

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

**Forest Service Manual 6500 – Finance and Accounting
Zero Code**

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

6509.22: This technical amendment establishes code and caption for unit handbook, FSH 6509.22 - Fire Damages and Cost Recovery Procedures.

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6501 - Authority

Policies contained in this chapter follow the direction of the Statements of Federal Financial Accounting Standards (SFFAS) and additional requirements as prescribed in the following legislations:

6501.1 - United States Code

1. Title 31, Money & Finance, United States Code, Annotated 3526 and 3527. This title sets forth the General authority the Comptroller General shall use to settle all accounts of the United States Government and supervise the recovery of all debts finally certified by the Comptroller General as due the Government. It also sets forth instances where the Comptroller General may relieve an accountable officer and agent from liability. The Comptroller General shall settle an account of an accountable official within 3 years after the date the Comptroller General receives the account. The decision of the Comptroller General to change the account is conclusive on the executive branch.
2. Title 18, Crimes and Criminal Procedure, United States Code, Annotated 287, 1001, and 2073. This title establishes the punishments for whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States (which includes an officer, clerk, agent or other employee of the United States), knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact; makes any materially false, fictitious, or fraudulent statement or representation; or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined or imprisoned not more than 5 years, or both (not more than 8 years for cases involving international or domestic terrorism; and not more than 10 years under section 2073).

6501.2 - Acts of Congress

1. The Budget and Accounting Act of 1921, as amended, (31 United States Code (U.S.C.) sec. 701 et seq., 1101 et seq.) the major legislation governing accounting in the Federal Government. The Act is the enabling and descriptive legislation dealing with the Government Accounting Office (later renamed, “Government Accountability Office”) (GAO) and its general powers and duties.
2. The Budget and Accounting Procedures Act of 1950, as amended, (31 U.S.C. sec. 3511-3515, 3521 (64 Statute (Stat.) 832)) directs the Comptroller General of the United States to prescribe the principles, standards, and related requirements for accounting to be observed by executive agencies in collaboration with the Secretary of the Treasury and the Director of OMB. Pursuant to the Act, the head of each executive agency has the responsibility for establishing and maintaining adequate systems of accounting and internal control and for preparing audited financial statements of agency revolving and trust funds and other activities which involve substantial commercial functions. The Act requires the Agencies to use accrual accounting, cost-based budgeting, consistent classification, simplifications of allotment structure, and adequate

control of property to establish and maintain adequate systems of accounting and internal control. The Act requires the agencies to use accrual accounting to enhance the ability of agencies to execute cost-based budgeting.

3. The Chief Financial Officers Act of 1990 (Public Law (Pub. L.) 101-576 and 31 U.S.C. sec. 501, et seq.) the most comprehensive and far-reaching financial management legislation since the Budget and Accounting Procedures Act of 1950. The Chief Financial Officer (CFO) Act established a CFO of the United States within the Office of Management and Budget (OMB) and a CFO in each executive Department. The legislation requires the CFO to develop and maintain an integrated agency accounting and financial management system, including financial reporting and internal controls that provide:

- (a) complete, reliable, consistent, and timely information prepared on a uniform basis and responds 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.

The legislation requires an annual five-year financial management plan from each agency. The legislation also requires that agencies submit audited financial statements on each revolving fund, trust fund, and substantial commercial function. The statements are audited according to generally accepted Government auditing standards by the Inspector General or by an independent external auditor.

4. The Government Performance and Results Act (GPRA) of 1993 (Pub. L. 103-62) redirects the focus of Federal financial management and decision making away from all activities that are undertaken by an agency to focus on the results of those activities, as reflected in citizens' lives. To do this, the Act directs Agencies to establish a system to set goals for program performance and to measure results. In addition, the Act requires the preparation of multi-year strategic plans and annual performance plans.

5. The Government Management Reform (GMRA) Act of 1997 (Pub. L. 103-356) amends the requirements of the CFO Act of 1990 by expanding the requirement for yearly audited financial statements to the 24 largest executive agencies and adds the requirement for the preparation and audit of a Government-wide financial statement.

6501.21 - Budget Control

1. The Anti-Deficiency Act (31 U.S.C. sec. 1341, 1342, 1349-1351, 1511 et seq.) is the portion of the Budget and Accounting Procedures Act of 1950, as amended by the Balanced Budget and Emergency Deficit Control Act of 1985, which prohibits obligating or expending more than authorized ceilings, including funds to be sequestered.

2. The Supplemental Appropriations Act of 1955 (31 U.S.C. sec. 1108, 1501-1502) provides that an obligation is only enforceable when it is in writing; that the purpose is to avoid inappropriate spending based on oral obligations; and, that the balance of an appropriation limited to a definite period is available only for payment of expenses incurred during that period.
3. Closing Accounts (31 U.S.C. sec. 1551-1557) defines procedures to be followed in closing appropriation accounts available for definite periods of time. It establishes the availability of appropriation accounts to pay obligations. The law addresses audit, control, and reporting requirements that remain applicable to that account after the end of the period of availability for obligation.

