

**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-2020-1

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

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**Responsible Staff:**

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

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

Adds reference to The Government Accountability Office (GAO) Green Book – Standards for Internal Control in the Federal Government (September 2014), and 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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## 51 - Obligations

### 51.1 - Authority

#### 51.11 - 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 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, which does not apply to no-year funds.
3. Departmental Regulation 2230-001, Reviews of Unliquidated Obligations (October 15, 2014). This Regulation provides procedures for the review, reporting, and certification of unliquidated obligations to properly report obligated balances.
4. Title 48 CFR 4.804-5, Procedures for Closing out of Contract Files. This Regulation requires that all contracts disposals and closeouts are completed in compliance with Federal Acquisition Regulation procedures and closeout process of contract files, <https://www.acquisition.gov/browsefar>.
5. Forest Service Manual (FSM) 1580 (Grants, Cooperative Agreements, 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. Additionally, FSM 1580 provides 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.
6. OMB Circular A-11, Preparation, Submission, and Execution of the Budget, including Part 4 and Appendix H. This Circular provides (1) 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; (2) 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 (3) describes the requirements of the GPRA (Government Performance Results Act) 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. See FSH 6509.11k Chapter 50, Section 52-Administrative Control of Funds.

7. OMB Circular No. A-123, Appendix D, Compliance with the Federal Financial Management Improvement Act of 1996. This circular reflects compliance with the Act and provides a framework for determining compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996, bringing financial systems policy into greater alignment with financial management policy in Circular A-123, with general Information Technology (IT) guidance contained in OMB Circular No. A-130.

8. OMB Circular No. A-130, Management of Federal Information Resources. This circular reflects information technology (IT) that pertains to financial management systems. The Circular establishes the general policy for the planning, budgeting, governance, acquisition, and management of Federal information, personnel, equipment, funds, IT resources, and supporting infrastructure and services. The appendices to this Circular also include responsibilities for protecting Federal information resources and managing personally identifiable information (PII).

9. The Digital Accountability and Transparency Act of 2014 (DATA Act). The DATA Act establishes a Government-wide financial data standards 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.

10. The 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>).

11. The Supplemental Appropriations Act of 1955 (Title 31, United States Code, section 1108, 1501-1502). This Act specifies 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.

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 POP 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 Anti-deficiency Act (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. Title 31, United States Code, section 1501- Documentary evidence requirement for Government obligations. This Title establishes that the agreement amount recorded as an obligation only must be:

- a. Supported by documentary evidence as an agreement between agencies,
- b. In writing, in a way and form, and for a purpose authorized by law; and
- c. Executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought, and service to be provided.

It also requires one of nine documented events to justify recording an obligation. If an obligation does not meet one of these standards, it should be de-obligated immediately. <https://www.gpo.gov/fdsys/pkg/USCODE-2010-title31/html/USCODE-2010-title31-subtitleII-chap15-subchapI-sec1501.htm>

15. 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 establishes the Department's requirement for budgetary administration and reporting, including the Department's system for administrative control of funds.

## 51.2 - Objective

1. To provide guidance for proper Agency management of obligations, in particular, the recording and reporting of obligations and the review of unliquidated obligations.
2. To provide guidance on certifying the validity of obligated balances, 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.
3. To support centralizing and standardizing budgeting and accounting practices among the Forest Service Regions and program offices as required by the House of Representatives, which states "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..." See Congressional and related documents, in particular, (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.

### 51.3 - Policy

1. Regardless of the nature of the payment--salaries, payments promised under a contract, payments ordered by a court, a Federal Agency, may not make a payment from the United States Treasury unless the funds are made available by Congress. Additionally, OMB must have apportioned the funds to the Agency, and the Director, Strategic Planning, Budget, and Accountability (SPBA), must have likewise made the allocation, before any funds are made available and expended.
2. The Forest Service (including all of its organizations, appropriations, and funds, note that there are no approved exemptions to these control regulations) must adhere to the following applicable statutory requirements for obligations:
  - a. Incur obligations only for the purpose for which the appropriation is intended and within the time limits applicable to the appropriation.
  - b. Obligate time-limited appropriations only to meet bona fide needs arising in the fiscal year(s) for which the appropriation is available unless specified otherwise by law. All Agency appropriations and funds are subject to the provisions contained therein; any exemptions require OMB approval.
  - c. Exercise adequate controls to ensure that obligations do not exceed the amount appropriated by statute and are not incurred before the appropriation becomes law unless otherwise provided by law.
  - d. Promptly record, at least monthly, each obligation within the accounting period in which the obligation event occurs. Record an amount as an obligation only when supported by documentary evidence as prescribed by 31 U.S.C. 1501(a).
  - e. Record all valid obligations with regard to dollar limitations, purpose, or time restraints.
  - f. Review quarterly, all unpaid obligations and deobligate all unsubstantiated obligations, and excess funds and ensure that all final invoices are paid before the cancellation of time-limited funds.
  - g. Record, report, and identify the recovery of funds obligated in prior years, unless otherwise excluded in this chapter, or by law. These funds may be deobligated at any time, but they shall not be available for reuse until they have been formally allotted through the Agency national budgetary process, in particular, SPBA. Maintain documentary evidence (10 years retention) in support of all obligations. See FSH 6209.11, chapter 40, File Designations, and Disposition.
  - h. Ensure that all final invoices are timely received, processed, and paid and that all unpaid obligations are deobligated before the cancellation of time-limited funds. Where no year funds are applicable, review unpaid obligations for dormancy and

deobligate if dormant for 12 months or more, and no activity or supporting document exists showing a need for the obligation to remain on the Agency records.

- i. As required by OMB Circular A-11, Section 150.2, Obligations from each appropriation or fund account are restricted to the lower of the amount of apportionments made by OMB or the amount available for obligation through allocations. Apportionments are done at the Treasury Appropriation Fund Symbol (TAFS) level, and allocations are made at the Forest Service Region/Station/Area (RSA) and Budget Line Item (BLI) level in the appropriate TAFS and related fund and budget period. Thus, obligations are limited to the amounts allocated at the RSA/BLI level.
  - j. Application/System controls must be in place to ensure that Agency spending is limited to the amounts allocated in the Agency core accounting system.
  - k. The Agency core accounting system must record all financial transactions affecting apportionments, reapportionments, allotments, financial plans, program operating plans, complete spending chain (see sec. 51.5, Definitions) where a Commitment is the first and minimum accounting and budgetary entry leading to Agency spending, obligations, as well as anticipated and, earned, and collections, including reimbursements or work done, or advances from non-federal or federal entities reimbursements.
  - l. The Agency core accounting system must be able to generate and reconcile financial reports that display cumulative obligations and expenditures (Funds Status) by appropriations and allotment and cumulative obligations by budget activity and object class.
  - m. Funds may be obligated up to, but must not exceed, the assigned funding level. An obligation of funds in an amount greater than the amount apportioned by account or appropriation constitutes an ADA violation and must be investigated and reported by the respective business area Director through their respective chain of command, to the CFO, for corrective actions.
  - n. The procedures for reporting clear violations of the ADA, 1982, as well as violations of other additional Agency imposed fund restrictions must be followed as outlined in the Accounting SOPs.  
See <https://usfs.app.box.com/v/cfostandardoperatingprocedures/>.
  - o. Review, at least quarterly, all unpaid obligations and deobligate all unsubstantiated or unneeded obligations to release these, and unused or excess funds for other Agency priority needs, as applicable.
3. The Forest Service must adhere to the quarterly review, reporting, and certification requirements for unliquidated obligations, certified by the CFO, and the following:



