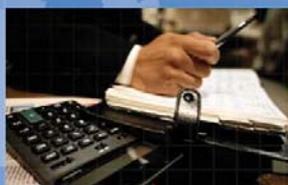




Financial Management Overview for Overseas Program Officials



FINANCIAL MANAGEMENT OVERVIEW



Table of Contents

Introduction	4
What is Internal Control?	6
Control Environment.....	8
Risk Assessment.....	9
Control Activities.....	10
Information and Communication	12
Monitoring.....	12
Section Summary	13
Federal Budget Process Overview	14
Phase 1: Budget Formulation.....	15
Phase 2: Congressional Action	16
Phase 3: Budget Execution	17
Phase 4: Performance Review and Audit.....	22
Section Summary	22
Appropriations Law Overview	23
Foundations of Appropriations Law	24
Necessary Expense Doctrine	27
Appropriations Law Topics	27
Gifts and Awards	29
Restrictions on Personal Convenience Items (Art, Plants, Pictures, etc.).....	29
Lunch/Break Room Appliances	29
Work Apparel.....	29
Section Summary	30
Understanding CDC Financial Transactions.....	31
Post Held Funds.....	32
Atlanta Held Funds.....	38
Atlanta Direct Funds.....	40
Section Summary	42
Analyzing the P60/P62.....	43
Description of the Status of Funds (P60) and Status of Obligations (P62) Reports	44
Availability of Reports.....	45
Using RFMS Viewer to download and access P60 and P62 reports	46
Accessing the Status of Funds (P60) and Status of Obligations (P62) reports.....	64
Reviewing Status of Funds (P60) and Status of Obligations (P62) Reports	68
Common discrepancies found on the Status of Funds and Status of Obligations Reports	71
Common Obligation Concerns	72
Section Summary	73
Travel	74
Delegation of Travel Approval Authority.....	75
Travel Approval and Voucher Process	76
Invitational Travel	79
Reimbursable Travel	80
Monitoring Open Travel Orders and Vouchers.....	81
Section Summary	82
Safeguarding Assets.....	83
Imprest Funds/Petty Cash.....	84



Allowable payments	87
Accountable Property	90
Vehicles	91
Section Summary	95
GSA SmartPay VISA Policy Guidelines	96
Establishing an GSA SmartPay VISA Account	97
Making Purchases with GSA SmartPay VISA	98
Recording purchases made with GSA SmartPay VISA	101
Penalties for Unauthorized Use	102
Audit Requirements	103
Section Summary	105
Glossary	106
Acronyms	109
Appendix A	112
Appendix B	114
Appendix C	117
Appendix D	122



Introduction

The Financial Management Overview for Overseas Program Officials provides the basic information for essential topics for financial management. The objective of this document is to provide a basis for establishing effective business processes within the international field offices. While reading through each section, it is important to determine how your particular field office can adopt the suggested processes, if they are not already in place. In addition, this document should be viewed as a starting point to developing a more comprehensive guide. Therefore, each field office is encouraged to identify issues that are experienced in the field and are not addressed in this document.

The topics covered in the guide are as follows:

- Overview of Internal Controls
- Overview of the Federal Budgeting Process
- Appropriations Law
- Understanding CDC Financial Transactions
- Analyzing Status of Funds (P60) and Status of Obligations (P62) reports
- Safeguarding Assets
- Travel
- GSA SmartPay VISA Purchase Card

This overview is a not definitive source of information. Laws, regulations, official policy and guidance documents and subject matter experts are the sources of definitive information. Field staff should always follow the procedures prescribed by management for seeking assistance with any questions relating to procedures and information contained in this guide. Furthermore, each field office operates under slightly different circumstances. Many of the recommendations presented within this guide will have to be tailored to fit each environment.

While operating overseas, it is important to contact CDC headquarters with questions because they will have the latest information regarding Department of Health and Human Services (DHHS) rules and regulations. Two important points to remember are:

1. **Laws and regulations governing operations in the U.S. also apply to operations overseas.**
2. **The Department of State (DOS) is not completely familiar with HHS regulations. Simply receiving permission from DOS does not absolve field staff from receiving further verification from CDC.**

Every attempt has been made to make this document accurate, accessible, and user-friendly. Within each section, the following symbols have been used to alert the reader to important information:



- indicates a key idea or good practice to follow



- indicates “Key Points to Remember”. At the end of each main section, the most important points are summarized in a “Key Points to Remember” list



- indicates the reference material used to create content for a particular section. Every reference document and form mentioned throughout the document is included in Appendix A – Reference Materials

What is Internal Control?



WHAT IS INTERNAL CONTROL?



What is Internal Control?

Internal control is a major part of managing an organization. It comprises the plans, methods, and procedures used to meet the organization's missions, goals and objectives. Internal control serves as the first line of defense in safeguarding assets and preventing and detecting errors and fraud, waste, abuse and mismanagement. It also helps government program managers achieve desired results through effective stewardship of public resources.

Internal control is very broad and encompasses all controls within an organization, covering the entire mission and operations, not just financial operations. Internal control should be recognized as an integral part of each system that management uses to regulate and guide its operations rather than as a separate system within an agency. Internal control is management control that is built into the entity as a part of its infrastructure to help managers run the organization.

The people operating within an organization are what make internal control work. Management is responsible for creating objectives, putting the proper control mechanisms and activities in place and monitoring and evaluating the effectiveness of internal control. However, all personnel in the organization play important roles in making it happen.

The **Federal Managers' Financial Integrity Act** establishes specific requirements with regard to **Management Controls and Accountability**. The re-examination of the existing internal control requirements for federal agencies was initiated in light of the new internal control requirements for publicly-traded companies contained in the Sarbanes-Oxley Act.

Management accountability is the expectation that managers are responsible for the quality and timeliness of program performance, increasing productivity, controlling costs and assuring that programs are managed with integrity and in compliance with applicable laws.

Management controls are the policies and procedures used to reasonably ensure:

1. Programs achieve their intended results;
2. Resources are used consistent with the agency mission;
3. Programs and resources are protected from waste, fraud, and mismanagement;
4. Laws and regulations are followed; and
5. Reliable and timely information is obtained, maintained, reported and used for decision making.

As part of this mandate, CDC/ATSDR, Financial Management Office (FMO) and individual federal managers, must have proactive measures to develop and implement appropriate and cost-effective internal controls. Instead of considering these controls as an isolated management tool, managers should integrate their efforts into daily operating practices. These measures should include:

- **Delegation of Authority and Organization.** Managers should ensure that the appropriate authority, responsibility and accountability are defined. Delegation is only to those properly prepared to accomplish the mission of the organization.
- **Safeguarding Assets.** Internal control should be designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of an agency's assets.



- **Separation of Duties and Supervision.** Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions should be separated among individuals.
- **Access to and Accountability for Resources.** Access to resources and records should be limited to authorized individuals, and accountability for the custody and use of resources should be assigned and maintained.
- **Improve the Management of the Government Credit Card Program.** Ensure appropriate purchases are made using the GSA VISA SmartPay credit card and ensure the correct accounts are charged for these purchases.
- **Review of Unliquidated Obligations.** Establish a review of obligations that have not yet been disbursed including prior year funds.

It is understood that no matter how well designed and operated, internal control cannot provide absolute assurance that all agency objectives will be met. Factors outside the control or influence of management can affect the entity's ability to achieve all of its goals. For example, human mistakes, judgment errors and acts of collusion to circumvent control can affect meeting agency objectives; however, once in place, internal control provides *reasonable assurance that government resources are protected from waste and abuse*, not absolute, assurance of meeting agency objectives.

Internal control should provide reasonable assurance that objectives are being achieved in the following categories:

- Maintain effectiveness and efficiency of operations including the use of resources
- Ensure the reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use
- Comply with applicable laws and regulations
- Ensure the proper safeguarding of assets. Internal control should be designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of an agency's assets

There are five standards of internal controls. Understanding these standards will help establish applicable controls for a particular field office. The five standards are:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring



The General Accountability Office's (GAO) report titled "Standards of Internal Control in the Federal Government" was used as the main reference material for the following section. The entire report can be found in the Appendix A – Reference Materials.

Control Environment

The control environment is the organizational structure and culture created by management and employees to sustain organizational support for effective internal control. A positive control



environment is the foundation for all other standards. It provides discipline and structure as well as the climate, which influences the quality of internal control.

There are several factors to consider when establishing a control environment. These factors help to shape and influence the quality of internal controls.

Management's integrity and ethical values

Management plays a key role in providing leadership in this area, especially in setting and maintaining the organization's ethical tone, providing guidance for proper behavior, removing temptations for unethical behavior, and providing discipline where appropriate.

Management's commitment to competence

Management needs to identify appropriate knowledge and skills needed for various jobs and provide needed training, as well as candid and constructive counseling and performance appraisals.

Management's philosophy and operating style

Management's attitude toward information systems, accounting, personnel functions, monitoring, and audits and evaluations can have a profound effect on internal control.

Organizational structure

A good internal control environment requires that the agency's organizational structure clearly define key areas of authority and responsibility and establish appropriate lines of reporting.

Delegation of authority and responsibility

Delegation covers authority and responsibility for operating activities, reporting relationships, and authorization protocols.

Human capital policies and practices

Establishing appropriate practices for hiring, orienting, training, evaluating, counseling, promoting, compensating and disciplining personnel is imperative to creating an effective control environment.

Risk Assessment

A precondition to risk assessment is the establishment of clear, consistent agency objectives. Risk assessment is the identification and analysis of relevant risks associated with achieving the objectives, such as those defined in strategic and annual performance plans, and forming a basis for determining how risks should be managed.

Management should identify internal and external risks that may prevent the organization from meeting its objectives. Risk identification methods may include qualitative and quantitative ranking activities, management conferences, forecasting and strategic planning, and consideration of findings from audits and other assessments.



Once risks have been identified, they should be analyzed for their possible effect. Risk analysis generally includes estimating the risk's significance, assessing the likelihood of occurrence, and deciding how to manage the risk and what actions should be taken.

Managers must carefully consider the appropriate balance between controls and risk in their programs and operations. Too many controls can result in inefficient and ineffective government; agency managers must ensure an appropriate balance between the strength of controls and the relative risk associated with particular programs and operations.

Control Activities

Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives. They help ensure actions are taken to address risks and are an integral part of an entity's planning, implementing, reviewing, and accountability for stewardship of government resources and achieving effective results.

Control activities occur at all levels and functions of the entity. They include a wide range of diverse activities such as approvals, authorizations, verifications, reconciliations, performance reviews, maintenance of security, and the creation and maintenance of related records, which provide evidence of execution of these activities as well as appropriate documentation.

The following are examples of common control activities:

Top level reviews of actual performance

Management should track major agency achievements and compare these to established plans, goals, and objectives. Managers also need to compare actual performance to planned or expected results throughout the organization and analyze significant differences.

Management of human capital

Management should ensure that skill needs are continually assessed and that the organization is able to obtain a workforce that has the required skills that match those necessary to achieve organizational goals. Qualified and continuous supervision should be provided to ensure that internal control objectives are achieved. Performance evaluation and feedback, supplemented by an effective reward system, should be designed to help employees understand the connection between their performance and the organization's success. As a part of its human capital planning, management should also consider how best to retain valuable employees, plan for their eventual succession, and ensure continuity of needed skills and abilities.



Controls over information processing

A variety of control activities are used in information processing. Examples include edit checks of data entered, accounting for transactions in numerical sequences, comparing file totals with control accounts, and controlling access to data, files, and programs.

Access security control protects the systems and network from inappropriate access and unauthorized use by hackers and other trespassers or inappropriate use by agency personnel. Specific control activities include restrictions on users to allow access only to system functions they need, software and hardware firewalls to restrict access to assets, computers, and networks by external persons, and frequent changes of passwords and deactivation of former employees' passwords.

Physical control over vulnerable assets

An agency must establish physical control to secure and safeguard vulnerable assets. Examples include security for and limited access to assets such as cash, securities, inventories, and equipment, which might be vulnerable to risk of loss or unauthorized use. Such assets should be periodically counted and compared to control records.

Establishment and review of performance measures and indicators

Activities need to be established to monitor performance measures and indicators. These controls could call for comparisons and assessments relating different sets of data to one another so that analyses of the relationships can be made and appropriate actions taken. Controls should also be aimed at validating the propriety and integrity of both organizational and individual performance measures and indicators.

Segregation of Duties

Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual should control all key aspects of a transaction or event.

Proper Execution of Transactions and Events

Transactions and other significant events should be authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources and other events are initiated or entered into. Authorizations should be clearly communicated to managers and employees.

Accurate and timely recording of transactions and events

Transactions should be promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from the initiation and authorization through its final classification in summary records. In addition, control activities help to ensure that all transactions are completely and accurately recorded.



Access restrictions to and accountability for resources and records

Access to resources and records should be limited to authorized individuals, and accountability for their custody and use should be assigned and maintained. Periodic comparison of resources with the recorded accountability should be made to help reduce the risk of errors, fraud, misuse, or unauthorized alteration.

Appropriate documentation of transactions and internal control

Internal control and all transactions and other significant events need to be clearly documented, and the documentation should be readily available for examination. The documentation should appear in management directives, administrative policies, or operating manuals and may be in paper or electronic form. All documentation and records should be properly managed and maintained.

