

4 FAM 400 VOUCHERS AND CLAIMS

4 FAM 410 GENERAL

*(CT:FIN-387; 10-31-2007)
(Office of Origin: RM/FPRA/FP)*

4 FAM 411 SCOPE, PURPOSE AND LAYOUT

(TL:FIN-352; 05-30-95)

Chapter 400 contains policies and regulatory information applicable to voucher and claim processing and certification. Included is information on vouchering for general expenditures, exceptions in the vouchering of special items of expenditures, travel vouchers and advances, transportation vouchers, and claims against and by the U.S. Government.

4 FAM 412 AUTHORITY

(CT:FIN-387; 10-31-2007)

Departmental policies derive their authority from statutes and regulations. Specific authorities for travel vouchers and advances, transportation vouchers, and claims are provided in a separate section within the corresponding subchapters of this volume and in 4 FAH-3 H-410.

4 FAM 412.1 Statutes and Regulations

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- a. The Accounting and Auditing Act of 1950, as amended (31 U.S.C. 3511 - 3516), authorizes the U.S. Comptroller General to prescribe, in consultation with the Director of the Office of Management and Budget and the Secretary of the Treasury, the principles, standards, and related requirements for the accounting to be observed by most executive agencies. It requires the head of each U.S. agency to establish and

maintain systems of accounting and internal controls.

- b. The Prompt Payment Act of 1982, as amended (31 U.S.C. 3901 - 3907), requires Federal agencies to make payments in a timely manner; to pay interest penalties when payments are late; and to take discounts only when payments are made within the discount period.
- c. The Anti-Deficiency Act, as amended (31 U.S.C. 1341), prohibits obligations or disbursements that exceed amounts appropriated or that involve an obligation for the payment of money before an appropriation is available, unless authorized by law. In addition, 31 U.S.C 1517 and 4 FAM 080 prohibit obligations or disbursements that exceed amounts apportioned or amounts allotted for administrative control.
- d. The Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512) requires Federal agencies to establish and maintain systems of internal accounting and administrative controls. The head of each agency is to ensure that management controls are in accordance with the Comptroller General's standards; issue a statement attesting to the adequacy of such controls; or report any weaknesses and submit plans for their correction.
- e. The Federal Financial Management Improvement Act of 1996 (Public Law 104-208, 31 U.S.C. 3512 Note) requires that agency financial management systems comply substantially with Federal financial management system requirements, applicable Federal accounting standards, and the Standard General Ledger at the transaction level.
- f. The United States Code (U.S.C.) Title 31 covers Money and Finance.
- g. 22 Code of Federal Regulations (CFR), Chapter 1, covers Foreign Relations.
- h. 41 Code of Federal Regulations covers Public Contracts and Property Management.
- i. The Foreign Service Act of 1980, Chapter 9, provides guidance for Travel, Leave, and Other Benefits.
- j. The Overseas Allowances and Differential Act is covered in 5 U.S.C. Chapters 55 and 59.
- k. GAO Policies and Procedures Manual for Guidance of Federal Agencies (GAO), Title 7, provides Fiscal Procedures (7 GAO).
- l. OMB Circular A-123, revised on June 21, 1995 and December 21, 2004, provides guidance to U.S. agencies in establishing, maintaining, evaluating, improving, and reporting on internal controls in their program

and administrative activities.

- m. 5 CFR 1315 (superseding OMB Circular A-125) implements the Prompt Payment Act (see 4 FAM 412.1, paragraph b).
- n. OMB Circular A-127, issued December 1984, revised July 29, 1993 and June 10, 1999, and related bulletins prescribe policies and procedures to be followed by U.S. agencies in developing, operating, evaluating, and reporting on financial management systems.
- o. Treasury Financial Manual (TFM), Volume I covers:
 - (1) Part 1—Introduction (I TFM 1);
 - (2) Part 2—Central Accounting and Reporting (I TFM 2); and
 - (3) Part 4—Disbursing (I TFM 4).

4 FAM 412.2 Other Sources

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Other relevant sources of guidance include the following:

- (1) Foreign Affairs Manual (FAM)—Certain guidance related to 4 FAM 400 is covered in greater detail elsewhere in 4 FAM and in other volumes of the FAM. A partial list of these references includes:
 - (a) 3 FAM 000—Personnel;
 - (b) 4 FAM 000—Financial Management Policy, Organization and Accounting Principles and Standards;
 - (c) 4 FAM 300—Cash Management and Accounting, with details in 4 FAH-3; and
 - (d) 14 FAM 500—Travel and Transportation;
- (2) U.S. Department of State Standardized Regulations (Government Civilians, Foreign Areas), which is maintained by the Department's Allowances Staff (A/OPR/ALS);
- (3) Principles of Federal Appropriations Law, GAO Office of General Counsel, which includes such relevant chapters as:
 - (a) Chapter 4—Availability of Appropriations as to Purpose;

- (b) Chapter 5—Availability of Appropriations as to Time;
- (c) Chapter 6—Availability of Appropriations as to Amount;
- (d) Chapter 9—Liability and Relief of Accountable Officers; and
- (e) Chapter 12—Claims Against and By the United States.

