



Treasury Financial Manual

Transmittal Letter No. 641

Volume I

To: Heads of Government Departments, Agencies, and Others Concerned

1. Purpose

This transmittal letter releases revisions to I TFM 6-6000: Payment Procedures Upon Expiration of an Appropriation or a Continuing Resolution. This chapter prescribes procedures Federal agencies and disbursing officers use to process payments when an agency's appropriation expires or a continuing resolution to provide temporary obligational authority has not been enacted, extended, or renewed. The procedures apply to all obligations chargeable to expired annual or multiple-year appropriations when Congress has not extended the obligational authority. No-year appropriations or multiple-year appropriations, for which authority has not expired, are not affected.

2. Page Changes

Remove

Table of Contents for Part 6 (T/L 628)

I TFM 6-6000 (T/L 582)

Insert

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3. Effective Date

This transmittal letter is effective immediately.

4. Inquiries

Direct questions concerning this transmittal letter to:

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Budget Reports Division
Financial and Budget Reports Directorate
Governmentwide Accounting
Financial Management Service
Department of the Treasury
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Date: October 2, 2007

Kenneth R. Papaj
Commissioner

Part 6—Chapter 6000

PAYMENT PROCEDURES UPON EXPIRATION OF AN APPROPRIATION OR A CONTINUING RESOLUTION

This chapter prescribes procedures Federal agencies and disbursing officers use to process payments when an agency's appropriation expires or a continuing resolution to provide temporary obligational authority has not been enacted, extended, or renewed. The procedures apply to all obligations chargeable to expired annual or multiple-year appropriations when Congress has not extended the obligational authority. No-year appropriations or multiple-year appropriations, for which authority has not expired, are not affected.

Section 6010—Scope and Applicability

The guidelines in this chapter apply to (1) certifying officers of all Federal agencies, including Government corporations, and (2) all disbursing officers, including those in the Department of the Treasury (Treasury), and agency disbursing officers who exercise disbursing functions under specific statutory authority or authority delegated by Treasury.

Section 6015—Authority

Article I, Section 9, Clause 7, of the United States Constitution states: "No money will be drawn from the Treasury, but in consequence of appropriations made by law..." This basic provision is further supported by procedures based on joint regulations issued by the Secretary of the Treasury and the Comptroller General of the United States, under authority of the Budget and Accounting Procedures Act of 1950.

Section 6020—Compliance With Executive Order 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism

Executive Order 13224 prohibits transactions with persons who commit, threaten to commit, or support terrorism. The Department of the Treasury's Office of Foreign Assets Control (OFAC) maintains the Specially Designated Nationals (SDN) and Blocked Persons list, which provides a list of individuals and entities covered by Executive Order 13224. The SDN and Blocked Persons list also includes the additional restrictions found in the Foreign Assets Control regulations at 31 CFR Chapter V.

Agencies must not make or certify payments, or draw checks or warrants, payable to an individual or organization listed on the SDN and Blocked Persons list. Agencies should consult the SDN and Blocked Persons list at <http://www.ustreas.gov/offices/enforcement/ofac/sdn/index.html> before making payments.

Direct questions concerning Executive Order 13224 or the SDN and Blocked

Persons list to OFAC. See the contact information at <http://www.ustreas.gov/offices/enforcement/ofac/contacts.html> or call 202-622-2490.

Section 6025—General

Agencies that incur obligations after an appropriation or continuing resolution expires violate the Anti-Deficiency Act. Disbursing officers should pay obligations incurred by agencies only when Congress has enacted legislation extending obligational authority. While procedures contained in this chapter are confined to disbursing officers in Treasury, the prohibitions contained in the chapter are applicable to all disbursing officers of the United States. Responsibility for properly instructing disbursing officers rests with each administrative department or agency.

Section 6030—Responsibility for Payments

The officer or employee who certifies a voucher is responsible for ensuring the payment is proper. Except as provided in this chapter, disbursing officers are not responsible for the propriety of payments

authorized by certifying officers. However, a disbursing officer who has knowledge that a payment is improper should not make the payment.

Section 6035—Miscellaneous Payments

Miscellaneous payments include all payments for goods and services, excluding payrolls. Responsibility for precluding miscellaneous payments not covered by an appropriation or a continuing resolution rests with the administrative agency. It is the responsibility of the agency's certifying officer to ensure that disbursing officers do not make improper scheduled payments. It is not the disbursing officer's responsibility to investigate the date of the underlying obligation of certified scheduled payments.

