appropriate. He develops or approves directorate policies and procedures, and approves annual and long-range work plans for subordinate units.

The appellant manages the directorate workforce of approximately 48 persons through subordinate supervisors. He serves as the final approving authority for all personnel and organizational actions proposed by subordinate supervisors. He assures equity of performance standards and rating techniques used by subordinate supervisors, and develops performance standards for the subordinate supervisors. He approves performance evaluations prepared by subordinate supervisors and evaluates those supervisors. He selects persons for subordinate supervisory positions, hears and resolves grievances and complaints, approves serious disciplinary actions involving nonsupervisory employees, identifies training needs, and makes decisions on non-routine personnel matters. He approves pay increases and overtime, recommends awards and bonuses, and ensures compliance with management programs.

The appellant receives direction from the Deputy Commander in the form of broadly defined policies and objectives. He is given wide latitude and discretion in managing the resources of the center, subject to limitations imposed by higher headquarters. He is expected to consult with his superiors on major policy issues or significant controversies. His completed work is reviewed for attainment of objectives and compliance with policy.

Standards Referenced

Financial Management Series, GS-505, June 1963.
General Schedule Supervisory Guide, April 1993.

Series and Title Determination

The appellant does not contest the occupational series or title of his position.

The agency placed the appellant's position in the Financial Management Series, GS-505, which covers positions which 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. Positions in the GS-505 series must include responsibility for: (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 on 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. The appellant's responsibilities make placement in the GS-505 series appropriate.

The GS-505 standard authorizes the title of *Financial Manager* for all positions in the GS-505 series.

The appellant's position is properly titled and coded as Financial Manager, GS-505.

Grade Determination

The appellant's position incorporates both program management responsibilities, best measured by the GS-505 standard, and supervisory responsibilities, best measured by the General Schedule Supervisory Guide. The position is evaluated as follows:

Financial Management Series, GS-505:

The GS-505 standard is written in narrative format, using three factors for evaluation purposes: *Characteristics of the Operating Program*, *Characteristics of the Financial Management Program*, and *Characteristics of the Advisory Service Provided to Management*. An appropriate Level is determined for each factor, following instructions provided in the standard, and the resulting Levels are converted to a grade by application of the Grade Conversion Table on page 24 of the GS-505 standard.

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 three subfactors, evaluates the setting in which the financial management program operates. The agency evaluated this factor at Level 2, and the appellant has not contested that determination.

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. The agency evaluated this subfactor at Degree B.

At 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 part 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, multifunction, 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.

At Degree A, the operating program 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 multifunction *and* consists of a large number and wide variety of subordinate "programs" many of which individually are equivalent to Degree B of this factor.

Degree B is met. The operating programs served by the appellant are nationwide in scope, with occasional international involvement on individual projects. However, Degree A is not met. Although the first characteristic under this degree is present, none of the operating programs served are critical to the operation of other Government agencies or has a critical impact on the private sector. Similarly, none of the programs or the overall mission of the center receives sufficient public attention to warrant credit under this degree, and none of the operating programs served is equivalent in scope to Degree B.

This subfactor is evaluated at Degree B.

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. The agency evaluated this subfactor at Degree B.

At 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., than are normally characteristic of programs described in paragraph 1 of Degree C of this subfactor.

At Degree A, the operating program or programs are highly complex and varied, involve an extraordinarily large budget, 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 system.

Degree B is met. Similar to this degree, the operating programs served by the appellant involve the expenditure of funds from various sources on a range of projects, many involving contractual services and other activities with a substantial opportunity for waste due to mismanagement, poor quality of contractor work, and similar circumstances. The variety of funding sources and the restrictions placed on the use of certain funds requires considerable care and caution in the financial management of these projects. The operating programs served by the appellant are comparable to that described in the third example under Degree B. However, Degree A is not met. The operating programs consist of a number of individual projects at various locations throughout the United States, but do not involve single activities comparable to (either individually or collectively) those described at Degree A.

This subfactor is evaluated at Degree B.

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 activity. Differences in organizational levels carry very important differences in the level of delegated authority for setting policies, establishing procedures, and accomplishing objectives. This subfactor measures the overall effect of the managerial setting on the financial manager's position. The agency evaluated this subfactor at Degree C.

Degree C 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.

Degree B 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*.”