6501.22 - Principle Laws Regulating Forest Service Financial Activities

1. The Economy Act of 1932 (31 U.S.C. sec. 1535) prescribes the rules for the purchase of supplies, equipment, or service by one Federal Government agency or organizational unit within the same agency from another Federal Government agency or organizational unit within the same agency.
2. Title V of the Independent Office Appropriations Act of 1952 (31 U.S.C. sec. 9701) authorizes Federal agencies to assess charges or fees for Government services and for the sale or use of Government property or resources. The Act requires that fees charged shall be fair and equitable, taking into consideration direct and indirect cost to the Government, value to the recipient, public policy or interest served, and other pertinent facts. The Act requires that any amount collected shall be paid into the Treasury as miscellaneous receipts.
3. Federal Claims Collection Act of 1966 (31 U.S.C. sec. 3701, 3711, 3716-3719 and the Code of Federal Regulations (CFR), Title 4, Chapter II, parts 101-105) prescribes procedures for the follow-up of claims against those who owe the Federal Government money, including amounts owed as a result of audit followups.
4. The Prompt Payment Act of 1982 (31 U.S.C. sec. 3901 et seq. Pub. L. 97-452) calls for payment of bills not later than due dates based on the receipt of proper invoices and satisfactory performance, as well as payment of any interest penalties. The Act also encourages the taking of cash discounts when determined to be economically beneficial.
5. The Debt Collection Act of 1982. (Pub. L. 97-365 and 31 U.S.C. sec. 3302, 3701, 3711, 3716-3719, as amended) mandates an increase in the efficiency of Government-wide efforts to collect debts owed the United States and provides additional procedures for the collection of debts owed the United States.
6. The Debt Collection Improvement Act of 1996 (Pub.L. 104-134 and 31 U.S.C. sec. 3701, 3322, 3716, et seq.) enhances debt collection Government-wide, mandates the use of Electronic Funds Transfer (EFT) for Federal payments, allows Federal Reserve Bank Treasury Check Offset, and provides funding for the Check Forgery Insurance Fund. This law provides that any non-tax debt or claim owed to the United States that

has been delinquent for more than 180 days shall be turned over to the Secretary of Treasury for appropriate action.

6501.23 - Internal Controls

1. The Federal Property and Administrative Services Act of 1949 (40 U.S.C. sec. 483) requires each executive agency to maintain adequate inventory controls and accountability systems for the property under its control.
2. The Federal Managers' Financial Integrity Act of 1982 (FMFIA) (Pub.L. 97-255 and 31 U.S.C. sec. 1105, 1106, 1108, 1113, 3512) amends section 113 of the Accounting and Auditing Act of 1950, as to requirements for the performance of reviews of the systems of internal controls, and the annual issuances of a statement (report) as to the adequacy of the agency's internal controls to the President and Congress. This Act also amends the Budget and Accounting Act of 1921.
3. Federal Financial Management Improvement Act of 1996 (Pub. L. 104-208) provides for consistency of accounting by agency from one fiscal year to the next, as well as uniform accounting standards throughout the Federal Government. This Act also requires Federal financial management systems to support full disclosure of Federal financial data, including the full costs of Federal programs and activities, to the citizens, the Congress, the President, and agency management; so that programs and activities can be considered based on their full costs and merits.
4. Office of Management and Budget (OMB) Circular A-123, Management's Responsibilities for Internal Control provides guidance to Federal managers on improving accountability and effectiveness of Federal programs and operations by establishing, assessing, correcting, and reporting on internal controls.

6501.24 - Accounting Standards

The Accounting Standardization Act of 1995 provides for the establishment of a uniform accounting system, standards, and reporting system in the Federal government so that the performance, productivity and efficiency of Federal financial management will improve. The Act requires the full disclosure of Federal financial data, including the cost of government programs and activities, to the citizens, Congress, the President, and agency managers.

6501.3 - Code of Federal Regulations

1. Title 41, Code of Federal Regulations, Subtitle C, Chapters 101 and 102, provides direction in the management of federal property.
2. Title 41, Code of Federal Regulations, Subtitle F, Chapter 300, provides direction in the management of Federal travel, relocation, and other payments. Additional direction specific to the Forest Service may be found in FSH 6509.33.

3. Title 48, Code of Federal Regulations, Chapter 1, provides direction in the management of Federal acquisitions.

6501.4 - Government Accountability Office, Decisions of the Comptroller General

Principles of Federal Appropriations Law, Vols. I through V, United States Government Accountability Office, Office of General Counsel, addresses the statutes and regulations governing appropriations matters, as well as references to significant issues rendered by the Comptroller General and the courts.

6501.5 - Court Orders and Other Rulings

1. Court Opinions, governing the agency's financial and accounting management processes, provide interpretation of applicable laws and statutes.
2. Annual appropriation language and legislative history provide Congressional intent, of fund usage.

6502 - Objectives

1. Comply with all applicable laws, regulations, and requirements which the Department, Government Accountability Office, Department of the Treasury, Office of Management and Budget, and other regulatory Federal agencies and Departments may issue relative to the financial administration, control, and operation of the Government's fiscal affairs.
2. Provide the maximum fiscal support to all authorized programs of the Forest Service, including advice on methods of handling new and unusual situations within available authorities.
3. Conduct financial management and accounting work in a reliable, timely, and accurate manner.