4 FAM 413 APPLICABILITY

(CT:FIN-387; 10-31-2007)

This chapter contains Department policies for both domestic operations and operations abroad on voucher and claim processing and certification. It is the most authoritative and comprehensive source for the Department's policies on matters relating to the processing and certification of vouchers and claims. 4 FAH-3 contains the detailed procedures and processes. Unless stated otherwise, Department references in 4 FAM and 4 FAH-3 apply to both domestic operations and to post operations of the Department of State. Differences in application are indicated within the relevant subchapter or section.

4 FAM 414 DEFINITIONS

(CT:FIN-387; 10-31-2007)

This section contains definitions of terms that are commonly used in 4 FAM 400.

Accountable officer: Any U.S. Government officer or employee who by reason of his or her employment is responsible for or has custody of U.S. Government funds. An accountable officer is personally liable to the U.S. Government for any loss of the funds in his or her charge, regardless of fault, unless relief is granted or the loss is recovered. Accountable officers include such officials as authorized disbursing officers, certifying officers, collecting officers, cashiers, or consular officers and other employees who have custody of U.S. Government funds.

Approval (as distinguished from certification): The attestation by an authorized individual that the provider of goods or services for which the voucher is being prepared is entitled to payment, subject to the goods received or services performed being accepted as satisfactory. Receipt and payment approval may be reflected in a combined attestation.

Cashier: An accountable officer who has been formally designated as a cashier by an authorized official and who is thereby authorized to perform limited disbursing and other cash functions. (See 4 FAH-3 H-390 for more details on cashiers and the cashiering function.)

Certification: The final authorization for payment by an authorized certifying officer. Disbursing officials may disburse funds only as provided by a voucher that has been properly certified. In the case of voucher schedules, the certifying officer's signature applies to all the individual vouchers listed on the schedule.

Certifying officer: An accountable officer who has been charged with the responsibility for certifying vouchers for payment. A certifying officer is responsible for verifying the accuracy and propriety of all documents upon which payment is to be based and certifying that the payment is legal, correct, and proper:

- (1) The certifying officer is responsible for the information stated in the certificate, voucher, and supporting records, the computation of the voucher, the legality of a proposed payment under the appropriation or fund involved, and the accuracy of transportation rates and other information provided on a *U.S.* Government bill of lading or transportation (absent a determination by the Administrator of General Services). The certifying officer is personally liable to repay the amount of any illegal or improper payment resulting from their certification. The conclusions and actions of a certifying officer are governed by pertinent laws and regulations and the exercise of prudent judgment;
- (2) A voucher payable to a certifying officer, other than a payroll voucher, is to be signed by another officer authorized to certify the voucher (31 U.S.C. 3528; 7 GAO, Chapter 7).

Claim: A demand for monies due or alleged to be due, based on a valid claim provided to the Department.

Deductions: Amounts subtracted from the gross voucher amount to arrive at the payment amount. Deductions are for:

- (1) Cash discounts offered by vendors;
- (2) Credit memos (debts) that need to be offset; or
- (3) Adjustments specified in the contract.

Disallowances: Amounts subtracted from voucher amounts to reflect administrative decisions not to pay the entire amount claimed.

Disallowances may result from nonperformance, improper performance, improper billings, insufficient proof of performance, offset of a debt, etc.

Financial management officer (FMO) (formerly known as a budget and fiscal officer): The officer responsible for post financial operations. Some of these fiscal responsibilities include:

- (1) Ensuring that post funds are not over-obligated or over-expended;
- (2) Maintaining all required budgetary and accounting records;
- (3) Maintaining proper controls of cash funds;
- (4) Ensuring that all liabilities are liquidated promptly in accordance with prescribed regulations;
- (5) Ensuring that obligating documents and vouchers are properly prepared and approved and are valid;
- (6) Ensuring that budgeting and financial reports are rendered accurately and promptly; and
- (7) Controlling cash funds maintained at post.