Degree C is met. The appellant serves programs at the “*operating level*,” which manage a number of different projects under each program. There is no evidence in the appeal record that the programs served have a significant policy-making responsibility such as is described at higher degrees under this subfactor.

This subfactor is evaluated at Degree C.

Summary of Factor I	
Subfactor	Degree
A. Scope of operating program served	B
B. Type of operating program served	B
C. Management level of the operating program	C

When at least two subfactors are at Degree B, this factor is evaluated at Level 2, following the instructions on page 18 of the GS-505 standard.

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 a subordinate staff. This factor, through three subfactors, evaluates the financial management program itself. The agency evaluated this factor at Level 3, while the appellant believes that Level 2 is warranted.

Subfactor A - Volume of special staff management problems. This subfactor 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. The agency evaluated this subfactor at Degree C, while the appellant believes that Degree A is met.

Degree A is characterized by the presence, in a significant and substantial degree, of at least two items 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 operations 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 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 is characterized by the presence of one element of special difficulty comparable to those described in Degree A above.

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

The appellant contends that the first two items of special difficulty are present in his position. Since the appellant does not direct financial management programs at subordinate installations, the third item of special difficulty is not creditable and will not be further discussed. As evidence of the first situation of special difficulty, the appellant cites the growth of the center's program, both in manpower and dollar terms, over the past 10 years. He also cites a number of projects which have been canceled or curtailed, causing changes in financial plans. While the evidence provided by the appellant shows an approximate doubling of the center's resources over the past 10 years, that growth is not *prima facie* evidence of an inherent instability in the financial management program sufficient to warrant crediting the first item of special difficulty. A pattern of resource growth such as is described by the appellant is not indicative of *both short- and long-range* instability, as described in the first item, but represents an evolutionary growth common in many organizations. Similarly, the fact that some projects have been canceled or curtailed is also not indicative of instability. A chart provided by the appellant showing the center's workload since Fiscal Year 1969 shows a general upward trend in overall workload since Fiscal Year 1974 under a mix of different projects, but does not show dramatic changes in the overall workload or in the workload associated with most of the projects. Consequently, we conclude that the first item of special difficulty is not present in the appellant's position.

The appellant contends that the operating programs served are of such complexity that the usual approaches to financial management are not sufficient. As evidence, he cites a self-sufficient training program which generates revenue from tuition, a single project built for the Government using private funds, and a program managed for another organization which requested a funding mechanism which was not appropriate. While such issues may present a problem in the normal operation of the financial management program, they do not represent unusual approaches. Financial management in self-sufficient organizations is commonplace in the private sector and not unprecedented in the Federal Government (e.g., non-appropriated fund instrumentalities and industrially-funded organizations in the Department of the Army). Similarly, a requested use of funds not supported by legislative authorization does not require an unusual approach, but does require that the financial manager identify allowable alternatives. The use of private funds in a Government construction project may require unusual approaches in financial management sufficient to meet the second item of special difficulty, but a single project is not, by itself, sufficient to credit this item in the appellant's case.

This subfactor is evaluated at Degree C.

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 agency evaluated this subfactor at Degree C, and the appellant has not contested that determination.

At 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 the staff.

At 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 subordinate segments and in providing technical direction, guidance, and control to a large financial management program.

Degree C is met. The appellant's organization is divided into subordinate segments over which he exercises both technical and administrative direction. However, Degree B is not met, since the appellant's organization is not of sufficient size and complexity as to present significant problems in coordinating activities or in directing the work of the financial management program.

This subfactor is evaluated at Degree C.

Subfactor C - Scope of functional coverage

This subfactor deals with the breadth or scope of the financial management program. It related to the extent to which the program goes beyond the three basic functions of accounting, budgeting, and managerial/financial reporting to include additional functions. The agency evaluated this subfactor at Degree B and the appellant has not contested that determination.

At Degree A, financial management programs are 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:

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).

At Degree B, financial management programs 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 B is met. In addition to the basic functions described at Degree C, the appellant's organization also includes program evaluation and management analysis functions. However, Degree A is not creditable, since the requisite three functions, in addition to the basic functions cited at Degree C, are not present.

This subfactor is evaluated at Degree B.

Summary of Factor II	
Subfactor	Degree
A. Volume of special staff management problems	C
B. Nature of the staff management responsibility	C
C. Scope of functional coverage	B

When at least two subfactors are at Degree C, this factor is evaluated at Level 3, following the instructions on page 22 of the GS-505 standard.

