



U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
DIRECTIVES SYSTEM

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Subject:

Administrative Control of Funds

Approval:

Title:

Director, Office of Surface Mining
Reclamation and Enforcement

1. Purpose. This directive establishes a system for the administrative control of funds and prescribes the procedures for delegation of fund authority and responsibilities concomitant with a decentralized management environment in the Office of Surface Mining and Reclamation and Enforcement (OSM), and to ensure that:

a. programs are executed and funds expended in accordance with the intent of the Congress in granting such authorizations;

b. funds are expended in, and do not exceed the appropriate budget activity line items;

c. obligations and expenditures are restricted to the total amounts apportioned or reapportioned for each appropriation;

d. responsibilities for the creation of any obligation or expenditure in excess of an appropriation or allotment pursuant to subsections (g) and (h) of section 3679 of the Revised Statutes, as amended (31 U.S.C 1514, the Anti-Deficiency Act) are clearly identifiable; and,

e. any violation of section 3679 of the Revised Statutes, as amended, is immediately reported.

f. all funds available to OSM, from any source, are subject to the administrative controls contained herein.

2. Delegation of Authority. Delegations of fund authority include two distinct methods for the transfer of funds representing different levels of responsibility; i.e., allotments and allocations. Allotments and allocations must be issued on official documents. Each method represents a separate level of responsibility and sanction.

a. Allotments/Suballotments: Allotments and suballotments convey personal legal responsibility and include sanctions under the Anti-Deficiency Act for amounts, timing, and purpose of such allotments. The authority to approve allotments and suballotments is reserved by the Director of OSM. The Director of OSM is the Chief Financial Officer (CFO) for the agency. This authority is not delegated. Changes to this directive and the allotment structure must be approved by the Director. The Budget Officer is responsible for maintaining a system of funds control and for the issuance of official funding documents to managers within a specified amount appropriated by Congress and pursuant to apportionment

or reapportionment by the Office of Management and Budget (OMB), or other statutory authority making funds available for obligation.

b. Allocations: Allocations are further administrative subdivisions of allotted fund authority represented by official financial plans in the accounting system. Allocations are approved by the Director and issued by the Budget Officer at the request of Deputy and Assistant Directors. Managers are responsible for the proper expenditure of allocated fund authority and are subject to administrative penalties under the Act. The subtotal of all such allocations cannot exceed allotments approved by the Director.

3. Statutory Reference and Administrative Regulations. The provisions in law and other regulations that pertain to the administrative control of funds are as follows:

a. Subsections (g) and (h) of Section 3679 of the Revised Statutes (31 U.S.C 665), Anti-Deficiency Act as amended, provide as follows:

"(g)...The officer having administrative control of any such appropriation available to the ...head of each agency, subject to the approval of the Director, OMB, shall prescribe by regulation, a system of administrative control (not inconsistent with any accounting procedures prescribed by or pursuant to law) which shall be designed to (1.) restrict obligations or expenditures against each such appropriation to the amount of apportionment or reapportionments made for each appropriation, and (2.) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reapportionment."

"(h) No officer or employee of the United States shall authorize or create any obligation or make any expenditure (1.) in excess of an apportionment or reapportionment, or (2.) in excess of the amount permitted by regulations prescribed pursuant to subsection (g) of this section."

b. Budget and Accounting Act of 1921, as amended (31 U.S.C.1104).

c. Federal Managers Financial Integrity Act (P.L. 97-255).

d. Section 1311 of the Supplemental Appropriations Act of 1955 (31 U.S.C. 1501).

e. Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1102 and 2 U.S.C. 681-688).

f. OMB Circular No. A-34, "Instructions on Budget Execution," dated August 26, 1985, and related OMB guidelines.

g. General Provisions of the Department of the Interior and Related Agencies Appropriations Acts.

h. Department of the Interior, Departmental Manual, part 328; Administrative Control of Funds.

i. Office of Budget issuances in the form of directives, handbooks, or information memoranda; an example of which is the Department of the Interior Budget Handbook.

j. The Chief Financial Officers Act of 1990, (P.L. 101-576).

