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## Administrative Policy 00-02

**Subject:** Agency Funds Control

**Effective Date:** July 28, 2000

**Approved:** \_\_\_\_\_  
John A. Carver, Trustee

1. **Purpose:** This establishes Agency policy with regard to administrative control of funds. This policy serves to:
  - a. Prescribe a system for administrative control of funds designed to restrict obligations and expenditures against each appropriation or fund account to the amount available therein;
  - b. Enable the Agency Head to determine responsibility for over-obligation and over-disbursement of appropriations, apportionments, statutory limitations, allotments and other administrative subdivisions, as well as violations of limitations imposed by the Agency;
  - c. Provide procedures for dealing with violations of the Antideficiency Act as well as violations of limitations imposed by the Agency, including reporting requirements; and
  - d. Provide policy for submitting reports required for budget execution and oversight of funds made available through Agency appropriations and fund accounts.
  
2. **Scope:** The provisions of this policy apply to all entities within and outside of the Court Services and Offender Supervision Agency (CSOSA) for the District of Columbia, which receive funding from appropriations made to CSOSA or through CSOSA fund accounts. These provisions are the minimum requirements and do not preclude any other policies the Agency Head finds necessary for compliance with laws, regulations and internal management controls. The policy applies to the District of Columbia Pretrial Services Agency (PSA), which functions as an independent entity within CSOSA.
  
3. **Authority:** The following laws and regulations mandate or support this policy:
  - a. The Antideficiency Act, 31 U.S.C. § 1341-1342, 1349 -1351, 1511-1519, and 1551-1555.
  - b. Budget and Accounting Act of 1921, as amended, 31 U.S.C. § 1101, 1104 - 1108, and 3324.
  - c. Budget and Accounting Procedures Act of 1950, as amended, 31 U.S.C. § 1112, 1531, 3511 - 3514, and 3524.
  - d. Supplemental Appropriations Act of 1955, § 1311, 31 U.S.C. § 1501 - 1502.

- e. Congressional Budget and Impoundment Control Act of 1974, 2 U.S.C. § 681 - 688.
- f. Office of Management and Budget (OMB) Circular A-34, Instructions on Budget Execution and related OMB guidelines.
- g. The National Capital Revitalization and Self-Government Improvement Act of 1997, Public Law 105-33.

4. **Definitions:** The following terms are defined in context of the budget cycle for the Agency:

- a. **Accountable Officers:** Includes disbursing officers, certifying officers, cashiers, procurement officers, and other employees who by virtue of their employment are responsible for the obligation, custody, and payment of government funds. Accountable officers may be held personally liable or subject to disciplinary action for the loss or improper payment of the funds for which they are accountable.
- b. **Agency:** Refers to the Court Services and Offender Supervision Agency for the District of Columbia (CSOSA). Agency includes the PSA, which functions as an independent entity within the Agency.
- c. **Allocation Table:** A distribution of the resources and limitations that supports requests for apportionments, allotments and other administrative subdivision of funds.
- d. **Allotment:** Authority delegated by the Agency head or other authorized employee of the Agency to incur obligations within a specified amount, pursuant to an OMB apportionment or reapportionment action or other statutory authority making funds available for obligation.
- e. **Allotment Advice:** A document that transmits the allotment. The document identifies the allottee, the amount of direct and indirect budget authority amount, allocated by quarter, total funds, positions and full time equivalent authority by source. The allotment advice designates the legal level of fund control pursuant to 31 U.S.C. § 1514. Making or authorizing an expenditure or obligation exceeding an allotment is a violation of 31 U.S.C. § 1517.
- f. **Allottee:** The officials to whom allotment authority has been delegated.
- g. **Apportionment:** A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specific time periods (by quarter), and by major funding source, such as appropriations, unobligated balances brought forward, spending authority from offsetting collections, etc.
- h. **Appropriation:** Funds established in the Department of Treasury for obligation and expenditure pursuant to appropriations acts and other provisions of law.
- i. **Account:** Frequently, the term account is used for each appropriation or fund account established by Treasury for the Agency. Treasury establishes accounts with the approval of the Office of Management and Budget to facilitate reporting in compliance with laws and regulations. There are various types of fund accounts, such as General funds, Revolving funds, Receipt funds, Deposit funds, Trust funds, etc. Most federal agency salary and expense appropriations are classified as General fund accounts. Congress

provides CSOSA, Pretrial Services Agency, and Public Defender Services with funding through appropriations made to the CSOSA and established 95-1734-0-1-752, as a General fund account for the Agency. For FY 2000, the underscored “0” digit reflects FY 2000. For FY 2001, the digit will change to “1”.