Section 6040—Payrolls

A disbursing officer, who knows an obligation was incurred when funds were not available, may not disburse a certified payment voucher. This circumstance can arise particularly in the case of payrolls, when it is obvious that the time of obligation occurred after the appropriation or continuing resolution lapsed. Therefore, when annual appropriations have not been enacted and there is no continuing resolution under which obligations can be legally liquidated, disbursing officers should not release payrolls that extend

beyond the period provided for in the appropriation or continuing resolution. The inclusive dates of a pay period serve as *prima facie* notice to disbursing officers of the date on which the obligation was incurred. Disbursing officers should not release payrolls for any pay period extending beyond or commencing after the expiration date of an appropriation or a continuing resolution, unless the chargeable appropriation is a no-year or unexpired multiple-year appropriation.

Section 6045—Preparation of Payrolls

6045.10—Payrolls Processed for Entire Pay Period

Sometimes the expiration date of an appropriation or a continuing resolution does not coincide with the end of a pay period. Disbursing officers must not release payrolls that include salaries and wages earned beyond the expiration date of the appropriation or continuing resolution.

6045.20—Payrolls Processed for Portion of Pay Period Through Expiration Date

Disbursing officers should make the usual advance release of payroll payments **only** to cover salaries and wages earned through the expiration date of an appropriation or a continuing resolution.

6045.30—Payrolls for Pay Periods After Expiration Date

For any partially covered pay period and all subsequent pay periods, agencies should process payrolls for salaries and wages earned beyond the expiration date of an appropriation or a continuing resolution as usual. Disbursing officers may prepare payments for such payrolls and hold them for immediate release upon approval of an appropriation or continuing resolution.

Section 6050—Notification to Disbursing Officers

The Commissioner of the Financial Management Service will issue instructions to the Regional Financial Center (RFC) directors when neither an appropriation nor a continuing resolution will cover the operations of certain agencies. (See instructions in Appendix 1.) These instructions apply to directors of Treasury RFCs and all U.S. disbursing officers.

When Congress enacts an appropriation or a continuing resolution for agencies disbursed by Treasury, the Chief Disbursing Officer will notify the RFC directors by phone. Disbursing officers outside Treasury will be notified by the administrative department or agency that exercises the disbursement functions. This will enable disbursing officers to release previously held payrolls and other payments, pending approval of obligational authority.

Contacts

Direct inquiries concerning this chapter to:

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Budget Reports Division
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OR

Resource Management Division
Regional Operations
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Department of the Treasury
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Washington, DC 20227
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TEXT OF INSTRUCTIONS ISSUED BY THE
COMMISSIONER OF THE FINANCIAL MANAGEMENT SERVICE
TO ALL DISBURSING OFFICERS
ON THE SUBJECT OF PAYROLLS FOR
PAY PERIODS ENDING AFTER _____

1. Annual appropriations for fiscal year _____ have not yet been enacted by the Congress. In such situations agency operations have usually been financed by enactment of a continuing resolution, which has permitted obligations to be incurred at a minimum rate for a specific period of time. In the event that appropriations or continuing resolutions are not enacted (or reenacted) by _____, the following instructions will, regrettably, be necessary.

2. Any obligation incurred after _____ by any agency not covered by an appropriation (or continuing resolution) should not be paid.

a. With respect to payments other than payrolls, responsibility for precluding the payment rests with the administrative agencies involved. Based on the certified voucher-schedule, the disbursing officer cannot be aware of the date the obligation was incurred.

b. With respect to payrolls, however, the stated pay period constitutes prima facie notice to the disbursing officer.

3. Unless appropriations or continuing resolutions are enacted, payrolls for any pay period ending after _____ will not be paid in full (unless, of course, it is determined that the chargeable appropriation is a no-year or multiple-year appropriation that has not expired as opposed to an annual appropriation). The first pay days involved, if these instructions have to be invoked, generally fall between _____ and _____ for biweekly rolls covering the pay period of _____ through _____. For any payrolls affected by such instructions, disbursing officers will not release the payment if the payroll has been prepared to cover salaries and wages for the entire pay period (extending beyond the appropriation or continuing resolution). The disbursing officers will make the usual advance release of payments drawn for that pay day only if the payroll covers salaries and wages earned through the last pay day covered under the appropriation or continuing resolution. No payments will be released for the remainder of that pay period or for any subsequent pay period until appropriations or continuing resolutions are enacted. Disbursing offices will contact agencies with regard to scheduling work so that payments covering wages earned after the expiration date can be prepared for release as soon as notification is received that an appropriation or a continuing resolution has been enacted. Such notification will be conveyed by telephone through the Chief Disbursing Officer.

The foregoing prohibitions are mandatory in light of the provisions of I TFM 6-6000.

Commissioner
Financial Management Service

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