

## **Budget Object Classification Codes (BOCs): What Are They & Why Do We, as Sustainability Champions, Care?**

### ***What Are BOCs?***

Budget Object Classification Codes (BOCs) are classification titles used to record and track various categories of Federal financial transactions. They are established by the Office of Management and Budget (OMB) for use by all Agencies.

### ***What is the Significance of BOCs for Purchase Card Holders?***

When reconciling Purchase Card (and any Convenience Check) transactions, it is critical for Purchase Card Holders to ensure that their transactions have the correct BOC to ensure accurate records. Likewise, it is imperative that other transactions—such as the automatic payments of utilities (e.g., electricity, natural gas, water, and solid waste)—have the appropriate BOCs assigned.

### ***How Does the Proper Use of BOCs Support Sustainability?***

An easy method of developing a "green purchasing" or other "environmental footprint" baseline is searching the financial records and obtaining data by utilizing BOCs. However, if transactions have been assigned an erroneous BOC, then baselines can be incorrect.

In FY 2010, one USFS Region noted a significant (over \$100,000) mistake involving an incorrect BOC. The mistake was due to using the BOC for water (2313) instead of the BOC for electricity (2311). This resulted in over-reporting of data in one category (water) and under-reporting in another category (electricity) for the FY and, subsequently, abnormally high water-related expenditures. It is likely that similar errors have occurred in multiple R/S/As.

Without an accurate baseline, it is difficult to validate environmental improvements over time and, thus, demonstrate the success of our sustainability initiatives.

### ***What is the Role of BOCs in Upward Reporting for the USFS's Greenhouse Gas (GHG) Inventory?***

Per the requirements of Executive Order (EO) 13514, "Federal Leadership in Environmental, Energy, and Economic Performance," every federal Agency must "measure, report, and reduce their greenhouse gas emissions from direct and indirect activities." Doing so requires collecting data for multiple emissions categories (e.g., fleet, purchased electricity, and employee commuting).

Although much of the data needed to calculate GHG emissions is tracked in national data systems, some emissions categories (e.g., steam heating, chilled water, diesel fuel for emergency generators, and liquid propane) can only be tracked using BOCs. Therefore, accurate use of BOCs is essential to ensuring the accuracy of the Forest Service's comprehensive GHG inventory.

### ***What Actions are Underway to Improve the Accuracy of BOC Use?***

The Sustainable Operations Western Collective Utility Bill Clean-Up Team is collaborating to assist units in reviewing utility bills for invoice accuracy, as well as redundant billing charges, tariffs, and surcharges. This clean-up effort is being conducted in anticipation of the launch of PowerTrack, an improved agency-wide, energy-tracking system, in FY2012.

### ***What Can You Do Immediately to Ensure the BOCs are Assigned Correctly?***

Forest Service employees should familiarize themselves with all BOCs and make efforts to verify that BOCs are correctly applied for all types of purchases.