Memorandum

To: John Bresland

Cc: Board Members

From: Chris Warner

Subject: Notation Item 627

Date: April 4, 2008

I have issued a Board Action Report for this item as of this date (See attached). Mr. Wright suggested two editorial changes which I have also attached along with his vote sheet. I did not incorporate the suggestions into the final report because, in my opinion, these revisions were more substantive than editorial as defined by section 8 of Board Order 001. The suggested revisions would change the meaning of the proposed text by not requiring the concurrence (or approval) of the DFO to take certain financial actions. If you have any concerns about this, please let me know.
Memorandum

To: Board Members
From: Christopher Warner
Cc: Leadership Team
Subject: Board Action Report – Notation Item 627
Date: April 4, 2008

On March 31, 2008, the Board approved Notation Item 627, thereby:

- Transferring FY 2008 funds to the Office of Investigations from the Board Member Office budget as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel – Investigations (Team Selk)</td>
<td>$112,000</td>
</tr>
<tr>
<td>Overtime – Investigations (Team Selk)</td>
<td>9,000</td>
</tr>
<tr>
<td>Other Services – Board Members</td>
<td>(121,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 0</strong></td>
</tr>
</tbody>
</table>

- Transferring $111,829 in unused compensation to the unallocated funds in Board Member Office Budget as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation – Board Members</td>
<td>$(36,508)</td>
</tr>
<tr>
<td>Compensation – Investigations</td>
<td>(41,412)</td>
</tr>
<tr>
<td>Compensation – Congressional, Public and Board Affairs</td>
<td>(33,909)</td>
</tr>
<tr>
<td>Other Services – Board Members</td>
<td>111,829</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 0</strong></td>
</tr>
</tbody>
</table>

- Authorizing the Chairperson, with the concurrence of the DFO, to transfer additional unused compensation from various Offices to unallocated funds in the Board Member’s budget up to a maximum of $212,600 if those funds become available due to positions remaining vacant longer than currently projected;
• Authorizing the Chairperson, with the concurrence of the DFO, to approve a total of $50,000 in transfers between office budgets each fiscal year. Once such transfers in a fiscal year reach $50,000, each additional transfer must be approved by the Board as an amendment to the operating budget;

• Authorizing each Budget Officer, with the approval of the DFO, to shift up to $25,000 per year, either in increments or at once, between object classifications within their approved office budgets. Board approval is required when budget shifts in an object classification will exceed $25,000, and for additional shifts in any amount by a budgetary unit after the total amount shifted within that unit in one fiscal year reaches $25,000; and

• Requiring the DFO to track all such transfers between or within budgetary units and to notify the Board when cumulative thresholds have been met and further Board votes are required to amend the operating budget.

Voting Summary – Notation Item 627

Disposition: APPROVED
Disposition date: April 1, 2008

<table>
<thead>
<tr>
<th></th>
<th>Approve</th>
<th>Disapprove</th>
<th>Calendar</th>
<th>Not Participating</th>
<th>Date</th>
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</thead>
<tbody>
<tr>
<td>J. Bresland</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>4/1/2008</td>
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<tr>
<td>G. Visscher</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>W. Wark</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>3/31/2008</td>
</tr>
<tr>
<td>W. Wright</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td>3/31/2008</td>
</tr>
</tbody>
</table>
will exceed $25,000, and for additional shifts in any amount by a budgetary unit after the
total amount shifted within that unit in one fiscal year reaches $25,000; and

- Require the DFO to track all such transfers between or within budgetary units and to
notify the Board when cumulative thresholds have been met and further Board votes are
required to amend the operating budget.

X I APPROVE this notation item AS PRESENTED.
X Minor editorial suggestions are marked on attached page.

____ I CALENDAR this notation item for discussion at a Board meeting.
____ Some of my concerns are discussed below or on the attached memorandum.

____ I DISAPPROVE this notation item.
____ A dissent is attached.
____ I will not file a dissent.

____ I am NOT PARTICIPATING.

Note: An urgent notation item is either adopted or disapproved when the affirmative or negative
votes of a majority of the participating members are received by the Office of General Counsel.

Date: 31 Mar 2008

Member: William E. Whyte
8. The DFO further projects that an additional $212,600 in unused compensation may become available by the end of the fiscal year if vacant positions remain unfilled through the end of the fiscal year (Attachment D);

9. Other amendments to the operating budget may be required to address changing circumstances as the year progresses; and

10. The Board wants to provide flexibility to the Chairperson to authorize limited transfers between offices and to budget officers to authorize internal line item adjustments without the necessity of a Board vote to amend the budget.

Therefore, the Board hereby votes to:

- Transfer FY 2008 funds to the Office of Investigations from the Board Member Office budget as follows:

  Travel – Investigations (Team Selk) $112,000
  Overtime – Investigations (Team Selk) 9,000
  Other Services – Board Members (121,000)
  **Total** $ 0

- Transfer $111,829 in unused compensation to the unallocated funds in Board Member Office Budget as follows:

  Compensation – Board Members $(36,508)
  Compensation – Investigations (41,412)
  Compensation – Congressional, Public and Board Affairs (33,909)
  Other Services – Board Members 111,829
  **Total** $ 0

- **Authorization**: With the concurrence of the DFO, to transfer additional unused compensation from various Offices to unallocated funds in the Board Member’s budget up to a maximum of $212,600 if those funds become available due to positions remaining vacant longer than currently projected;

- **Authorization**: With the concurrence of the DFO, to approve a total of $50,000 in transfers between office budgets each fiscal year. Once such transfers in a fiscal year reach $50,000, each additional transfer must be approved by the Board as an amendment to the operating budget;

- **Authorization**: With the approval of the DFO, to shift up to $25,000 per year, either in increments or at once, between object classifications within their approved office budgets. Board approval is required when budget shifts in an object classification