6503 - Policy

1. Adhere to OMB, GAO, Treasury, and Department's guidelines and principles for financial management accounting and reporting, fund management, and related internal controls.
2. Adhere to Federal financial accounting concepts and standards in establishing systems and in maintaining day-to-day financial records. (See 6508)
3. Use the United States Standard General Ledger (SGL) and apply the requirements of the SGL at the transaction level. The SGL provides a uniform Chart of Accounts and technical guidance to be used in standardizing Federal agency accounting. Standardized accounting supports the preparation of standard external financial reports required by the central agencies (OMB, Treasury, and GAO).

4. Hold individuals financially liable when willful or unauthorized acts result in a monetary gain to which they are not entitled, or where there is a pecuniary loss to the Government.
5. Retain management responsibility for the fiscal, accounting, and related activities. Audits by the Office of the Inspector General, and voucher audit/certification services by the National Finance Center, do not diminish this responsibility.

6504 - Responsibility

6504.1 - Washington Office

6504.11 - Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) has the authority and responsibility as delegated by the United States Department of Agriculture (USDA), Office of the Chief Financial Officer to:

1. Establish, maintain, and implement Forest Service integrated financial management systems related to Forest Service operations, including financial reporting and internal controls (cash and credit management, debt collection, and property management), budget execution and formulation.
2. Oversee all financial management activities relating to Forest Service programs and operations.
3. Establish national financial management policies and procedures and to ensure compliance throughout the Forest Service, through the use of applicable accounting policies, standards and principles, fiscal and accounting data and reporting format requirements, financial information and systems functional standards, and annual internal control review of operations.
4. Work with the USDA, Office of the Inspector General and other auditors to improve the Forest Service financial statement position.
5. Enforce internal controls, policies, and accounting standards.
6. Provide management and oversight of Forest Service financial management personnel, activities, and operations to ensure day-to-day business transactions are accomplished in accordance with Federal Accounting Standards Advisory Board (FASAB), Generally Accepted Accounting Principles (GAAP), and Statement of Federal Financial Accounting Standards ("SFFAS") (FSM 6520.1).
7. Coordinate with the USDA Chief Financial Officer in developing a Financial Line of Business (FMLoB) infrastructure.

6504.12 - Director of Financial Management

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

1. Develop national financial management policies and procedures for programs designed to promote effective and timely financial management operations.
2. Ensure that all posting models have been established in accordance with this directive, governmental accounting and Treasury and Agency protocol.
3. Advise staff on agency financial management activities, including appropriation usage, budgetary controls, accounting standards, travel and claims management.
4. Monitor the agency core accounting system and plan, develop, improve, implement, and support all Forest Service financial management and budget systems.
5. Ensure that financial management and mixed financial systems:
 - a. Track financial events and summarize information to support the mission of the Forest Service.
 - b. Provide for management reporting that produces information that is reliable and timely.
 - c. Support senior management policy decisions necessary to carry out fiduciary responsibilities, and
 - d. Support the preparation of auditable financial statements.
 - e. Include application controls that are designed so that transactions are properly authorized and processed accurately and that data is valid and complete.
 - f. Include controls that are established at an application's interfaces to verify inputs and outputs, such as edit checks.
 - g. Include controls that are established for separation of duties and that access is granted only to those positions that need access at each security level.
6. Monitor the effectiveness of internal controls of financial management systems to ensure conformance to principles, standards and laws.

6504.13 - Director of Budget and Finance, Albuquerque Service Center (ASC-B&F)

It is the responsibility of the Director of Budget and Finance, Albuquerque Service Center (ASC-B&F) to:

1. Oversee national and resource accounting operations and provide accounting and financial services for regional offices, field units and Washington Office staff directors.

2. Conduct financial analysis and manage a nationwide quality assurance program which includes periodic documentation reviews, based on Chief Financial Officer (CFO) requirements that are conducted not less than once per fiscal year.
3. Analyze fees and reimbursable service charges, and provide analytical support for establishing and developing reporting requirements.
4. Compile and report on agency financial performance measures and management controls.
5. Prepare periodic and annual agency financial statements as well as Department of the Treasury and other related financial management reports.
6. Analyze and reconcile the general ledger and related data, fed by FFIS subsidiary systems, monthly.
7. Monitor the effectiveness of internal control procedures, developing a systematic process to correct deficiencies to ensure efficiency of internal controls.
8. Ensure timely accounting of expenditures to facilitate agency reconciliation of budgeted funds.
9. Ensure that relief is granted for physical loss or deficiency of amounts up to \$3,000, and that amounts in excess of \$3,000 are reviewed and forwarded to the U.S. Government Accountability Office.
10. Ensure that data in financial reports are consistent with the standard general ledger (SGL) and can be traced directly to the SGL accounts.
11. Ensure that recorded transactions are consistent with SGL rules.
12. Ensure that supporting transaction detail for SGL accounts are readily available and are consistent with accounting transaction definitions and processing rules defined in the SGL.
13. Establish controls and accountability to ensure that employees maintain the integrity of funds, property and other assets for which the agency is responsible, including reviews.
14. Develop and implement internal improvements and economies in accounting and other fiscal operations.
15. Ensure that accounting and related fiscal operations provide full disclosure of financial results; and effective control over and accountability for all funds, property and other assets.
16. Ensure adequate administrative controls are in place for limiting obligations and expenditures to amounts permitted from approved apportionments or allotments.