- a. All prior year unobligated balances must be reviewed monthly to ensure they are still needed and if not, promptly allocated during the period of availability and used to support Agency priorities, at leadership direction.
  - b. Appropriate funding authority, budget approval, and availability of funds (funds status) are required prior to entering into any obligation. The Agency core accounting system should be referred to in determining the availability of funds or true fund status, prior to entering into any obligation or assigning budget authority.
  - c. Perform quarterly review and certification of all unliquidated obligations, with special emphasis on inactive obligations of 12 months or older; corrective actions must be taken and results certified by the Agency Chief Financial Officer, who will then submit the certifications to the Office of the Chief Financial Officer (OCFO) - Associate Chief Financial Officer for Financial Operations (ACFO-FO) 30 days after the end of the quarter. (See DR2230-001, 10/15/2014) Refer to the Office of Regulatory and Management Services (FSH 6209.11, ch. 40) for documentation retention requirements.
  - d. All open obligations 12 months or older, or no longer necessary, must be de-obligated unless there is a documented need by the appropriate fund manager (bona fide purpose) for the obligation to remain open.
  - e. All obligations incurred for a grant or a cooperative agreement must be liquidated within 90 days after the end of the Period of Performance (POP) unless the awarding Agency authorizes an extension or provide program-specific statutes that specify a different liquidation period. The CFO must be able to determine for best practice if all Obligations:
    - (1) Reflect the total number of grants and cooperative agreement awards and balances, for which closeout has not yet occurred, but for which the POP has elapsed more than 2 fiscal years with zero-dollar balances and undisbursed balances, as well as any undisbursed or zero balances in that award.
    - (2) Ensure brief narrative of challenges leading to the delays in grant and agreement closeout and provide planned corrective actions to address these challenges.
    - (3) Ensure that the 30 oldest grants and cooperative agreements of the Agency for which closeout has not occurred but for which the POP has expired for more than 2 fiscal years, provide an explanation of why each award has not been closed out.
    - (4) Ensure the DATA Act reporting requirements comply with full transparency of financial data with all required attributes in the Federal spending chain, from the obligation to payment.
4. As required in the new administrative provision of the 2017 Consolidated Appropriation Act, Title III, the Forest Service must report within 30 days after the close of each quarter, through the Office of Budget and Program Analysis, the current and prior

year unobligated balances to the House and Senate Committees on Appropriations. The Agency is directed to provide this report for all mandatory and discretionary funds, including receipts and permanent appropriations, as well as funds subject to notification requirements and transfers of unobligated balances.

5. 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 Audit and Assurance to determine whether the SOP needs to be updated, on an annual basis.

#### **51.4 - Responsibility**

All Forest Service employees with a role in the management or use of Forest Service funds are expected to uphold the policies in this handbook. Forest Service intends that this Handbook serves as our commitment to proper and accurate accounting, financial management, internal controls, and reporting of Agency obligations and funds.

##### **51.41 - Chief Financial Officer**

It is the responsibility of the Forest Service 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 OMB A-11, administrative control of funds requirements, and FSH 6509.11k, chapter 52, Administrative Funds Control.
2. Ensure the Agency adheres to sound financial management policies and practices and has in place updated, within the ORMS required 5-year window, financial management policy and procedures, and applicable internal controls, to help ensure the completeness, quality, and integrity of data in the Agency core accounting system and its subsidiary systems.
3. Review and certify identified and required corrective actions related to unliquidated obligations, from program, procurement, financial, and other applicable staff.
4. Provide quarterly certification to the Department/Associate Chief Financial Officer – Financial Operations (ACFO-FO), of results of the reviews of unliquidated obligations, including grants and cooperative agreements.

5. Ensure proper reporting tools from the Agency core accounting system are timely, accurate, and available Agency-wide.
6. Ensure all known ADA Violations are properly investigated and subsequently reported through USDA, to Congress and the President. <https://www.usda.gov/oig/webdocs/50401-0016-11.pdf>, for the specific investigation and reporting processes.
7. Ensure subsequent or late fiscal year agreements, to be funded after initial SPBA allocation, 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 financial system.
8. Assure the quality and integrity of the financial data in the Agency core accounting system and its subsidiary systems. It is also the responsibility of the CFO to prescribe policy in accordance with accounting standards issued by Federal Accounting Standards Advisory Board (FASAB).
9. Ensure the Agency core accounting system and any subsidiary, feeder systems to the core accounting system, and/or mixed financial systems and workplan, provide complete, reliable, consistent, and timely information, and complies with applicable Federal and Department accounting principles, standards and requirements, and internal controls. 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.
10. Ensure proper funds control and reporting of Agency fund management violations.
11. Review the results of the potential ADA violations after having completed the proper investigation and analysis of excessive obligation or spending incidents, to determine whether an ADA occurred and if reporting action is necessary. Such action may include recommendations to the Chief with requirements for dealing with ADA violations. The responsible party may be subject to penalties if it is determined that the assigned funding level amount was exceeded, either intentionally or through negligence.

**51.42 - Deputy Chiefs, CFO, Regional Foresters, Forest Supervisors, Station Directors, Area Director, Institute Director, Forest Products Laboratory Director, and Job Corps Conservation Center Directors**

It is the responsibility of the Deputy Chiefs, CFO, Regional Foresters, Forest Supervisors, Station Directors, Area Director, 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. Agreements to be funded after initial SPBA funding distribution must be 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 by working with the appropriate personnel, ((Budget Officers, Acquisition Management (AQM), Budget and Finance (B&F), and so forth)) to do so. Agreements entered into must have required budgetary authority in sync with Agency funds availability as documented in the Agency core accounting system before work begins or expenditure takes place. Additionally, advances from non-federal entities must be obtained for work to be performed on their behalf, by use of Forest Service resources, except when addressing life, property, or national emergency needs of the immediate nature. In these cases, work may be performed on a reimbursable basis so danger, harm, or further damages are minimized.
4. Ensure ADA Violations are properly investigated by an 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, such as the status of funds reports from the Agency core accounting system, are utilized to determine the real-time or 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 to be 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. 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.
8. Ensure obligations are reviewed monthly to determine if obligated balances are no longer valid or needed, and liquidate to free up funds for other Agency priorities.
9. Monitor and ensure that performance under all obligating instruments is properly described in the statement of work, and that performance is monitored and fully accomplished under the instrument.
  - a. Ensure compliance with this policy for the monthly review, quarterly certification, and corrective action of unliquidated obligations.
  - b. Ensure timely action is taken by the appropriate staff to adjust and deobligate identified unliquidated obligation balances, especially for any dormant obligations, to release unused funds.

