

**Forest Service Handbook  
National Headquarters - Washington Office  
Washington, DC**

**Forest Service Handbook 6509.11k – Service-Wide Finance and Accounting Handbook  
Chapter 50 - Accounting**

**Amendment:** 6509.11k-2020-2

**Effective date:** September 09, 2020

**Duration:** This amendment is effective until superseded or removed.

**Approved by:** Antoine L. Dixon, Chief Financial Officer (CFO)

**Date approved:** August 04, 2020

**Responsible Staff:**

**Last Change:** 6509.11k-2020-1 to 6509.11k, section 51

**Superseded Document(s):** 6509.11k\_52, Amendment 6509.11k-2019-2, August 14, 2019

**Digest:** Following is an explanation of the changes throughout the directive by section.

**52:** Changes caption from “Obligations and Administrative Control of Funds” to “Administrative Control of Funds.” Revises section with extensive updates for new programs, and sets forth additional direction throughout.

**52.1:** Adds reference to The Government Accountability Office (GAO) Green Book – Standards for Internal Control in the Federal Government (September 2014).

**52.3:** Revises policy and procedures for unliquidated obligations. Updates established policy concerning the Obligations as prescribed in OMB Circular A-11.

Adds information on the purpose and location of Standard Operating Procedures, as they provide specific direction required by this directive for day to day activities for localized staff business processes

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## 52 - Administrative Control of Funds

### 52.1 - Authority

#### 52.11 - Statutory Authority

1. Chief Financial Officers (CFO) Act of 1990. This Act establishes Government-wide financial management policies, requirements, and monitoring for the establishment and operation of financial management systems. It requires the monitoring of resources to effectively operate, maintain, and enhance financial management systems through activities such as reviewing Agency budget requests for financial management systems and operations; reviewing and, where appropriate, recommending to the Director of Office of Management and Budget (OMB) changes to the budget and Agency legislative proposals to ensure that they are in accordance with OMB's financial management plans. This Act also establishes the Office of Federal Financial Management in OMB to perform these Government-wide financial management responsibilities.

2. Consolidated Appropriations Act, 2017 (H.R. 244). This Act sets the overall fiscal year (FY) 2017 spending limits by Agency or program and authorizations directing how Federal funds should or should not be used. It also requires the Forest Service transition, effective FY 2017, from no-year to multi-year (4 years) funds. The transition to multi-year funds requires the application of the "Bona Fide Need Rule" on Agency use of its multi-year funds; this rule does not apply to no-year funds.

3. Title 48 CFR 4.804-5, Procedures for Closing out Contract Files. This Regulation requires that all contract disposals and closeouts are completed in compliance with Federal Acquisition Regulation procedures and closeout process for contract files. <https://www.govinfo.gov/app/details/CFR-2011-title48-vol1/CFR-2011-title48-vol1-sec4-804-5>.

4. Forest Service Manual (FSM) 1580 (Grants, Cooperative Agreement, and Other Agreements). This manual reflects additional responsibilities for developing and implementing grants or agreements with signatory officials, certified Grants, and Agreements Specialists, and Program Managers. In addition, FSM 1580 provides clear direction on the use of grants, cooperative agreements, and other agreements to carry out the Forest Service mission for public benefit in accordance with applicable laws, regulations, and management policy.

5. Agriculture Acquisition Regulation (48 CFR, Chapter 4, Parts 401-453). This regulation prescribes policies and procedures to implement and supplement the Federal Acquisition Regulation (FAR) as the primary and uniform regulation for use by all Federal Executive agencies in the acquisition of supplies and services with appropriated funds.

6. Subpart 32.7--Contract Funding. This subpart:

- a. Describes basic requirements for contract funding and

- b. Prescribes procedures for using limitation of cost or limitation of funds clauses. Detailed acquisition funding requirements are contained in Agency fiscal regulations.

Basically, no officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Antideficiency Act, (ADA), 31 U.S.C. 1341), unless otherwise authorized by law. Before executing any contract, the contracting officer shall:

- a. Obtain written assurance from responsible fiscal authority that adequate funds are available or
- b. Expressly condition the contract upon availability of funds in accordance with 32.703-2.

7. OMB Circular A-11, Preparation, Submission, and Execution of the Budget, including Part 4 and Appendix H. This Circular provides:

- a. An overview of the budget process, including the basic laws and terms and concepts needed to better understand the budget process, including directions on administration of funds;
- b. Guidance on how to prepare and submit materials required for OMB and Presidential review of all Agency requests and the formulation of the budget; and
- c. Describes the requirements of the Government Performance Results and Modernization Act, 2010, relative to strategic plans, performance plans, and reports. Part 4 provides instructions on Budget Execution and related OMB guidelines. Appendix H provides a checklist for Funds Control Regulations.

8. OMB Circular No. A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996. This circular provides for the establishment of uniform financial system, standards, and reporting.

9. OMB Circular No. A-130, Management of Federal Information Resources. This circular provides general policy for the planning, budgeting, governance, acquisition, and management of Federal information resources. It also includes appendices outlining Agency responsibilities for managing information, supporting the use of electronic transactions, and protecting Federal information resources. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information.

10. The Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act establishes a Government-wide financial data standard and increases the availability, accuracy, and usefulness of Federal spending information. It provides reliable, timely, secure, and consumable financial management data for the purpose of promoting

transparency, facilitating better decision making, and improving the development of Government-wide operational efficiency.

11. The Government Accountability Office (GAO) Green Book – Standards for Internal Control in the Federal Government (September 2014). The Green Book provides managers with criteria for designing, implementing, and operating an effective internal control system. It defines standards through components and principles and explains why they are integral to an Agency's internal control systems. The Green Book clarifies what processes management considers part of internal control. In a mature and highly effective internal control system, internal control may be indistinguishable from day-to-day activities personnel perform. Agencies use the Green Book to help achieve their objectives related to operations, reporting, and compliance, (<http://www.gao.gov/greenbook/overview>).

12. Title 2 CFR: 200.343(b) Closeout. This Regulation determines the closeout process that must take place when all applicable administrative actions and all required work is completed at the end of the period of performance as specified in the terms and conditions of the Federal award, (<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-sec200-343.pdf>).

13. Title 31, United States Code, Sections 1341-1342, 1349-1351, 1511-1519. This Title discusses the ADA, Section 1101, 1104-1108, and 3324; the Budget and Accounting Act, 1921, as amended, section 1501-1502; the Supplemental Appropriations Act of 1950, and sections, 1112, 1531, 3511-3512, 3524; and the Budget and Accounting Procedures Act of 1950.