Currently, all appropriations made to CSOSA are one-year appropriations. Congress also enacts appropriations for more than one year. The following are examples of types of accounts established by time period.

- *One-Year Account* – A one-year (annual) account can be obligated only during a specified fiscal year.
  - *Multiple-Year Account* – A multiple-year account can be obligated for a definite period in excess of one fiscal year.
  - *No-Year Account* – A no-year account can be obligated for an indefinite period (usually until the program objectives have been accomplished).
- j. **Budget Execution Guidelines:** Annual correspondence to allottees or program managers of the Agency supplementing this policy.
- k. **Budget Authority:** Frequently referred to as “BA”. The amount available for obligation.
- l. **Balances of budget authority:** Amounts of BA provided in prior years that have not been outlaid. Obligated balances are amounts that have been obligated, but not yet outlaid.
- m. **Commitment:** A request to purchase goods or services which has not yet resulted in a legal obligation. An approved reservation of funds availability in anticipation of a legal obligation.
- n. **CSOSA:** Court Services and Offenders Supervision Agency
- o. **Deferrals:** Available budgetary authority withheld from obligation temporarily through the apportionment process with the intent of apportioning for later use before the amounts expire. CSOSA includes the PSA which functions as an independent entity within CSOSA.
- p. **Direct BA:** Direct Budget Authority refers to BA from appropriations and excludes **Indirect BA**, which is BA from sources other than appropriations made to the Agency, such as grant and other reimbursable BA.
- q. **Expired Accounts:** An expired account is one in which authority to incur obligations has ceased to be available but from which outlays may be made to pay obligations previously incurred, as well as valid adjustments thereto.
- r. **Obligated Balance:** The cumulative amount of the obligations incurred for which outlays have not yet been made. This amount is sometimes referred to as unliquidated obligations.
- s. **Obligations:** Orders placed, contracts awarded, services received and similar transactions during a given period that will require payments during the same or a future period.

Section 1311 of the Supplemental Appropriations Act, 1955 (31 U.S.C. § 1501), sets forth the criteria for the documentation and recording of obligations.

- t. **OMB:** The Office of Management and Budget
- u. **Operating Plan:** The authorized administrative limitation of cumulative amounts available for obligation within and supporting amounts apportioned and allotted. These operating plans reflect planned obligations by organizational entity, programs, projects and object classes that support the enacted appropriations and reflect Congressional, Agency and OMB goals, policies, directives, and restrictions. Such plans show how authorized resources are to be used during the fiscal year and constitute the basis for budget execution control. Operating Plans are issued to **Operating Plan Managers** who are responsible for funds control of their operating plan.
- v. **Over-obligation:** Obligations, or issuing an authorization to incur obligations, that are in excess of funds that are available in an appropriation, apportionment, allotment, or that exceeds any statutory or administrative limitation including operating plans properly imposed upon the funds involved.
- w. **PDS:** Public Defender Service for the District of Columbia
- x. **Portion Not Available Pursuant to Public Law:** Any portion of budgetary resources to be withheld from availability for obligation pursuant to a specific provision of law. For example, when a provision specifies that a certain percentage of the amount appropriated for a fiscal year for a particular object, e.g. travel or consultants, shall not be available for obligation. Sequesters are included in this category.
- y. **PSA:** District of Columbia Pretrial Services Agency
- z. **Refunds:** Recoveries of erroneous or excess payments that are credited to an appropriation or fund account. These transactions are not recorded as reimbursable income on budget execution reports but are treated as reductions of obligations and outlays. Refunds also include credits to an appropriation or fund account that result from accounting adjustments relating to obligations or outlays where such procedure is permitted by law or regulations.
- aa. **Reimbursements:** Amounts earned for goods, work, or services furnished to another appropriation or fund account pursuant to a reimbursable agreement. Reimbursements are categorized as *spending authority from offsetting collections*, which must be authorized by law. Reimbursable budget spending authority is also referred to as *indirect budget authority*.
- bb. **Rescission:** Enacted legislation canceling budget authority, previously provided by the Congress, prior to the time when the authority would otherwise lapse.
- cc. **Sequestration:** The terms sequester and sequestration (subject to 2 U.S.C. § 902 (a)(4)) refer to or mean the reduction or cancellation of new budget authority. Refer to OMB Circular A-34 for a more in-depth definition.
- dd. **Unexpended balance:** The sum of the obligated and unobligated balances.
- ee. **Unexpired Account:** An unexpired account is one in which authority to incur obligations has not ceased to be available.