- c. Coordinate and assist in timely closeout procedures of all contracts, grants, and agreements, especially if dormant for over 12 months.
- d. Retain all obligations and related documents for audit purposes, as required by the National Archives and Records Administration (NARA) record retention criteria, and further outlined in Agency directive. All documentation must be retained for audit purposes, in accordance with Forest Service record retention direction FSH 6209.11, chapter 40, sec. 42, Records Management Handbook

#### **51.43 - Director of Acquisition Management**

It is the responsibility of the Director of Acquisition Management (AQM) or their 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. Require program managers to 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. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, B&F, and local budget offices to validate funds availability. Also, each instrument, as required under the Federal Acquisition Regulation (FAR) and/or related Office of Management and Budget (OMB) circulars, applicable to acquisition management rules and regulations for the applicable instrument, must ensure that sufficient funds are available for obligation, and appropriate timely billing and collection terms, proper fund source, and expiration date, before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO, B&F where inappropriate obligation may occur, placing the Agency at ADA risk.
4. Ensure that all contract disposals and closeouts are completed in compliance with FAR closeout processes (48 CFR 4.804-5).
5. Ensure all grant and agreement closeouts are completed in compliance with appropriate FAR and/or OMB 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.
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. Ensure that POP is being interpreted similarly between contracts and grants and agreements.
10. Ensure that all obligations are monitored and liquidated before the period of availability and the Treasury Account Symbol (TAS) is canceled for multi-year funds.

#### **51.44 - Director of Strategic Planning, Budget, and Accountability (SPBA)**

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 reapportionments from OMB, per enacted legislation. Also, obtain approval of the apportionment schedule based on language in the enacted bill.
3. Upon receipt of OMB's approved apportionment, and Treasury's related warrants, immediately process and record into the Agency core accounting system, before any expenditure of such funds, the following:
  - a. Apportionment levels as directed and required by OMB for the Agency to expend funds to accomplish its mission; and
  - b. Agency apportionment 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 apportionment 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 apportionment, 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/or other CFO authorized Agency-wide budget tool.

10. Establishing SPBA internal controls or SOPs to ensure compliance with this directive.

#### **51.44a - Budget Line Officers**

It is the responsibility of Budget Line Officers to:

1. Provide requested budgetary data, based on historical fund expenditure information contained in the Agency core accounting system, to support your unit and Agency budgetary needs, to Director of SPBA, as requested by SPBA. This is to help the Agency make proper budgetary requests to OMB so Congress may appropriate necessary funds to carry out Agency programs.
2. Manage or monitor annual allocations of funds, monthly, at a minimum, to ensure positive fund status exists and expenditures are in accordance with and do not exceed the fund allocations provided by SPBA, in the Agency core accounting system.
3. Ensure with Program staff, at a minimum, quarterly, to ensure requests for additional or supplemental funds, change in the POP, or need for reprogramming of funds, are timely and done through the Director, SPBA, coordination, and approval, which must occur in advance of any expenditures that may cause your initial allocation to be exceeded, leading to potential ADA violations.
4. Ensure any obligation of unit's funds do not exceed allocated funds authorized for such expenditure and available in the Agency core accounting system, at the time of planned expenditure of the fund in question and monitor the funds to ensuring all allocations have been obligated before the TAS expires and all obligations have been liquidated before the TAS cancels.
5. Ensure reimbursable agreements where the Forest Service is the performing Agency, doing work for and on behalf of another federal or non-federal entity, National and local budget authority amounts requested and approved are consistent, validated, and supported by the existing funds available, in the Agency core accounting system.
6. Ensure the required payment of advances, and request for appropriate spending authority is obtained when reimbursable work is being considered for non-federal entities and Forest Service is the performing Agency, in accordance with OMB A-11. This requirement to receive advances does not apply to Collection Agreements, where our partners are contributing funds to help accomplish Agency or mutual benefit work, as opposed to hiring the Forest Service to perform work on their behalf (Reimbursable Agreement). The Collection Agreement is to document the contributor's intent to

partially or fully fund Forest Service work, though the partner may receive some benefit in doing so.

7. 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.
8. 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.
9. Ensure budgetary and related accounting reports are reconciled to source documents, errors are identified and reported to the Director, Financial Management Systems, and corrective actions are taken to update the Agency core accounting system, at a minimum, quarterly.
10. Ensure with B&F, in determining the job codes Program Managers may use for a proposed agreement, only 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 before job codes are issued and obligated and Agency expenditure occurs.
11. 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.
12. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO, B&F, and local budget offices to validate funds availability. Also, work with AQM or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, reflect the inclusion of “funds available” clause. Timely billing and collection terms must reflect proper fund source and expiration date before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO, B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

#### **51.44b - Program Managers**

It is the responsibility of Program Managers to:

1. Ensure when negotiating reimbursable agreements where the Forest Service is the performing Agency, doing work for and on behalf of another federal or non-federal



entity, that national and local budget authority requested are consistent, validated, supported by the existing funds available, in the Agency core accounting system.

2. Ensure and negotiate the required payment of advances when reimbursable work is being considered for non-federal entities and Forest Service is the performing Agency, in accordance with OMB A-11 direction. This requirement to receive advances does not apply to Collection Agreements, where our partners are contributing funds to help accomplish Agency or mutual benefit work. The Collection Agreement is to document the contributor's intent to partially or fully fund Forest Service work, though the partner may receive some benefit in doing so.

3. 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, Reimbursable.

4. Ensure that performance and expected results under the instrument are properly described in the narratives and required funding for work to be accomplished is reflected in the financial plan and/or operating plan.

5. Ensure the financial plan identifies 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.

6. 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 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 POP and purpose.

7. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO, B&F, and local budget offices to validate funds availability. Also, work with AQM or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, reflect the inclusion of "funds available" clause. Timely billing and collection terms must reflect proper fund source and expiration date before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO, B&F where inappropriate obligation may occur, placing the Agency at ADA risk.