17. Provide reliable accounting and other financial information as the basis for budgetary preparation to control execution of the budget, to furnish financial data for budgetary reporting, and to serve other needs of management.

6504.14 - Director of Strategic Planning, Budget and Accountability, Washington Office (WO)

It is the responsibility of the Director of Strategic Planning, Budget and Accountability (WO) to:

1. Develop and present the Forest Service budget with a focus on measurable results, as well as to manage the allocation and use of funds.
2. Provide leadership and formulate policies for developing, allocating, and managing annual agency budgets that reflect specific program objectives, outputs, targets, work force, and funding requirements.
3. Ensure agency fund control policies and practices are in place and adhered to.

6504.2 - Regional Foresters, Forest Supervisors, Station Directors, Area Director, International Institute of Tropical Forestry (IIF) Director, Forest Products Laboratory Director and Center Directors

Regional foresters, station directors, Area Director, International Institute of Tropical Forestry (IIF) Director, Forest Products Laboratory Director, and Job Center directors have the authority and responsibility to manage residual financial management activities and develop internal controls within their respective areas, consistent with financial management policies set forth in this chapter.

6505 - Definitions

Accountable Officers. All Government officers or employees who, by reason of their employment, are responsible for or have custody of Government funds. These include, but are not limited to agents of the Government who do not disburse, but who, nevertheless, are fully responsible for funds entrusted to their charge. These also include other officers or employees who are given custody of Government funds for a temporary period, and therefore become accountable officers for the funds placed in their charge. Examples of accountable officers are certifying officers, collection officers, unit collection clerks, and imprest fund cashiers.

Errors. Actions that are unintentional human mistakes, miscalculations, misjudgments, misinterpretations, and so forth. These result from employees not being fully and adequately advised, not fully knowledgeable of the subject or specific regulations concerning their actions, mechanical errors resulting from key entry, transposition of figures, mathematical errors, and so forth.

Fiscal Irregularities. The generic term for losses which trigger an accountable officer's liability.

Illegal or improper payment. A type of fiscal irregularity, such as payments obtained by fraud, erroneous payments, incorrect payments or overpayments resulting from human or mechanical error, payments prohibited by statute, and disbursements for unauthorized purposes.

Knowing and knowingly. For purposes of this chapter, is reflective of someone who:

- a. Has actual knowledge of the information;
- b. Acts in deliberate ignorance of the truth or falsity of the information; or
- c. Acts in reckless disregard of the truth or falsity of the information.

Liability of Accountable Officers. The basic legal liability arising from a loss that is not affected by lack of fault or negligence. Under certain circumstances, accountable officers may obtain relief from their personal liability to repay losses.

Physical Loss or Deficiency. A type of fiscal irregularity which includes such things as loss by theft or burglary; loss in shipment; loss through acceptance of counterfeit currency; and loss or destruction by fire, accident, or natural disaster. It also includes a totally unexplained loss (a shortage or deficiency with no evidence to explain the disappearance) and may include loss resulting from fraud or embezzlement by subordinate finance personnel.

Relief. An action taken by someone with legal authority to absolve an accountable officer from liability for a loss.

6506 - Concepts of Federal Accountability and Liabilities for Accountable Officers and Other Individuals

6506.1 - Federal Accountability

6506.12 - Liability of Accountable Officers

Accountable officers are held personally and pecuniary liable for any fiscal irregularities or losses of Government funds under their control. These fiscal irregularities are divided into two broad categories:

1. Physical Loss or Deficiency (FSM 6505). This fiscal irregularity category occurs when there is a shortage of public funds in an account under which an accountable officer is responsible for or has custody of such as, imprest or similar funds.
2. Illegal or Improper Payments (FSM 6505). This fiscal irregularity category occurs when there are disbursements of public funds by an accountable officer or government employee (other than subordinate finance personnel) that is found by an appropriate authority, including the Comptroller General, to be illegal, improper, or incorrect. Illegal or improper payments are actions that are contrary to laws or regulations relating to the collection, disposition, obligation, expenditure, or disbursement of Government funds.

These usually result from fraud, forgery, alteration of vouchers, improper certifications, and other improper practices. Accountable officers, who knowingly make, or cause to make, illegal or improper payments from Government funds are subject to disciplinary action, fine, and/or imprisonment. Examples of illegal or improper payments by accountable officers include:

- a. Using Government funds for personal purposes. The term “personal purposes” does not include the authorized use of advanced funds for travel or transfer of station expense.
- b. Loan, theft, or misuse of Government funds in one's possession, whether repaid or not.
- c. Exchange of Government property other than as authorized by law to avoid:
 - (1) Payment from appropriated funds for property acquired, or
 - (2) Collection of funds for property disposed of and proper disposition of such collection.
- d. Authorizing or making an obligation or certification of funds against an inapplicable appropriation, whether with the intention of a permanent charge or as a temporary expedient for convenience in anticipation of an allotment or appropriation to which it would be properly chargeable; or for other irregular reasons.
- e. Loss of public funds or property due to embezzlement, theft, or other serious wrongdoing by present or former accountable officers and employees of the Government.