**ff. Unobligated balances:** Amounts available for new obligations, upward or downward, adjustment to previous obligations remaining after deducting the cumulative obligations from the amount available for obligation.

5. ***Responsibilities for Administrative Control of Funds:*** The Agency Director, by law, is responsible for Agency funds control. The Associate Director for Management and Administration is responsible for developing, implementing and overseeing this policy; and ensuring that all provisions of law, regulation and policy incorporated within this policy are fulfilled on behalf of the Agency Director.

Allotments will be prepared so that responsibility for budget control is placed at the highest practical level that is consistent with effective and efficient management and control. Allotees and operating plan managers who receive funding authority from CSOSA in the form of allotments or operating plans are responsible for exercising administrative control over obligating and expending within the limitations of the appropriation, apportionment, allotment, operating plans and any other administrative subdivision prescribed by the Agency.

- a. The CSOSA Associate Director for Management and Administration shall:
- (1) Direct and oversee the implementation of the Agency funds control policy.
  - (2) Issue annual Budget Execution Guidelines and supplemental guidelines as necessary to collect information to enable the development of Agency operating plans, to require operating plans from allotees funded through Agency accounts and to require budget execution reports for required Agency reporting and oversight of all Agency funding.
  - (3) Review and approve allocation tables used for apportionments and allotments.
  - (4) Review and secure Agency Director approval of operating plans for CSOSA, excluding operating plans of the PSA.
  - (5) Review the operating plans of PSA and PDS for oversight purposes.
  - (6) Review, secure Agency Director approval, and forward to OMB and Congress reprogramming requests.
  - (7) Secure apportionments and issue allotments.
  - (8) Monitor and evaluate the use of Agency resources.
  - (9) "Reports on Budget Execution" (SF 133) to the OMB and Congress.
  - (10) Periodically review the effectiveness of all systems of administrative control over funds and compliance with related laws, regulations, and this policy.
  - (11) Ensure agency compliance with all other laws and regulations which have a significant bearing on Agency financial management and funds control, such as OMB Circular A-127, which requires the Agency Head to implement a single integrated financial management system and OMB Circular A-123, Internal Controls.

b. **Allottees** for appropriations made to the Court Services and Offender Supervision Agency for the District of Columbia are as follows:

- The Agency Director,
- The Director, District of Columbia Pretrial Services Agency, and
- The Director, Public Defender Service for the District of Columbia.

