

Exhibit 1: Making Determinations about Ratifying Unauthorized Commitments of \$100,000 or Less

A. Ratifying the Unauthorized Commitment: If the Assistant Regional Director – Budget and Administration or the Assistant Director – Business Management and Operations (i.e., “the ratifying official”) ratifies the unauthorized commitment, he/she must prepare a memorandum to the appropriate Regional Budget and Finance Officer (BFO) or to the Regional Contracting and General Services (CGS) Office if CGS is the office responsible for paying the invoice.

The memorandum to the BFO/CGS Office:

- States that the ratification has been approved for payment, and
- Must address each of the limiting factors in the [Federal Acquisition Regulation \(FAR\) 1.602-3\(c\)](#).

Ratifying officials must maintain files and a summary of all ratification actions they process. The Service’s Chief, Contracting and Facilities Management (CFM) may review the summary.

The ratifying official must ask the Solicitor’s Office to review and concur on all unauthorized commitments that exceed the micro-purchase limit (as defined in FAR 2.101). The memorandum to the Solicitor’s Office must include:

- A description of the circumstances of the acquisition and how the commitment occurred,
- A Contracting Officer’s determination that the price paid was fair and reasonable,
- Statements addressing each of the limiting factors in [FAR 1.602-3\(c\) \(FAR Subpart 1.6\)](#),
- A description of corrective measure(s) taken to prevent future violations, and
- In the Regions, the signatures of the Chief – CGS and the Assistant Regional Director – Budget and Administration recommending ratification.
- In the Washington Office, the signature of the Chief – CFM recommending ratification.

B. Refusing to Ratify the Unauthorized Commitment: The ratifying official may refuse to ratify the unauthorized commitment completely, or in part. The ratifying official may do this as a part of the employee’s disciplinary action in coordination with the employee’s supervisor and the

servicing Human Resources office. Refusal is appropriate if the items or services:

- Are of marginal benefit to the Government,
- Were unreasonably priced, or
- Have not been formally accepted or extensively used by any Federal employees other than the purchaser.

Paying for the items/services: If the ratifying official refuses to ratify the unauthorized commitment, he/she must direct the purchaser to personally pay any unpaid amounts or to reimburse the Government if the Service has already paid the vendor. The purchaser must coordinate with the Regional BFO to make payment.

After the purchaser pays the vendor or reimburses the Government, he/she owns the goods or services and should remove them from the premises (assuming the purchaser can remove the goods/services without serious damage to Government property). If removal will damage Government property, the purchaser must coordinate with the Regional Director/Assistant Director or designee to resolve the issue.

Making a Claim to the Government Accountability Office: If a case does not meet the stated limitations in the FAR, and the items/services are not disposed of by directing the purchaser to pay for them, the ratifying official must first get legal advice from the Office of the Solicitor ([Department of the Interior Acquisition Regulation 1401.602-3](#)).

The only remaining alternative (other than nonpayment) is to submit a claim to the Government Accountability Office (GAO) for resolution under its claim procedure. See [FAR 1.602-3\(d\)](#) and [GAO's Website](#).

C. Penalties: Penalties for unauthorized commitments are in the Department's "[Handbook on Charges and Penalty Selection for Disciplinary and Adverse Actions](#)."

- Recommended penalties for violations of ethics regulations and statutes applicable to Federal employees (Standards of Conduct) range from a 1-day suspension to termination for a first offense, and from a 14-day suspension to termination for subsequent offenses.
- When there are mitigating circumstances, the purchaser may be subject to lesser sanctions, such as a written reprimand for a first offense.
- Other forms of disciplinary action may be taken against the

employee. For example, Contracting Officer Appointments and purchase card authority may be rescinded, suspended under conditions, or limited by dollar value or otherwise. These actions may reduce the Service's risk of future unauthorized commitments.

- Supervisors should work with their servicing Human Resources office to determine appropriate disciplinary actions.