

served until the additional funds become available by congressional action. Employment under estimated reimbursable arrangements must also be reserved until such arrangements have been negotiated.

d. Any decision to substitute the use of service contracts for direct employment, or to change the proportionate use of full-time (permanent or temporary), part-time, or intermittent employment must be based on considerations of effectiveness and economy in administering Federal programs, and must not be used as a device to avoid compliance with the ceilings.

5. *Adjustments to employment ceilings.* Under normal circumstances it would be expected that requests for revisions in employment ceilings for the current year in progress would be considered by the Bureau of the Budget during the examination of agency budget submissions for the following year. In the case of unusual or emergency situations, requests for revisions may be submitted at other times.

Revisions to employment ceilings will be considered only when congressional action on the budget request, or on supplemental requests or budget amendments transmitted after the budget, or any development subsequent to the establishment of the ceilings clearly requires a material change in the number of positions.

In the agency's request for an adjustment, it is not sufficient merely to justify the need for additional employment in a particular bureau or unit. The justification should indicate clearly why the increase cannot be absorbed through an internal adjustment in the agency's ceiling distribution, or why the need cannot be postponed to the next fiscal year.

All requests for adjustments in ceilings will be brought to the President's attention through the Bureau of the Budget.

6. *Report of violations.* It is the responsibility of each agency head to insure that the end-of-year employment is kept within the approved ceilings. In exceptional situations where the end-of-year employment exceeds an approved ceiling, the agency head will be responsible for the preparation of a report containing:

a. An explanation of the factors which caused employment to exceed the ceiling;

b. A statement describing the specific weaknesses in the agency's employment control system which permitted the violation to occur and the action taken to prevent recurrence of such violations; and

c. A schedule showing by bureau, the agency's distribution of the established ceiling and the corresponding numbers of employees at the end of the year.

An original and two copies of the report described above will be submitted to the Bureau of the Budget no later than the 20th of the month following the end of the fiscal year.

CHARLES L. SCHULTZE, *Director.*

Attachment.

#### DEFINITIONS OF EMPLOYMENT CATEGORIES

Note that the three types of employment are the equivalent of those set forth in the *Federal Personnel Manual*, Chapter 292. The employment categories used in the Civil Service Commission Monthly Re