**Allottees shall:**

- (1) Approve operating plans and submit or direct the submission of reports for oversight in accordance with Budget Execution Guidelines.
- (2) Develop and issue formal funds control procedures, which will provide safeguards against unauthorized obligations or expenditures. Procedures shall be consistent with this policy necessary to meet unique mission related and organizational processing requirements. A copy of any such procedures issued by the Allottees (PSA and PDS) will be forwarded to the Agency Director for oversight purposes.
- (3) Grant specific authority to commit, obligate and expend funds within the limitations of the appropriation as allotted. Such authority shall be in writing in the form of Delegations of Procurement Authority and Accountable Officer Signature Forms or equivalent documents.
- (4) Provide reports as required by the Agency Director for oversight purposes and to assure that all required Agency reporting is prepared accurately and timely. Reports on Budget Execution (SF 133) will be prepared monthly and submitted quarterly in accordance with OMB regulations.
- (5) Prepare and submit to the Agency Director, any congressional reprogramming requests.
- (6) Take corrective action with respect to (a) infractions of the approved internal procedure for administrative control, and (b) violations of the law within the meaning of 31 U.S.C. § 1341, 1342, and 1517.
- (7) Report to the Agency Director in writing any violations of the provisions of 31 U.S.C. § 1342 or § 1517, along with all pertinent facts and plans to take corrective action in accordance with 31 U.S.C. § 1349 and 1518. See paragraph 11 for further information.
- (8) Integrate the administrative control of funds with the Agency's or entity's accounting system. OMB Circular A-123 mandates that agencies shall maintain a cost-effective system of internal controls to provide reasonable assurance that Government resources are protected against waste, fraud, mismanagement, or misappropriation and that existing programs, new programs, and administrative activities are effectively and efficiently managed to achieve the goals of the Agency.
- (9) Enter and maintain obligation data into the accounting system on an accurate and timely basis. Regularly review the status of commitments versus obligations and

update the accounting system, when commitment data is entered into the accounting system.

6. **Apportionment/Reapportionment Process and Requirements:** The Apportionment Process is intended to prevent obligation of funds in an account in a manner that would require deficiency or supplemental appropriations and to achieve the most effective and economical use of amounts made available. OMB normally makes apportionments and reapportionments at the level of the appropriation or fund account.

- (1) **Submission of SF 132:** The Agency requests all apportionments or reapportionments for each appropriation or fund account. Once OMB approves the SF 132 and returns it signed to the Agency, the signed SF 132 and supporting attachments make up the apportionment.
- (2) **One Percent Apportionment Requirement:** OMB Circular A-34, Section 30.4 requires each apportionment containing appropriations realized to include the footnote, "Pursuant to 31 U.S.C. § 1553(b), not to exceed one percent of the total appropriations for this account is apportioned for the purpose of paying legitimate obligations related to canceled appropriations."
- (3) **Initial Apportionment:** Where any part of the budgetary resources for an account do not result from current action by the Congress (such as permanent appropriations, revolving funds subject to apportionment, reimbursements, and other balances of prior year budget authority), initial apportionment schedules for the year will be submitted by August 21 (31 U.S.C. § 1513(b)).

b. **Reapportionments:** The Agency submits reapportionment requests as soon as a change in an appropriation or budget authority previously made becomes necessary due to changes in amounts available (e.g. new reimbursable authority is obtained or actual reimbursements differ significantly from amounts previously apportioned), program requirements, or other factors. Reapportionments must be submitted timely so as to allow time for action by OMB before revised amounts are needed for obligation. The following amounts apportioned by time periods of less than a year (e.g. calendar quarters or similar time periods) may be adjusted without an SF 132.

- (1) Adjustments in the amount of unobligated balances brought forward (line 2A) up to \$200,000 or 1% of the amount of total budgetary resources, whichever is lower, will be added to or subtracted from the amount apportioned for the period in progress when the adjustment is made.
- (2) Amounts of budget authority transfers (line 1D) or balances transferred (line 2B), up to \$200,000 or 1% of the amount of total budgetary resources, whichever is lower, will be added to or subtracted from the amount apportioned for the time period in progress when the adjustment is made.
- (3) Amounts of indefinite budget authority reimbursements or recoveries that are realized above or below anticipated amounts, up to \$200,000 or 1% of the amount



of total budgetary resources, whichever is lower, will be added to or subtracted from the amount apportioned for the last time period.