### **51.44c - Employees**

It is the responsibility of all employees to:

1. Ensure that funds are available before creating an obligation 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, or obligation for the payment of money, before an appropriation is made, unless authorized by law.
3. Report via management chain of command, or directly to the CFO, in cases where there are employee concerns or any instances of potential ADA or improper use and expenditure of government funds.
4. Monitor fund status monthly to prevent overspending, any employee responsible for managing funds must request and obtain approved additional funding, as needed, in advance of any related expenditure.
5. Verify with the budget staff, including funds availability in the Agency core accounting system, that the source(s) and amount of funds to be used are available and appropriate for the goods and services to be procured. The bona fide need rule must be considered for all time-limited funding.

### **51.44d - Washington Office Directors, Regional Foresters, Station Directors, Area Directors, Institute Directors, Forest Supervisors, and District Rangers**

It is the responsibility of the Washington Office Directors, Regional Foresters, and Station Directors, Area Directors, Institute Directors, Forest Supervisors, District Rangers or organizational equivalents to:

1. Manage funds and related program activities within their respective units, consistent with Agency and federal financial management policies.
2. Ensure program funds are available and budgetary authority in place and properly authorized before work begins or expenditure of government funds take place.
3. Generate annual financial plans showing expected financing resources needed by Forest Service for each fiscal year, throughout the life of the agreement, contract, or grant.
4. Ensure non-emergency (imminent danger to life, property, and national security) related agreements, where the Forest Service is performing work on behalf of another non-federal entity, require the collection of advances before work begins and Forest Service funds are obligated. Additionally, the advances or collections obtained must also secure the proper budgetary authority approval from SPBA, also before work begins and Agency funds are obligated on others' behalf. This requirement for advances should also be pursued to finance non-salary related expenses under federal to federal work

agreements (Inter-Agency Agreements or Reimbursable agreements), to alleviate the unnecessary use of Forest Service appropriated funds. Advances are not required if work is to be performed for another entity due to imminent danger to life, property, and national security; these could be addressed under a reimbursable agreement where collections are due after Agency appropriated funds have been expended (expenses) to address the emergency. Additionally, advances are not required under the Cooperative Funds Act, where our partners are simply donating or contributing funds to help the Agency accomplish its work, normally under mutual benefit applicable agreements (Collection Agreements).

5. Work diligently to ensure billings and collections are occurring monthly at a minimum, to ensure all monies owed to the Forest Service are collected and immediately applied against Agency accounts pending reimbursement or Agency deposits.
6. Commit funds by Officials, only to acquire goods, supplies, and services that meet the bona fide needs of the period for which Congress appropriated funds, or to replace stock used during that period. Where no-year funds may be applicable, the reasonable and necessary doctrine must be applied to prevent waste and abuse of government funds. The bona fide need rule does not apply to no-year funds, but all federal funds must be managed on a need and propriety basis.
7. Not be entered into within 45 days of the end of the fiscal year, Agency procurement of goods or services, especially by way of agreements or contracts, unless of an emergency nature, where impact to life, property, and/or national security is imminent. This is to prevent inappropriate or unnecessary year-end obligation and spending of funds or requests for budget authority when the Agency is readying for year-end closeout and timely reconciliation and reporting on Agency funds and programs.
8. Implement and use appropriate internal controls to ensure all obligating instruments include the proper coordination and approval between program staff, SPBA, CFO, B&F, and local budget offices to validate funds availability. Also, work with AQM or appropriate staff so each instrument, as required under the FAR and/or related OMB circulars, applicable to acquisition management rules and regulations for the applicable instrument, must ensure that sufficient funds are available for obligation, and appropriate timely billing and collection terms, proper fund source, and expiration date, before any signed agreement takes place and/or work begins. Without such proper coordination and completeness, the instruments should not be considered complete or valid and should not be submitted to the CFO, B&F where inappropriate obligation may occur, placing the Agency at ADA risk.
9. Ensure that spending is within the performance period and does not exceed amounts negotiated in reimbursable agreements.
10. Facilitate timely closeout by ensuring field units request RACA closeout action via form FS 6500-243, Reimbursable or Advance Collection Agreement (RACA) Closeout Request/Notification Form, or Agency automated system Closeout Request within 60 days after the expiration date or other condition signifying project end.

11. Ensure compliance with the DATA Act reporting requirements for full transparency of financial data with all required and establish Government-wide data standards for any Federal funds made available to or expended by the Agency.

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

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

1. Establish reliable and technology-sound core accounting system elements and related tools that allow for accurate and timely accounting and related reporting, as well as ensure incorporation of a robust system of automated internal controls to prevent, detect, and report on weaknesses in the core accounting system. This is to allow for a complete recording of all obligations and the subsequent monitoring and oversight of outstanding obligation balances.
2. Ensure that application controls are in place in the Agency core accounting system to prevent spending over the amount and fund level allocated. Effective FY 2019, these fund controls will be established at the Region/Station/Area BLI Level.
3. Ensure that the Agency core accounting system record all properly authorized and valid financial transactions affecting apportionments, reapportionments, allotments, sub-allotments, financial plans, program operating plans, obligations, expenditures, as well as anticipated or earned collections, and 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 real-time (or at a minimum monthly) Funds Status Report, with actual fund balance notices to the related business area managers affected.
6. Establish internal controls to ensure Agency compliance with financial management policies regarding obligation activities.

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

It is the responsibility of the Director of Budget and Finance (B&F) to:

1. Record all financial transactions affecting apportionments, reapportionments, allotments, complete spending chain (see definition section) where a recorded Obligation is the first and minimum accounting and budgetary entry leading to Agency spending. Develop documentation of obligations, as well as anticipated and earned collections, including reimbursements when work is done, or advances provided from non-federal or other federal entities.
2. Record the Agency approved apportionments and allocations in the Agency core accounting system timely, based only on guidance provided by SPBA.

3. Perform accurate and timely accounting and related reporting of applicable commitments as part of the first step in the spending chain, to allow for a complete recording of all subsequent obligations and the subsequent monitoring and oversight of outstanding obligation balances. The amount to be recorded as a commitment is the estimated procurement cost outlined in the commitment document. The date the commitment document is signed by an authorized official determines the accounting period in which the commitment is to be recorded in the general ledger.
4. Ensure all business events and financial events resulting in a commitment and/or obligation must cite the proper funding source, including the Job Code, TAS, and Fund, for example, and must be recorded in the Agency core accounting system, in accordance with the United States Standard General Ledger (USSGL) and USDA guidance for the Agency core accounting system.
5. Ensure accounting recording of obligations are immediate upon receipt of properly authorized and completed documents to help maintain as real-time Agency fund status. Additionally, this timely and complete recording of all obligations is required to help prevent spending over the amount obligated, and fund level allocated. Effective FY 2019 and going forward, these fund level controls will be established at the Region/Station/Area BLI Level.
6. Ensure the Agency core accounting system is populated with proper and timely accounting, in accordance with Treasury posting logic (USSGL) and entries to help facilitate and reconcile quality financial data and reports, relative to Agency obligations and expenditures.
7. Ensure accounting and reporting are completed in the Agency core accounting system to display cumulative obligations and expenditures (Funds Status) by appropriations and allotment, and by budget activity and object class, at a minimum, monthly.
8. Ensure Job Codes or accounting transactions are processed to allow program expenses to be executed in the Agency accounting system only upon validation of available funds, approved and appropriate budget authority in place, and monies in line with applicable annual financial plans.
9. Ensure advances and reimbursements are timely collected and accounted for in the Agency core accounting system to reduce risk and unnecessary reliance on Agency appropriated funds.
10. Establish internal controls to ensure Agency procurement instruments, such as agreements and contracts, in particular, have attached the proper budget approval with appropriate budget authority, showing Agency funds available to accomplish the planned work, before issuing CFO required accounting, such as the Job Code, TAS, and Fund information, for example. Redirect such instruments for proper budgetary approval and authority and do not record in Agency financial systems unless properly executed, thereby becoming valid.