Characteristics of the Advisory Service Provided to Management

This factor measures 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. No subfactors have been provided for this factor; consequently, the overall levels provide the only evaluation required. The agency evaluated this factor at Level 2, while the appellant believes that Level 1 is met.

Level 2 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 program 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 financial management expertise on a wide range of management problems. The financial manager may also attend a wide variety of managerial meetings, sessions, conferences, etc., as an observer to 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 1 exceeds Level 2 in that it represents a *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, the financial manager is a fully participating technical advisor in all or almost all significant management planning and policy and decision-making actions in the organization. At Level 1, 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.

The appellant contends that his membership on three corporate committees (i.e., the Project Review Board, the Quality Steering Committee, and the Program Resource Advisory Committee) are indicative of his participation in the general management of the center and support evaluation of his position at Level 1 under this factor. However, the appeal record shows, and the appellant confirmed, that his role on these committees is primarily as a technical advisor on the resource aspects of recommendations developed by the committees. For example, the appellant's role on the Project Review Board is to provide advice on the resource impact of various projects under consideration or in progress. Similarly, his role on the Quality Steering Committee is to provide advice on the resource impact of various recommendations developed by the committee on policy and management issues, while his involvement in the Program Resource Advisory Committee is concerned with the allocation of resources to various programs and projects under the purview of the center. This does not represent an *unusual* degree of participation in the overall *general* management of the organization, as discussed at Level 1, in that the appellant is not a *direct participant* in management decision-making, but functions as a technical advisor in the development of recommendations to the center commander. While these recommendations may be adopted by the commander, the appellant's function does not involve direct participation in decision-making to the extent necessary to credit Level 1. Consequently, we find that Level 2 is appropriate for this factor.

This factor is evaluated at Level 2.

In summary, the appellant's position is evaluated under the GS-505 standard as follows:

Factor	Level
I. Characteristics of the operating program	2
II. Characteristics of the financial management program	3
III. Characteristics of the advisory service provided to management	2

According to the Grade Conversion Table on page 24 of the GS-505 standard, when two factors are at Level 2, the resulting grade is GS-14.

General Schedule Supervisory Guide (GSSG):

The GSSG is used to determine the grade of General Schedule (GS or GM) supervisory positions in grades GS-5 through GS-15, and employs a factor-point evaluation method that assesses six factors common to all supervisory positions. To grade a position, each factor is evaluated by comparing the position to the factor-level descriptions for that factor and crediting the points designated for the highest factor-level which is fully met, in accordance with the instructions specific to the factor being evaluated. The total points accumulated under all factors are then converted to a grade by using the point-to-grade conversion table in the Guide. The position is evaluated as follows:

Factor 1, Program Scope and Effect

This factor assesses the general complexity, breadth, and impact of the program areas and work directed, including the organizational and geographic coverage. It also assesses the impact of the work both within and outside the immediate organization. To credit a particular factor-level, the criteria for both scope and effect must be met. The agency credited Level 1-2 for this factor. The appellant believes that Level 1-3 is more appropriate.

a. Scope

This element addresses the general complexity and breadth of: (1) the program (or program segment) directed; and (2) the work directed, the products produced, or the services delivered. The geographic and organizational coverage of the program (or program segment) within the agency structure is addressed under this element.

At Level 1-2, the program segment or work directed is administrative, technical, complex clerical, or comparable in nature, has limited geographic coverage, and support most of the activities comprising a typical agency field office, an area office, a small to medium military installation, or comparable activities within agency program segments.

At Level 1-3, the position directs a program segment that performs technical, administrative, protective, investigative, or professional work covering a major metropolitan area, a State, or a small region of several States; or, when most of an area's taxpayers or businesses are covered, comparable to a small city. Providing complex administrative or technical or professional services directly affecting a large or complex multimission military installation also falls at this level.

Level 1-2 is met. The appellant directs an organization which provides financial management services to the center, with a serviced population comparable to a small-to-medium size military installation. However, Level 1-3 is not met. Although the programs served by the appellant's organization fund individual projects in many different locations, the *direct* service provided by the appellant's organization is limited to the center itself, and does not extend to the installations and activities at which the individual projects are conducted.

This element is evaluated at Level 1-2.

b. Effect

This element addresses the impact of the work, the products, and/or the programs described under "Scope" on the mission and programs of the customer(s), the activity, other activities in or outside of the Federal Government, the agency, other agencies, the general public, or other entities.