It is important to distinguish between liability and relief. The presence or absence of negligence has nothing to do with an accountable officer's basic liability. The officer is strictly liable for all losses, but may be relieved if found to be free from fault or negligence. To be entitled to relief, the accountable officers must produce evidence to show that there was no contributing fault or negligence on their part; for example, they may show they exercised the requisite degree of care. Direction for requesting and granting relief for accountable officers may be found in FSM 6507.21.

6506.13 - Liability of Individuals Who Are Not Governed by Accountable Officer Laws and Liability for Civil Penalty

This type of accountability mainly involves losses of funds or property, other than funds attributable to individuals (employees, subordinate finance personnel, or contractors and their employees) who are not accountable officers. Individuals, who commit illegal or improper actions, are subject to disciplinary action, fine, and/or imprisonment. Examples of illegal or improper actions in situations not governed by Accountable Officer laws are:

1. Knowingly presents, or causes to be presented, to an employee of the United States Government a false or fraudulent claim for payment or approval.
2. Misstatement of services, articles, or facts on a purchase order, contract, or voucher to:
 - (a) Facilitate settlement,
 - (b) Accomplish payment from an inapplicable appropriation,
 - (c) Avoid disallowance or criticism, or
 - (d) Serve any other irregular purpose.
3. Knowingly making false claims for travel through misstatement on an expense voucher, including:
 - (a) Time, travel, or other facts that affect amount claimed;
 - (b) Arrival and/or departure time;
 - (c) Meals or lodging furnished by the Government; or
 - (d) Automobile mileage.
4. Reporting of time worked by one person on time report for a different employee, resulting in funds being received by someone other than the employee doing the work.
5. Reporting time worked as certain hours or days when time was actually worked for other hours and days; for example, to correct an omission in a previous payroll or to avoid showing, as such, a 6-day week or overtime actually worked.
6. Knowingly making erroneous entries on accounting records or reports.
7. Using or authorizing the use of Government-owned or leased equipment, facilities, supplies, and services for other than official or approved purposes.
8. Vehicle accidents due to employee gross negligence where damages result in repair or replacement costs.
9. Engaging in personal business transactions or private arrangements for profit based on the official's position or authority.
10. Improper entries on or omissions from a purchase order, voucher, document, instrument, or account with the intent to deceive, mislead, injure, or defraud.
11. Evasion of small purchases limitation by splitting purchase orders.
12. Using the Government Travel Charge, Fleet, or Purchase Card for personal use by making purchases not relating to official government business.

Follow directions in FSM 6507.2 to determine fiscal liability for individuals not governed by Accountable Officer laws.

6507 - Errors, Fiscal Liability, and Shortages in Accounts

6507.1 - Handling Errors

Advise and/or assist employees concerning how errors can be corrected. In many cases, issues can be easily resolved by correcting the error to reflect what is allowed under the regulations. If the individual has received monetary gain that was not due, the individual must repay the Government the amount of the incorrect payment voluntarily or upon request. See FSM 6570 and FSH 6509.11h, chapter 20 for collection procedures.

The definition of error (sec. 6505) does not apply to shortages or fiscal irregularities in the accounts of accountable officers (sec. 6505). Accountable officers are, by law, held to a strict accountability (refer to [chapter 9, General Accounting Office Principles of Appropriation Law](#)). Follow direction in FSM 6507.21.

6507.2 - Determining Fiscal Liability

1. Individuals are liable to the Government for a civil penalty, subject to imprisonment, or both, in either of the following circumstances:
 - a. Their willful or unauthorized acts result in a monetary gain to which they were not entitled, or
 - b. The Government suffers a pecuniary loss due to their willful or unauthorized acts.
2. Review evidence disclosing such acts promptly and take action to:
 - a. Determine the dollar amount of the liability. This is determined by the physical loss or improper payment, reduced by any amounts recovered from the recipient. The recipient may be, for example, a thief or a improper payee.
 - b. Obtain approval from the United States Attorney before making collection demands if criminal prosecution is involved. Follow directions in FSM 1454.
 - c. Take action to affect collection by following the requirements and procedures in FSM 6572 and FSH 6509.11h, chapter 20.
3. The ASC-B&F Claims Branch Chief has delegated authority to make and approve liability determinations up to \$3,000 (FSM 6570).
4. If a violation of criminal statutes is involved, immediately furnish a copy of the investigation report to the Washington headquarters of Office of the General Counsel, through the Director, Albuquerque Service Center – Budget and Finance (ASC-B&F).

5. Correct any internal controls, policies and procedures, or other deficiencies that contributed to the impropriety.

6507.21 - Shortages or Fiscal Irregularities in the Accounts of Accountable Officers

Accountable Officers (FSM 6505) are automatically liable for any shortages in their accounts. However, under certain circumstances, relief may be granted or requested (FSM 6507.21b). Investigate all shortages, thefts, losses, or alleged fiscal irregularities immediately as prescribed in FSM 1450.