11. Monitor and follow up with program, Grants and Agreement and/or procurement personnel, SPBA, and B&F to determine if unliquidated obligations are still valid, and facilitate the deobligation and release of unused or unneeded funds, as necessary. All related documentation must be retained in accordance with ORMS record retention criteria for audit purposes in particular.
12. Ensure all prior year accounting adjustment requests and adjustments, critical to the accuracy of the Agency's financial data, are reviewed for accuracy and concurrence. These requests must be approved and submitted for action, by the applicable WO Deputy Area, Regions, Stations, Area, and Institute budget officers or to the Job Corps National Field Office.
13. Conduct reviews and monitor that corrective actions related to unliquidated obligations, inactive for at least 12 months, are performed at a minimum, quarterly.
14. Ensure increasing obligations or adjustment(s) correcting an erroneously reported prior-year deobligation must be made in accordance with applicable requirements to comply with OMB Circular A-11.
15. Ensure staff training occurs at a minimum annually on Agency financial management policy and procedures, and in particular, full understanding and use of CFO established Standard Operating Procedures as primary guidance for employees assigned to perform Agency budget and finance duties.

#### **51.47 - Director of Financial Policy**

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

1. Issue Forest Service Financial Management policies and procedures, under the CFO's purview, that comply with applicable statutory authorities and established best practices, including policies regarding Obligations and Unliquidated Obligation (ULO).
2. Review Forest Service Financial Management Directives under the CFO's purview, to make current, at 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).

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

It is the responsibility of the Director of Audit and Assurance (A&A) to:

1. Perform periodic or necessary internal reviews to ensure that Forest Service application of public funds adheres to the terms of the pertinent authorization and appropriation acts, as well as any other relevant statutory provisions.
2. Review and ensure that obligations policies and procedures are implemented and followed, through periodic or directed Agency reviews.

3. Perform ongoing or required tests and measurements 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.
4. 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.
5. 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.

#### **51.49 - Director of Financial Reporting and Reconciliation**

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

1. Compile and deliver financial reports in compliance to FASAB, OMB, Treasury, and Data Act standards and to identify to the Director, Financial Policy, posting models, not in compliance, and/or new or updated posting models needed.
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. Ensure DATA Act requirements for reporting on obligations are timely, complete, and meaningful to help provide transparency of Agency spending to the public, USDA, Congress, and Treasury.
3. Ensure monthly (except for Period 1) financial reports to Treasury and quarterly Agency financial reporting to USDA as part of consolidated financial statement process, are timely, accurate, reliable, complete, and meaningful.

## 51.5 - Definitions

Accountable Officer. Any Government officer or employee who by reason of their 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 applies to Program Managers, Supervisors, or those authorizing the expenditure of Government funds.

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. Development and reporting of cost information;
  - c. Integration of accounting and budgeting information; and
  - d. Systematic measurement of performance.

See: <https://www.gao.gov/special.pubs/af12194.pdf>.

The Agency core accounting system also comprises of the various transactions involved in authorizing, recording, classifying, and reporting financial data. The Agency core accounting system captures transactions when they are authorized, processes the data, and issues financial statements and reports. See FSM 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 by the head or other authorized employee of an Agency to Agency employees to incur obligations within a specified amount pursuant to OMB



apportionment or reapportionment or other statutory authority making funds available for obligation.

Allowances. Allowances and allocations are subdivisions of suballotments.

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, suballotments, 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.

Appropriation Clause. The Appropriations Clause has been described as “the most important single curb in the Constitution on Presidential power.” It means that “no money can be paid out of the Treasury unless it has been appropriated by an act of Congress.” *Cincinnati Soap Co. v. The United States*, 301 U.S. 308, 321 (1937). See also B-300192, Nov. 13, 2002.

Bona Fide Need Rule. The rule mandates and provides that an appropriation limited to an 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>

The Agency charges an obligation to the appropriation current when it is first incurred, even though the payment may be made in a subsequent fiscal year.

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 contract authority, borrowing authority, or spending authority from offsetting collections.

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.

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.

De-obligation. The cancellation, downward adjustment, or deletion of a previously recorded obligation. Such adjustments may be attributable to the cancellation of a project or contract, price revisions, corrections of amounts previously recorded, or differences between obligations previously recorded and payments made.

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

Expenditure Transactions. For accounting and reporting purposes, transactions between appropriation and fund accounts which represent payments, repayments, or receipts for goods or services furnished or to be furnished. Where the transaction benefits the transferring account, expenditure transactions are recorded as obligations/outlays of the transferring accounts and as offsetting collections of the receiving accounts.

Expenditures. For 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 sec. 51.5).

Grant. An instrument awarded by the Forest Service to transfer money to the applicant in order to accomplish public support or stimulation. Forest Service personnel, or their representatives, do not have substantial involvement with the recipient during the performance of the agreement. The recipient performs the project or activity without Forest Service collaboration or participation.

Mandatory spending. Mandatory or direct spending includes spending on entitlement programs and certain other payments to people, businesses, and State and Local Governments. Mandatory spending is generally governed by statutory criteria; it is not normally set by annual appropriation acts.

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 over 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.

Obligating Official. The Forest Service employee authorized to enter into a formal agreement with an outside entity.

Obligation. A legally binding agreement that will result in outlays, immediately or in the future. When an order, a signed contract, awarding a grant, purchasing a service, or taking other actions that require the Government to make payments to the public or from one Government account to another, an obligation is incurred. It is a violation of the ADA (31 U.S.C. 1341(a)) to involve the Federal Government in a contract or obligation for payment of money before an appropriation is made unless authorized by law. It is a violation of the ADA to incur an obligation in an amount greater than the amount available in the Treasury account that is available. This means that the account must have budget authority sufficient to cover the total of such obligations at the time the obligation is incurred. Also, the obligation you incur must conform to other applicable provisions of law, and you must be able to support the amounts reported by the documentary evidence required by 31 U.S.C. 1501.