At Level 1-2, the services or products support and significantly affect installation level, area office level, or field office operations and objectives, or comparable program segments; or provide services to a moderate, local or limited population of clients or users comparable to a major portion of a small city or rural county.

At Level 1-3, the activities, functions, or services accomplished directly and significantly impact a wide range of agency activities, the work of other agencies, the operations of outside interests (e.g., a segment of a regulated industry), or the general public. At the field activity level (i.e., large, complex multi-mission organizations or very large serviced populations) the work directly involves or substantially impacts the provision of essential support services to numerous, varied, and complex technical, professional, or administrative functions.

Level 1-2 is met. The *direct* impact of the appellant's organization is limited to the center itself. While his organization manages funding for projects conducted at a number of different locations, this funding does not impact a wide range of agency activities, the private sector, or the general public to the extent necessary to credit Level 1-3. The non-financial services of the appellant's organization (i.e., program evaluation and management analysis) have no direct impact outside the center.

This element is credited at Level 1-2.

Since both elements of this factor are evaluated at Level 1-2, that is the proper evaluation for the factor, for 350 points.

Factor 2, Organizational Setting

This factor considers the organizational situation of the supervisory position in relation to higher levels of management. The agency credited Level 2-3 for this factor, and the appellant has not contested that evaluation.

At Level 2-3, the position is accountable to a position that is Senior Executive Service (SES) level, or an equivalent military rank, or to a position which directs a substantial GS/GM-15 or equivalent workload. This is the highest level described for this factor.

Level 2-3 is met. The appellant reports to the Deputy Commander of the center, who is a full deputy to the Commander, who in turn directs a number of subordinate positions at the GS/GM-15 level.

Level 2-3 is credited, for 350 points.

Factor 3, Supervisory and Managerial Authority Exercised

This factor covers the delegated supervisory and managerial authorities that are exercised on a recurring basis. To be credited with a level under this factor, a position must carry out the authorities and responsibilities to the extent described for the specific level. Levels under this factor apply equally to the direction of specialized program management organizations, line functions, staff functions, and operating and support activities. The agency credited Level 3-4 for this factor, and the appellant has not contested that evaluation. We find that Level 3-4 is not met and that Level 3-3 is appropriate for this factor.

Level 3-3 describes two situations, either of which meets the level. In the first situation, the position exercises delegated managerial authority to set a series of annual, multi-year, or similar long-range work plans and schedules for in-service or contracted work; assure implementation by subordinate organizational units of program goals and objectives; determine which goals and objectives need additional emphasis; determine the best solution to budget shortages; and plan for long range staffing needs. Positions in this situation are closely involved with high level program officials or comparable agency staff personnel in developing overall goals and objectives for assigned functions or programs. The second situation covers second-level supervisory positions who perform the full range of supervisory functions described at Level 3-2, and at least half of the conditions described at Level 3-3, including such matters as using subordinates to direct or lead work, exercising significant advisory or coordinating responsibilities, assuring equity of performance standards and ratings among subordinate units, directing a program segment with significant resources, making decisions on matters elevated by subordinate supervisors, exercising personnel

authority over subordinate supervisors and employees, approving serious disciplinary actions, making non-routine decisions, and approving the expenditure of funds.

Level 3-4 is creditable only if both situations under Level 3-3 are met. Level 3-4 also describes two situations, either of which meets the level. In the first situation, the position being evaluated exercises delegated authority to oversee the overall planning, direction, and timely execution of a program, several program segments managed through separate organizational units, or comparable staff functions. Such positions include responsibility for development, assignment, and higher level clearance of goals and objectives for subordinate organizations; approving multi-year and longer range work plans developed by subordinate supervisors; overseeing the revision of long range plans, goals and objectives; managing the development of policy changes; managing organizational change; and exercising discretionary authority to distribute funds in the organization's budget. In the second situation, the supervisor exercises final authority for the full range of personnel actions and organization design proposals.