Initiate collection action per FSM 6572 and FSH 6509.11h, chapter 20, if it is determined to neither grant nor request relief. However, collection action may be waived for nominal amounts due to normal change-making errors (usually \$10 or less), under the provision that collection costs would exceed the amount of the shortage. Each case must be evaluated on its own merits and care must be taken to avoid permitting fraud or carelessness by accountable officers. In no instance shall the single amount waived exceed \$35.

6507.21a - Documenting and Reporting Shortages and Fiscal Irregularities

1. Documenting. Properly document all shortages or fiscal irregularities. This should include:
 - a. A detailed statement of facts, including type of fiscal irregularity or discrepancy, dates, amounts, names of individuals involved, and all information pertinent to the case.
 - b. A reference to pertinent supporting documents, such as pay records, contracts, vouchers, or other accounting documents.
 - c. A description of how the fiscal irregularity occurred and how it affected the accountable officer's accounts.
 - d. An adequate description of procedural deficiencies, if known, that caused the irregularity and the corrective action taken or to be taken.
 - e. Information on any recoupment already made or being considered.
 - f. A recommendation, in cases where settlement has not been made, as to whether the accountable officer should be held responsible or should be granted relief. If the report recommends that relief be granted, it must clearly show that the discrepancy occurred while the accountable officer was acting in the discharge of official duties without fault or negligence on the accountable officer's part.
 - g. Any other pertinent data.
2. Reporting. The Government Accountability Office requires information on each case when:

- a. The irregularity involves fraud, regardless of the amount of the loss. Information shall be sent to the Government Accountability Office, through the Director, Albuquerque Service Center – Budget and Finance (ASC-B&F) as soon as possible after discovery.
- b. The irregularity remains unresolved for 2 years, even though no fraud is involved. Information should likewise be sent to the Government Accountability through the Director, Albuquerque Service Center – Budget and Finance (ASC-B&F)

Use the detail or format prescribed for documenting in paragraph 1. No further reporting is required for fiscal irregularities; however, case files must be retained at Regional Offices or Station Headquarters for audit or review by the Government Accountability Office, the Office of the Inspector General, or the Washington Office.

6507.21b - Requesting and Granting Relief for Accountable Officers

Follow direction in [Principles of Federal Appropriations Law, United States Government Accountability Office \(GAO\), Chapter Nine](#), on when relief may or may not be granted or requested.

The Albuquerque Service Center, Budget and Finance (ASC-B&F) Director, Deputy Director, or Assistant Directors may delegate branch chiefs the authority to grant relief for amounts up to \$100 to Accountable Officers. Relief authority shall be delegated by name. If authority is delegated, adequate training, instructions, and monitoring must be provided to ensure compliance with the requirements of the Government Accountability Office.

1. Illegal or Improper Payments. The United States Department of Agriculture Departmental Regulation (DR) 2270-001, October 2003, delegates to Agency Heads, authority to grant relief for illegal or improper payments of \$100 or less. With a few exceptions, relief for illegal or improper payments over \$100 must be approved by the Government Accountability Office. All relief requests for illegal or improper payments that exceed \$100 shall be forwarded to the Director, ASC-B&F, Claims Branch, with the supporting documentation required in FSM 6507.21a
2. Physical Loss or Deficiency. The ASC-B&F Director has delegated down, through the Deputy Director and Assistant Directors, to ASC-B&F branch chiefs, the authority to grant relief for physical loss or deficiency of amounts up to \$3,000. Amounts in excess of \$3,000 must be submitted to the ASC-B&F Claims Branch, for review and forwarding of approval request to the Government Accountability Office. All relief requests for physical loss or deficiency shall be forwarded to the ASC-B&F, Claims Branch, with supporting documentation required in FSM 6507.21a.

6507.3 - Cases Referred to Department of Justice

6507.31 - Action by Department of Justice

Resolution of criminal violations by the Department of Justice will not necessarily affect the civil action or the settlement of fiscal liability. Civil action by the Department of Justice, if needed through the Office of the General Counsel, involves collection of amounts due and penalties. Unpaid claims may become a part of the settlement of the civil action. Any settlement by the Courts of a civil action or any decision by the Department of Justice not to proceed with legal action is final and conclusive on the Government's part.

6507.32 - Action on Cases Declined by Department of Justice

Unless otherwise directed, cases declined by the Department of Justice (DOJ), who will not pursue charges for an alleged criminal act, shall be processed by the Albuquerque Service Center, (ASC-B&F) Claims Branch. Units should proceed to collect any overpayments or amounts due after consulting with the Claims Branch (ASC-B&F). Appropriate claims procedures are in FSM 6570 and FSH 6509.11h, chapter 20. Appropriate collection procedures are in the Collection Officer Handbook, FSH 6509.14.