This list of examples is not all-inclusive and may not include particular control activities that may be needed. Furthermore, an agency's internal control should be flexible to allow agencies to tailor control activities to fit their special needs.

Information and Communication

Information should be recorded and communicated to management and others within the entity who need it and within a timeframe that enables them to carry out their responsibilities.

Information should be communicated to relevant personnel at all levels within an organization. Effective communication should occur in a broad sense with information flowing down, across, and up the organization. It is also imperative that there is sufficient communication and information disseminated to and from external stakeholders and organizations.

In order for the information to be effective it should meet the following three criteria:

1. Relevant
2. Reliable
3. Timely

Monitoring

Internal control monitoring should assess the quality of performance over time and ensure the findings of audits and other reviews are promptly resolved.

Monitoring is performed continually and is ingrained in the agency's operations. Monitoring the effectiveness of internal control should occur in the normal course of business. In addition, periodic reviews, reconciliations or comparisons of data should be included as part of the regular assigned duties of personnel.



Section Summary



Key Points to Remember

- ✓ Internal control should provide reasonable assurance that objectives are being achieved in the following categories:
 - Effectiveness and efficiency of operations including the use of resources
 - Reliability of financial reporting, including reports on budget execution, financial statements, and other reports for internal and external use
 - Compliance with applicable laws and regulations
 - Proper safeguarding of assets. Internal control should be designed to provide reasonable assurance regarding prevention of or prompt detection of unauthorized acquisition, use, or disposition of an Agency's assets

- ✓ The five standards of internal control are:
 - Control Environment
 - Risk Assessment
 - Control Activities
 - Information and Communication
 - Monitoring

- ✓ Internal control is very broad and encompasses all controls within an organization, covering the entire mission and operations, not just financial operations

- ✓ Management should design and implement internal control based on the related costs and benefits



Reference Materials

- ✓ GAO Report "Standards of Internal Control in the Federal Government"
- ✓ OMB Circular 123 "Management's Responsibility for Internal Control"

Federal Budget Process Overview





Federal Budget Process Overview

The purpose of this section is to provide a brief overview of the federal budget process and provide definitions for applicable terms and concepts. The federal budget serves four major objectives:

- Captures and sets forth the economic policies of the administration
- Represents the President's request to the Congress for budget authority to finance the programs proposed in the State of the Union message
- Provides for support of programs of federal interest that are managed by the states or by the private sector
- Serves as a report to people, capturing historical data on program outlays

Developing and establishing a budget helps create accountability for monitoring spending and achieving program objectives. To provide an overview of the federal budget process, this section will describe the four phases of the federal budget cycle:

1. Budget Formulation
2. Congressional Action
3. Budget Execution
4. Performance Review and Audit



The main reference material used for this section was OMB Circular A-11. A link to OMB Circular A-11 is included in Appendix A – Reference Materials.

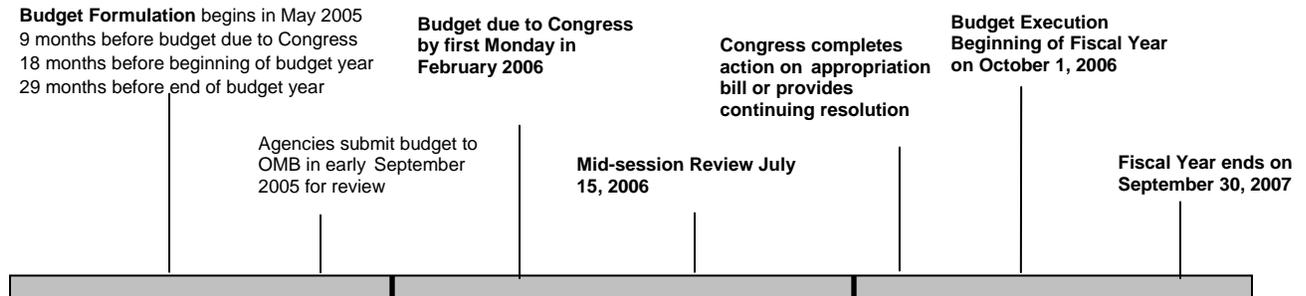
Phase 1: Budget Formulation

During this phase, the Executive Branch prepares the President's budget. The Office of Management and Budget (OMB) and the federal agencies begin preparing the next budget almost as soon as the President has sent the last one to Congress. OMB normally starts the process officially by sending planning guidance to Executive Branch agencies sometime in the Spring. The President completes this phase by sending the budget to Congress, normally on the first Monday in February.

Budget formulation begins approximately 18 months prior to the budget fiscal year. The actual budget fiscal year begins on October 1st and ends on September 30th. For example, budget fiscal year 2005 started on October 1, 2004 and ended on September 30, 2005.



The timeline below depicts the major activities that happen prior to and during the budget year. The timeline is based on creating a budget for fiscal year 2007.



Past Year – Fiscal year preceding the current year (e.g., 2005)

Current Year – Fiscal year immediately preceding the budget year (e.g., 2006)

Budget Year – Next fiscal year for which estimates are submitted to Congress (e.g., 2007)

Figure 1: Budget Timeline

The following table describes the major steps in the budget formulation process. In this example, the budget formulation process for FY 2007 (beginning on October 1, 2006) begins in Spring 2005.

Table 1: Major Steps in the Budget Formulation Process	
What happens?	When?
OMB issues Spring planning guidance to Executive Branch agencies for the upcoming budget. This begins the process of formulating the budget the President will submit the following February.	Spring 2005
The OMB Circular A-11 is issued/published. The agency, working with OMB, consolidates figures into a single budget.	Spring and Summer 2005
Agency submits proposed FY2007 budget to OMB.	September 2005
OMB reviews budget and works with the President to refine the budget.	October 2005 – January 2006
Agency prepares and OMB reviews congressional budget justification materials to explain their budget requests to congressional subcommittees.	January 2006
President transmits FY 2007 Budget to Congress.	First Monday in February 2006

The next section discusses what Congress does after receiving the President's budget submission.

Phase 2: Congressional Action

This phase starts when the Congress receives the President's budget. Congress considers the President's budget proposals, passes an overall revenue and spending plan called a "budget resolution", and enacts appropriation acts and other laws that control spending and receipts.



Major Steps in the Congressional Action Phase

The following table describes the major steps in the congressional action phase. Continuing with the budget formulation example, Congress has just received the FY 2007 budget submissions in February 2006.

Table 2: Major Steps in the Congressional Action Phase	
What happens?	When?
Congressional Budget Office reports to Budget Committees on the economic and budget outlook.	February 15, 2006
Other committees submit “views and estimates” to House and Senate Budget Committees. Committees indicate their preferences regarding budgetary matters for which they are responsible.	With 6 weeks of budget transmittal
Congress completes action on the concurrent resolution on the budget. Congress commits itself to broad spending and revenue levels by passing a budget resolution.	April 15, 2006
Congress needs to complete action on appropriations bill for the upcoming fiscal year or provides a “continuing resolution”. A continuing resolution is legislation enacted by the Congress to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year.	September 30, 2006

Once the budget is approved, agencies must monitor spending to ensure funds are being spent within the guidelines of its appropriation(s). This phase is known as Budget Execution.

Phase 3: Budget Execution

Budget execution applies the funds appropriated by Congress to carry out authorized programs. Budget execution entails:

- Apportioning, allocating, and allotting funds
- Obligating and disbursing funds
- Performing in process evaluations and making necessary course corrections to reallocate resources to meet the changing requirements that develop during execution
- Monitoring the relationship between unobligated and obligated balances during each fiscal period

Federal spending has specific compliance requirements:

- Timing – The spending commitment must be made during the time period permitted by Congress
- Purpose – Appropriated funds may be obligated and expended only for those purposes intended or expressed by Congress in a federal agency’s authorization or appropriation legislation
- Amount – The total amount of obligations and outlays may not exceed the amount of appropriation or other budget authority provided by Congress



The budget execution process can be thought of in terms of a life cycle. This life cycle can be understood by looking at it from the perspective of the accounting events that occur as the federal budget is executed.

There are eleven major accounting events associated with the budget execution life cycle:

Budget authority for federal agencies to expend funds through:

1. Appropriations
2. Transfers, or
3. Collections

Establishing fund balances in the Treasury with a

4. Warrant

Controlling the funds through

5. Apportionment
6. Allotment
7. Allowance and
8. Obligation
9. Disbursing (or outlaying) funds to eliminate obligations
10. Expiration of funds
11. Cancellation of funds

The most relevant accounting events will be explained below.

Budget Authority

Budget authority is the legal permission for a department or agency to enter into obligations that bind the federal government and that will require immediate or future disbursements of federal funds.

The most common type of budget authority is an appropriation.

Appropriation

Appropriations are the primary source for most agency budget authority. An appropriation is an authorization by an act of Congress that permits federal agencies to incur obligations and to make payments out of the Treasury for specified purposes.

Appropriations do not represent cash actually set aside in the Treasury. An appropriation represents legal authority granted by Congress to incur obligations and to make disbursements for the purposes, during the time periods and up to the amount limitations, specified in each appropriation act.

By law, most appropriations have a life of six years (one year to obligate, plus five more).



Three types of appropriations are classified by period of availability:

- **Annual appropriations** expire at the end of the first year of appropriation and are cancelled at the end of the sixth year
- **Multi-year appropriations** expire at the end of a designated time period greater than one year and are cancelled at the end of the fifth year after expiration
- **No-year appropriations** are funds that remain available until expended for their intended purpose

Each appropriation is set up with a Treasury Appropriation Fund Symbol (TAFS) that identifies the federal agency, the amount, the period of availability for obligation and the purpose. The TAFS is associated with an account at the Department of Treasury.

Warrant

A warrant is the official document issued pursuant to law by the Secretary of the Treasury that establishes the amount of money authorized to be withdrawn from the Treasury. Warrants contain the TAFS. See the example below of how to read the TAFS.

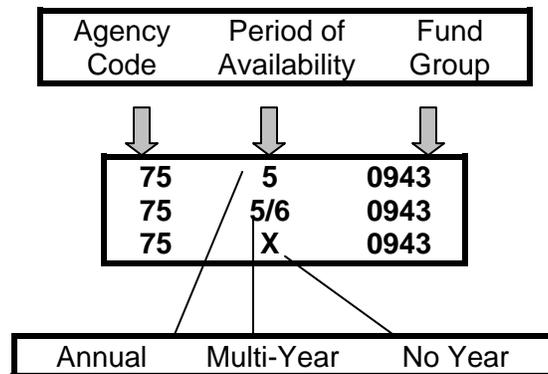


Figure 2: Treasury Appropriation Fund Symbol

How to read the TAFS in the example above:

- The first 2 numbers identify the agency responsible for the account. In the example below 75 = Department of Health and Human Services
- The next 2 numbers or characters indicate the period of availability. A single digit (0-9) indicates the fiscal year of availability for incurring obligations of a 1-year appropriation. Two digits separated by a slash (/) indicate a multiple-year appropriation. An “X” indicates a no-year appropriation that is available for an indefinite period of time
- The last 4 numbers indicate the fund group. In the example 0943 = Centers for Disease Control (CDC)

Funds Control

The primary methods of fund control include use of apportionment through the OMB in the Executive Office of the President. After apportionment occurs, allotments and allowances are completed at each federal agency. Agencies are responsible for monitoring and accounting for



funds to the level of detail necessary to manage their operations in compliance with the applicable laws and regulations.

Apportionment

An apportionment is a plan, approved by OMB to spend resources provided by law. Resources are distributed by OMB into amounts available for specified periods or programs.

The primary purpose of the apportionment process is to centralize the administration approval of agency plans to:

- Prevent agencies from obligating funds in a manner that would require deficiency or supplemental appropriations
- Achieve the most effective and economical use of amounts made available

Commitment

A commitment is a reservation of a specific amount of available funds within a specific time period (e.g. fiscal year), which provides for a future obligation of those funds. Commitment occurs after funds are authorized, but before they are obligated. Commitments reserve funds to assure the funds will be available when the actual obligation is processed and enables more robust planning and tracking,

Obligations

An agency “obligates” its budget authority to pay for the costs of the program(s) Congress agreed to fund with its appropriation. An obligation is a binding agreement that will result in disbursements, immediately or in the future. The federal government must have an authority before it can obligate funds. Obligating the federal government in the absence of authority can result in imprisonment, a fine or both.

The legality of an obligation depends on three things:

1. The purpose of the expenditure must be proper
2. The obligation must occur within the time limits applicable to the appropriation, and
3. The obligation must be within the amounts Congress has established

The Anti-Deficiency Act prohibits agencies from obligating funds in excess of levels provided in the law. The Anti-Deficiency Act is further explained in the [Appropriations Law Overview](#).