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. These are 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.

Period of Performance (POP). The POP is the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award. The Federal awarding Agency or pass-through entity must include start and end dates of the POP in the Federal award (see 200.210 Information contained in a Federal award paragraph (5) and 200.331, Requirements for pass-through entities, paragraph (a)(1)(iv)). (2 CFR - 200.77 - POP).

Program Direction. The Forest Service program direction contains the operating direction and guidance for fiscal year spending. The 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. Strategic Planning, Budget, and Accountability (SPBA) develops 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.

Program, Project, or Activity (PPA). Programmatic detail of the appropriation account as shown in the Program and Financing Schedule in the President's Budget *Appendix* or as provided in the House, Senate, and conference reports accompanying the appropriation act.

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.

Reimbursable obligation. An obligation financed by offsetting collections credited to an expenditure account in payment for goods and services provided by that account.

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 POP, as long as the basic contract, option, or order does not exceed one year.

Spending Authority from Offsetting Collections. Type of budget authority payments and repayments authorized by law to be credited to an appropriation or fund account. Payments and repayments consist of reimbursements, advances, refunds, and other income. Amounts are recorded as either estimated reimbursements or anticipated collections. This authority 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.

Supplemental Appropriation. Provides additional budget authority. 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, for example, in emergencies like disasters, or national security. They are requested by the Agency and approved by OMB as supplemental appropriation bills.

Transfer. Shifting of funds between appropriation accounts to cover shortfalls or unforeseen events.

Undelivered Order. An obligation for goods that have not been received or services that have not been performed.

Unliquidated Obligation. The balance remaining from the amount of orders placed; contracts or other binding agreements awarded; or services rendered after making any payments or processing deobligations. Unliquidated obligations consist of undelivered orders and accounts payable.

## **51.6 - Administrative Funds Control**

Administrative Funds Control restricts 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 the amount available for obligation or expenditure in the appropriation or fund account. As stated earlier, Apportionments are done at the Treasury Appropriation Fund Symbol (TAFS) level, and allocations are made at the Forest Service

Region/Station/Area (RSA) and 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 RSA/BLI level. See FSH 6509.11k, chapter 50 section 52 “Administrative Control of Funds” for more details.

### **51.7 - 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, an appropriate obligation must be entered into the Agency core accounting system as part of the required fund control processes. Prior to an obligation being entered, funds must be available for the intended purpose. For Apportionment, Allotment and Suballotments see FSH 6509.11k, section 52.6, and section 52.7 in this handbook.

#### **51.71 - Availability of Funds**

Funds must be available prior to any commitment or obligation for the 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. Extensions to the POP on the contract will be adjusted by a modification if the obligation is still open and the original POP has expired.

Availability of funds must be ensured for:

1. Contracts, purchase orders, and the related, when the request for goods or services must be processed in the Agency approved acquisition system(s), which incorporates the approval of the designated budget-approving officer. <https://www.dm.usda.gov/procurement/policy/index.htm>
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 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.

#### **51.72 - 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 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 ordering of the goods and services to the 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 the fiscal year. Field Budget Officers shall regularly review commitments during the year and advise the B&F of needed status, 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 that may be then used for other planned activities.

Commitments are valid only during the fiscal year in which they are executed. If funds are not obligated by the end of the fiscal year, the current year's commitment is canceled and a new commitment of funds must be made in the new fiscal year.

### **51.73 - Recording Obligations**

Obligation creates a legally binding agreement that will result in outlays, immediately or in the future. Obligations may occur under the following business events but are not limited to: purchase orders, grants and agreements, inter-Agency agreements, reimbursable agreements, contracts, and other miscellaneous obligations.

An amount must be recorded as an obligation when supported by documentary evidence of the criteria as laid out in 31 USC 1501 (Documentary evidence requirement for Government Obligations). The requirement of appropriations law is to record amounts as obligations only for intended and legal purposes. Under no circumstances will reserves or estimates be recorded or reported as an obligation to cover a possible unknown or contingent obligation. Commitment transactions normally precede all obligations in the spending chain process and set aside funds for future obligations and subsequent expenditure. Obligations must be recorded before any expenditures are incurred.

### **51.8 - Reviewing Obligations**

To review and manage obligations properly, the following guidelines must be applied:

1. Application of the Bona Fide Need Rule. The Bona Fide Need rule requires that the obligation entered into by the government meet a need for the fiscal year that is current when the obligation is entered into and not a need of the future year. The Agency charges an obligation to the appropriation current when it is first incurred even though the payment may be made in a subsequent fiscal year.
2. Units must complete the appropriate Agency approved commitment and obligation request document and required supporting documentation for submission to the CFO/B&F. At month-end, all obligations for the current month must be recorded immediately. For example, if an obligation is received the morning of the last day of the month every attempt must be made to record that obligation before the close of business, that day.

3. Grants and Agreement and contract documentation files must support the proper POP and related obligations and payments made against the respective instrument.
4. Obligations must be recorded appropriately as either undelivered or delivered to ensure the correct general ledger account is posted. If an obligation listed on the undelivered report is known to be delivered, the Program Manager shall process a receipt confirmation as soon as possible, and contact the trading partner to obtain an invoice.
5. Existing obligations must be immediately deobligated when they have no legal basis or were not properly authorized and supported or funded. An obligation must be deobligated accordingly when orders for goods and services are canceled, or a final invoice is received, and the disbursement is less than the original obligation.
6. Units must maintain obligation documents for all obligations recorded in the Agency core accounting systems as long as the obligation is valid, and for audit purposes.
7. At a minimum, a quarterly review of payment data entered into the Agency's core accounting system must occur to ensure data integrity and that supporting documentation is maintained. Also, to ensure the payment is applied to the proper obligation.

#### **51.81a - Compliance with the Bona Fide Need Rule**

Budget and accounting officials must comply with the bona fide need rule. The Bona-Fide Need Rule as defined by Title 31 of the U.S. Code, Section 1502, states that:

1. "The balance of an appropriation or fund limited for an obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability and obligated consistent with section 1501 of this title. However, the appropriation or fund is not available for expenditure for a period beyond the period otherwise authorized by law."
- 2, "A provision of law requiring that the balance of an appropriation or fund be returned to the general fund of the Treasury at the end of a definite period does not affect the status of lawsuits or rights of action involving the right to an amount payable from the balance".

The Bona Fide Needs Rule: "A fiscal year appropriation may be obligated only to meet a legitimate, or bona fide, need arising in, or in some cases arising prior to but continuing to exist in, the fiscal year for which the appropriation was made." (Red Book, 3rd Edition, page 5-11). The rule emphasizes the need and time to obligate, charging to the correct fiscal year and the circumstances for determining the period of time to obligate funds.