14. DR 2000-1 United States Department of Agriculture, Office of the Chief Financial Officer (USDA-OCFO), Budget Manual of 1991, Chapter 4-Administrative Funds Control. This manual describes the Department's requirement for budgetary administration and reporting, including the Department's system for administrative control of funds.

15. Program Management Improvement Accountability Act (PMIAA), 2016. The Act establishes Program Management Improvement Officers (PMIOs) throughout the Federal government. The Act aims to improve program and project management (P/PM) practices within the Federal Government, requires Government-wide standards and policies for program management, and establishes a new interagency council to improve P/PM practices among agencies. It also requires the establishment of Government-wide P/PM standards, policies, and guidelines for P/PM for agencies (Public L. 114-264)(M-18-19).

## 52.2 - Objectives

1. To provide guidance on certifying the validity of fund, making funds available that otherwise would not be used, reducing the risk of misuse and theft of funds, and improving the U.S. Treasury Department's ability to forecast outlay and borrowing needs.

2. To support centralizing and standardizing budgeting and accounting practices among the Forest Service Regions and program offices as required by the House of Representatives (H.R.) 244 Consolidated Appropriations Act 2017; Division G-Department of the Interior, Environment and Related Agencies; Title III, Related Agencies; and Title IV General Provisions, section 415. The Forest Service is directed to improve and better manage its procurement and financial management processes to ensure funds are spent in an appropriate and timely manner.
3. To establish policy with regard to the Forest Service's administrative control of funds and budget execution as required by OMB Circular A-11, Preparation, Submission, and Execution of the Budget, Appendix H, Checklist for Funds Control Regulations.

### 52.3 - Policy

1. The Forest Service, including all organizations, appropriations, and funds must adhere to the following administrative control of funds. Note that there are no approved exemptions to these control regulations. See below:
  - a. As required by OMB Circular A-11, Section 150.2, expenditures from each appropriation or fund account are restricted to the lower of the amount of apportionments made by OMB or the amount available for expenditure through allocations. Apportionments are done at the Treasury Account Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region and Station, Budget Line Item (BLI) in the appropriate TAFS and related fund and budget period. Thus, expenditures are limited to the amounts allocated at the Agency Region and Station BLI level.
  - b. Application/System controls must be in place to ensure that spending is limited to the amounts allocated in the Agency core accounting system.
  - c. The Agency core accounting system must record all financial transactions affecting, for example, apportionments, reapportionments, allotments, financial plans, program operating plans, obligations, expenditures, receipts, as well as, anticipated, earned, and collected reimbursements.
  - d. Appropriate funding authority, budget approval, and availability of funds (funds status) are required prior to entering into any obligation.
  - e. The Agency core accounting system must be able to generate and reconcile financial reports that display cumulative expenditures (Funds Status) by appropriations and allotment and cumulative expenditures by budget activity and object class.
  - f. The Head of the Agency must be able to identify the person responsible for any obligation or expenditure exceeding the amount available in the appropriation or fund account (ADA violation), the OMB apportionment or reapportionment, the

allotment made by the Agency, any statutory limitations, and any other administrative subdivision of funds made by the Agency.

g. The procedures for reporting violations of the ADA, 1982, as well as, violations of other additional Agency imposed fund restrictions must be followed as outlined in the Accounting Procedures.

h. Ongoing reviews of Agency administrative control of funds must occur annually by B&F and Audit and Assurance, at a minimum, to help identify compliance with these policies, and to identify needed improvements and corrective actions to address internal review findings.

2. Compliance with the DATA Act reporting requirements must ensure full transparency of financial data with all required and established Government-wide data standards for any Federal funds made available to or expended by Federal agencies and entities receiving Federal funds and also for financial data and provide consistent, reliable, and searchable Government-wide spending data that is displayed accurately in the Federal spending chain from the commitment to payment.

See: <https://www.congress.gov/113/plaws/publ101/PLAW-113publ101.pdf>

3. Specific Standard Operating Procedures (SOP) direction required by this directive for day to day activities of staff area business processes can be found at <https://usfs.app.box.com/v/cfostandardoperatingprocedures/>. These SOPs provide a description of process steps and required key control activities in accordance with the GAO Green Book, (<https://www.gao.gov/greenbook/overview>) to include controls to separate incompatible duties and responsibilities.

If further details for execution are required, the appropriate staff area Director will issue a supplemental SOP in concert and consistent with USDA and Forest Service policy.

A risk assessment will be conducted by the CFO to determine whether the SOP needs to be updated, on an annual basis.

## **52.4 - Responsibility**

### **52.41 - Chief Financial Officer**

It is the responsibility of the Chief Financial Officer (CFO) to:

1. Ensure the quality and integrity of the Agency core accounting system and its subsidiary systems have in place, the necessary controls that align with the administrative control of funds.
2. Ensure the Agency adheres to sound financial management policies and practices and has in place updated financial management policy and procedures, and applicable internal controls, to help ensure the completeness, quality, and integrity of data in the Agency's core accounting system and its subsidiary systems.

3. Review and certify corrective actions related to expenditures from program, procurement, financial, and other applicable staff.
4. Ensure proper reporting tools from the Agency core accounting system are timely, accurate, and available Agency-wide.
5. Ensure all known ADA Violations are properly investigated and subsequently reported through USDA, to Congress and the President.
6. Ensure all supplemental agreements within the Forest Service be funded after initial Strategic Planning, Budget, and Accountability (SPBA) funding distribution which must be fully coordinated in advance with SPBA, before signature and execution, so required budget authority (reimbursable or spending) is in place in the Agency core accounting system.

**52.42 - Deputy Chiefs, Chief Financial Officer, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors**

It is the responsibility of the Deputy Chiefs, Chief Financial Officer, Regional Foresters, Forest Supervisors, Station Directors, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors (responsibilities may be delegated as needed to the following, for example, Budget Officers, Contracting Officers, Program Managers, Deputy Area Budget Coordinators, and obligating officials) to:

1. Ensure efficient and productive business operations in order to meet the Agency's mission.
2. Ensure agreements to be funded after initial SPBA funding distribution are fully coordinated in advance with CFO and SPBA, before signature and execution so required budget authority (reimbursable or spending) are in place in the Agency core accounting system.
3. Initiate agreements or contracts only while working with the appropriate personnel (Budget Officers, Acquisition Management (AQM) Budget and Finance (B&F), and so forth) to do so.
4. Ensure ADA Violations are properly investigated by any employee and reported to the immediate Supervisor or any Supervisor in the upward chain, to the CFO. See Accounting SOPs for the specific investigation and reporting processes.
5. Ensure proper reporting tools from the Agency core accounting system, are utilized to determine real-time and accurate level of funding availability, prior to obligating Agency funds.
6. Verify that the source(s) and amount of funds used is available and appropriate for the goods and services procured. The bona fide need rule must be considered for all time-limited funding.