6508 - Direction Issued by Federal Entities Other than the Forest Service

6508.1 - External Governmentwide Direction

Certain Federal agencies and departments are authorized by law or Executive Order to issue regulations and directives for application throughout the Government in handling budgetary, fiscal, and accounting work. Such issuances are stated in such broad terms that supplemental directives are required for application to most Forest Service day-to-day work activities. Forest Service directives are based, in part, on these Government-wide regulations and directives; the more frequently used ones are listed in FSM 6508.1-6508.16. For basic legal authorities related to fiscal and accounting services, use this manual (FSM 6500 zero code).

6508.11 - Department of the Treasury

The Financial Management Services of the Department of the Treasury provides government-wide direction on federal financial management practices, which are promulgated through the following:

1. Treasury Financial Manual. This manual describes the fiscal responsibilities of Federal agencies and other concerned parties by providing policies, procedures and instructions pertaining to Government financial operations.
2. The Greenbook. A comprehensive guide for financial institutions processing Federal Government Automated Clearing House (ACH) payments and collections.
3. United States Standard General Ledger (USSGL). The USSGL provides a uniform Chart of Accounts and technical guidance that standardizes Federal agency accounting.

It is composed of five major sections: Chart of Accounts, Account Descriptions, Accounting, Transactions, USSGL Attributes, and Report Crosswalks.

4. Bulletins, Supplements, Announcements, and Transmittal Letters. These contain related guidance or additional documentation that exists pertaining to certain subject areas released as informational pieces. Examples are interpretation papers, technical bulletins, and transactions histories.

6508.12 - Governmental Accountability Office (GAO)

The Governmental Accountability Office (GAO) supports the Congress in meeting its constitutional responsibilities to help improve the performance and ensure the accountability of the federal government for the benefit of the American people. For additional direction, see FSM 1015. Current regulations and procedural instructions of the GAO are contained in:

1. Principles of Federal Appropriations Law, Vols. I. through V. (The Red Book).
2. Government Auditing Standards (The Yellow Book).
3. Decisions of the Comptroller General. See section 6501.4

6508.13 - Office of Management and Budget

The Office of Management and Budget (OMB) assists the President in overseeing the preparation of the Federal budget and in supervising its administration in Federal agencies. The OMB also oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies. OMB uses a system of numbered circulars and bulletins to issue its regulations and directives. The more common circulars and bulletins used by the Forest Service are:

1. A-11, Preparation, Submission, and Execution of the Budget.
2. A-21, Cost Principles for Educational Institutions.
3. A-25, User Charges.
4. A-45, Rental and Construction of Government Quarters.
5. A-76, Performance of Commercial Activities.
6. A-87, Cost Principles for State, Local and Indian Tribal Governments.
7. A-94, Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs.
8. A-102, Grants and Cooperative Agreements with State and Local Governments.
9. A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations.

10. A-122, Cost Principles for Non-Profit Organizations.
11. A-123, Management Accountability and Control.
12. A-127, Financial Management Systems.
13. A-130, Management of Federal Information Resources.
14. A-134, Financial Accounting Principles and Standards.
15. A-135, Management of Federal Advisory Committees.
16. A-136, Financial Reporting Requirements.
17. 01-09, Form and Content of Agency Financial Statements.

6508.14 - U.S. Office of Personnel Management (OPM)

The Office of Personnel Management (OPM)'s mission is to build a high quality and diverse Federal workforce, based on merit system principles that America needs to guarantee freedom, promote prosperity and ensure the security of this great Nation. For direction on Office of Personnel Management policies and procedures, see FSM 6101 and 6106.

6508.15 - U.S. General Services Administration (GSA)

The U.S. General Services Administration (GSA) leverages the buying power of the federal government to acquire best value for taxpayers and federal customers. GSA exercises responsible asset management and delivers superior workplaces, quality acquisition services, and expert business solutions. Additionally, they develop innovative and effective management policies. For direction on General Services Administration policies and procedures pertaining to finance and accounting practices, see section 6501.1.

6508.16 - Federal Accounting Standards Advisory Board (FASAB)

The Federal Accounting Standards Advisory Board (FASAB) was established by the Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General in October 1990. This board is responsible for promulgating accounting standards for the United States Government. The Statements and other standards of the FASAB constitute generally accepted accounting principles for the Federal Government. See FSM 6550 for more information about the Board's influence on Forest Service direction.

6508.18 - Financial Systems Integration Office (FSIO)

The Financial Systems Integration Office (FSIO) modifies the roles and responsibilities of the Joint Financial Management Improvement Program (JFMIP) established through a December 2004 vote by JFMIP principals. As a result, the Office of Management and Budget (OMB) and the Chief Financial Officers (CFO) Council works closely with FSIO staff to update FSIO's mission and scope of activities. The three major areas of responsibilities are:

1. Defining criteria for Core financial system requirements development, testing and product certification,
2. Supporting the Federal financial community on priority projects; and
3. Conducting outreach through an annual financial management conference, and other related activities.

FSIO has been instrumental in establishing the Financial Management Line of Business (FMLoB) workstreams, which prescribes:

1. Developing performance measures (cost, quality, timeliness) to assess the performance of financial services offered by a financial service organization.
2. Developing standard business processes, data specifications and business rules for core financial management functions (for example, funds management, payments, receipts and reporting) to be adopted by all federal agencies.
3. Developing a common government-wide accounting code structure, including an applicable set of definitions and the layout, which federal agencies' new financial systems must adhere to.