Level 3-3 is met. The appeal record shows that virtually all (i.e., all except item 12) of the functions described on pages 17 and 18 of the GSSG are present in the appellant's position. However, the appeal record does not support crediting the first situation under Level 3-3. While the appellant performs many of the planning and management functions described in the first situation, there is no indication in the appeal record (and the appellant did not provide any additional evidence during the interview) which supports a *continuing and close involvement* with agency staff in developing goals and objectives for assigned functions or programs. The appellant has regular contacts with agency-level staff on financial issues and once headed an agency-level task force on funding alternatives, but there is no evidence of an on-going involvement by the appellant at the agency level sufficient to credit the first situation under Factor 3-3 (see the discussion on pages 10 and 11 of the Digest of Significant Classification Decisions and Opinions, Number 19, dated August 1994). The first situation is not *fully met* and is not creditable. Since both situations under Level 3-3 are not met, Level 3-4 is not creditable.

This factor is evaluated at Level 3-3, for 775 points.

Factor 4. Personal Contacts

This is a two-part factor which assesses the nature and the purpose of personal contacts related to supervisory and managerial responsibilities. The same contacts that serve as the basis for the level credited under Subfactor 4A must be used to determine the correct level under Subfactor 4B.

Subfactor 4A, Nature of Contacts

This subfactor covers the organizational relationships, authority or influence level, setting, and difficulty of preparation associated with making personal contacts involved in supervisory and managerial work. To be credited, the level of contacts must contribute to the successful performance of the work, be a recurring requirement, have a demonstrable impact on the difficulty and responsibility of the position, and require direct contact. The agency credited Level 4A-3 for this subfactor and the appellant has not contested that evaluation.

At Level 4A-3, recurring contacts are with high ranking military or civilian managers at bureau and major organizational level within the agency, with agency administrative personnel, or with comparable personnel in other agencies; key staff of public interest groups with significant political influence or media coverage; journalists representing influential city or county news media; Congressional committee and subcommittee staff assistants; contracting officials and high level technical staff of large industrial firms; or local officers of regional or national trade associations, public action groups or professional organizations, or with State and local government managers. These contacts take place in meetings and conferences, and often require extensive preparation.

At Level 4A-4, frequent contacts are with influential individuals or organized groups from outside the agency; regional or national officers of trade associations, public action groups, or national professional organizations; key staff of Congressional committees and principal assistants to Senators and Representatives; elected or appointed representatives of State and local governments; journalists of major metropolitan, regional, or national news media; or with SES, flag officer, or Executive Level heads of bureaus and higher level organizations in other Federal agencies. These contacts may take place in meetings, conferences, briefings, speeches, presentations, or oversight hearings, and may require extemporaneous response to unexpected or hostile questioning. Preparation for such contacts typically requires extensive analytical input by subordinates or involves the assistance of support staff.

Level 4A-3 is met. The appellant has regular contacts with high ranking military and civilian managers at Corps of Engineers and Department of the Army levels, as well as with financial managers and other staff members of Federal agencies impacted by work performed by or under the direction of the center. These contacts occur in both informal and formal settings, and many of the contacts require significant preparation. However, Level 4A-4 is not met. The appellant's personal contacts do not typically include individuals such as those cited at this level, and do not require the level of preparation described.

Level 4A-3 is credited, for 75 points.

Subfactor 4B, Purpose of Contacts

This subfactor covers the purpose of the personal contacts credited in Subfactor 4A, including the advisory, representational, negotiating, and commitment-making responsibilities related to supervision and management. The agency credited Level 4B-3 for this subfactor. The appellant believes that Level 4B-4 is more appropriate.

At Level 4B-3, the purpose of contacts is to justify, defend, or negotiate in representing the project, program segment, or organizational unit, in obtaining or committing resources, and in gaining compliance with established policies, regulations, or contracts. Contacts at this level usually involve active participation in conferences, meetings, hearings, or presentations involving problems or issues of considerable significance or importance to the program or program segment.

At Level 4B-4, contacts are made to influence, motivate, or persuade persons or groups to accept opinions or take actions advancing the fundamental goals and objectives of the program or segments directed, or involving the commitment or distribution of major resources, when intense opposition or resistance is encountered due to significant organizational or philosophical conflict, competing objectives, major resource limitations, or comparable issues. The persons contacted are fearful, skeptical, or uncooperative, and the contacts require highly developed communications, negotiation, conflict resolution, or leadership skills.

