



DEPUTY DIRECTOR
FOR MANAGEMENT

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III 
Deputy Director for Management

SUBJECT: 2004 Inventories of Commercial and Inherently Governmental
Activities

The Federal Activities Inventory Reform (FAIR) Act of 1998 (P.L. 105-270), requires federal agencies to prepare and submit to the Office of Management and Budget (OMB), by June 30th of each year, inventories of commercial activities performed by federal employees. OMB Circular A-76, Performance of Commercial Activities, further requires agencies to submit inventories of their inherently governmental activities to OMB. The Circular provides guidance on the development of both inventories, and additional information regarding submission of the inventories is provided below.

General Instructions

The spreadsheet for submission of the 2004 commercial and inherently governmental inventories is provided on the OMB website (www.whitehouse.gov/omb/procurement/fair-index.html). Other formats are incompatible with OMB's inventory management information system and will not be accepted. Additional resources provided on the website include the 2004 user's guide, the list of function codes, Department of Defense function code definitions, and spreadsheet guidance.

Each agency shall provide the name and phone number of the agency point of contact responsible for the FAIR Act, and the website address that the agency will use for releasing the inventories to the public. After review and consultation, OMB will publish this information in the *Federal Register* Notice of Availability.

As a reminder, the reason codes for the 2004 inventories of commercial activities were updated in 2003 to reflect changes in the revised OMB Circular A-76. An agency may exempt, with sufficient written justification, commercial activities performed by government personnel from private sector performance using reason code A. In accordance with the revised Circular, these written justifications should be available to OMB and the public upon request.

Review and Consultation

The following agencies will be notified in writing when OMB has completed reviewing the content of the agency inventories: Department of Agriculture, Department of Commerce, Department of Defense, Department of Education, Department of Energy, Environmental Protection Agency, Department of Health and Human Services, Department of Homeland Security, Department of Housing and Urban Development, Department of the Interior, Department of Labor, Department of State, Department of Transportation, Department of the Treasury, Veterans Affairs, Agency for International Development, Corps of Engineers, General Services Administration, National Aeronautics and Space Administration, National Science Foundation, Office of Personnel Management, Small Business Administration, Smithsonian Institution, and Social Security Administration.

Agencies not listed above may assume that OMB has completed reviewing the inventories 30 days after the electronic submission of their inventories to OMB unless otherwise directed by OMB. Not sooner than 45 days after the electronic submission of their inventories to OMB, unless otherwise directed, these agencies should release their inventories to the Congress and the public, and place both inventories on the agency's website. In accordance with the FAIR Act, the challenge and appeals process begins when OMB publishes the Notice of Availability in the *Federal Register*.

The inventories shall be submitted via e-mail (hard copies and faxes are not required) to the appropriate OMB Resource Management Office and to the Office of Federal Procurement Policy (FAIRAct2004@omb.eop.gov) consistent with the guidance provided in OMB Circular A-76 (www.whitehouse.gov/omb/circulars/index-procure.html) and the instructions provided in this memorandum.

OMB seeks to consider ways in which the FAIR Act inventory development and submission process might be improved by building on agencies' experience with the FAIR Act requirements and OMB guidance. OMB invites agencies to include any suggestions with their inventory submissions in June 2004.

Please address any questions regarding the development of the 2004 inventories to Lesley Field, Office of Federal Procurement Policy, at (202) 395-4761.