Each year of the appropriation’s funds availability, obligations are paid through the outlay of funds until the funds expire per the terms of the appropriation. Upon expiration, the account assigned to that appropriation is cancelled. During the time before expiration, budgetary resources can be:

- Unobligated
- Obligated, but unpaid
- Obligated and Paid



Examples of obligations include:

- Binding agreement in writing between the parties, including government agencies, executed before the expiration of the period of the available funds
- An order required by law to be placed with a government agency;
- A grant or subsidy payable (i) from appropriations made for payment of or contributions toward, sums required to be paid in specific amounts fixed by law or in accord with formulas prescribed by law, or (ii) pursuant to agreement authorized by, or plans approved in accordance with and authorized by law; or
- Employment or services of persons or expenses of travel in accord with law, and services performed by public utilities

Outlays

Outlays generally are equal to cash disbursements. Outlays eliminate obligations, or in other words, outlays are the payment of the sum obligated. Outlays during a fiscal year may be for payment of obligations incurred in prior years or in the same fiscal year.

Recoveries (Review of Unliquidated Balances)

A recovery of an obligation is any reduction, downward adjustment, or cancellation of an obligation.

Major Steps in the Budget Execution Phase

The following table describes the major steps in the budget execution phase (annual funds). Continuing with the example, FY 2007 has just begun.

Table 3: Major Steps in the Budget Execution Phase	
What happens?	When?
OMB apportions funds made available in the budget processes. Agencies submit apportionment requests to OMB for each budget account, and OMB approves or modifies the apportionment, which specifies the amount of funds agencies may use by time period, program, project, or activity.	September 30, 2006
Fiscal year begins.	October 1, 2006
Agencies incur obligations and make disbursements to carry out the funded programs, projects and activities.	Throughout the fiscal year
Fiscal year ends.	September 30, 2007



OMB Circular A-11 provides more in depth information regarding budget execution. In addition, DHHS has developed a training course entitled “Budget Execution in the Federal Government”. Both documents are located in Appendix A – Reference Materials.



Phase 4: Performance Review and Audit

The individual agencies are responsible for assuring that the obligations they incur and the resulting disbursements follow the provisions of the authorizing and appropriating legislation, as well as other laws and regulations relating to the obligation and expenditure of funds.

The General Accountability Office (GAO) regularly audits, examines, and evaluates government programs. GAO findings and recommendations for corrective action are presented to Congress, OMB, and to the respective agencies. The Chief Financial Officers Act of 1990 specifies organization and reporting requirements to improve government-wide financial management.

Section Summary



Key Points to Remember

- ✓ The federal budget cycle consists of four phases: Budget Formulation, Congressional Action, Budget Execution and Performance Review and Audit
- ✓ Federal spending has specific compliance requirements:
 - Timing – The spending commitment must be made during the time period permitted by Congress
 - Purpose – Appropriated funds may be obligated and expended only for those purposes intended or expressed by Congress in a federal agency's authorization or appropriation legislation
 - Amount – The total amount of obligations and outlays may not exceed the amount of appropriation or other budget authority provided by Congress
- ✓ An appropriation is an authorization by an act of Congress that permits federal agencies to incur obligations and to make payments out of the Treasury for specified purposes
- ✓ An obligation is a binding agreement that will result in disbursements, immediately or in the future
- ✓ Individual agencies are responsible for assuring that the obligations they incur and the resulting disbursements follow the provisions of the authorizing and appropriate legislation



Reference Materials

- ✓ OMB Circular A-11 "Preparation, Submission and Execution of the Budget"
- ✓ DHHS Training Course - Budget Execution in the Federal Government

Appropriations Law Overview



APPROPRIATIONS LAW OVERVIEW



Appropriations Law Overview

An appropriation is an authorization by an act of the Congress that permits federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. Appropriations law is the body of law that governs the availability and use of funds. The purpose of this section is to provide an overview of appropriations law and to provide guidance on how to comply with the applicable laws and regulations. Specifically, this section will include:

- Foundations of Appropriations Law
- Anti-Deficiency Act
- Necessary Expense Doctrine
- Bona Fide Need Rule
- Appropriations Law Topics for Overseas Operations



The Federal Appropriations Law manual was used as the main reference material to prepare this overview. The U.S. Department of Agriculture Graduate School, using materials from the General Accountability Office (GAO), prepared this manual. The Principles of Federal Appropriations Law can be found in Appendix A – Reference Materials.

Foundations of Appropriations Law

Federal agencies derive their funding from the U.S. Congress. Congress is given the power to appropriate funds as well as put conditions on the use of those funds. This congressional authority is referred to as the “Power of the Purse.” The U.S. Constitution states in Article I, section 8:

Congress is empowered to “...pay the Debts and provide for the common Defense and general Welfare of the United States...”

This concept is further strengthened through the Appropriations Clause – Article I, Section 9, Clause 7:

“No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law.”

One of the most fundamental statutes dealing with the use of appropriated funds (31 USC 1301 (a)) is the purpose statute:

“Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.”

Once Congress has appropriated funds to a government agency, there are three additional requirements that must be met for those funds to be legally available.

1. The purpose of the obligation or expenditure must be authorized;
2. The obligation must occur within the time limits applicable to the appropriation; and
3. The obligation and expenditure must be within the amounts Congress has established.



Anti-Deficiency Act

In the past, it was common for agencies to incur obligations in excess of or in advance of appropriations. Some agencies would even spend their entire appropriation during the first few months of the fiscal year, continue to incur obligations, and then return to Congress for appropriations to fund their deficiencies. The Congressional response to these types of abuses was to pass the Anti-Deficiency Act of 1921. The two principle purposes of this act are to:

- Control the use of appropriations so as to prevent the incurring of obligations at a rate that will lead to additional (or supplemental) appropriations
- Fix responsibility on those officials who incur deficiencies or obligate appropriations without proper authorization or at an excessive rate

The Anti-Deficiency Act describes limitations on expending and obligating amounts.

Excerpts from the Act:

Table 4: Excerpts from the Anti-Deficiency Act	
31 USC 1341(a)(1)(A)	<i>Prohibited Obligations and Expenditures:</i> <i>An officer or employee of the United States government or of the District of Columbia government may not make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation...</i>
31 USC 1341(a)(1)(B)	<i>An officer or employee of the United States government or of the District of Columbia government may not involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law...</i>
31 USC 1341	<i>Accepting voluntary services of either government or employ personal services exceeding that authorized by law except for emergencies involving the safety of human life or the protection of property.</i>
31 USC 1512	<i>...an appropriation available for obligation for a definite period shall be apportioned to prevent obligation or expenditure at a rate that would indicate a necessity for a deficiency or supplemental appropriation for the period.</i> <i>An appropriation for an indefinite period ... shall be apportioned to achieve the most effective and economical use.</i>
31 USC 1512	<i>An appropriation subject to apportionment is apportioned by -</i> A. <i>Months, calendar quarters, operating seasons, or other time periods;</i> B. <i>Activities, functions, projects, or objects; or</i> C. <i>A combination of the ways referred to in clauses (A) and (B) of this paragraph.</i>
31 USC 1517 (a)	<i>Making obligations or expenditures in excess of an apportionment or reappportionment, or in excess of the amount permitted by agency regulation.</i>



The following are examples of violations of the Anti-Deficiency Act:

- Assume an agency enters into a contract and there are sufficient funds available in an appropriation when the contract is signed. However, during the period before payment becomes due, the agency makes other payments from the appropriation or incurs other obligations, thereby exhausting the appropriation.
- If an agency tried to meet a current shortfall by borrowing or obligating against the unenacted appropriation, then it would be in violation of the Anti-Deficiency Act.
- An appointee, where compensation for the position is fixed by law, would violate the Anti-Deficiency Act if he or she agreed to serve without compensation or to waive that compensation in whole or in part.

Penalties for Violations of the Anti-Deficiency Act

Violations of the Anti-Deficiency Act are subject to two types of sanctions:

- **Administrative** - An officer or employee who violates this act shall be subject to appropriate administrative discipline, when circumstances warrant:
 - Written reprimand,
 - Suspension from duty without pay,
 - And/or removal from office.
- **Penal** - In addition, an officer or employee who is convicted of “knowingly and willfully” 1.) overobligating or 2.) failing to record a transaction shall be:
 - Fined not more than \$5,000,
 - Imprisoned for not more than two years, or both.

Violation Reporting Requirements

Once it is determined that there has been a violation, the agency head shall report immediately to the President and Congress all relevant facts and a statement of actions taken, such as administrative discipline imposed or new safeguards imposed. The report to the President is to be forwarded through the Director of the Office of Management and Budget (OMB). If the General Accountability Office (GAO) identifies a violation in the course of an audit, an agency is still required to report to the President and Congress. In those cases, the report should indicate whether the agency agrees that a violation has occurred and, if so, the report will contain an explanation as to why that violation was not discovered and previously reported. If the agency does not agree, the report will explain the agency's position.

For questions regarding the Anti-Deficiency Act or possible violations, please contact your budget analyst.

GAP Authorities for Overseas Operations

The Global AIDS Program (GAP) is authorized under sections 301 (a) 307 of the Public Health Services Act, [42 USC section 2421], as amended, and under Public Law 108-25 (United States Leadership Against HIV/AIDS, Tuberculosis and Malaria Act of 2003) [USC 7601].

Authorities given to GAP through the Public Health Service Act are permanent until future modification to the law. However, some authorities are given to GAP on a yearly basis through the annual appropriation. Unless the authorities from the annual appropriation are renewed



each year, GAP may not be authorized to perform some actions allowed in the previous year's appropriation.

Necessary Expense Doctrine

The U.S. government recognizes that not every expenditure of a government agency has to be listed within the appropriations act. Each government agency is given reasonable discretion to carry out the mission of its appropriation. This is known as the "necessary expense doctrine." In order for an expenditure to meet the criteria of a necessary expense the following three criteria must be met:

1. *Direct contribution to appropriation* - The expenditure must bear a logical relationship to the appropriation sought to be charged. In other words, it must make a direct contribution to carrying out either a specific appropriation or an authorized agency function for which more general appropriations are available.
2. *Not Unauthorized* - The expenditure must not be prohibited by law.
3. *Not provided for in another funding scheme* - The expenditure must not be otherwise provided for, that is it must not be an item that falls within the scope of some other appropriation or statutory funding scheme.

Bona Fide Need Rule

An appropriation should not be used to purchase unnecessary items merely to use up funds from an expiring appropriation. Each contract, grant, or cooperative agreement should have a legitimate or bona fide need for being carried out. The bona fide need rule is a fundamental principle of appropriations law addressing the availability as to time an agency's appropriation. The rule has its statutory roots in 31 U.S.C. 1502 (a), which states:

"The balance of an appropriation or fund limited for obligation to a definite period is available only for payment of expenses properly incurred during the period of availability or to complete contracts properly made within that period of availability."

The bona fide need rule applies to all federal government activities carried out with appropriated funds, including contract, grant, and cooperative agreement transactions. An agency's compliance with the bona fide need rule is measured at the time the agency incurs an obligation, and depends on the purpose of the transactions as well as the nature of the obligation being entered into.

One example of a bona fide needs rule violation would be where an agency purchases a huge quantity of pencils at the end of the year even though the agency already has enough pencils on hand to last for several years. It would seem apparent that the agency was merely trying to use up its appropriation before it expired, and the purchase would violate the bona fide needs rule.

While the bona fide need rule is universally applicable, the determination of what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of the particular case. Complicated situations can arise as to whether a transaction violates the bona fide need rule. Multiple year contracts and grants can be a source of questions regarding potential bona fide need violations. Since most appropriations are usually made for single year use, obligating the full amount of a multiple year grants/contract to a single year's appropriation can cause the program to use up its funding more rapidly than planned. In the case of grants, multiple year grants could result in fewer grantees being involved with the program's mission.



If there are questions regarding the bona fide need rule, contact CDC headquarters to begin the process of resolving any bona fide need issues.

Appropriations Law Topics

This section highlights some of the CDC policies that might be useful in managing some appropriations law related situations that occur in international field offices.

- Provision of Light Food and Beverages at Conferences
- Beverages
- Gifts/Awards
- Restrictions on Personal Convenience Items

The purpose is to provide a brief explanation of CDC policies relevant to situations encountered by international field offices and to provide access to each referenced policy in this section.



Note: CDC policies do change over time. Contact CDC headquarters with any questions or concerns regarding the use of appropriated funds.

Provision of Light Food and Beverages at Conferences

CDC/ATSDR will not use appropriated funds to pay for light refreshments for business meetings or conferences conducted by government agencies at an employee's duty station. An employee is expected to bear the cost of personal expenses, such as meals and refreshments, from his or her salary.



CDC's rules concerning business conference meetings are covered under the Provision of Light Food and Beverages at Conferences. This document is located in Appendix A – Reference Materials.

Recent General Accountability Office Ruling

In March 2005, the Government Accountability Office, through its General Counsel, issued an opinion on the use of appropriated funds for food by a host agency at a government sponsored formal conference. The General Counsel advised that agencies may permit appropriated funds to be used under certain circumstances. Since the Office of Legal Counsel at the Department of Justice provides the controlling interpretations of law for the Executive Branch, DHHS' policy on the use of appropriated funds for food remains unchanged. As a general rule, food cannot be purchased with appropriated funds, except as permitted by specific statutory authority.



The Departmental Policy on Use of Appropriated Funds at DHHS-Sponsored Conferences is located in Appendix A – Reference Materials.