7. Work with SPBA and B&F to monitor funds monthly to prevent overspending; request additional funding, as needed, and in advance, through your budget staff to SPBA. Additional Funds sought must be allocated by SPBA and recorded in the Agency core accounting system or other official Agency budget tools before they are considered available for use.
8. Appoint a single Mission Area Senior Program Manager (MASPM) to be responsible and held accountable for the success of all acquisition programs within the Mission Area. The MASPM will also be accountable for assuring the Mission Area complies with PMIAA and M-18-19 requirements. The MASPM should report directly to the mission area Chief Operating Officer as the Mission Area Senior Contracting Official (MASCO) currently does.
9. Develop an Acquisition Programs and Requirements (APR) document according to the standard format and send to the Department Under Secretary for review and approval of the APR.
10. Ensure the APR addresses all non-Advisory and Assistance services acquisition requirements that equal or exceeds \$250,000. The APR narrative should demonstrate and describe the process for managing spending on service contracts, including the process for developing and approving of requirements. A separate section will include the Advisory and Assistance Services (AAS) and non-AAS below \$250,000.
11. Ensure that all service contracting requirements that exceed \$250,000 in total contract value be reviewed and approved by a member of the Senior Executive Service (SES) prior to issuing a requisition to the Contracting Officer.

#### **52.43 - Director of Acquisition Management**

It is the responsibility of the Director of Acquisition Management or its delegate to:

1. Ensure proper reporting tools, from the Agency core accounting system, are utilized to determine the level of funding availability prior to finalizing Agency agreements or procurement instruments which would obligate Agency funds.
2. Verify that the source(s) and amount of funds to be used are available beforehand and appropriate for the goods and services procured. The bona fide need rule must be considered for all time-limited funding.
3. Ensure that instruments for Grants, Agreements, Procurement, and/or Contracts, for example, contain the proper fund's availability clause, annual financial plans, job code or related accounting, as well as, the appropriate billing and/or collection terms to ensure Agency funds are effectively managed.
4. Ensure that all contracts disposals and closeouts are completed in compliance with Federal Acquisition Regulation closeout processes (48 CFR 4.804-5). See FSH 6509.11k, section 54, Accounting and Reporting.

5. Ensure all grants and agreements closeouts are completed in compliance with appropriate regulations (refer to FSH 1509.11, ch. 10).
6. Monitor and review closeout dates for contracts and grants and agreements, and perform the necessary closeout activities.
7. Provide advice and training to field units to facilitate full compliance with acquisition direction. See FSH 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.
8. Validate proper classification of instruments (Grants, Contracts, and Agreements) to determine Severability, Non-Severability, and also the amount of funds needed annually to satisfy the itemized instrument.
9. Regularly review commitments during the year and de-commit when necessary, by completing the appropriate Agency commitment and obligation requests or completing the de-commitment in the appropriate interface system. De-committing funds release budget authority for other planned activities and all remaining commitments in the Agency core accounting system must be canceled and removed by the end of each fiscal year.

#### **52.44 - Director of Strategic Planning, Budget, and Accountability**

It is the responsibility of the Director of Strategic Planning Budget and Accountability (SPBA) or their delegate to:

1. Adhere to Congressional directions in Agency annual appropriations and provide clarity to the Agency to facilitate full understanding and compliance. Congress may use appropriation act provisions to impose preconditions on a program's use of the funds being appropriated. The preconditions on use often effectuate Congressional oversight of the program. Consult with the Office of General Counsel to help provide provisions clarity of authority and intent.
2. Prepare requests for, and obtain approval of apportionments and reappportionments from OMB, per enacted legislation. Also, obtain approval of the apportionment schedule based on language in the enacted bill.
3. Immediately process and record into the Agency core accounting system, before any expenditure of such funds, upon receipt of OMB's approved apportionment, and Treasury's related warrants. Also, apply the following:
  - a. Apportionment levels as directed and required by OMB for the Agency to expend funds to accomplish its mission; and
  - b. Agency allocations in accordance with Agency administrative control of funds level, which is established at the Region/Station/Area Budget Line Item (BLI) level.
4. Provide appropriation and allocation instructions to B&F for immediate recording of available funds in the Agency core accounting system.

5. Respond timely to Agency requests for additional budget resources, including any transfer, reprogramming of funds, and/or any other supplemental budgetary request.
6. Issue the Annual Program Direction that indicates allocations, Congressional Direction, and/or Agency priorities.
7. Coordinate with regions, B&F, and program staff to ensure that amounts allocated do not exceed apportionments, especially during periods of Continuing Resolutions (CRs).
8. Identify and validate available prior year fund balances and promptly allocate within apportioned amounts, based on leadership direction.
9. Manage the allocation and allotment processes and participate in, at a minimum, monthly fund status reviews; including working with the CFO organization to ensure timely and accurate funds available status in the Agency core accounting system, and other CFO authorized Agency-wide budget tool.
10. Establish SPBA internal controls or SOPs to ensure compliance with this directive.
11. Ensure full coordination with AQM, CFO/B&F, and Program staff to manage available funding needs, including obtaining additional spending authority, necessary reprogramming and approvals, in properly executing Agency agreements, contracts, grants, and so forth.

#### **52.44a - Budget Line Officers**

It is the responsibility of Budget Line Officers to:

1. Establish and maintain effective systems of controls for managing funds in accordance with the amounts allocated, including the commitment of funds and the certification of funds availability for each transaction, prior to obligation, in accordance with approved funding for programs/projects.
2. Ensure that instruments for Grants, Agreements, Procurement, and/or Contracts, for example, are fully coordinated with SPBA, CFO/ B&F, and AQM staff before instruments are in place or obligations made. In addition, the instruments should contain the proper fund's availability clause, proper job code, and related accounting, as well as, the appropriate billing and collection terms to ensure Agency funds are effectively managed. See FSH 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.
3. Ensure agreements to be funded after initial SPBA funds distribution are fully coordinated in advance with SPBA, before signature and execution so required budget authority (reimbursable or spending) is in place in the Agency core accounting system.
4. Ensure accounting reports are reconciled to source documents, errors are identified, and corrective actions are taken to update the Agency core accounting system, at a minimum, quarterly.