The bona fide need rule, severability determination, and obligations of time-limited appropriations are presented in GAO Principles of Federal Appropriations Law. Available time-limited funds include both:



1. Time-limited funds appropriated and apportioned in the current year, and
2. Carry-over balances, from the prior year, time-limited appropriations, apportioned, and reapportioned in the current year.

### **51.81b - Non-Severable Requirements**

Non-severable services represent a single undertaking that cannot be separated into components but must be performed as a single task to meet the need of the government. 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 current appropriation when the contract was signed. For non-severable services, the Agency 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.

### **51.81c - Severable Requirements**

The Agency may obligate time-limited funds only to cover the severable requirements (as determined by the Contracting Officer) that will be performed in the period during which the time-limited funds may be obligated. Each of the separate components of the severable requirements must be funded only with the time-limited funds applicable to the period in which the need for the component arises.

There is one partial exception to this basic rule for the funding of severable requirements. The Federal Acquisition Streamlining Act (41 U.S.C. § 3902) provides that an Agency may enter into a contract, option, or order for severable services that cross fiscal years and fund it (with all of its components) with funds of the current fiscal year, provided that the POP of the contract, option, or order does not exceed twelve months. The partial exception applies: to one-year funds; and to multiple year funds in the last year of their availability for obligation (before the last year of a multi-year appropriation, there is no need for an exception to obligate funds across fiscal years during the normal period of availability).

Services are considered severable if they can be separated into components that independently provide value to meet the Agency's needs. Thus, the Agency 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.

### **51.81d - Multi-Year vs No Year Funding**

The bona fide need rule prohibits the Forest Service from obligating funds that are appropriated for the needs of a time-limited period (single-year or multi-year) to meet the needs of subsequent periods unless the obligation is authorized by a more specific statutory authority such as the Federal Acquisition Streamlining Act of 1994 (FASA). The bona fide needs rule applies to multiyear appropriations and single-year appropriations; it does not apply to no-year appropriations. (43 Comp. Gen. 657, 661 (1964))

### 51.81e - Multi-Year Funding Lifecycle

As a result of the Consolidated Appropriations Act of 2017, most of the Agency discretionary accounts have transitioned from no-year funds to multi-year funds, with four years of availability. A few of the accounts that transitioned to multi-year include, State & Private Forestry, National Forest Systems, and Capital Improvement & Maintenance. The life cycle of multi-year funding is described below:

1. Funds Unexpired Phase (Four-Years Availability): The first phase of the multi-year funding is the Unexpired Phase. This is the phase where the Agency has four-years to allocate or allot funds, incur obligations, and disburse existing obligations.
2. Funds Expired Phase (Five-Years Availability): The second phase of the multi-year funding is the Expired Phase. This is the phase where the Agency funds are legally expired and the Agency is prohibited unless stipulated in law from incurring any new obligations or commitments. However, the Agency is only permitted to disburse existing obligations and make upward adjustments where appropriate.
3. Funds Canceled Phase: This is the final phase of the multi-year funding. In accordance with 31 U.S.C. § 1555) an appropriation account available for obligation for an indefinite or timed period shall be closed, and any remaining balance (whether obligated or unobligated) in that account shall be canceled and thereafter shall not be available for obligation or expenditure for any purpose, if:
  - a. The head of the Agency concerned or the President determines that the purposes for which the appropriation was made have been carried out;
  - b. No disbursement has been made against the appropriation for two consecutive fiscal years. (31 U.S.C. § 1555); and
  - c. Written confirmation is provided that the remaining funds or TAS account are no longer needed as the purposes for which funds were intended are no longer necessary or have been completed and any outstanding claims have all be accounted for.

### 51.81f - Agreements with Other Federal Agencies

When other Federal agencies provide services or materials to the Forest Service under an inter-Agency agreement authorized by the Economy Act, the budget official must deobligate any time-limited funds that have not been obligated by the performing Agency before the expiration of the funds. The deobligation is a control to ensure that expired funds are not improperly obligated by the performing Agency. These expired funds are not available for new obligations.

### 51.81g - Replacement Contracts

The rules for replacement contract applies in situations when:

1. The Forest Service must replace original contracts due to termination, and

2. The funding provided for the initial contract has expired and thus is not available for new obligations.

The replacement contract rules may apply when a contract is terminated because of:

1. Default by the contractor or pursuant to a court order, or
2. Determination by a contracting officer that the award was improper due to explicit evidence the award was erroneous. The replacement contract rules may also apply when a determination is documented with the appropriate finding of fact or law, or by other competent authority (Board of Contract Appeals, Government Accountability Office, or contracting officer) that the contract award was improper.

Under the replacement contract rules, the funds obligated under the original contract may be available for the purpose of engaging another contractor to complete the unfinished work, notwithstanding the fact that their original period of obligational availability has expired. In order for funds to remain available beyond expiration for a replacement contract, four conditions must be met:

1. The original contract was made in good faith;
2. A *bona fide* need for the work, supplies, or services must have existed when the original contract was executed, and it must continue to exist up to the award of the replacement contract;
3. The replacement contract must not exceed the size and scope of the original contract. If it does, it is a new obligation and must be charged to funds currently available for obligation at the time the replacement contract is entered into; and
4. The replacement contract must be awarded without undue delay, within a reasonable time after termination of the original contract.

Additional information can be found in Chapter 5 of the GAO Principles of Federal Appropriations Law.

#### **51.81h - Adjustment(s) Increasing an Obligation after the Expiration of the Appropriation (Upward Adjustments)**

Budget Officers shall record and report these increases only as valid upward adjustments in accordance with requirements set in FSH 6509.11k, chapter 52, Administrative Control of Funds.

#### **51.81i - Adjustment(s) Decreasing an Obligation after the Expiration of the Appropriation (Deobligations of Expired Funds)**

Budget Officers shall record and report these downward adjustments in accordance with requirements set in FSH 6509.11k, section 52, Administrative Control of Funds.

Deobligated, expired funds are not legally available for incurring new obligations, but they may be used to cover other valid upward adjustments within the original appropriation or fund in the expired account. This process should be coordinated with both B&F and SPBA.

Deobligated, expired funds are not legally available for incurring obligations on new or successor contracts. New or successor contracts must be obligated using current unexpired appropriation(s) that are available for incurring new obligations at the time the contracts are awarded.