6508.2 - Department of Agriculture Direction

6508.21 - National Finance Center Systems, Procedures, and Manuals

The NFC Manuals documenting these systems and procedures are available from <https://www.nfc.usda.gov/>.

The primary NFC manuals used by the Forest Service for fiscal, accounting, personnel, and related management functions are available through their website at http://i2i.nfc.usda.gov/Publications/Procedures_Titlechap.html, and include

1. Payroll/Personnel Manual. (NFC Publications Catalog, Title I). This manual is further described in FSM 6107.22. The Payroll/Personnel Manual is the official publication documenting the Payroll/Personnel System. This manual is issued as a guide to users and provides system information and manual processing instructions. The manual should be used as a supplement to the Office of Personnel Management (OPM), Departmental and agency regulations.
2. Vouchers and Invoice Manual. (NFC Publications Catalog, Title II).
3. Billings And Collections Manual. (NFC Publications Catalog, Title III).
4. Miscellaneous Systems Manual. (NFC Publications Catalog, Title V). This manual includes Budget Object Classification Codes.
5. Systems Access Manual. (NFC Publications Catalog, Title VI).

6. Foundation Financial Information System (FFIS) Manual. (NFC Publications Catalog, Title IX).

6509 - Handbooks

6509.1 - Internal Servicewide Handbooks (FSH)

6509.11f - Working Capital Fund Accounting Operations Handbook (FSH)

This handbook provides detailed direction and instructions for processing Working Capital Fund (WCF) financial and attainment information and describes the various management reports available to users. Related direction on WCF is in FSM 6580.

6509.11g - Servicewide Appropriation Use Handbook (FSH)

This handbook consolidates detailed direction on appropriation use. Related direction on appropriations and funds is in FSH 6509.11g.

6509.11h - Servicewide Claims Management Handbook (FSH)

This handbook provides direction on the claims program which includes incident investigations, administrative claims for the Government, administrative claims against the Government, and employee claims. Related direction on claims is in FSH 6509.11h.

6509.11k - Servicewide Finance and Accounting Handbook (FSH)

This handbook provides instructions for processing financial and attainment information and describes the various management reports available to users. Related direction is in FSM 6550, Accounting.

6509.11m - Servicewide Accrual Handbook (FSH)

This handbook provides Servicewide standards, procedures, and operating instructions for determination and recording of all accruals.

6509.13b - Imprest Fund Payments Handbook (FSH)

This handbook is intended for use by employees directly involved in the handling, reviewing, and supervising of imprest fund transactions. Related direction is in FSM 6540, Payments

The Forest Service is currently under Treasury and Department mandate to eliminate the use of imprest funds and alternatives are being developed, that once implemented, would render this handbook obsolete; at which time, it will be removed from the Directives system.

6509.14 - Collection Officer Handbook (FSH)

This handbook provides instructions to collection officers on the handling and accounting for collections and negotiable forms, including the receipt, recording, safekeeping, and transfer of such items. Related direction is in FSM 6530, Collections.

6509.15 - Collection and Analysis of Timber Purchasers' Cost and Sales Data Handbook (FSH)

This handbook contains instructions for the accounting survey, analysis, and collection of cost and sales data from purchasers of National Forest timber. Related direction is in FSH 6509.18, ch. 20, Timber Sales.

6509.17 - Automated Timber Sale Accounting Handbook (FSH)

This handbook provides servicewide standards, procedures, and operating instructions for maintenance and operation of the Automated Timber Sale Accounting (ATSA) system. Related direction is in FSH 6509.17, ch. 20, Timber Sales.

6509.18 - Financial Analysis Handbook (FSH)

This handbook provides direction on reviewing financial, cost, and related data of timber sale purchasers, special use concessionaires, contractors, or other external entities where a showing of financial ability or other form of financial analysis is necessary.

6509.19 - Asset Financial Management Handbook (FSH)

This handbook provides direction on management of Forest Service assets (leased and owned). This includes guidance regarding accounting of personal property purchases with general funds; direction on implementing accounting policy for real property; accounting procedures for the acquisition, maintenance, and disposal of real property assets; and direction on accounting authorities applicable to Forest Service Federally-owned and leased property, plant, and equipment (PP&E).

6509.2 - Internal Unit Handbooks

6509.21 - Regional Collection Officer Handbook (FSH)

This unit handbook provides direction for collection procedures established in Regions.

6509.22 - Fire Damages and Cost Recovery Procedures (FSH)

This unit handbook provides direction to carry out the requirements in developing the costs associated with damage to National Forest property and natural resources resulting from trespass fires.

6509.3 - External Handbooks

6509.33 - Federal Travel Regulation (GSA)

This handbook contains Forest Service application of the Federal Travel Regulation (FTR), issued by the General Services Administration (GSA) at Title 41, Code of Federal Regulations, Chapter 301 through 304 (41 CFR Ch. 301-304). The FTR contains the basic authority and rules which all Government travelers must follow when traveling on official business.

The electronic version of the FTR is located on the Government Service Administration (GSA) website at: <http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelId=-14863>