The appellant contends that Level 4B-4 is met, and cites contacts concerning three issues which he believes are representative of this level. The appeal record shows that the appellant's personal contacts often require him to represent the financial management program and the center in obtaining or committing resources, and require him to justify and defend a particular position in the course of these contacts. This is consistent with Level 4B-3, and that level is met. However, the contacts which the appellant cites as supportive of Level 4B-4 do not appear to represent regular and recurring contacts creditable under this factor, but warrant further examination, as follows:

- ▶ Negotiations with the University of Alabama, Huntsville, over the use of the university's conference center for training programs involved issues of contract compliance similar to those described at Level 4B-3, and negotiation of a new agreement. However, the appellant provides no evidence that these contacts involved the level of opposition or lack of cooperation indicative of Level 4B-4. While the university may have a competing objective (e.g., a profit motive), there is also a mutual, and possibly overriding, objective to reach an agreement on the use of the conference facilities. Consequently, we conclude that these contacts are not supportive of Level 4B-4.

- ▶ Contacts with the U.S. Army Toxic and Hazardous Materials Agency over the appropriateness of incremental funding from a single-year appropriation involved the lack of legislative authorization to use the designated funds on an incremental basis. Consequently, this contact involved a compliance issue (i.e., compliance with legislation) similar to that described at Level 4B-3, and does not meet the intent of Level 4B-4.
- ▶ Developing and “selling” a strategy for the renegotiation of contract payments to an existing contract required some persuasion of persons in various organizations. However, there is no indication in the appeal record that these persons held the conflicting objectives or approached the issue in an uncooperative manner required to credit Level 4B-4. It is likely that the persons contacted had a common objective -- limiting the government’s liability -- which limited their opposition to the appellant’s arguments such that the intent of Level 4B-4 is not met.

We conclude that the nature of the appellant’s contacts do not meet the intent of Level 4B-4 and that Level 4B-3 is the highest level fully met under this subfactor.

Level 4B-3 is credited, for 100 points.

Factor 5. Difficulty of Typical Work Directed

This factor measures the difficulty and complexity of the basic work most typical of the organization(s) directed, as well as other line, staff, or contracted work for which the supervisor has technical or oversight responsibility, either directly or through subordinate supervisors, team leaders, or others. The agency credited Level 5-6 for this factor. The appellant believes that Level 5-8 is more appropriate.

The appellant contends that his position warrants credit for directing GS-13 level work as the second-level supervisor, using the alternate method (for second and higher level supervisors) on page 24 of the GSSG. He notes that he is the first-line supervisor over the Chief of the Systems Division, who is a GS-13 and also functions as the appellant’s deputy, and the Chief of the Program and Budget Division, also a GS-13. The appellant’s deputy serves as the first-line supervisor over the Systems Division, as well as supervising the Chief of the Finance and Accounting Division (GS-13) and the Chief of the Management Analysis and Manpower Division (GS-12). The appellant contends that these four subordinate supervisors perform nonsupervisory work equivalent to two work years at GS-13 and one work year at GS-12.

The appellant’s use of the alternate method for second and higher level supervisors is not supported by the appeal record on two points:

- ▶ There is no evidence in the appeal record that the appellant devotes *at least 50 percent* of his duty time to directing nonsupervisory work above the GS-11 level, as required by the GSSG as a condition for using the alternate method.
- ▶ The appellant's use of the current grades of the supervisory positions as representative of their nonsupervisory work is not supported by the position descriptions covering those positions. Specifically, the position descriptions for two of the positions (Chief of the Finance and Accounting Division and Chief of the Program and Budget Division) contain only supervisory and closely related work. The position descriptions for the remaining two positions describe .50 work years at GS-12 and .85 work years at GS-11.

Based on the appeal record, we conclude that the alternate method for second and higher level supervisors is not applicable to the appellant's position and the first method must be used.

The agency determined that the level of work directed by the appellant was GS-11, which accounts for approximately one-half of the nonsupervisory workload in the organization. The GSSG states that the level of work directed by first-line supervisors is the highest grade of work which:

- ▶ best characterizes the nature of the basic (mission oriented) nonsupervisory work performed or overseen by the organization directed; and
- ▶ constitutes 25 percent or more of the *workload* of the organization.

In determining the level of work directed, several assumptions are made:

- ▶ the current position descriptions for nonsupervisory subordinates are accurate and they function at their classified grade 100 percent of the time;
- ▶ the subordinate first-line supervisors perform nonsupervisory work at the level of their highest-graded subordinate approximately 80 percent of the time, with the exception of the appellant's deputy, who performs nonsupervisory work at the GS-12 level 50 percent of his time; and
- ▶ subordinate second-line supervisors perform no nonsupervisory work, according to their current position descriptions.