Invoice: A bill, written document, or an electronically transmitted document, such as a facsimile copy, scanned copy, email copy, or electronic data interchange, provided by a vendor requesting payment for property received or services rendered. A proper invoice or an electronically transmitted document must meet the requirements of the Prompt Payment Act. The term invoice also includes a receiving report and delivery tickets when contractually designated as invoices.

Payment: Disbursement or liquidation of an obligation by issuing a check, cash, or electronic funds transfer (EFT). Payment occurs on the settlement date for electronic funds transfers or the date of the U.S. Treasury check.

Preparation: Completion of all required information on a voucher. It includes making copies, attaching statements and certificates, ensuring that foreign currency information is correct, etc. Preparation of a voucher may be done by the vendor, the claimant, the traveler, the ordering office, or the procurement office.

Prepayment examination: Examination of vouchers prior to certification. The objectives of a prepayment examination are to ensure the availability of the appropriation or fund involved, the accuracy of the payment, and the existence of supporting documentation.

Processing: Receiving, sorting, preparing, approving, and prepayment examining of vouchers. It begins with the receipt of vouchers and concludes with the prepayment examination and presentation of vouchers for certification.

Receipt of goods or services: The signature acknowledgment that goods ordered have been received or that services have been performed. This acknowledgment is the basis for approval.

Reimbursements: Payments made by one U.S. Government agency to another to liquidate accounts payable arising from purchases of goods or services by the performing agency on behalf of the reimbursing agency.

Suspensions: Amounts subtracted from voucher amounts to reflect nonperformance or nonconformance to policy, lack of information, etc. The amount is withheld from the claimant and kept in suspense until the matter is resolved.

Voucher: An invoice or document used to authorize a payment. The document can be a form prescribed by a U.S. Government agency and approved by the U.S. Treasury Department (e.g., domestically, Form SF-1034, Public Voucher for Purchases and Services Other than Personal; and overseas, Form DS-2076, Purchase Order, Receiving Report and Voucher) or an invoice, if it has all the required information.

Voucher and Schedule of Payments (Form SF-1166): Hereafter known as “voucher schedule,” is a document used to authorize a payment. A voucher schedule might be a group of examined vouchers consolidated on the basis of the type of expense or the mode of payment. Form SF-1166 may be preprinted or computer/machine-generated.

4 FAM 415 FORMS

(CT:FIN-387; 10-31-2007)

- a. The U.S. Code (31 U.S.C. 3511) authorizes the U.S. Comptroller General, after consulting with the Secretary of the Treasury and the Director of the Office of Management and Budget, to prescribe accounting principles, standards, and related requirements for accounting, including forms, for most executive agencies.
- b. In accordance with 7 GAO, Fiscal Procedures, the Department of the Treasury has responsibility for all disbursement forms, both general and specific, except that the Department of State is responsible for disbursement forms falling clearly within its functional area. The General

Services Administration (GSA) is responsible for forms dealing with transportation and reimbursement of travel expenses. Each of these agencies is responsible for the use of the forms it issues.

- c. The use of standard forms is mandatory unless exempted by law or by the prescribing U.S. agency. Specific approval is required for an agency to adopt its own forms in place of the standard forms. The prescribed forms used in the vouchering process are found in 4 FAH-3 H-412. This list is inclusive, not exhaustive, and contains only the major forms used in the vouchering process.

4 FAM 416 MANAGEMENT CONTROLS

(CT:FIN-387; 10-31-2007)

- a. Management controls are operational checks and balances to ensure that a task will be carried out correctly, efficiently, and effectively. Subchapter 4 FAM 040 provides general guidance pertaining to financial management, including the recording and executing of transactions, separation of duties, supervision, record access, and accountability. Management control procedures that are part of the work flow for processing and certifying vouchers and claims, such as prepayment examination of vouchers, statistical sampling, checks to prevent duplicate payment, etc., are discussed in 4 FAH-3 H-400.
- b. In voucher claim processing and certification, management controls refer to checks and balances that ensure that:
 - (1) The entire process, from receipt of goods to certification of vouchers, is carried out effectively and efficiently;
 - (2) All applicable laws, regulations, and policies are being complied with;
 - (3) Resources are being safeguarded; and
 - (4) Accurate and reliable accounting information is being recorded.

4 FAM 417 TAX REPORTING REQUIREMENTS

(CT:FIN-387; 10-31-2007)

The Department is required to report to the Internal Revenue Service (IRS) and other appropriate tax authorities, payments made to certain contractors. Officers should refer to 4 FAH-3 H-415 for the authority, definitions, and reporting requirements related to tax reporting.

4 FAM 418 AND 419 UNASSIGNED