4. Definitions.

a. Official Accounting system, (ABACIS). The official accounting system of record is called the Advanced Budgeting and Accounting Central Information System (ABACIS). These records are maintained by the Division of Financial Management at the Denver Federal Center and are the official accounting records by which fund accountability compliance shall be measured.

b. Accounts. Official units of management authority identified for the purpose of delegating fund authority and responsibility by allocating funds and recording obligations in the accounting system. In ABACIS, each account is assigned a nine-digit code number. The first two digits represent the appropriation and the budget activity; the next four represent the organizational unit and location, and the last three are work elements for use of program managers. The common use of the term "account number" at OSM is in reference to the organizational unit's four-digit code. However, all nine digits must be used on each obligating document or ABACIS will not accept the entry. For example: the nine-digit account code 13-4130-000 can be read as follows: the first digit "1" is the appropriation for Regulation and Technology, the second digit "3" is the third budget activity listed in the Regulation and Technology appropriation; titled Technical Services, Training, and Research. The following four digits are organizational identifiers and, in this example, mean the following: "4" Deputy Director, Operations and Technical Services; "1", Assistant Director, Reclamation and Regulatory Policy; "3" Division of Technical Services; "0" means that this is not a Branch within a Division. The last three digits are called "work elements" which are reserved for designation and use by managers requiring an additional level of accounting and reporting by Finance.

c. Administrative Violation. Administrative sanctions of the Anti-Deficiency Act subject employees to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office.

d. Allotment. Appropriations by Congress are made to heads of Departments or Agencies. An allotment is an official delegation of such fund authority from the head of a Department or Agency to other officials in their respective organizations. Allotments are prepared by the Budget Officer at the direction and for the approval of the Director. Allotments are based on approved operating budgets recommended by staff office heads, Deputy, and Assistant Directors. The Budget Officer is also responsible for maintaining

funds control within specified amounts pursuant to amounts Warranted by Treasury and apportioned by the Office of Management and Budget. Allotments to senior level managers may be further divided into sub-allotments and delegated to lower management levels. An allotment carries legal responsibilities and penalties under the Anti-Deficiency Act for amounts appropriated by Congress.

e. Allocation. The administrative subdivision of funds below the allotment level delegated to a specific official (e.g., a Field Officer Director or Division Chief). Obligations incurred in excess of the amounts designated for such allocations by specific account number are subject to administrative penalties rather than the statutory provisions of the Anti-Deficiency Act.

f. Apportionment. Approval from the Office of Management and Budget to incur obligations against fund authority made available through appropriation, recovery or transfer in a specified time period; such as a quarter or a fiscal year.

g. Budget Activity. The first level subdivision of an appropriation (often referred to as a budget line item) as identified and described in the President's Budget Justifications to Congress. Budget activities are identified within the accounting system (ABACIS) by the first and second digits of an account number. The first digit identifies the Appropriation and the second identifies the activity within it (e.g., 12 is Federal Regulatory Programs in the Regulation and Technology Appropriation, and 22 is Federal Reclamation Programs in the Abandoned Mine Lands Appropriation).

h. Budget Officer. Each Department and Agency has an individual who is recognized as the chief budget expert and contact for that governmental unit who is commonly referred to as "the Budget Officer". The supervisor of the Budget Staff Office at OSM, an office directly responsible to the Director of the agency, is officially designated the "Budget Officer" of OSM.

i. Certification of Funds. The act of determining, from official accounting records, the availability of specific amounts in a particular account, budget activity or appropriation for the purpose of obligating funds for a specific transaction and attesting to their availability by signing on the face of the document the statement "FUNDS CERTIFIED AVAILABLE". For purposes of this directive, the commitment of fund availability by individual program managers shall constitute fund certification. (See 6.,g.)

j. Certification of Payment. The process of attesting to the legality, propriety and correctness of bills for payment from Appropriated Funds. Accountability for improper certification of funds for payment rests personally with the certifying officer. Anti-deficiency Act violations which are a result of improper certification of funds subjects the certifying officer, in addition to the allottee, to legal sanctions under the Act.

k. Certifying officer for Proper Payments. An individual appointed by the Assistant Director, Finance and Accounting or the Chief, Division of Financial Management who is authorized to sign Treasury disbursement schedules certifying that payments are legal, proper and correct, and for ensuring that the proper documentation of transactions releasing funds for expenditure have been provided.

l. Commitment Official. Officials designated by the Director, Deputy Directors, or Assistant Directors, as responsible for certifying that funds are available in the appropriate account on an individual obligation basis.