- c. **Rescissions and Deferrals:** Both the Agency and OMB may initiate a rescission or deferral request. The Agency may defer use of funds without formally processing it through the apportionment process. For all other rescissions and deferrals, the Agency must formally process it through the apportionment process. As part of accounting for rescissions and deferrals, the Agency must submit to OMB (a) special messages, (b) supplementary messages, and (c) cumulative reports listing the status of the first day of the month of all deferrals and rescission proposals previously included in special messages. See OMB Circular A-34 for further definition and guidance, including reporting guidance.
- d. **Apportionments of Other Budgetary Resources (i.e. Reimbursements):**
  - (1) OMB Circular No. A-34 permits anticipated reimbursements and other income (such fees collected pursuant to interagency reimbursable services) to be apportioned as available budget authority. Such amounts do not include anticipated appropriations not yet enacted. All such reimbursements must be authorized by law.
  - (2) Once apportioned, unrealized reimbursements and other anticipated receipts are allotted only if there is reasonable assurance that such items will be earned and collected. Even though these estimated receipts have been apportioned and allotted, they will not be considered budgetary resources available for obligation unless valid orders have been received from within the Federal Government, and in the case of orders from outside the Federal Government, advance payment has been received.
- e. Extreme care should be taken in monitoring and obligating money earned but not collected. Whenever an organization anticipates that its currently apportioned reimbursements or other income will change, a request for reapportionment should be submitted. If an agency has obligated and expended reimbursable authority but is unable to collect the funds, an Antideficiency Violation may be triggered.
- f. Any reimbursement agreements or changes in reimbursable amounts must be documented on a Statement of Anticipated Reimbursement form prescribed in the Budget Execution guidelines.
- g. **Apportionment of Transfers:** Transfers of budget authority show the amount that is actually *transferred* to or from a fund account. Transfers must be authorized by law. Transfers are processed by preparing a Standard Form 1151, Non-expenditure Transfer of Funds. The SF-1151 should be submitted to the CSOSA Associate Director of Management and Administration for approval and submission to the Department of Treasury. See OMB Circular A-34 for more in-depth coverage of transfers.
- h. **Apportionment of Funds Withheld Pursuant to Law:** All budgetary resources withheld from availability for obligation as a result of a specific provision in law must be withheld in the apportionment process. This includes amounts where availability is contingent by law on the occurrence of a specific event, such as enactment of authorizing

legislation, emergencies arising from natural disasters, unanticipated increases in costs and other events specified by law. This also includes those instances, determined by the OMB, where funds already available are withheld by a subsequent act of Congress. The most common example is a sequester of funds

**i. Obligation and Apportionment of Expired Accounts:**

- (1) Separate expired accounts for each fixed account will be maintained by fiscal year identity for 5 years. During this 5-year period, obligations may be adjusted and disbursements may be made from these accounts. Unobligated balances will not be withdrawn from expired accounts; they will remain available for legitimate obligation adjustments, but not for new obligations. As of September 30 of the 5<sup>th</sup> fiscal year after the period of obligation availability expires for each account, all obligated and unobligated balances shall be canceled, and the expired account shall be closed. No disbursements may be made from closed expired accounts. **Allottees are reminded that all prior fiscal year accounts must be carefully monitored for funds control until they are successfully closed. Even though a fiscal year has ended, Agency prior year accounts are still open and still represent the potential for Antideficiency Violation until every obligation has been liquidated, all collections made and all cash reconciled.**
- (2) Any obligated balances (unliquidated obligations) that are canceled after the 5-year period may be paid from the unexpired appropriation made for the same general purpose. This amount shall be separately apportioned for each account. Payment of old balances from unexpired funds is limited to one percent of the unexpired appropriation and may not cause the original appropriation to be exceeded. Over obligations of the original appropriation are a violation of the Antideficiency Act.

**j. Deficiency Apportionments:**

- (1) In certain instances, the Antideficiency Act permits apportionments to be made that indicate the need for supplemental budget authority. Such apportionments may be requested **ONLY** when:
  - Laws have been enacted, subsequent to the transmittal to Congress of the budget estimate for the authority involved that require expenditures beyond administrative control.
  - Emergencies arise involving the safety of human life, the protection of property, or the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums that are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law.
  - Supplemental appropriations are required to permit payment of such pay increases as may be granted to those employees whose compensation is fixed and adjusted from time to time in accordance with prevailing wage rates.

