

US AID MISSION TO LAOS MISSION ORDER

SUBJECT: Administrative Control
of Funds

NUMBER: LAO- 772.1

AMENDMENT:

SUPERSEDES: 772.1 dtd 3/12/68
Refs. AID/W M.O. 772.1; 772.2

PAGE 1 of 3 PAGES

REVIEW OFFICE: OFIN

DATE EFFECTIVE: Feb. 6, 1973

NOTE: This Mission Order is being distributed to each USAID American employee on a special one-time basis in order to assure compliance with Federal Statutes which cover obligations of funds and to inform all employees of the regulations which deal with this serious matter.

I. PURPOSE

To advise Mission personnel of restrictions contained in Federal law and in Agency regulations concerning the unauthorized commitment or expenditure of funds and of penalties which can be invoked for violation of such law and regulations.

II. BACKGROUND

A. By Federal Statute and Bureau of the Budget Regulations it has been established that an officer or employee of the United States has committed a violation if he or she has:

1. Made or authorized an expenditure from or established an obligation of any fund in excess of the amount available therein.

2. Involved the Government in a contract or other obligation for the payment of money for any purpose in advance of funds being made available for such purpose, unless specifically authorized by law.

3. Accepted voluntary service for the United States or employed personal services in excess of those authorized by law, except in the cases of emergency involving the safety of human life or the protection of property.

4. Authorized or created an obligation or made an expenditure in excess of an apportionment or reappropriation of funds.

DISTRIBUTION: B & E

(continued)

5. Authorized or created an obligation or made an expenditure in excess of amounts permitted by regulations.

B. Violations are further defined by Agency regulations to include all transactions which result in creating an obligation or making an expenditure in excess of apportioned funds by:

1. Allotting of funds in excess of or in absence of apportionments or reapportionments.

2. Over-obligating, over-expending, or over-committing allotments and authorizations of funds.

3. Incurring an obligation for which funds have not been made available through an allotment advice or other authorization.

4. Deliberate delay or failure to have obligations and expenditures recorded against allotments.

5. Deliberately applying obligations and expenditures against allotment accounts established for purposes other than those for which the obligation or expenditures are incurred.

C. Penalties for committing violations can be severe. Persons found in violation are subject to administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office. Any person who knowingly or willfully violates the Federal Statutes in this regard shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than two years, or both.

III. AUTHORITY TO COMMIT, OBLIGATE, OR EXPEND MISSION FUNDS

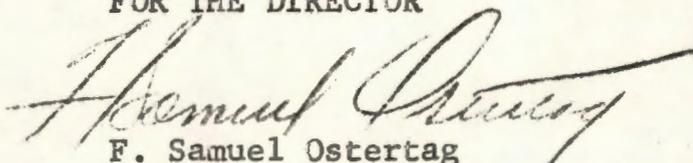
Employees who have the authority to make or to authorize an expenditure of funds or to obligate Mission funds for payment or in reimbursement for equipment, supplies, or services are explicitly delegated such authority in writing. In absence of such authority, any employee who takes an action that implies a commitment on the part of the Mission to pay for equipment, supplies, or services shall be subject to disciplinary action or prosecution as the incident warrants.

(continued)

IV. INVESTIGATIONS AND REPORTS

All known or suspected incidents of unauthorized actions will be thoroughly investigated by the Controller and a report of findings submitted to the Director. The Director will take such action as he deems necessary within the scope of his authority and, as required by Agency regulations, shall submit a complete report of the incident to AID/W for additional action, as appropriate.

FOR THE DIRECTOR



F. Samuel Ostertag
Acting Asst. Director for Management

US AID MISSION TO LAOS MISSION ORDER

SUBJECT: Administrative Control
of Funds

NUMBER: LAO- 772.1

AMENDMENT:

SUPERSEDES: 772.1 dtd 2/6/73
Refs. AID/W M.O. 772.1; 772.2

PAGE 1 of 3 PAGES

REVIEW OFFICE:

OFIN

DATE EFFECTIVE:

Feb. 9, 1973

NOTE: This Mission Order is being distributed to each USAID American employee on a special one-time basis in order to assure compliance with Federal Statutes which cover obligations of funds and to inform all employees of the regulations which deal with this serious matter.