Based on these assumptions and excluding clerical support positions, the following breakdown of nonsupervisory work is representative of the average 40-hour work week in the directorate:

Grade Level	Supervisor's Hours	Nonsupervisor's Hours	Total Hours	Percent of Total Hours
12	20	80	100	6.32
11	162	640	802	50.70
9		120	120	7.58
8		40	40	2.53
7		240	240	15.17
6		240	240	15.17
4		40	40	2.53
TOTAL	182	1400	1582	100

GS-11 is the highest grade which meets the criteria identified in the GSSG for selection as the level of work directed under the method for first level supervisors. Consequently, GS-11 is selected as the level of work directed.

When the level of work directed is GS-11, Level 5-6 is credited for 800 points, according to the matrix on page 24 of the GSSG.

Factor 6. Other Conditions

This factor measures the extent to which various conditions contribute to the difficulty and complexity of carrying out supervisory duties, authorities, and responsibilities. To evaluate Factor 6, two steps are used. First, the highest level that a position substantially meets is initially credited. Then, if the level selected is either 6-1, 6-2, or 6-3, the Special Situations listed after the factor level definitions are considered. If a position meets three or more of the situations, then a single level is added to the level selected in Step 1. If the level selected under Step 1 is either 6-4, 6-5, or 6-6, the Special Situations may not be considered in determining whether a higher factor level is creditable. The agency credited Level 6-5 for this factor and the appellant has not contested that evaluation.

The GSSG describes three situations, any one of which meets Level 6-5, 1225 points. The first situation involves significant and extensive coordination and integration of a number of important projects or program segments comparable to the GS-12 level, and making major recommendations which have a direct and substantial effect on the organization. The GSSG states that three or more of the following or comparable areas meet this situation: (1) significant internal and external program and policy issues; (2) restructuring, reorienting, and recasting immediate and long-range goals, objectives,

plans, and schedules, to meet substantial changes in legislation, program authority, or funding; (3) determining which projects or program segments to be initiated, dropped, or curtailed; (4) changes in organizational structure; (5) the optimum mix of reduced operating costs and assurance of program effectiveness; (6) the resources to devote to particular programs; or (7) policy formulation and long-range planning in connection with prospective program or functional changes. The second situation involves supervision of GS-13 work involving extreme urgency, unusual controversy, or other comparable demands. The third situation concerns managing work comparable to GS-11 through subordinate supervisors or contractors, requiring substantial coordination and integration comparable to paragraph a of Level 6-4 for a number of major work assignments, projects, or program segments.

At Level 6-6, 1325 points, the work requires exceptional coordination and integration of a number of very important and complex program segments or programs comparable to the GS-13 level, involving major decisions in many of the areas listed under the first situation in Level 6-5. Also creditable at Level 6-6 is the management of a substantial workload comparable to GS-12 through subordinate supervisors or contractors which requires coordination and integration similar to that described at Level 6-5.

Level 6-5 is met. The appellant directs nonsupervisory work at the GS-11 through subordinate supervisors, involving coordination of work to ensure consistent application of regulations and policies and the integration of the work into an overall resource management plan for the center. This is sufficient to meet the third situation under Level 6-5. However, Level 6-5 is not met, since the appellant is not credited with directing work above the GS-11 level under the previous factor.

Level 6-5 is credited, for 1225 points.

SUMMARY		
FACTOR	LEVEL	POINTS
1. Program Scope and Effect	1-2	350
2. Organizational Setting	2-3	350
3. Supervisory and Managerial Authority Exercised	3-3	775
4. Personal Contacts		
A. Nature of Contacts	4A-3	75
B. Purpose of Contacts	4B-3	100
5. Difficulty of Typical Work Directed	5-6	800
6. Other Conditions	6-5	1225
	TOTAL	3675

A total of 3675 points equates to a GS-14, 3605 to 4050 points, according to the point-to-grade conversion chart on page 31 of the GSSG.

Summary

The appellant performs program management work evaluated at the GS-14 level and supervisory responsibilities also evaluated at GS-14. Consequently, the appropriate grade for the appellant's position is GS-14.

Decision

This position is properly classified as Financial Manager, GS-505-14. This decision constitutes a classification certificate issued under the authority of section 5112(b) of title 5, United States Code. This certificate is mandatory and binding on all administrative, certifying, payroll, disbursing, and accounting officials of the Government.