m. Commitment of Funds. For the purposes of this Directive, the act of committing funds (approving requisition documents) on the face of requisition requests and other commitment documents by officials delineated in part 5; POLICY of this directive shall constitute certification of fund availability. Upon implementation of SATIN, the process of establishing commitments will be accomplished on-line in ABACIS. Certification authority may be preempted by the Budget Office for purposes of year-end closeout in order to assure avoidance of Anti-Deficiency Act violations.

n. Financial Plan. A plan for the utilization of funds over a period of time (sometimes divided into quarterly targets to coincide with OMB apportionments) to implement program activities. The term financial plan is sometimes used synonymously as the operating budget. (See definition for operating budget plan). Financial plans are developed for each account by object class of expenditure, i.e., Personnel, Benefits, Travel, Supplies, Equipment, etc. Such plans are entered into ABACIS on line and transmitted to the Budget Office electronically for approval. Upon approval, financial plans are posted directly to the official accounting records of ABACIS.

o. Operating Budget Plan. A financial resource plan for the cost of operating in the current fiscal year, indicating amounts required for the year by object classification of expenditure; such as personnel salaries, benefits, travel, or supplies.

p. Reprogramming of Funds. The formal transfer of funds from one appropriation or budget activity (or finer level of detail below the activity level when displayed in either appropriation Committee report) to another. A reprogramming also consists of any significant departure from the program described in the budget justifications, including proposed reorganizations which do not require a transfer of funding. Reprogramming requests are to be formulated by the Agency Budget Officer and approved by the Director. Reprogramming violations are not subject to the provisions of the Anti-Deficiency Act and therefore not subject to statutory control. However, the employee responsible for an obligation that causes a violation of the reprogramming guidelines of Appropriation Subcommittees on Interior and Related Agencies is subject to administrative discipline.

q. Statutory Violation. Personal legal sanctions apply to any employee who shall knowingly and willfully violate the Anti-Deficiency Act and shall, upon conviction, be fined

not more than \$5,000, or be imprisoned for not more than two years, or both. OMB Circular No. A-34 provides for the reporting to the President, through the Director of OMB, and to the Congress information on violations of the Act.

r. Sub-allotment. The further delegation of funding authority and responsibility, below the allotment level, to a specific official who assumes legal responsibilities and sanctions under the Anti-Deficiency Act for the amounts included in the delegation. This authority may not be further re-delegated or reassigned.

s. Synergic Acquisition Tracking Information Network (SATIN). An on-line computer system directly linked to ABACIS that electronically tracks the entire procurement process from beginning to end (i.e. initial requisition to receiving report).

5. Policy. It is the policy of OSM to fix responsibility for the obligation or expenditure of funds at the highest possible level and to hold accountable any officer who creates or allows any obligation or expenditure in excess of an appropriation, allotment, allocation, or budget activity.

6. Procedures.

a. Official written budget allotments (Attachment A), based on appropriations, warrants, and apportionments, shall be prepared by the Budget Officer based on the recommendations of staff office heads, Deputy and Assistant Directors, and approved by the Director. Each allottee shall acknowledge receipt and responsibility for funds delegated to them by signing and returning the original allotment document to the Budget Office. Such acknowledgement by the responsible manager does not connote agreement with the level of funding allotted, but rather, acknowledges the resource limitations and responsibilities for proper management therefore. Each allotment shall;

- be designated a separate control number,
- be set out in writing and certified by the Budget Officer,
- be approved by the Director,
- specify the amount available,
- specify time period of availability,
- specify the name of the individual delegated the legal responsibility,
- specify conditions or restrictions imposed by Congress, and
- shall set forth an advisement of the sanctions imposed by the Act for improper expenditure of amounts and conditions set forth.

e. Reporting responsibilities are as follows:

(1) Each manager who is allocated funding authority is responsible for initiating internal reports of violations or potential violations when and where they occur or may be reasonably anticipated or expected to occur.

(2) Such reports shall be in memorandum format addressed to the Director, with copies to the Budget Officer and optional copies to respective Deputy and Assistant Directors.

(3) Each such report shall be assigned by the Director, upon advisement of the Budget Officer, and respective Deputy Director and/or Assistant Director for investigation and follow-up.

9. Effect On Other Documents. This Directive supersedes OSM Directive, FIN-5 dated January 12, 1988 and supersedes any other OSM Directive delineating the delegation of funding authority, or assignment of other resource levels or ceilings.

10. Effective Date. This Directive becomes effective on the date of approval.

11. Contact. Questions regarding this Directive should be directed to the Budget Officer, Room 237, Interior South, or 208-2625.