Beverages

According to the DHHS Logistics Management Manual, CDC appropriated funds will not be expended for beverages including coffee and tea.



The DHHS Logistics Management Manual can be found in Appendix A – Reference Materials.

Bottled Water

The general rule is that appropriated funds may not be used to pay for bottled water unless it is shown that available water is detrimental to the health of government employees.



The CDC's policy on bottled water is listed in CDC-09 Restrictions on Personal Convenience Items, located in Appendix A – Reference Materials.

Gifts and Awards

The Department of Health and Human Services encourages the use of incentive awards as a management tool to recognize and reward employees. CDC has been delegated the authority to establish and maintain an effective incentive awards program. The details of expenses that are allowed for these awards are listed within CDC's Human Resource Management Manual, CDC Chapter 451-3 "Allowable Expenses for Honor Awards, Honor Award Ceremonies, and Informal Recognition Awards.



CDC's policy for allowable expenses for honor awards, honor ceremonies and informal recognition awards is included in Appendix A – Reference Materials.

Restrictions on Personal Convenience Items (Art, Plants, Pictures, etc.)

According to CDC's Acquisition Management Guide CDC-09 and the DHHS Logistics Management Manual 103-26, federal funds may be used for the procurement of pictures, objects of art, plants, or any similar type items when such items are included in a plan for the decoration of federal buildings. These items are reserved for public spaces such as corridors, lobbies, and open office areas using modular furniture.



For further information, CDC's policy on "Restrictions on Personal Convenience Items" is included in Appendix A – Reference Materials.



Section Summary



Key Points to Remember

- ✓ The funds appropriated by Congress must meet three criteria to be legally available for use. The three criteria for use are as follows:
 1. The purpose of the obligation or expenditure must be authorized;
 2. The obligation must occur within the time limits applicable to the appropriation; and
 3. The obligation and expenditure must be within the amounts Congress has established.
- ✓ Some GAP authorities are derived from the language within annual appropriations. If those authorities are not renewed, GAP would lose those appropriations-based authorities
- ✓ Appropriated funds are not generally available to provide free food to employees at their duty stations.
- ✓ Appropriated funds cannot generally be expended for beverages including bottled water, coffee, and tea.
- ✓ Decorative items (art, plants, etc.) can be purchased only for open or public areas.



Reference Materials

- ✓ Principles of Federal Appropriations Law - Redbook
- ✓ CDC Provision of Light Food and Beverages at Conferences
- ✓ Department Policy on Use of Appropriated Funds for Food at HHS-Sponsored Conferences
- ✓ DHHS Logistics Management Manual
- ✓ CDC Restrictions on Personal Convenience Items
- ✓ Allowable Expenses for Honor Awards, Honor Ceremonies and Informal Recognition Awards

Understanding CDC Financial Transactions





Understanding CDC Financial Transactions

The purpose of the CDC Financial Transactions section is to describe the methods used by CDC to fund overseas program activities. This section details the types of financial transactions used to support international field office operations. In supporting these transactions, the Department of State (DOS) plays an important role by assisting CDC in its overseas mission by either performing a wide range of financial services or simply providing payment services. The Department of State's role will be clearly explained in this section.

This section will also describe how funds are "cabled" to GAP field offices through the use of an advice of allotment cable, commonly referred to as a "funding cable". Advice of allotment cables allow CDC to incur obligations that are managed by the embassy financial management officer on CDC's behalf.

CDC financial transactions for overseas operations fall into three categories:

- Post Held
- Atlanta Held
- Atlanta Direct

Post Held Funds

Post Held funds are funds that are obligated and disbursed at Post. Generally, Post Held funds comprise a substantial portion of financial transactions for each field office. Post Held funds are used to pay for things such as, the employment of Locally Employed Staff, rent/lease payments, some utilities, and local procurements. When funds are designated as Post Held, CDC permits DOS to manage the process of obligating funds by providing funds in an allotment in the cable. See Appendix C for an example of a Post Held funding cable. The number of requests for Post Held funds varies by field office and is performed on an ad hoc basis.

An integral part of understanding Post Held funds involves comprehending how funds that are allotted to the embassy are processed. The following flowchart (Figure 4) depicts the current steps for processing Post Held funds:

Cable Processing Flow Chart - Post Held Funds

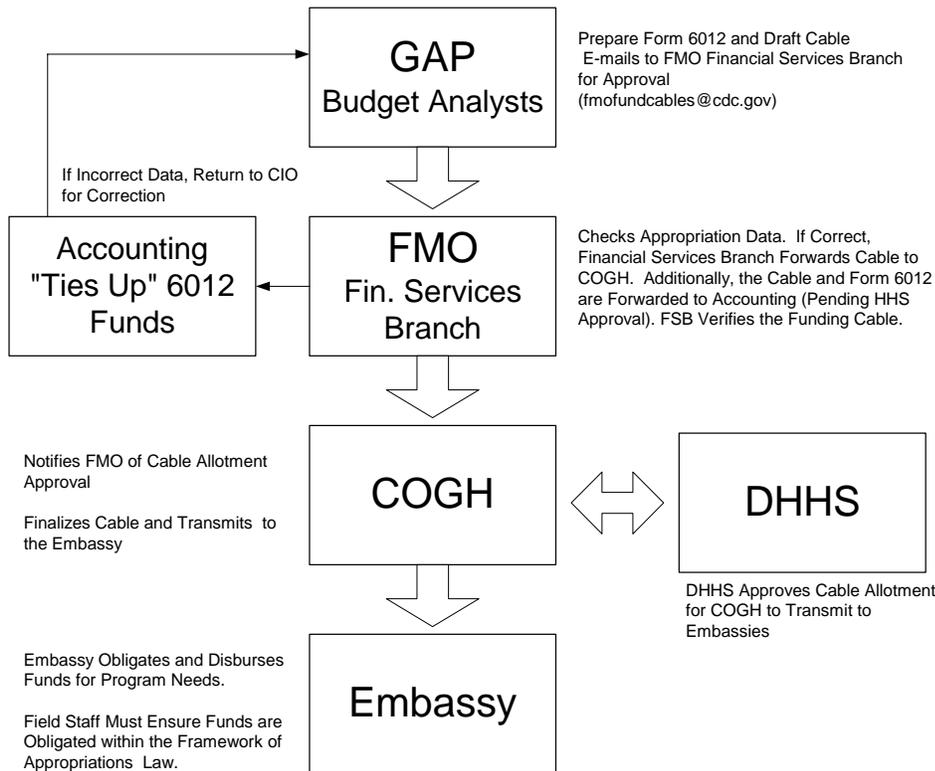


Figure 4 – Post Held Funding Cable Processing Flowchart

Processing Post Held Funds – Roles and Responsibilities

As shown in Figure 4, several entities are involved in processing Post Held funds. The roles and responsibilities of each entity will be explained below. The Post Held funds process is subject to change. If there are any questions regarding the process, contact CDC headquarters for the most current information.

GAP Field Office

The GAP field office determines the need to fund an overseas activity in support of its mission. The field office sends a request, detailing the breakdown of the requested funds, to their assigned GAP budget analyst.



GAP Budget Analysts

After receiving the advice of allotment cable request, the GAP budget analyst will perform the following activities:

- Review the spending plan to ensure sufficient funds exist within the designated appropriation.
- Review tracking spreadsheets for the country for the amount spent to date as well as the amount available.
- Prepare a Form 6012 (Miscellaneous Obligating Document) corresponding to the requested amount and forward it to the Financial Management Office (FMO) - Financial Services Branch.

FMO – Financial Service Branch (FSB)

FMO's Financial Service Branch commits the funds specified on the cable in the accounting system. Once FSB has verified that the data for the advice of allotment cable matches its corresponding appropriations data, FSB forwards the advice of allotment cable to the Coordinating Office of Global Health (COGH) for review.

Coordinating Office of Global Health (COGH)

The Global Program Support Service at COGH receives the advice of allotment cables from FSB after the funds have been committed. **COGH requires 5 working days to process each cable.** When cables are needed immediately, COGH will expedite its processing of the cables. COGH checks the cables for obvious errors such as font or potentially excessive funding amounts. If a cable does not look reasonable (ex. \$100,000 for travel), then COGH will follow up with the GAP budget analyst and/or field staff to verify the amount. Once any issues are settled with the cable, COGH forwards the cables to DHHS' Office for Global Health Affairs for review.

COGH Sends Copy to DHHS for Approval

COGH will generally begin the process of transmitting the cable within 24 hours of sending the cable request to DHHS.

COGH Transmits Cable

After 24 hours have passed, COGH emails the approved cable to the CDC's Communications Security (COMSEC) center. The cable is transmitted through the COMSEC terminal at CDC Atlanta's Clifton Road location. This message system transmits the cable from CDC to the DOS's COMSEC server in Beltsville, MD. The cable is placed in a "queue" of outgoing message traffic. The message traffic/cables are routed by the COMSEC system to the different embassies. In most instances, advice of allotment cables arrive at their destination anywhere from 1 to 24 hours later. This difference depends on the number of messages moving through the system, the communications system of the receiving embassy (remote locations without a modern telecommunications infrastructure), weather, and other factors.



Department of State – Embassy

When the Department of State receives a Post Held funding cable from CDC headquarters, the Department of State Financial Management Officer will create an allotment, which is a distribution of an appropriation within a prescribed amount for the purpose of making obligations, equal to the amount of the funds in the cable. Advice of allotment cables authorize the embassy Financial Management Officer to incur obligations and make payments on CDC's behalf. The embassy notifies the field office when the Post Held funding cable is received. Through an International Cooperative Administrative Support Services (ICASS) agreement, Department of State Financial Management Officers are responsible for posting obligations and disbursing Post Held funds.

For Post Held funds, the Department of State performs the full-range of financial services, such as establishing allotments for the advice of allotment cable, preparing obligating documents, making payments and providing monthly reports on obligations and expenditures. The actual level of DOS service may vary from country to country.

The Department of State works with the field staff to prepare the obligating documents such as a travel order or a purchase order. When CDC staff assigned/detailed to a field location (field staff) identify the need for goods and services to implement their program, such as travel, supplies, and services, the CDC employee must coordinate with the embassy to ensure preparation of the appropriate obligating document (travel order, purchase order, etc.) **An obligation is not created until international field staff work with the embassy personnel to create an obligating document.** The embassy must prepare the obligating document during the fiscal year of the CDC funds specified in the cable. An authorizing (obligating) document must be prepared before the goods and services are ordered and received. CDC employees cannot request that the embassy pay for goods and services without the appropriate authorizing documents.

CDC's field staff must also ensure that the goods or services requested are authorized expenses for CDC's appropriation. Local agency personnel (field staff) are responsible for requesting only goods/services that are authorized for the agency. CDC field staff should contact their GAP budget analyst if they have any questions regarding the allowability of any proposed obligations or expenditures.



Good Practice: Each field office should maintain a log of all advice of allotment cables. Another practice that is encouraged is to have a Chief of Party or Deputy signature for each obligation or disbursement incurred by the field office.

Obligating Funds at the Embassy

Each time an obligating document is prepared by embassy personnel, funds are obligated against the allotment established by the cable. The embassy is responsible for ensuring that the funds are available when CDC field staff request goods or services and that the specified funding level is not exceeded.



Invoice Payments

CDC field staff should review and validate all invoices and vouchers before submission to the Department of State financial management staff at the embassy for payment. When the goods or services specified in the obligating document are provided (or travel is completed), embassy disbursing officer will pay for the goods, services, etc. Requirements for documentation may vary from embassy to embassy. The number on the original obligating document authorizing the expenses as well as the document number on the cable must be provided to the disbursing officer so the expenses can be charged against the correct obligation and funding authority.

After making a payment, the embassy is responsible for entering the expenses into its local financial system. The local financial systems feed into the DOS's regional Financial Service Centers (FSC).

Department of State – Financial Service Centers

The local systems feed the FSCs located in Bangkok, Thailand and Charleston, SC (USA). The FSCs prepare a series of reports that should be provided to field staff and/or Atlanta personnel. The FSCs generate the following reports the P60 (Status of Funds Report), P62 (Status of Obligations Report), and the VADR (Voucher Auditors Detail Report). These reports will be discussed in more detail in [Analyzing P60/P62](#).

FMO's Financial Services Branch uses the VADR report to post disbursements of obligated funds into UFMS.

How long does it take to process an advice of allotment cable?

The following diagram represents a typical advice of allotment cable timeline.