5. Determine which job codes Program Managers may use for a proposed agreement after obtaining and verifying the availability of budget authority with both local and national budget staff. This is to provide the opportunity to ensure local budget fund status information is consistent and validated with the national or agency budget fund status.
6. Ensure the job code has sufficient funds to cover the proposed obligation to the recipient/cooperator, that is, sufficient funds are available for the proposed expenditures/project before work or expenditure of Agency funds occur.
7. Regularly review commitments during the year and de-commit when necessary, by completing the appropriate Agency commitment and obligation requests or completing the de-commitment in the appropriate interface system. De-committing funds release budget authority for other planned activities and all remaining commitments in the Agency core accounting systems must be canceled and removed by the end of each fiscal year.

#### **52.44b - Program Managers**

It is the responsibility of Program Managers to:

1. Provide oversight of all program management activities and operations, including maintaining status of project execution of existing and new awards, monthly review of program expenses, project closure status, remaining fund balances, and other project status. This will assure timely obligations and disbursements of funds necessary to conduct program activities, in addition to timely closeout of the project and allow for de-obligation of remaining funds no longer needed. See 6509.11k, section 53, Grants, Collection Agreements, and Reimbursable Agreements.
2. Ensure that performance and expected results under the instrument is properly described in the narratives and required funding for work to be accomplished is reflected in the Agency's regional or unit workplan, the financial and/or operating workplan.
3. Ensure the financial workplan specifies the appropriate amount of financing needed for the current or pending fiscal year, as well as, for each respective future fiscal year under the agreement.
4. Coordinate with the appropriate local or unit Budget Officer and SPBA, to ensure that the proposed Forest Service funds are available for the type of project, or alternatively identify the use of incoming funds with the budget official, and obtain spending authority from SPBA, while verifying that the funds are proper for the period of performance and purpose.
5. Ensure that instruments for Grants, Agreements, Procurement and/or Contracts, for example, are fully coordinated and contains signatures, the proper fund's availability clause, annual financial plans, proper job code, and related accounting, as well as, the appropriate billing and collection terms to ensure Agency funds are effectively managed.

6. Ensure the Program Management Improvement Accountability Act (PMIAA), which establishes Program Management Integration Offices (PMIOs) throughout the Federal Government, is implemented. The PMIOs will implement program management policies established by the Agency and develop strategies to enhance the role of program management and managers within the department.

#### **52.44c - Employees**

It is the responsibility of all Employees to:

1. Ensure that funds are available before creating an expenditure in the Agency core accounting system or authorized subsystem. This is required for all official expenditures so we do not violate any ADA provisions.
2. Refrain from involving the government in a contract, for the payment of money, before Agency funds have been allotted, and job code issued unless authorized by law.
3. Report via management chain of command, or directly to the CFO, in cases where there are employee(s) concerns or any instances of potential ADA or improper use and expenditure of Government funds.

#### **52.45 - Director of Financial Management Systems**

It is the responsibility of the Director of Financial Management Systems to:

1. Establish the core accounting system elements and related tools that allow for accurate and timely accounting and related reports, as well as, a system of automated internal controls. This is to allow for complete recording of all expenditures and the subsequent monitoring and oversight of outstanding balances.
2. Ensure that application controls are in place in the Agency core accounting system to prevent spending in excess of the amount and fund level allocated. Effective FY 2019, these fund controls will be established at the Region and Station BLI Level.
3. Ensure the Agency core accounting system record all properly authorized and valid financial transactions affecting apportionments, reapportionments, financial plans, program operating plans, expenditures, as well as, anticipated, earned, and collected reimbursements.
4. Ensure the Agency core accounting system generate and reconciles with its internal systems financial reports that display cumulative expenditures by appropriations and allotment and cumulative expenditures by budget activity and object class.
5. Ensure the Agency core accounting system provides monthly (at a minimum) low fund balance notices to the related business area managers affected. This will require the Agency to immediately post accounting transactions.

6. Ensure the Agency core accounting and related subsystems capture and provide full and accurate spending data to facilitate required DATA Act reporting.

#### **52.46 - Director of Budget and Finance**

It is the responsibility of the Director of Budget and Finance to:

1. Record the apportionments and allocations in the Agency core accounting system timely, based only on guidance provided by SPBA (See sec. 52.44).
2. Monitor and follow up with program, Grants and Agreement and/or procurement personnel, SPBA, to determine if unliquidated obligations are still valid, and deobligate and release unused funds, as necessary. All documentation must be retained for audit purposes. See FSH 6209.11, Records Management, chapter 40, File Designations, and Disposition.
3. Conduct reviews and monitor that corrective actions related to unliquidated obligations inactive for at least 12 months are performed.
4. Ensure full coordination with AQM, SPBA, and Program staff to manage available funding needs, including providing job codes to program staff.
5. Ensure immediate billings and collections activities to pursue all debts owed to the Forest Service and the Federal government. This will facilitate and allows for proper Agency access to, and eventual obligation of available funds.
6. Ensure immediate and accurate accounting of Agency funds, to include transfers, reprogramming, collections and expenditures, accruals, obligations, authorized adjustments, for example, to ensure the Agency core accounting system retains and provides up to date and accurate fund status, including accurate low fund balance indications.
7. Ensure all prior year accounting adjustment requests and adjustments critical to the accuracy of the Agency's financial data, approved and submitted by the Regions and Stations, and budget officers or to the Job Corps National Field Office are reviewed for accuracy and concurrence. This is to ensure data provided by Regions and Stations are accurate.

#### **52.47 - Director of Financial Policy**

It is the responsibility of the Director of Financial Policy to:

1. Issue Forest Service Financial Management policies and procedures in accordance with statutory authorities and related Federal rules, regulations, and guidelines, including USDA directions.
2. Establish policies for the administrative control of Agency funds.

3. Review and make current the CFO responsible directive(s), at a minimum every 5 years, and take necessary steps to update the directive to be in line with current laws, regulations, organizational responsibilities, best practice solutions, and other items required to update the content and format of the Agency directive(s).
4. Formulate best practices or business solutions to help ensure Agency business processes are in line with the Green Book, OMB A-123 guidelines, and FASAB and Treasury accounting standards while incorporating Agency organization, system, and resource constraints.