- (2) In addition, other laws may be enacted that authorize apportionments that anticipate the need for supplemental estimates of appropriations (e.g., a continuing resolution that authorizes deficiency apportionments necessitated by civilian and military pay increases).
    - (3) Apportionment requests, which qualify for deficiency apportionments, should be submitted to the Agency Director, along with appropriate justifications as soon as the need is known. The amount of any anticipated supplemental appropriation must be fully justified. Action on the apportionment request does not commit OMB to the amount of the supplemental that will be recommended subsequently to the President or transmitted to the Congress.
  - k. Continuing Resolution:** When a Continuing Resolution (CR) is enacted, OMB automatically apportions funds based on the legislative language contained in the CR. Typically, the amount available for the duration of the CR is the lesser of the rate of seasonal obligations or a pro rata share of the annualized level of the current rate. In addition to the automatic apportionment, carry-over funds, reimbursements earned during the period of the CR and funds that do not require congressional action are available. The Agency Director or Delegate will prepare allotment advices for the period of the CR based on the automatic apportionment of funds.
7. **Allotment/Allocation Process:** Once the funds have been apportioned, allotments will be prepared and issued. Allottees will further allocate funds through operating plans.
- a. Allotment Advice:** The Associate Director for Management and Administration will sign allotment advices, based on and the allocation tables prepared in support of allotment advices.
  - b. Requests for Changes in Allotments:** Allottees should submit written requests for changes in allotments to the Director, Office of Financial Management, along with proposed operating plans showing the requested allotment changes and justifications. In most cases, changes in allotments will result in the need for a reapportionment. In such cases, the reapportionment must be submitted and approved by OMB prior to changing the allotment.
8. **Accounting Requirements:**
- a. Accounting System Responsibilities:** The Agency accounting system is the Department of Justice Financial Management Information System, administered by the Justice Management Division. In accordance with OMB Circular A-127, the Agency shall maintain a single integrated financial management system. The PDS is responsible for using an accounting system that meets all applicable Federal laws and requirements for Federal financial management. PDS action with regard to the policies of A-127 are not subject to approval by the Agency Director.

Allotees shall ensure that formal accounting records are maintained currently, completely and accurately on the basis of proper documentation. The accounting records shall accurately disclose:

- (1) Apportionments and allotments;
- (2) Reimbursable estimates, earnings and collections;
- (3) All valid obligations incurred, whether funds are available or not;
- (4) Status of each appropriation, apportionment and allotment; and
- (5) Compliance or noncompliance with limitations;
- (6) Information on budgetary resources, including budget authority, outlays and other information required to formulate and execute the budget.

Allotees are authorized to supplement the Agency accounting system with internal automated systems to the extent the official accounting system does not provide necessary progress requirements. All critical internal automated systems designed to supplement the Agency accounting system are subject to the review of the Agency Director.

**b. Obligations and Disbursements:** Under the criteria prescribed for obligations by the Supplemental Appropriations Act, 1955 (31 U.S.C. § 1501), the agencies must follow the requirements listed below with regard to obligations and disbursements.

- (1) **Reporting** – Report obligations and disbursements promptly, accurately and completely; record them at the earliest possible time.
- (2) **Identification** – Identify obligations with the funding source used, i.e. direct appropriations or the specific reimbursable funding source charged for the obligation.
- (3) **Recording** – Do not delay the recording of an obligation due to lack of funds.

**c. Limitation of Accounting Responsibilities:** The protection intended to be afforded by the accounting system and its controls does not relieve the official issuing the allotment of the responsibility for making allotments within the amount currently available under the apportionment or reapportionment of an appropriation for the incurring of obligations and the making of expenditures. Likewise, it does not relieve an allottee of the responsibility for incurring obligations and making expenditures within the amount of an allotment.

- (1) **Allottee Responsibilities** – Each allottee is responsible for establishing procedures and maintaining such obligation control records as required to supplement periodic fund status reports from the accounting system ensuring that the sum of the obligations incurred does not exceed the allotment. In addition, each allottee must assure that reimbursable and other resources, even though allotted, are obligated only to the extent that they are earned and collected.
- (2) **Allottee and Operating Plan Managers** shall routinely reconcile internal control records with records of the official accounting system and fund status reports issued by the Budget office of the Allotees. Such reconciliations shall also resolve

discrepancies to maintain the reliability of the obligations recorded both in the accounting system and in the subordinate control records.