Timeline - Receiving Post Held Funding Cable

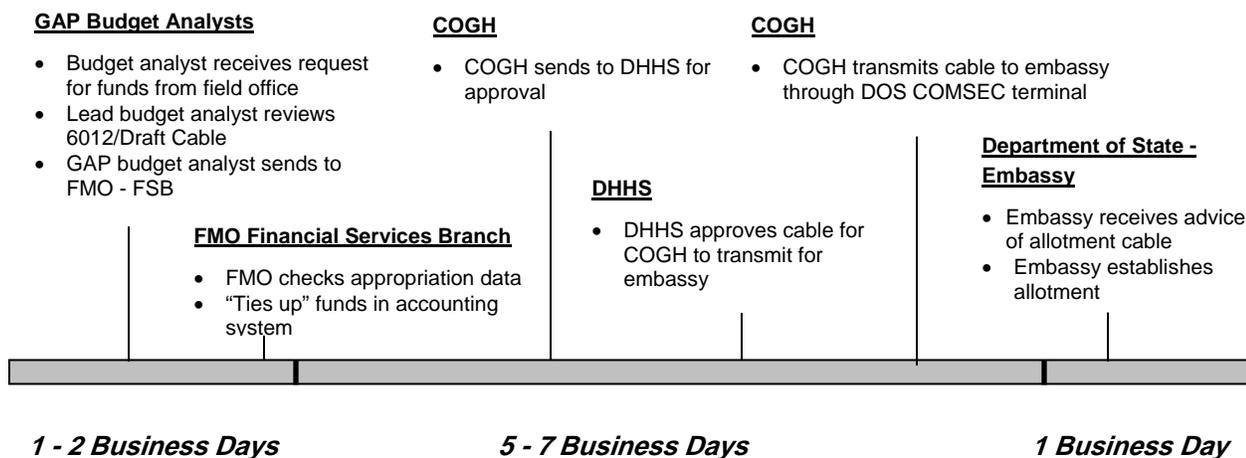


Figure 5: Timeline for processing a Post Held funding cable



If the field office has not received the requested advice of allotment cable within two weeks, they should contact their assigned GAP budget analyst to determine the cable's status.



Additional Material

For a summary of the responsibilities associated with the processing of Post Held funds, refer to Appendix B.

For an example of an advice of allotment cable related to Post Held funds, refer to Appendix C.

Appendix D contains a process flow chart detailing the entire Post Held cabling process.



Atlanta Held Funds

Atlanta Held funds are funds that are obligated in Atlanta, but disbursed at the embassy. For example, Personal Service Contracts (PSC) are obligated in Atlanta, but the person is paid at the embassy.

Processing Atlanta Held Funds - Roles and Responsibilities

The use of Atlanta Held funds for the field offices is a mechanism for only delivering payment for goods and services. Since Atlanta Held funds can be used for multiple purposes, there are a variety of ways the process could start. The following is an example of a contract, which is carried out using Atlanta Held funds.

GAP Field Office

The GAP field office determines the need to fund an overseas activity in support of its mission. The field office contacts GAP's Extramural team stating they require a contract for work to be performed at the field office. The field office sends the extramural team as well as the country program support branch a Statement of Work (SOW) stating the need for the service.

GAP Extramural Team

The GAP Extramural team contacts the appropriate GAP budget analyst for that country for funding approval. If there are sufficient funds, the GAP budget analyst creates a funding document. Once the funding document is created, the contract information is entered into the Integrated Contracts Expert (ICE) system.

PGO's Role in Atlanta Held Funding Cables

The Procurement and Grants Office receives the request for the contract through ICE. PGO would process the request in the same manner that any other contract is processed. Once the contract or grant is awarded, the funds are obligated through the usual procurement systems, such as ICE. Once the funds are obligated within CDC's accounting system, PGO prepares an "Atlanta Held" funding cable. Next, this cable is forwarded to FMO's advice of allotment cable mailbox to be reviewed. After FMO has approved the cable, this draft advice of allotment cable is forwarded to COGH.

COGH's Role in Atlanta Held Funding Cables

COGH's role in Atlanta Held funding cables is identical to that of Post Held funding cables. The Global Program Support Service at COGH receives the advice of allotment cables from PGO after the funds have been obligated. **COGH requires 5 working days to process each cable.** When cables are needed immediately, COGH expedites its processing of the cables. COGH checks the cables for obvious errors such as font or potentially excessive funding amounts.

COGH forwards the cables to DHHS' Office for Global Health Affairs for review. If DHHS does not contact COGH regarding any issues with the cable, COGH emails the approved cable to the Communications Security (COMSEC) center within 24 hours. The cable is transmitted through the COMSEC terminal at CDC Atlanta's Clifton Road location. The embassy eventually receives the advice of allotment cable through the Department of State's COMSEC system.



Payment at the Embassy

CDC is responsible for the accounting functions and DOS serves only as a paying agent. When CDC designates funds as Atlanta Held, **the field staff must have a copy of the obligating document prepared by the responsible CDC entity, such as PGO.** Furthermore, the field office must approve the vendor invoices submitted to the embassy. In this process, Department of State financial management staff make payments on behalf of CDC for the goods/services authorized by CDC on the appropriate obligating documents prepared in Atlanta. When requesting a payment, CDC field staff must have a copy of the obligating document for the Department of State financial management staff.

Final Steps

Atlanta Held funds are obligated using the authorizing document (PO, contract, etc) prepared by responsible CDC staff, for this reason Form 6012 will not be needed when cabling payment authorization to embassies. Since the embassy only provides disbursement services, the VADR (Voucher Auditors Detail Report) is the only report available to track these expenditures. FSB uses this report to post expenditures against the obligations established by the applicable purchase order, contract, travel order, etc.

Timeline for Atlanta Held Funds

The timeline for Atlanta Held funding cables differs only due to the time needed to obligate funds in Atlanta. After the funds have been obligated, the process for sending the advice of allotment cable is essentially the same as Post Held funds.

Timeline - Atlanta Held Funds

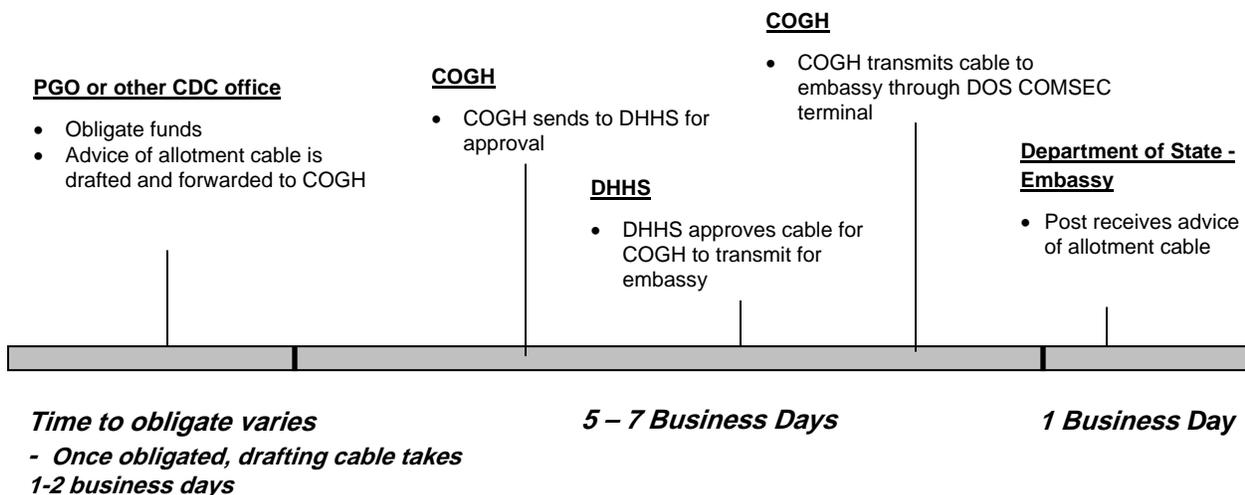


Figure 6: Timeline- Atlanta Held Funds

Additional Material – Atlanta Held Funds

For a summary of the responsibilities associated with the processing of Atlanta Held funds, refer to Appendix B.

For an example of an Atlanta Held funding cable, refer to Appendix C.



Atlanta Direct Funds

Atlanta Direct funds are obligated and paid in Atlanta. Examples of Atlanta Direct funds include FTE salaries/benefits, contracts, grants, cooperative agreements, GSA SmartPay VISA purchases, and international travel.

Processing Atlanta Direct Funds - Roles and Responsibilities

Atlanta Direct funds are processed using the same mechanisms as those used by CDC's domestic programs. The international field staff and the GAP headquarters identify activities for funding. Both international field staff and GAP headquarters must ensure that all goods and services are authorized within the appropriation. Each respective CDC field office prepares the obligating documents to satisfy various needs such as travel, payroll, grants, and procurements. For example, grants are handled by PGO, who awards all grants for the international locations.

For procurements, invoices are received in Atlanta from vendors or contractors. After payments are made, disbursements are posted into Unified Financial Management System (UFMS). The GAP budget analysts review CDC financial reports to monitor the amount of funds that have been obligated and disbursed.

The **Department of State plays no role** in processing Atlanta Direct funds.

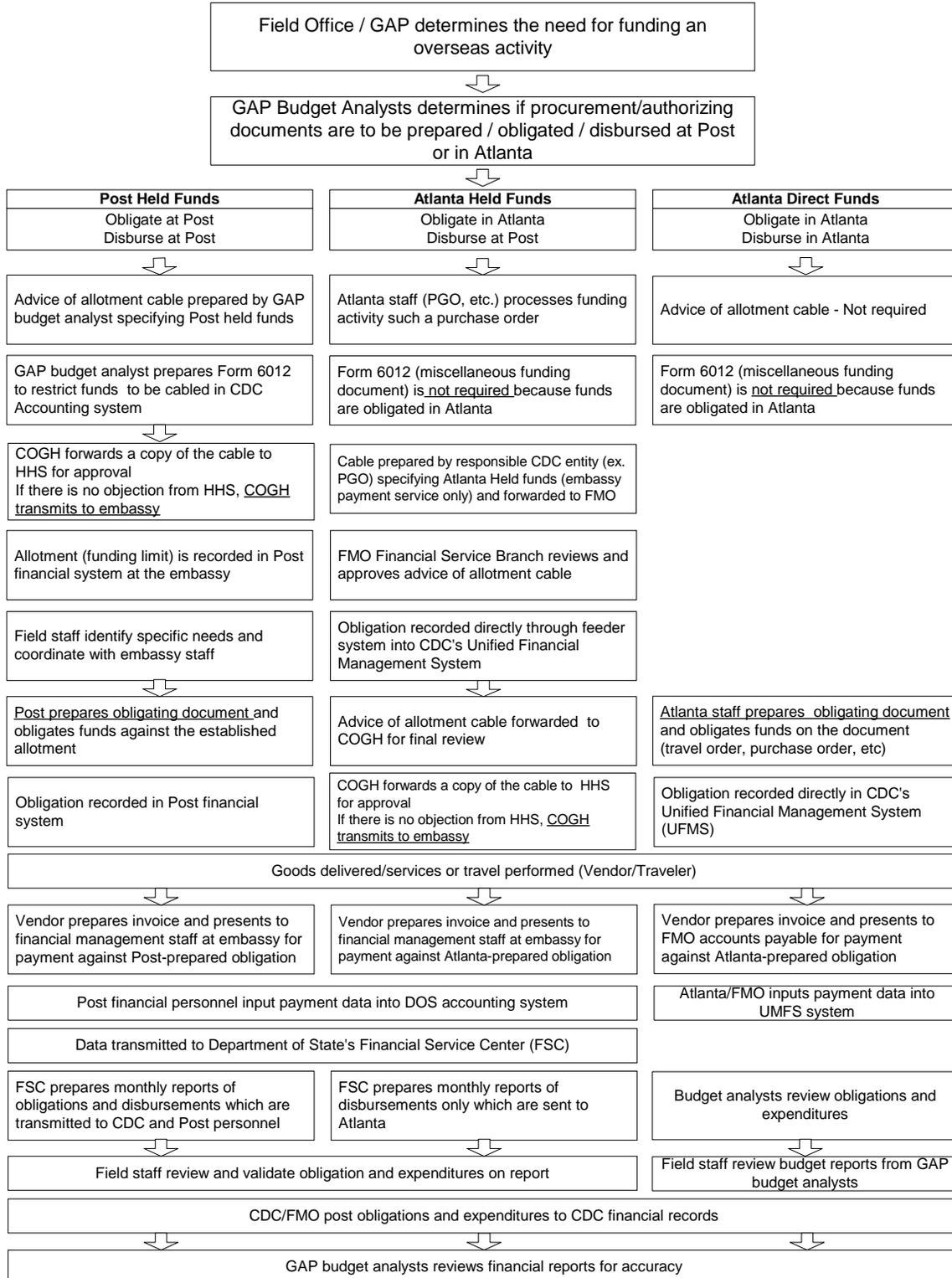
Additional Material – Atlanta Direct Funds

For a summary of the responsibilities associated with the processing of Atlanta Direct funds, refer to Appendix B.

A summary of the Post Held, Atlanta Held and Atlanta Direct process flows is provided in Figure 7 below.