#### **52.48 - Director of Audit and Assurance**

It is the responsibility of the Director of Audit and Assurance to:

1. Review and ensure that administrative funds control policies and procedures are implemented and followed to report to the CFO Agency areas of concerns or needed improvement.
2. Report to CFO on periodic or required tests and measurements of agency business processes, to ensure agency internal control systems are in place and they comply with the GAO Green Book requirements regarding:
  - a. Control Environment,
  - b. Risk Assessment,
  - c. Control Activities,
  - d. Information and Communication, and
  - e. Monitoring.
3. Ensure management controls are in place and are implemented by agency program staff, in accordance with the GAO Green book.
  - a. Ensure and assess agency program Enterprise Risk Management of funds and protocols for agency review of funds control.
  - b. Ensure established fraud, waste, and abuse standards for incorporation into Agency program reviews.
  - c. Establish protocols to assist program staff in the development of corrective action plans to remediate control weaknesses over funds control.
4. Ensure established Federal USDA-OCFO and GAO reporting requirements for internal control weaknesses, to allow for upward and corporate reporting by agency staff, at any level, to leadership on funds control weaknesses and needed corrective actions.

5. Assess risk potential and implement controls in accordance with the GAO green book.

## 52.49 - Director of Financial Reporting and Reconciliation

It is the responsibility of the Director of Financial Reporting and Reconciliation to:

1. Perform recurring reconciliation and analysis of agency accounting data to provide support to SPBA and B&F with their facilitation of management decisions on the status of funds, comparative trends and analyses to support budgetary and accounting decisions, and to provide variance analyses to support internal control review and assessments on proper accounting and use of agency funds.
2. Develop and provide mandatory agency reporting under the DATA Act; notify the CFO of any areas of concern or need to facilitate this required reporting.
3. Perform necessary and approved accounting adjustments in accordance with sound business and accounting standards, including those required for financial reporting to USDA and Treasury.
4. Ensure monthly (except for Period 1) financial reports to Treasury and quarterly Agency financial reporting to USDA, as part of the consolidated financial statement process, are timely, accurate, reliable, complete, and meaningful.

## 52.5 - Definitions

Accountable Officer. Any Government officer or employee who by reason of his or her employment is responsible for or has custody of government funds. B-288163, June 4, 2002; 62 Comp. Gen. 476, 479 (1983); 59 Comp. Gen. 113, 114 (1979); B-257068, Oct. 22, 1994; B-188894, Sept. 29, 1977. Accountable officers encompass such officials as certifying officers, disbursing officers, collecting officers, and other employees who by virtue of their employment have custody of government funds. This also applies to Program Managers, Supervisors, or those authorizing the expenditure of government funds.

Administrative Control of Funds. Legally required procedures which:

1. Restrict obligations against each appropriation or fund to the amount of the apportionments, allotments, or resources available involving such funds; and
2. Enable the head of the Agency to fix the responsibility for the creation of an obligation in excess of these levels. A system of administrative control of funds is required under 31 U.S.C. 1514.

Agency Core Accounting System. The Agency develops and maintains an integrated Agency accounting and financial management system, including financial reporting and internal controls, which:



1. Complies with applicable accounting principles, standards, and requirements, and internal control standards;
2. Complies with such policies and requirements as may be prescribed by the Director of the Office of Management and Budget;
3. Complies with any other requirements applicable to such systems; and
4. Provides for:
  - a. Complete, reliable, consistent, and timely information which is prepared on a uniform basis and which is responsive to the financial information needs of Agency management;
  - b. The development and reporting of cost information;
  - c. The integration of accounting and budgeting information; and
  - d. The systematic measurement of performance. See:  
<https://www.gao.gov/special.pubs/af12194.pdf>.

The Agency core accounting system is comprised of various transactions involved in authorizing, recording, classifying, and reporting financial data. The Agency core accounting system will be updated when transactions are authorized, and processed for an accurate issuance of financial statements and reporting. See FSM 6590, section 6595.11, Agency Core Accounting System.

Allocation. An Allocation is often used within the Agency to indicate a further delegation of obligational authority.

Allotments. Authority delegated within the Agency to an authorized employee or business area (SPBA) to provide funds to the division and make allowance for incurring obligations within a specified amount pursuant to OMB apportionment or reapportionment or other statutory authority making funds available for obligation.

Antideficiency Act (ADA). Consists of provisions of law that were passed by Congress to prevent departments and agencies from spending their entire appropriations during the first few months of the year. Salaries are discretionary funds, which are not normally obligated. The Act prohibits any other Federal employee from:

1. Entering into contracts that exceed the enacted appropriations for the year.
2. Purchasing services and merchandise before appropriations are enacted. The Act:
  - a. Requires that OMB apportion the appropriations, that is, approve a plan that spreads out spending over the fiscal period for which the funds were made available.

- b. Requires, subject to the approval of OMB, the head of each executive Agency to prescribe by regulation a system of administrative control of funds (31 U.S.C. 1514(a)).
- c. Restricts deficiency apportionments to amounts approved by the Agency heads only for "extraordinary emergency or unusual circumstances."
- d. Establishes penalties for ADA violations. Violations are obligations or expenditures in excess of the lower of the amount in the affected account, the amount apportioned, or any administrative subdivision of funds specified in your Agency's fund control regulations as being subject to the ADA.
- e. Requires the Agency head to report any ADA violations to the President, through the OMB Director; the Congress; and the Comptroller General.

Apportionment. A plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by Treasury Appropriation Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure. It specifies and limits the obligations that may be incurred and expenditures made (or makes other limitations, as appropriate) for specified periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an Agency into allotments, and allocations.

Appropriation. A provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Audit. A review of:

1. The operating, administrative, and financial activities of an Agency for conformance with all legal and administrative requirements and conformance with the principles of economy, efficiency, and effectiveness, or
2. Selected claims, cost proposals, grants, loans or similar agreements entered into by an agency for conformance with the principles of economy, efficiency, and effectiveness.

Bona Fide Need Rule. Mandates and provides that an appropriation limited to obligation for a definite period may be obligated (the fiscal year's appropriations only be obligated to meet a legitimate or bona fide need arising in, or sometimes before the fiscal year for which the appropriation was made) only to meet a legitimate need arising during the availability of the appropriation and does not apply to no-year funds. <https://www.gao.gov/assets/670/668991.pdf>

Budget Authority. The authority provided by law to incur financial obligations that will result in outlays. Most laws provide budget authority in the form of appropriations, but some laws provide budget authority in the form of spending authority from offsetting collections.

Budget Execution. The process by which the financial resources made available to an Agency are directed and controlled toward achieving the purposes and objectives for which budgets were approved.

Budget Formulation. The process by which the resources necessary to accomplish goals and objectives are determined and justified to decision-makers (the Secretary, the President, and the Congress). As the amount of available resources is determined, goals and objectives may have to be revised.

Budget Justification. A narrative and tabular description of goals and objectives and the costs of achieving them which is submitted to decision-makers and their staffs.

Budget Officer or Unit Designee. The person responsible for ensuring the source(s) and amount of funds is available and appropriate.