I. PURPOSE

To advise Mission personnel of restrictions contained in Federal law and in Agency regulations concerning the unauthorized commitment or expenditure of funds and of penalties which can be invoked for violations of such law and regulations.

II. BACKGROUND

A. By Federal Statute and Bureau of the Budget Regulations it has been established that an officer or employee of the United States has committed a violation if he or she has:

1. Made or authorized an expenditure from or established an obligation of any fund in excess of the amount available therein.

2. Involved the Government in a contract or other obligation for the payment of money for any purpose in advance of funds being made available for such purpose, unless specifically authorized by law.

3. Accepted voluntary service for the United States or employed personal services in excess of those authorized by law, except in the cases of emergency involving the safety of human life or the protection of property.

4. Authorized or created an obligation or made an expenditure in excess of an apportionment or reapportionment of funds.

DISTRIBUTION: B, E

(continued)

5. Authorized or created an obligation or made an expenditure in excess of amounts permitted by regulations.

B. Violations are further defined by Agency regulations to include all transactions which result in creating an obligation or making an expenditure in excess of apportioned funds by:

1. Allotting of funds in excess of or in absence of apportionments or reapportionments.

2. Over-obligating, over-expending, or over-committing allotments and authorizations of funds.

3. Incurring an obligation for which funds have not been made available through an allotment advice or other authorization.

4. Deliberate delay or failure to have obligations and expenditures recorded against allotments.

5. Deliberately applying obligations and expenditures against allotment accounts established for purposes other than those for which the obligation or expenditures are incurred.

C. Penalties for committing violations can be severe. Persons found in violation are subject to administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office. Any person who knowingly or willfully violates the Federal Statutes in this regard shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than two years, or both.

III. AUTHORITY TO COMMIT, OBLIGATE, OR EXPEND MISSION FUNDS

A. Employees who have the authority to make or to authorize an expenditure of funds or to obligate Mission funds for payment or in reimbursement for equipment, supplies, or services are explicitly delegated such authority in writing. In absence of such authority, any employee who takes an action that implies a commitment on the part of the Mission to pay for equipment, supplies, or services shall be subject to disciplinary action or prosecution as the incident warrants.

B. 1. Employees are cautioned to be continually aware of the prohibition against the incurring of obligations or expenditures in excess of amounts available to them which could result in a violation under Section 3679, Revised Statutes (31 USC 655).

(continued)

2. Similarly, and of equal importance, they are advised of the prohibition against making obligation estimates in excess of actual needs, a practice which is not consistent with good financial management.

3. Under no conditions will employees, in an effort to avoid overobligation of funds or prevent violations under Section 3679, Revised Statutes, include a safety margin in obligations or informally reserve funds to cover up for the possible expenditure in excess of the amount available.

4. Rather, greater effort is to be extended by the employee toward refinement of the estimating technique being used in order to produce the most realistic estimates practicable. The development of such improved estimating technique and expenditures being recorded.

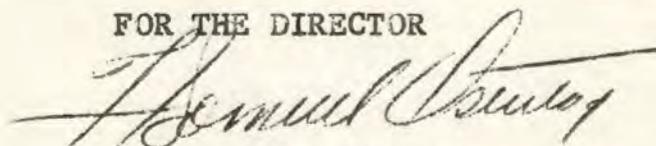
C. 1. Proper prevalidation action certifying to fund availability must be taken by the Office of Finance with respect to all obligation documents or nonobligating authorizations leading up to an obligation prior to their release to AID/W or other Missions, contractors, vendors, travelers, or other authorized parties as a verification that balances in the official accounts of the Mission are sufficient to cover each obligation.

2. Employees are cautioned to ensure that all such documentation, including funding telegrams, are routed through the Office of Finance following all other Mission office clearances.

IV. INVESTIGATIONS AND REPORTS

All known or suspected incidents of unauthorized actions will be thoroughly investigated by the Controller and a report of findings submitted to the Director. The Director will take such action as he deems necessary within the scope of his authority and, as required by Agency regulations, shall submit a complete report of the incident to AID/W for additional action, as appropriate.

FOR THE DIRECTOR



F. Samuel Ostertag
Acting Assistant Director for Management