Figure 7: CDC International Financial Transaction Flowchart





Section Summary



Key Points to Remember

- ✓ CDC has three categories of financial transactions to support overseas operations:
 1. Post Held – Obligated at Post; Disbursed at Post
 2. Atlanta Held – Obligated at CDC Atlanta; Disbursed at Post
 3. Atlanta Direct – Obligated at CDC Atlanta; Disbursed by CDC Atlanta
- ✓ Post Held funds are not obligated until an obligating document is created against the allotment created for the advice of allotment cable.
- ✓ Post Held funding cables are usually received the embassy within ten business days.
- ✓ If the field office has not received a Post Held funding cable within two weeks, they should contact their assigned GAP budget analyst to find out the cable's status.
- ✓ Field staff must verify all invoices received for payment by the embassy.
- ✓ The Department of State plays no role in processing Atlanta Direct funds.
- ✓ Field offices should maintain a log of all advice of allotment cables received



Reference Materials

- ✓ CDC Financial Transaction Responsibility Matrix – Post Held, Atlanta Held, and Atlanta Direct (Appendix B)
- ✓ Advice of allotment cable Examples – Post Held and Atlanta Held (Appendix C)
- ✓ Process Flow Chart - Post Held funds (Appendix D)

Analyzing the P60/P62



ANALYZING THE P60/P62



Analyzing the P60/P62

The purpose of this section is to provide guidance on how to review the Status of Funds Report (P60) and/or the Status of Obligations Report (P62). The Department of State produces these reports to account for advice of allotment cables sent from CDC headquarters to the embassy. Advice of allotment cables are used to authorize embassies to incur obligations and make payments on CDC's behalf. Funds cabled from CDC headquarters to the embassy are referred to as Post Held funds. Through an ICASS agreement, Department of State's financial management officers are responsible for obligating and disbursing Post Held funds.

The Department of State creates an allotment equal to the amount of each Post Held funding cable received. The Department of State financial management officers work closely with international field staff to prepare obligating documents and to ultimately make any necessary payments. The Department of State financial management officers enter transactions into the Department of State's financial system of transactions which feeds directly into regional Financial Service Centers (FSC) located in Charleston, SC (USA) and Bangkok, Thailand. The Status of Funds Report (P60) and Status of Obligations Report (P62) are produced in the FSCs. These reports should be reviewed on a timely basis to monitor the transactions recorded against the created allotments. Reports are available by download from the Regional Financial Management System (RFMS) Viewer or by request to embassy financial management officers.

Reviewing the P60 and P62 reports is important throughout the fiscal year and especially at closeout. CDC uses the P60 (Status of Funds) report to review the status of obligations for each cable authorization. Funds cabled over to the embassy and not obligated by the end of the fiscal year, September 30, are sent back to the CDC. These funds may or may not be available next fiscal year.

This guide will provide you with a detailed description of the P60 and P62 reports as well as provide guidelines regarding how to access and review these reports.

This section will include the following information:

- Description of the Status of Funds (P60) and Status of Obligations (P62) Reports
- Availability of Reports
- Using RFMS Viewer to download and access P60 and P62 reports
- Reviewing Status of Funds (P60) and Status of Obligations (P62) Reports
- Common discrepancies identified when reviewing the reports

Description of the Status of Funds (P60) and Status of Obligations (P62) Reports

The Department of State produces two reports to track the status of Post Held funds.

1. Status of Funds Report, also known as the P60.
2. Status of Obligations Report, also known as the P62.

Status of Funds Report (P60)

When the Department of State receives a Post Held funding cable from CDC headquarters, the Department of State financial management officer will create an allotment equal to the amount of the advice of allotment cable. Advice of allotment cables are used to authorize embassies to



incur obligations and make payments on CDC's behalf. Funds cabled from CDC headquarters to Post are referred to as Post Held funds. Through an ICASS agreement, Department of State financial management officers are responsible for obligating and disbursing Post Held funds.

To help track the Post Held funds' obligations and disbursements, the Department of State prepares the **Status of Funds Report**, also known as P60. This report contains:

- Obligations and disbursements by object class code for the defined allotment or appropriation (depending on the criteria selected)
- Monthly, quarterly and year-to-date summary of total funds authorized, total obligations, total disbursements, unobligated balance, and undisbursed obligations by object class codes

Status of Obligations Report (P62)

The **Status of Obligations Report**, also known as the P62, is a report that provides detailed obligation information related to the allotments established for each Post Held funding cable sent from CDC Atlanta to the Department of State. This report contains:

- Date the obligation was recorded
- Description of the obligation given by the field office
- Object class code according to the Department of State
- Obligated amount
- Disbursed amount

Availability of Reports

There are two primary ways to receive the P60 and P62 reports:

1. Department of State financial management officers working in the local embassy can provide these reports to GAP field staff. The reports are available to the field staff upon request.
2. Use RFMS Viewer to download the reports. The reports are made available on a secure website through the Department of State; downloads are updated daily.

The next section describes how to download and access the P60 and P62 reports using RFMS Viewer. If you receive the P60 and P62 reports directly from your Department of State financial management officer, go to "[Reviewing the Status of Funds \(P60\) and Status of Obligations \(P62\) Reports](#)", which provides instructions on how to analyze the P60 and P62 reports.



Using RFMS Viewer to download and access P60 and P62 reports

The Regional Financial Management System (RFMS) is a system that allows the Department of State to process all of its overseas financial activities in a web-enabled environment. All transactions of the overseas offices that take place at the embassy are processed through this system (any transaction processed at CDC for a field office will not be shown in data from RFMS). Access to the data is given through a tool called the RFMS Viewer ('Viewer'). The Viewer is able to produce reports that can give a high-level overview or detailed information for all transactions overseas. The Viewer is currently available to some international field offices and CDC's Financial Services Branch (FSB) within FMO.

Getting Access to the Viewer

The RFMS Viewer is a convenient tool for accessing the most current information on the status of funds and obligations. To get access to the Viewer, field staff should contact their embassy's financial offices; budget analysts should contact CDC's Financial Management Office for the correct forms. These forms are used to create a user name and password.



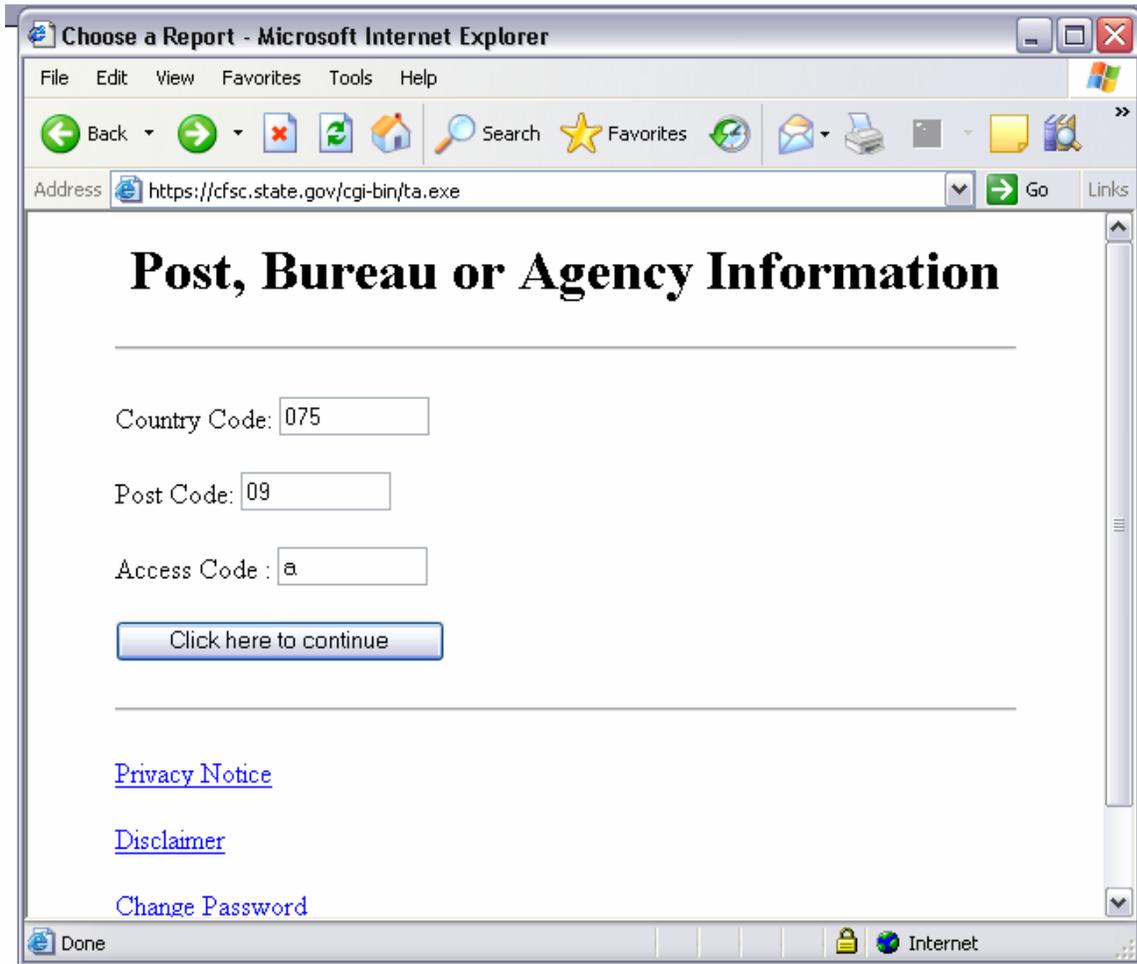
Please see Appendix A – Reference Material for the authorization form to receive access to RFMS Viewer.

After getting access to the Viewer, the software will have to be installed on the user's computer.



Accessing the Data

Once the Viewer is installed on a computer, the data needs to be downloaded from the Department of State's website <https://cfsc.state.gov>.



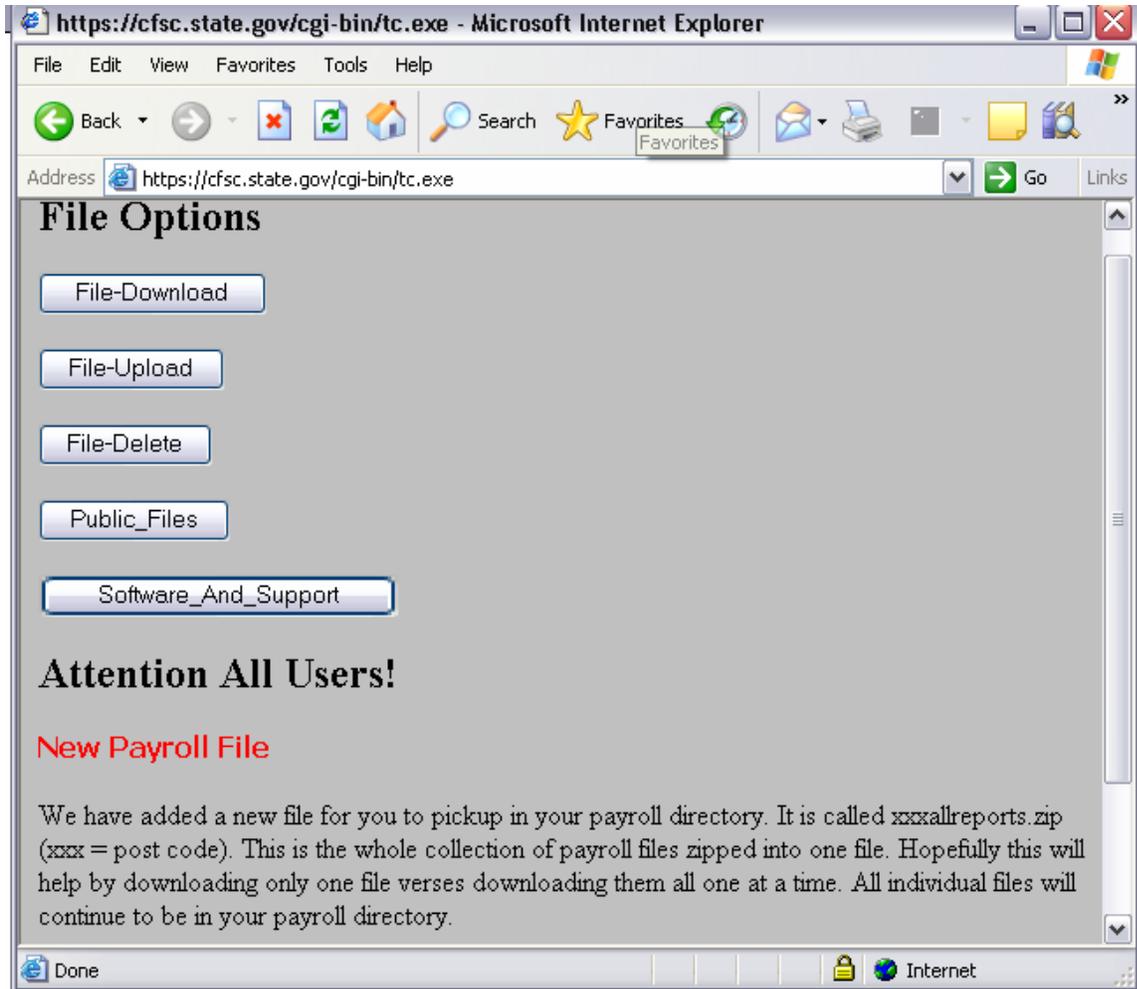
After accepting the user's agreement, you will come to the Post, Bureau or Agency Information page. For the purposes of downloading the Viewer data, the following codes should be used to access CDC's data:

Category	Code	Description
Country Code -	075	Department of Health and Human Services (DHHS)
Post Code* -	09	Centers for Disease Control and Prevention (CDC)
Access Code* -	a	Unknown

*The Post Code and Access Code are dependent upon the user's location and access. These codes will be given to the user once access is granted by the Department of State.