Certifying Officer. A Government officer or employee whose job is or includes certifying vouchers or invoices. A certifying officer's liability is established by 31 U.S.C. § 3528. Certifying officers are responsible for the legality of proposed payments and are liable for the amount of illegal or improper payments resulting from their certifications.

Circular A-11. The basic OMB instructions on the preparation, submission, and execution of the budget. The Circular may be found online at, <https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>.

Closeout. Closeout of a Federal Grant Award in which the awarding Agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes action as described in 2 CFR 200.343, the Closeout process. <https://www.govinfo.gov/app/details/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200>.

Commitment. An administrative reservation of allotted funds, or other funds, in anticipation of Agency obligation.

Continuing resolution (CR). Legislation enacted by the Congress and signed into law by the President, to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. The continuing resolution usually specifies a maximum rate at which the Agency may incur obligations, based on the rate of the prior year, the President's Budget request, or an appropriations bill passed by either or both Houses of the Congress.

Cooperative Agreement. An instrument awarded by the Forest Service to transfer funds, to or from the applicant in order to accomplish public support or stimulation. Forest Service personnel, or their representatives, shall have substantial involvement in carrying out the activities specified in the agreement. The Forest Service should limit the amount of Federal involvement to the minimum consistent with program requirements.

Deficiency Apportionment. An apportionment by OMB indicating the need for supplemental budget authority. The head of an executive branch Agency may request a deficiency apportionment if:

1. A new law is enacted requiring unanticipated expenditures beyond administrative control, or
2. An emergency arises involving the safety of human life or the protection of property. Approval for requests for such an apportionment does not authorize agencies to exceed available resources within an account.

Discretionary Spending. Budgetary resources (except those provided to fund mandatory spending programs) provided in appropriations acts.

Expenditures. With respect to provisions of the ADA, 1982 (31 U.S.C. 1513-1514) and the Congressional Budget and Impoundment Control Act of 1974 (2 U.S.C. 622 (I)), a term that has the same definition as outlay (see Outlay).

Fiscal Year (FY). Any yearly accounting period. The fiscal year for the Federal Government begins on October 1 and ends on September 30. The Federal fiscal year is designated by the calendar year in which it ends.

Liability. Amounts owed for items received, services rendered, expenses incurred, assets acquired, construction performed, and amounts received but not yet earned. Current liabilities include all amounts owed based on invoices or other evidence of receipt of goods and services, other amounts owed for the purchase of goods and services even if not "due and payable," and deferred income (received but not earned). Long-term and unfunded liabilities include bonded debt and notes payable of the funds authorized to borrow in the market, and liabilities for which it is a Government-wide practice to obtain appropriations and recognize the obligations at a later time (such as, accrued annual leave in the case of appropriation accounts).

Multi-year Budget Authority. The language for a specific appropriation of budget authority in an appropriations act or the authorization of the appropriation may make all or some portion of the amount available for obligation for a specified period of time in excess of one fiscal year.

Non-Severable Services. Non-severable services represent a single undertaking that cannot feasibly be separated into components but must be performed as a single task to meet the need of the government. Therefore, the Agency does not receive the benefit until all the services are performed or the entire project is carried to completion, thus,

contracts for the entire services are charged to the appropriation current when the contract was made. For non-severable services, agencies may obligate funds using current appropriation to cover the services to be performed under the full contract, even the portion of the services that will be performed during or beyond the appropriation. The entire non-severable contract is considered a bona-fide need of the fiscal year in which the Agency entered into the contract.

Offsetting Collections. These are payments to the Government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts. Usually, they are authorized to be spent on the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.

Offsetting Receipts. Ensures payments to the Government that is credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts. Usually, they are deducted at the level of the Agency and subfunction, but in some cases, they are deducted at the level of the government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and intragovernmental transactions with other Government accounts.

Outlay. The amount of funds that are expended for the operation of the program, project, or activities of the funds and the acquisition of assets.

Program Direction. The Forest Service program direction contains the operating direction and guidance for fiscal year spending. The annual direction and guidance incorporate the Agency's mission priorities, such as those in the strategic plan, annual performance plans, and fiscal year budget justification. It also incorporates congressional direction and intent contained in the fiscal year appropriation acts and accompanying congressional reports. SPBA develops the program direction to provide maximum flexibility and clarity of the Agency budget to Line Officers in achieving the goals of the Forest Service.

Program Manager. Forest Service employees with program management responsibilities, including the initiation and monitoring of an obligating instrument. Additionally, employees with knowledge of performance, completion of work, payment approval, and closeout actions.

Project. A temporary endeavor to create a unique product or service with a start date, a completion date, and a defined scope. Projects are executed in a manner to improve the efficient and effective implementation of program.

Project Management. The coordinated application of general and specialized knowledge, skills, expertise, and practices to a project to achieve its stated goals and outcomes.

Reapportionments. Reapportionments are made when changes need to be made to the previously approved apportionment for the current year. For example, reapportionment requests should be made when approved apportionments are no longer appropriate or applicable because amounts available for obligation have increased or unforeseen events have occurred. Refer to Section 120.48 and 120.49 of OMB Circular A-11 for additional reapportionment requirements.

Reappropriation. Congressional action to restore the obligational availability, whether for the same or different purposes, of all or part of the unobligated portion of budget authority in an expired account. Obligational availability in a current account may also be extended by a subsequent appropriations act.

Reprogramming. Movement of funds within an appropriation account, from one budget activity, program, or project to another, for purposes other than those outlined in the budget justifications and expressed as Congressional intent in the Appropriations Bill reports. Reprogramming guidelines are specified in Committee reports and allow for notification of the Subcommittees in advance of reprogramming. Unless OMB provides a specific exemption, OMB approval is required for reprogramming requests.

Severable Services. Severable services are routine and performed regularly. Services are considered severable if they can be separated into components that independently provide value to meet the Agency's needs. Thus, Agencies may use funds to enter into a contract that crosses fiscal years and that obligates funds of the fiscal year in which the contract was awarded for the entire period of performance, as long as the basic contract, option, or order does not exceed one year.

Spending Authority from Offsetting Collections. Type of budget authority that permits obligations and outlays to be financed by offsetting collections. Allows a Federal Agency to use its appropriated funds to initially perform work for others and then bill the partner subsequently, to collect the amounts owed to reimburse the appropriated funds used. It also provides the Agency with the ability to bill another Federal or non-Federal source for work performed in accordance with signed agreements.