### **51.81j - Adjustments to Obligations**

Obligations must be recorded promptly, adjustments to increase or decrease obligations must be recorded when events or justifiable conditions warrant such actions. Program budget and accounting officials have a mutual responsibility to ensure the following minimum requirements are considered or met to adjust obligations:

1. Modifications of Agreements. When contract modifications involve changes in amounts for any reason, including corrections of estimates, required obligation adjustments shall be recorded promptly upon approval of the contract modification.
2. Termination of Contracts and Agreements. When a contract or agreement is terminated in whole or in part for the convenience of the Agency, decrease the pertinent obligation to an amount sufficient to meet the settlement costs under the termination. Do not decrease the obligation below the amount estimated by the contracting officer, which is determined by the best evidence available of the amount due as a result of such termination. The deobligation must be supported by contract modification or formal termination agreement, except in the cases of deobligation of small purchase and delivery orders. For such contracts and agreements, the contracting officer (in coordination with SPBA) may use the appropriate approved form, in lieu of a contract modification, to indicate that remaining funds are not needed for further payment and should be deobligated. For the purpose of this exception, small purchase and delivery orders shall be limited to the Federal Acquisition Regulation Simplified Acquisition Threshold.
3. Special Requirements for Increasing Obligations. Increasing obligations or adjustment(s) correcting an erroneously reported prior-year deobligation must be made in coordination with the Director of SPBA.
4. Special Requirements for Decreasing Obligations (Deobligations). To ensure compliance with OMB Circular A-11, changes in obligations incurred in prior years must not be netted against current obligations. When conditions change and funds are no longer needed on a particular contract, in whole or in part, the funds are removed from the contract (deobligated). If the original unpaid obligation occurred in a prior fiscal year, these deobligations should be recorded and reported as a downward adjustment to prior-year unpaid obligations (prior-year deobligation) and are not available for obligation only if expired. Prior-year deobligations within unexpired accounts that are subject to apportionment require reapportionment by the OMB

before being reissued (issuance of a new allotment) by the Director of SPBA for future obligation.

### 51.81k - Reapportionments

Reapportionment is a revision of a previous apportionment of budgetary resources for an appropriation or fund account. The Agency is required to submit requests for reapportionment to OMB by the Director of SPBA, as soon as a change becomes necessary. Reapportionments are mostly due to changes in amounts available, program requirements, cost factors, or de-obligations/re-obligations above specific levels (OMB Circular A-11, 120).

The following exceptions do not need to be recorded and reported as prior-year deobligations and do not require reapportionment:

1. Administrative changes. This includes corrections to erroneous transactions, administrative adjustments to reflect a change in the Agency core accounting system, and accounting adjustments that do not reduce the funding available to the contractor for a particular work scope. Administrative changes to existing obligations do not constitute prior-year deobligations. Thus, such administrative changes to prior year obligations should not be recorded as prior-year deobligations in the Agency core accounting system. Generally, a transaction is considered an administrative change if it does not;

- a. Decrease the total dollar amount obligated;
- b. Change vendor information (except as provided elsewhere in this policy);
- c. Change the fund code; or
- d. Reduce the funds available for the work scope specified by the contract or the work authorization.

2. Replacement contracts. Expired funds may be used for replacement contracts under limited circumstances. Because they are expired, such funds cannot be reapportioned. When replacement contracts are permitted, the funds deobligated from the vendor that was unable to complete the work scope should be marked as current year obligations. This allows the funds to be re-obligated on the replacement contract.

### 51.81l - Reprogramming/Transfers

The Director of SPBA must prepare a letter, with supporting documentation, to the House and Senate Appropriations Committees informing Congress of Forest Service intent to reprogram or transfer funds as required by the general provisions in the annual appropriation act. Only under emergency conditions will consideration be given to requests forwarded during the last quarter of the fiscal year, indicating the necessity of moving funds within, and between, accounts.

### **51.81m - Quarterly Certification and Review of Unliquidated Obligations**

The CFO is required to submit to USDA-OCFO a quarterly certification of the review of the unliquidated obligations. All reviews are to be done by Program Officials, certified by the appropriate Regional Foresters and must provide to B&F for review, compilation, and submission to the CFO for certification.

In accomplishing the ULOs reviews, program and procurement personnel must consider the following, if applicable:

1. The period of fund availability;
2. The POP or delivery date;
3. The completeness and accuracy of information provided by contract, or grant recipients;
4. Whether the funds have been expended consistently with the percentage of completion;
5. Whether remaining funds are sufficient to complete the order in accordance with specifications or whether funds are no longer needed;
6. Justifications for amendments to funding levels;
7. Supplemental funding for agreements or grants, and so forth;
8. Reasons for lack of activity, such as litigation or delay in contract closeout;
9. Any provisions of the agreement or contract that may permit or prohibit deobligation or reprogramming; and
10. Any other relevant factors, when making a determination

The review should disclose unliquidated obligations:

1. That do not have a legal basis, or are not properly authorized and supported by appropriate documentation;
2. Which have been completed for 12 months or more and have not been closed out; and
3. Under which no future expenditures are expected.
4. Under which delinquent payment exists, and additional research is needed to determine why the invoice has not been processed; and
5. That have accounting errors because of duplicated entry or incorrect amounts.

Obligations must be reviewed, closed-out, and de-obligation must occur on an ongoing basis as determination(s) are made that obligation(s) can be adjusted or canceled. Once a determination is made that an unliquidated obligation is no longer valid, program personnel must notify the appropriate budget personnel, in writing, within 5 days after the determination is made to process a deobligation. The budget staff must notify SPBA and B&F of potential funds to be or are in the process of being deobligated. B&F or appropriate program official must cancel or adjust the unliquidated obligations in the Agency core financial system, within 15 days after receipt of the written notification. All documentation must be retained (for 10 years) for audit purposes. See FSH 6209.11, chapter 40, File Designation and Disposition.

### **51.82 - Closeout of Obligations & Reapportionment**

Monthly accounts maintenance must be performed for all agreements, contracts, procurements, or other accounting transactions related to prior period adjustment requests. Also, a monthly review is required to assure proper and timely accounting transactions occur, within the appropriate fund purpose, and established criteria is followed (for appropriate direction see FSM 1580, Grants, Cooperative Agreements and Other Agreements, FSH 1509.11, Grants and Cooperative Agreements, section 16, and 48 CFR 4.804-5).

Once the fiscal year has closed, the Agency reports to Congress through the OMB reporting systems and through its financial statements by U.S. Treasury Account Symbol, its unobligated balances, for each Treasury Appropriation Fund Symbols (TAFS). These funds are requested from OMB through the annual reapportionment process. If OMB approves the reapportionment in the next fiscal year, the unobligated balance brought forward will provide the Agency with the total of prior-year budget authority available. Activity recorded in prior fiscal years consists of deobligation of invalid open items, recording of upward and downward adjustments to open obligations per the bona fide needs rule, ratification, and recording of missed obligations and disbursements to liquidate recorded open items. Multi-year/No-year funds TAFS with unexpired budgetary resources available for an obligation must be apportioned every fiscal year, unless specifically exempt by OMB Circular A-11, Section 120.5 (TAFS exempt from apportionment).