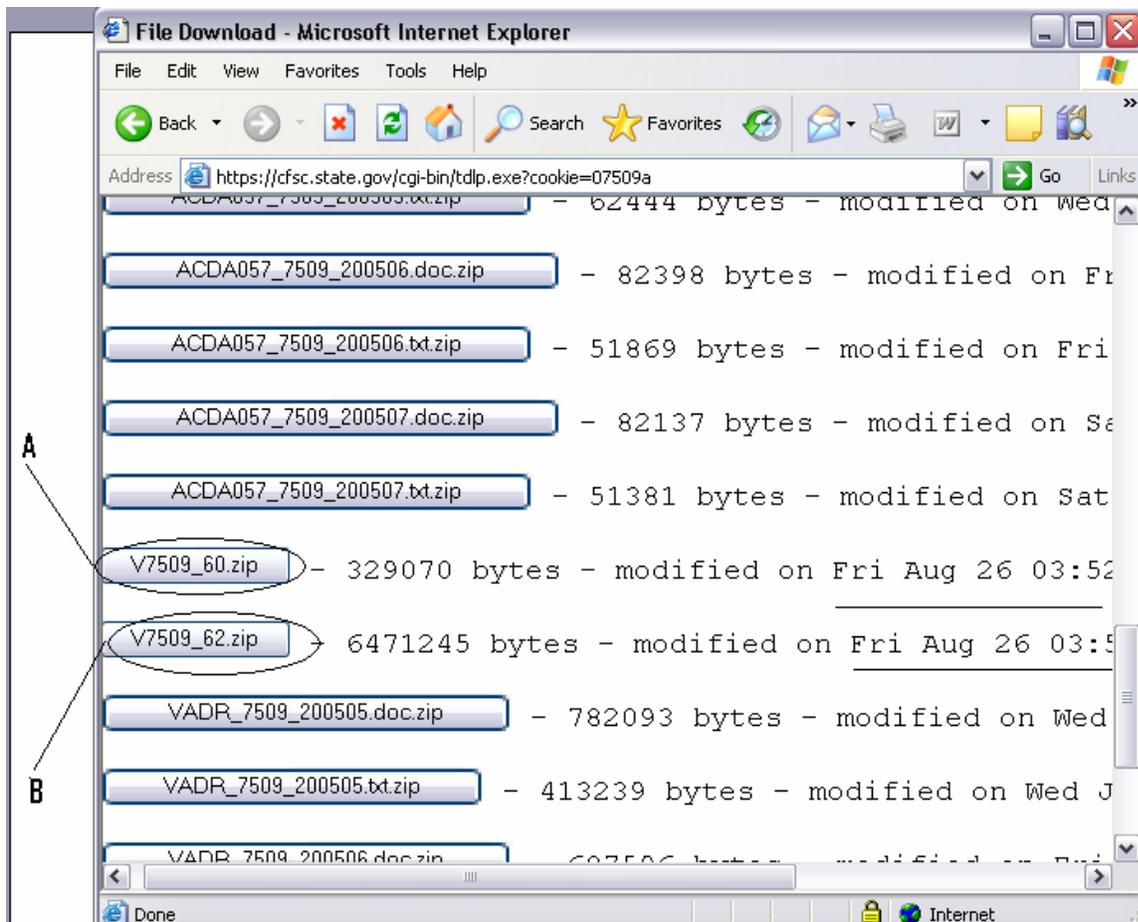
Accessing the data (cont'd)



After entering the Country, Post, and Access agency codes, the “File Options” screen will appear. Click the “File-Download” button to begin the process of downloading the Department of State data for CDC.



Downloading the files



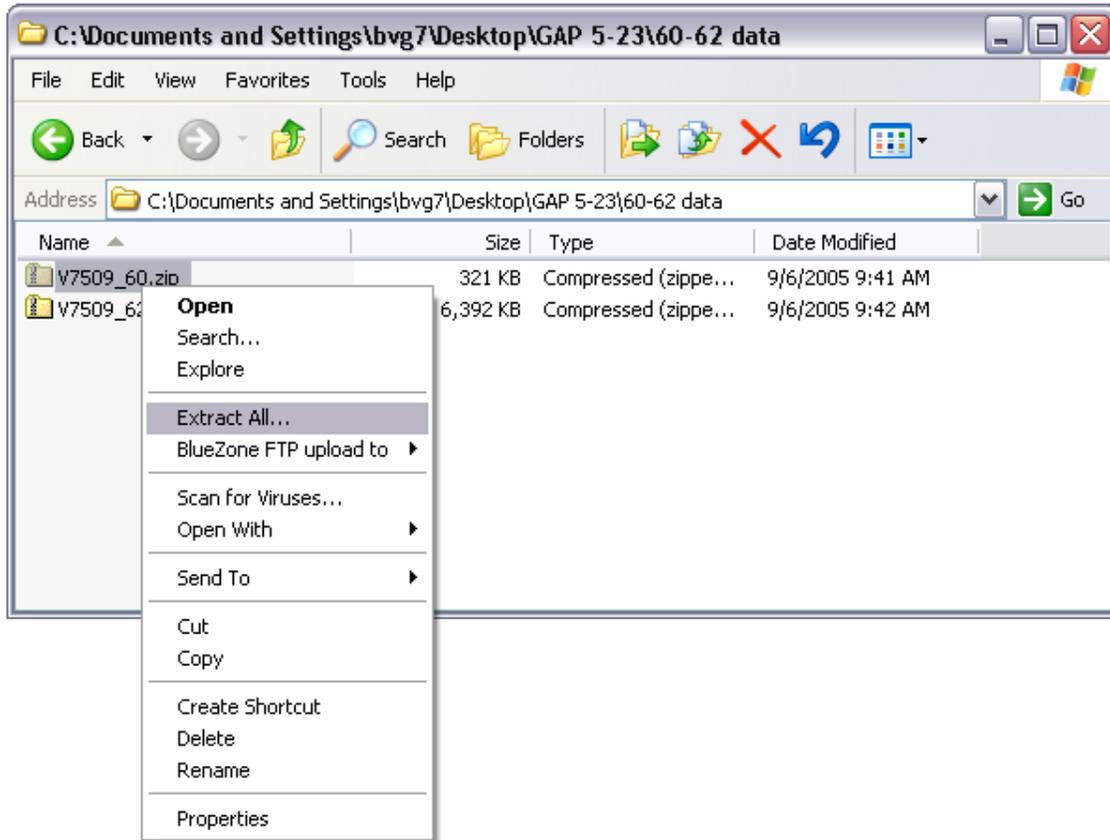
Click both A, the P60 report and B, the P62 report. Next to each button is data defining the file size of each report and date of the last file refresh. Reports are refreshed daily.



Note: Both files must be saved to generate either report. For example, if you only want a P60 report, you must download both the P60 and P62 files.

Downloading the files can be quite time consuming depending on traffic on the site and the speed of the user's connection. Please be prepared to wait a few minutes for the download.

Preparing the Files

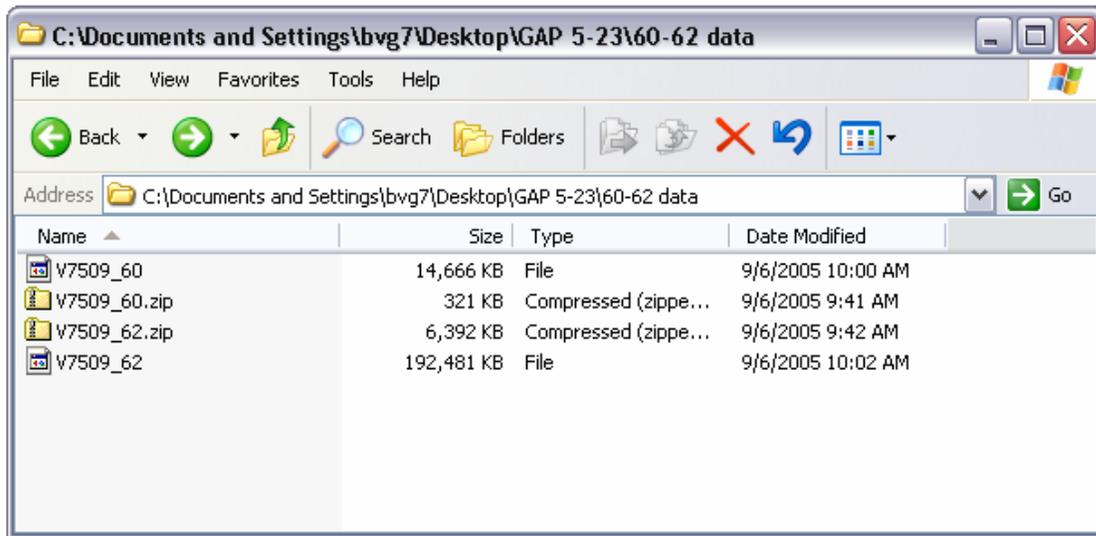


After each file has been saved into a designated folder, the user will need to unzip each new file that was down loaded. To unzip each file, right click on the file to be unzipped (ex. V7509_60.zip). Select the “Extract All” option to unzip the file.



Preparing the Files (Cont.)

Once the files have been unzipped, the folder should have two new icons for the P60 and P62 data.

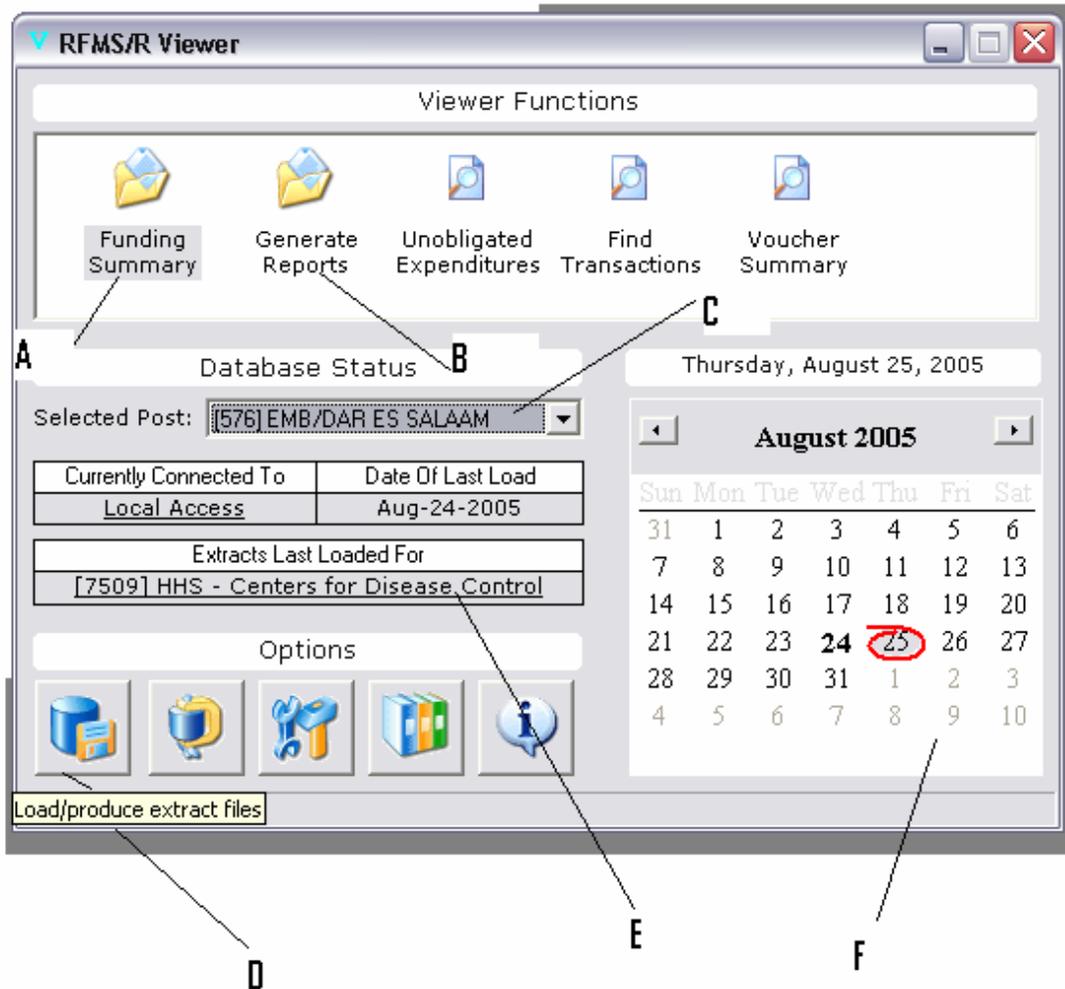


Note: Before saving any new P60 or P62 reports, erase any files in the folder including any previous P60 and P62 downloads. If previous downloads are not erased, the files will not show up in the Viewer.

Both unzipped files must be in the same folder for the Viewer to be able to view them later in the process.

Opening the RFMS Viewer

Now that the downloaded data has been unzipped, the user will need to open the RFMS Viewer software. The Viewer can be accessed using the following path from the Start Menu - “Start > All Programs > RFMS Viewer > RFMS Viewer.”



The Viewer allows a user to manipulate data in many different ways. To generate reports that are helpful to the users, functions to generate those reports have been highlighted.