**d. Year-end Analysis of Source Documents:** The CSOSA Associate Director for Management and Administration shall issue annual budget execution year-end guidance to analyze source documents and supporting obligations (both undelivered orders and accounts payable) to establish that all such documents meet the requirements of 31 U.S.C. § 1501 and to make certifications and reports required by 31 U.S.C. Sect. 1501 after implementing and accomplishing all year-end procedures. This code section, in part, provides that no amount can be recorded as an obligation of the United States unless it is supported by documentary evidence of:

- (1) **Written Binding Agreement** – A written and legally binding agreement exists between the parties in a manner and for a purpose authorized by law. An agreement necessitates the obligation of funds before the end of the period of availability of the appropriation or allotment for the specific goods to be delivered, real property to be purchased or leased, or work or services to be performed.
- (2) **Order Issuance** – An order issued pursuant to law.
- (3) **Payment Agreement** – A grant or subsidy payable.
- (4) **Performance of Services** – Employment or services of persons, or expenses of travel in accordance with law and services performed by public utilities.
- (5) **Liabilities under Law** – A liability that may result from pending litigation brought under authority of law. Record obligations in the case of pending litigation only in those cases where the Government's liability is clear, and the pending litigation is for the sole purpose of determining the amount of such liability.
- (6) **Other Liabilities Under Law** – Any other legal liability of the Government against any appropriation or fund legally available.

9. **Reporting Requirements:** CSOSA must provide current data on the status of each open Treasury account whether or not apportioned, via the Standard Form 133, Reports of Budget Execution and submit annual audited *Statement of Budgetary Resources* to the Director of OMB.

**a. Reports of Budget Execution (SF 133):**

- (1) **SF 133 Format** - The SF 133 is divided into three general sections: Budgetary Resources, Status of Budgetary Resources, and Relation of Obligations to Outlays. Amounts reported on the SF 133 are cumulative from the beginning of the fiscal year to the end of the period reported.
- (2) **Timing of Reports** – The Agency must electronically submit at the end of each quarter SF 133s at the Treasury account level, through the Treasury Federal Agencies' Centralized Trial-Balance System II (FACTS II) system. In addition, CSOSA must submit a copy of SF 133 at each calendar quarter directly to the Committee on Appropriations, House of Representatives.

- (3) **Expired Appropriations** - The Agency must report the obligated and unobligated balances for each expired appropriation.
- (4) **Consistency of final Report on Budget Execution (SF 133) with the President's Budget and the Treasury Annual Report** - Data reported on the final SF 133 report of the year should be consistent with the data reported to Treasury as part of year-end closing procedures. Prior year data submitted to OMB for inclusion in the President's annual budget should agree with data submitted to Treasury and data included in the SF 133.

**b. Statement of Budgetary Resources**

- (1) **Statement of Budgetary Resources** - The Statement of Budgetary Resources will be prepared and audited. This financial statement will report budgetary resources (i.e. budget authority, unobligated balances from beginning of the fiscal year, the spending authority, and any adjustments), the status of budget resources (i.e. obligations incurred, unobligated balances available, and unobligated balances not available), and the outlays for the fiscal year. This statement provides information about how budgetary resources were made available as well as their status at the end of the period. Prior year information will also be presented on this statement to make appropriate comparisons with prior period. The information presented on this statement will be consistent with the information reported on the SF 133 for the Agency.

**10. Financial Management Controls:** Entities funded through CSOSA appropriations and accounts shall exercise management controls (in addition to the control of the apportionment and allotment process) within the framework of the accounting system, personnel system, operating plans, and other resource management reporting systems.

The accounting and financial reporting process provides for financial information by activities, programs, projects, or object classifications. Organizational policies and procedures establish those management controls that should be exercised by the heads of organizations. Violations of such controls (including those in the form of allowances or limitations below the allotment level), generally may constitute a violation of 31 U.S.C. § 1341(a), and/or Sect. 1517(a), if they cause the fund limitations of the allotment to be exceeded.

- a. Accountable Officer Signature Controls:** Agency financial management offices shall implement accountable officer signature control forms and shall maintain or have access to all written delegations of procurement authority.