Statutory authority. Type of budget authority that permits obligations to be incurred in advance of appropriations or in anticipation of receipts to be credited to a revolving fund or other account. (By definition, contract authority is unfounded and must subsequently be funded by an appropriation to liquidate obligations incurred under the contracting authority or by the collection and use of receipts).

Supplemental Appropriation. Provides additional budget authority to funds in appropriations that have already been divided into the fiscal budget of the Agency. These are additional funds to an appropriation while the fiscal year is already in progress, and are generally used for needs that were not anticipated, in emergencies like recession, disaster, or defense. They are requested by the Agency and approved by the OMB as appropriation bills.

## **52.6 - Apportionments**

Apportionment is an OMB approved plan to use budgetary resources appropriated by Congress. An apportionment is legally binding, and obligations and expenditures (disbursements) that exceed an apportionment are a violation of and are subject to reporting under, the ADA. Apportionments may include estimated amounts of “anticipated” budgetary resources that are the result of laws already enacted, so as to reduce routine reapportionments of such amounts as they become available. These are located at the Standard Form 132, Apportionment and Reapportionment Schedule.

Refer to the Accounting SOP for detailed procedures on requesting apportionments, supplemental, reprogramming, and any transfers between accounts. <https://usfs.app.box.com/v/cfostandardoperatingprocedures/>

For general guidance covering apportionment action such as Supplemental, Reprogramming, and transfer between accounts, see FSH 1909.13, chapter 30.

### **52.61 - Allotments**

The functions and purpose of allotments are to distribute apportioned funds to employees who are authorized to incur obligations within a specified amount and time pursuant to an appropriation or other statutory provision. Agency Staff needs to realize that, requesting an apportionment should always be the first step in increasing budgetary resources; however, an allotment must be made to reflect the increase in the budgetary resources once the apportionment is approved by OMB. Allotments are subject to the provisions of the ADA.

Unit allotments may be viewed on the SPBA’s SharePoint site, with access provided by the Director of SPBA; do so as needed by accessing the link below:

<https://usdagcc.sharepoint.com/sites/fs-spba-wobudget/SitePages/Home.aspx>.

### **52.62 - Allotment Procedures**

Per OMB Circular No. A-11, Administrative Control of Funds, Appendix H, allotments, and must be established at the highest practical level, and each operating unit must be financed from no more than one subdivision for each appropriation or fund, as established by the ADA. Allotments are made at the Region and Station BLI level. Once the apportionment is approved by OMB, the Director of SPBA directs the input of allotments and notifies Budget and Finance (B&F). B&F then inputs the related budget, contract, and spending authority at the allotted levels into the Agency core accounting system making it available for obligations. Business

Areas are notified of the amounts made available for obligation. Any changes made to the allotment structure must be approved by the CFO and SPBA and communicated Agency-wide.

The development and maintenance of a system for fund control shall include the formal allotment of funds as a means for establishing, within appropriation limitations established by Congress and funds apportioned by OMB, the amounts available for obligation and outlay. The allotment system shall be established and maintained in such a manner as to assure compliance with all limitations, including those of the Anti-deficiency Act provisions. The Agency should adhere to the following allotment procedures.

1. Allotments must be made using formal documents, in writing, addressed to specific units or officials of the Agency. Electronic transmissions may be used, provided adequate internal controls (including separate access controls for signatures) are present.
2. The documentation for allotments must identify.
  - a. Amount available;
  - b. Funding source (for example, appropriations, reimbursements);
  - c. Time period of availability;
  - d. The position title of the official responsible; and
  - e. Justification for changes in allotments (in all the cases, changes in allotments will be created after OMB approves the reapportionment, which reflects such a change.)

### **52.63 - Allotment Restrictions**

The following restrictions must be adhered in making allotments:

1. The sum of allotment amounts issued will not exceed the apportionment amount.
2. The amounts of allotments will be fixed and will be changed only when an apportionment was approved by OMB and was authorized by the authority who initially issued the allotment.
3. Congressional restrictions contained in appropriation acts will be enforced.

### **52.7 - Spending Chain**

The Agency core accounting system supports the execution of the Agency's budget and is critical to the fund control process. The ideal spending chain starts with commitments. When possible, a commitment should be established in the Agency core accounting system as the first step in the spending process, using established requisition documents based on the type of business activity. After funds are committed (reserved), an appropriate obligation must be entered into the Agency core accounting system as part of the next step in the spending chain and



required fund control processes. Prior to any commitment or obligation being entered into the Agency core accounting system, funds must be available for the intended purpose.

### **52.71 - Availability of Funds**

Funds must be available prior to any commitment or obligation for procurement of goods and services of any type and before any work begins. The Agency core accounting system must provide the appropriate fund status warnings and controls to ensure that fund limitation is not exceeded.

Availability of funds must be ensured for:

1. Contracts, purchase orders, task orders, and so forth, when requesting goods or services. Contracts, purchase orders, task orders, and so forth must be processed in the Agency approved acquisition system(s) and must incorporate the approval of the designated budget-approving officer.
2. Grants and agreements, when the Program Manager in the Agency processes the request in the approved acquisition system(s), which incorporates the approval of the budget-approving officer. See FSH 1509.11, chapter 20, for the processing of Grants and agreements.

Any exemption to processing contracts or orders outside of the Agency approved acquisition system(s) must be authorized by the Directors of Acquisition Management (AQM), B&F, and SPBA; in doing so, the necessary controls for the alternate acquisition means utilized must include the same commitment and obligation criteria for adequate funds control, accounting and reporting under the DATA Act, and Agency financial statement reporting.

### **52.72 - Commitments**

A commitment is an administrative reservation of allotted funds, or other funds, in anticipation of the Agency obligation. For example, when the Agency authorized Acquisition system(s) processing of a procurement request is approved by the Budget Officer, a commitment document must be recorded in the Agency's core accounting system. This is done to begin the fund management process related to the spending chain so that a transaction can be tracked from fund reservation and ordering of the goods and services to their final payment of goods and services, as required by the DATA Act.

Commitments must be reviewed and de-committed or obligated, before the end of each fiscal year for both no-year and multi-year funds.

### **52.73 - Obligations**

See FSH 6509.11k, section 51, Obligations for all procedures regarding the Obligation of Funds.

## 52.74 - Antideficiency Act (ADA) Violations

See the Objective and Policy Section of this directive and the CFO Standard Operating Procedures website for more information.