**11. Antideficiency Act Violations**

- a. General Prohibitions of the Antideficiency Act:** The basic prohibited actions are:

- (1) **Over obligations or over expenditure of an appropriation or fund** – Where an officer or employee of the Agency makes or authorizes expenditure from or

creates or authorizes an obligation against any appropriation or fund in excess of the amount available in the account. (31 U.S.C. § 1341(a))

- (2) **Over obligation or over expenditure of an apportionment or reappropriation** – Where an officer or employee of the Agency authorized or created an obligation or made expenditure in excess of the apportionment or reappropriation.
- (3) **Over obligation or over expenditure of an allotment** – Where an officer or employee of the Agency authorizes or creates an obligation or makes expenditure in excess of the amount permitted by the prescribed and approved Agency fund control system.
- (4) **Contract or obligation in advance of an appropriation** – Where an officer or employee of the Agency involves the Agency in a contract or other obligation for the payment of funds for any purpose before an appropriation was made for the purpose, unless the contract or obligation is authorized by law. (31 U.S.C. § 1341(a))
- (5) **Obligation and expenditure of funds required to be sequestered** – Where an officer or employee of the Agency had made or authorized expenditure or obligation of funds required to be sequestered under Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.
- (6) **Acceptance of Voluntary Service** – This is the case where an officer or employee of the Agency accepts voluntary service for the Agency or employs personal services in excess of that authorized by law, except in cases of an emergency involving the safety of human life or the protection of property. “Emergencies” do not include ongoing, regular, functions of government.

**b. Report Antideficiency Act Violations to the President:** The Agency Director must report information to the President through the Director of OMB and to the Congress when Anti-deficiency Act violations occur. The Agency must report immediately after a violation becomes known in the form of a letter (original and 3 copies) and include the following data:

- (1) The title and Treasury symbol, including the fiscal year, of the appropriation or fund account, the amount involved for each violation, and the date on which the violation occurred.
- (2) The name and position of the officer(s) or employee responsible for the violation.
- (3) All facts pertaining to the violation, including the type of violation, the primary reason or cause, any statement from the responsible officer(s) or employee(s) with respect to any circumstances believed to be extenuating, and any germane report by the CSOSA’s general counsel.
- (4) A statement of the administrative discipline imposed and any further action(s) taken with respect to the officer(s) or employee(s) involved in the violation.
- (5) In the case of the officer(s) or employee(s) willfully violating the Antideficiency Act, confirm that all information has been submitted to the Department of Justice for determination of further necessary action.

- (6) A statement regarding the adequacy of the system of administrative controls prescribed by the Agency Director of CSOSA and the Directors of PSA and PDS and approved by OMB, if such approval has been given. If the Agency Director of CSOSA determines a need for changes in the administrative controls, the Agency Director must submit proposals for the specific changes to OMB.
- (7) A statement of any additional action taken by or at the direction of, the Agency Director of the CSOSA, including any new safeguards provided to prevent recurrence of the same type of violation.
- c. **Report Antideficiency Act Violations to the Congress:** The Agency Director must report to the Congress in the form of identical reports to the Speaker of the House of Representative and the President of the Senate. If it is identical to the report to the President, a statement to this effect shall be included in the report to the President. If it is not identical, the Agency Director shall submit one copy of the report to Congress to OMB with the report to the President.
- d. **Report GAO Findings of Anti-Deficiency Act Violations:** The Agency Director shall provide “reports to the President and the Congress” on General Accounting Office citation in audits and investigations. In these situations, the Agency needs to determine whether it agrees or disagrees to the Antideficiency Act violation and provide an explanation for the Agency’s position
- e. **Penalties for Violations:** An officer or employee of the Agency is subject to adverse personnel actions and penalties in accordance with 31 U.S.C. § 1349 and 1518 for violating the Antideficiency Act. The individual is subject to appropriate administrative discipline, including a written reprimand, suspension from duty without pay, or removal from office. In addition, if the individual is convicted of willfully and knowingly violating 31 U.S.C. § 1341(a), 1342, or 1517(a), s/he shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both in accordance with 31 U.S.C. § 1350 and 1519.