## 52.8 - Administrative Funds Control

Management is responsible for funds control and may restrict both obligations and expenditures to assure that apportioned funds are not overspent, and that an employee responsible for creating an obligation or expenditure that exceeds an available fund is held responsible for such action. Funds control also restrict obligations and expenditures from each appropriation or fund account to the lower of the amount apportioned by OMB, or expenditure in the appropriation or fund account. The latest amount approved by OMB represents the amount of obligations. As stated earlier, apportionments are done at the Treasury Account Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region and Station Budget Line Item (BLI) in the appropriate TAFS and related fund and budget period. Thus, obligations and expenditures are limited to the amounts allocated at the Region and Station BLI level. An obligation of funds in an amount greater than the amount allocated by account or appropriation constitutes an ADA violation.

To ensure Agency-wide implementation of required funds control, and as required in OMB A-11, Appendix H, Administrative Funds Control, specific content requirements are documented and outlined as follows:

1. Statement of Purpose. See the Objectives and Policy Sections of this directive and CFO Standard Operating Procedures website for more information.
2. Authority. See Authorities section of this directive.
3. Scope. All appropriations and funds are subject to the provisions contained in this Directive. Any exemptions must be approved by the OMB, through the CFO. There are no approved exemptions to the fund's regulations and/or requirements stated in this chapter.
4. Definitions, terminology, and concepts. See Definitions section.
5. Responsibility and Functions of Individuals. See Responsibilities section 52.3, and CFO Standard Operating Procedures website for more information.
6. Actions prohibited. Per part of the ADA, Title 31 U.S.C sections 1341, 1342, and 1517(a), an officer or the employee of the United States Government may not:
  - a. Make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation.
  - b. Involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law.

- c. Make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.
  - d. Involve the Federal Government in a contract, agreement, or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.
  - e. Accept voluntary services for either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property. The term “emergencies involving the safety of human life or the protection of property” does not include ongoing, regular functions of government, the suspension of which would not imminently threaten the safety of human life or the protection of property or as authorized by law.
7. Penalties. Any officer or employee of the Forest Service who violates the ADA prohibitions of 31 U.S.C. 1341(a), 1342, or 1517(a) will be subject to appropriate administrative discipline, criminal penalties, and other discipline:
- a. Administrative Discipline. Administrative discipline may consist of:
    - (1) Letter of reprimand or censure for the official personnel record of the officer or employee.
    - (2) Unsatisfactory performance rating.
    - (3) Transfer to another position.
    - (4) Suspension from duty without pay, and/or
    - (5) Removal from office.
  - b. Criminal Penalties. As provided in 31 U.S.C. 1350 and 1519, any officer or employee of the Forest Service who knowingly and willfully violates the ADA prohibitions shall be fined not more than \$5,000, imprisoned for not more than two years, or both.
8. Reporting Violations. See CFO Standard Operating Procedures website for more information.
9. Accounting Support for Funds Control Systems. See Policy and Responsibilities section of this directive. See sections 52.3 and 52.4 respectively.
10. Apportionment Procedures. See section 52.6 of this Handbook.
11. Treatment of Anticipated Budgetary Resources Already Enacted into Law. See section 52.6 of this directive.

12. Handling Deficiencies in Apportionments. The Antideficiency Act (31 U.S.C. 1515) permits apportionments to be made on such a deficient rate basis that indicates the need for the Congress to enact supplemental budget authority only when:

- a. Laws enacted. Submission to the Congress of the estimates for an appropriation that requires an expenditure beyond administrative control.
- b. Emergencies arise involving:
  - (1) The safety of human life,
  - (2) The protection of property, or
  - (3) The immediate welfare of individuals in cases where an appropriation that would allow the United States to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.

## **52.9 - Reporting and Monitoring Outlays**

The purpose of outlay reporting and monitoring is to reduce the Government's interest costs. Reliable outlay estimates enable Treasury to borrow only amounts needed to finance Government activities.

Outlays are payments to liquidate an obligation (other than the repayment to the Treasury of debt principal and are a measure of Government spending (section 20.6 of OMB Circular A-11).

### **52.91 - General Outlay Reporting Requirement**

The Agency must report updated monthly outlay plans. The Agency should base estimates on the most realistic estimates. Use the President's Budget and Mid-Session Review (MSR) estimates as a base, but update those estimates to reflect subsequent Congressional or administrative actions, including both completed actions and those that are almost certain to be completed.

A procedure is in place to monitor the prior year balances outlays which will accurately disburse the end of year unexpired unobligated balances and the end of year of the unpaid obligations.

### **52.92 - Monthly Outlay Plan (MOP) and Mid-Session Review (MSR)**

The Agency is required to prepare and submit a MOP to OMB for the current and budget year. OMB has implemented a web-based system called MAX Monthly Outlay Plans Exercise (MOP) for collecting monthly outlay plan information, which can be found at, <https://portal.max.gov/home/sa/userHome>.

This historical database of outlay plan information improves outlay forecasting abilities within the Agency and government-wide. The database should be updated with the actual outlays reported in the monthly treasury statement and also should provide better estimated outlays of

the rest of the fiscal year and budget year. The Agency is required to explain any discrepancies between the MOP data, President's Budget data (MAX DE) and Mid-Session Review (MSR).

The Agency is required to prepare and submit a mid-session review (MSR) to OMB which updates the Administration's estimates for outlays, receipts, and the deficit for economic, legislative, policy and other changes that have occurred since the President's Budget was released.

### **52.93 - Reporting Requirement for Large Outlays**

To improve Treasury's ability to manage the Government's daily cash position and to make more informed financing decisions, the Agency financial officers or Chief Financial Officers are required to provide advance notice of all large deposits and withdrawals. "Large transaction" refers to a single payment or deposit or a group of payments or deposits of \$50 million or more of a similar nature that occurs, typically, on one day. The Agency must identify large cash and non-cash payment and deposit transactions (see TFM, Volume 1, Part 6, Chapter 8500). Large transactions may be recurring, such as, monthly, quarterly, semi-annual, or annual. Cash transactions result in a decrease or increase in Treasury's operating cash balance. Non-cash transactions are typically transfers between general fund and trust fund, deposit fund. The amount of advance notice varies from two to five business days or more prior to the transaction date, depending on the size of the transaction. CASH TRACK Web (CTW) is currently the predominant mechanism for reporting large transactions to Treasury. Additionally, projections of all non-recurring transactions more than \$1 billion that have a high probability of occurrence beyond the five-day window must be sent to Treasury's Office of the Fiscal Assistant Secretary, Office of Fiscal Projections as soon as such amounts are identified.

### **52.94 - Treasury and OMB Role Related to Agency Outlays**

OMB and Treasury review Agency outlay plans for reasonableness in the light of experience, consistency with the President's policies and objectives, enacted appropriations and other legislation, and other factors. When circumstances warrant, OMB and/or Treasury may require agencies to make revisions to their outlay plans.