RFMS Viewer functions include:

- A.) Funding Summary – The Funding Summary button allows for data to be displayed in a spreadsheet format.
- B.) Generate Report – This function allows the user to create the P60 and P62 reports with by the criteria the user selects.
- C.) Selected Post – The user can choose which post they would like to create a report.
- D.) Load/Produce Extract Files – This button is used to download the data saved from the Department of State’s website.

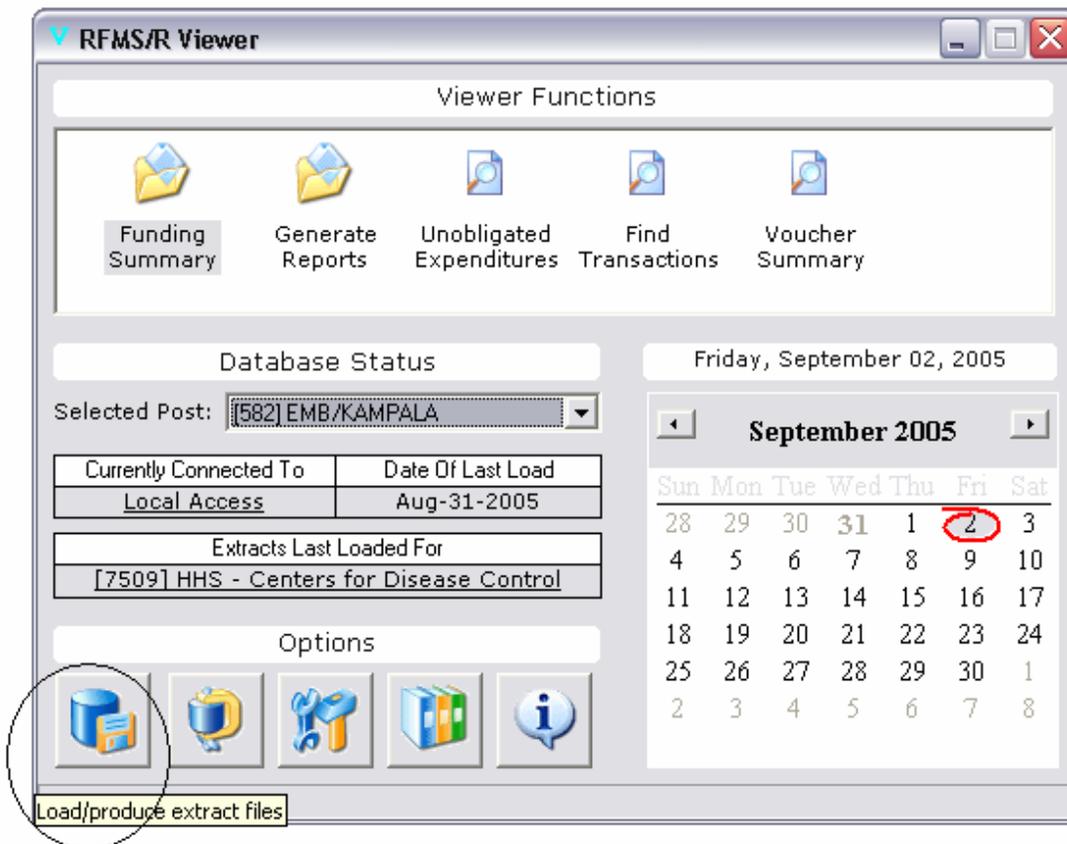


- E.) Extracts Last Loaded Detail – This function lists the last date that data was loaded into the Viewer. This feature allows the user to ensure that the latest data is being used to create reports.
- F.) Calendar – A calendar is displayed to keep the user aware of the most current data.

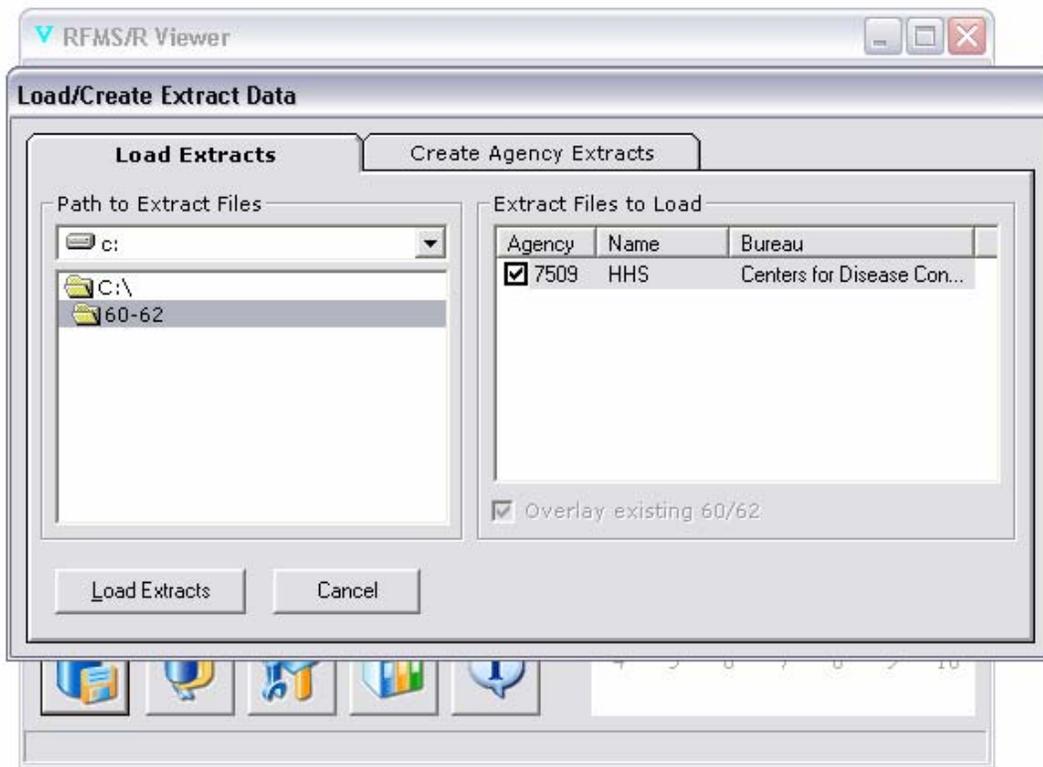


Note: Currently, the icons for Unobligated Expenditures, Find Transactions, and Voucher Summary functions are not used.

Extracting the Data



To generate reports, the files of data must be loaded into the Viewer. To load the data, click on the Load/produce extract files icon.



By clicking on the Load/Extract Data button, the user will come to the Load/Extract Data screen. The user can search for their file in the Path to Extract Files window, and double click on the file. The user should then click the check box for 7509 to extract the files into the Viewer.

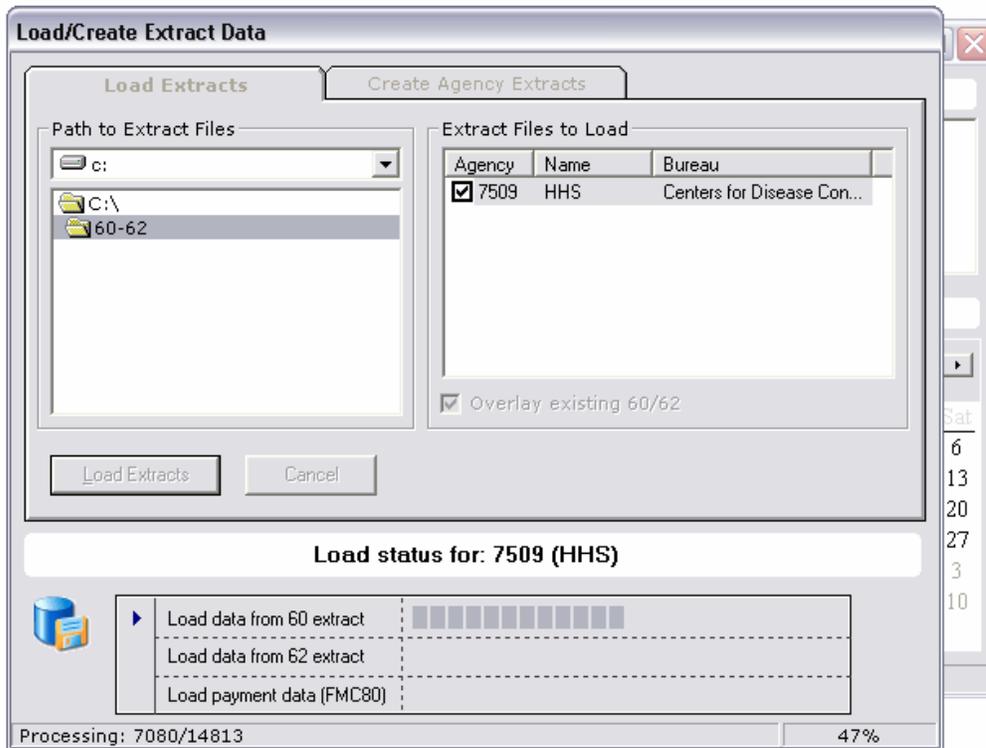


Note: Because the data is cumulative and can be quite large, the user should be prepared to wait a few minutes for all data to be extracted.

If the “Extract Files to Load” field is empty, check to ensure that both P60 and P62 data have been unzipped.



Load/Create Extract Detail (cont'd)



As the files are loading, a processing screen is displayed. This is a time consuming process.



Note: The number of files processed at the bottom left side of the screen should be different each time new files are downloaded from the Department of State's website. If the number of files is not different, you may not be using the most current data. Unless specifically downloading payment data (FMC80), the status will remain 0 for the Load payment data (FMC80) field.



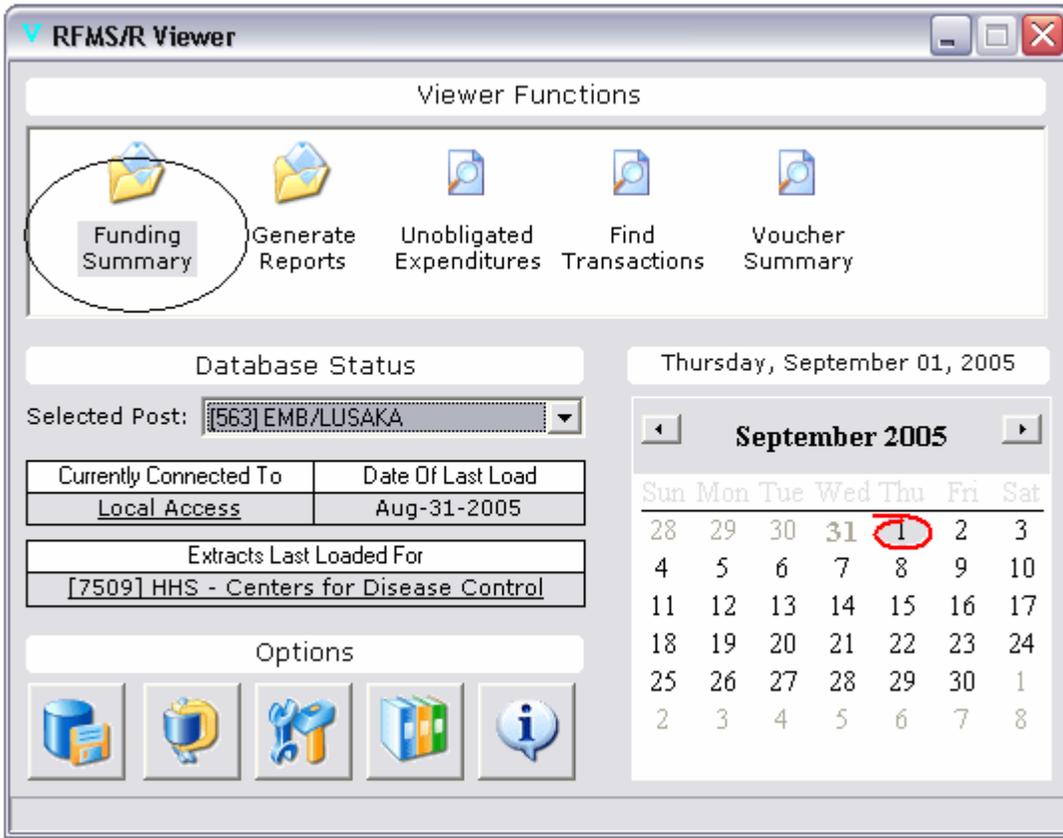
Extract Load Details

The screenshot shows the RFMS/R Viewer application window. At the top, there is a 'Viewer Functions' section with five icons: Funding Summary, Generate Reports, Unobligated Expenditures, Find Transactions, and Voucher Summary. Below this is the 'Database Status' section, which includes a 'Selected Post:' dropdown menu set to '[563] EMB/LUSAKA'. A table shows 'Currently Connected To' as 'Local Access' and 'Date Of Last Load' as 'Aug-31-2005'. Below the table is a section for 'Extracts Last Loaded For' with a circled entry: '[7509] HHS - Centers for Disease Control'. At the bottom of the status section are five 'Options' icons. To the right of the status section is a calendar for 'September 2005', with the date '1' circled in red.

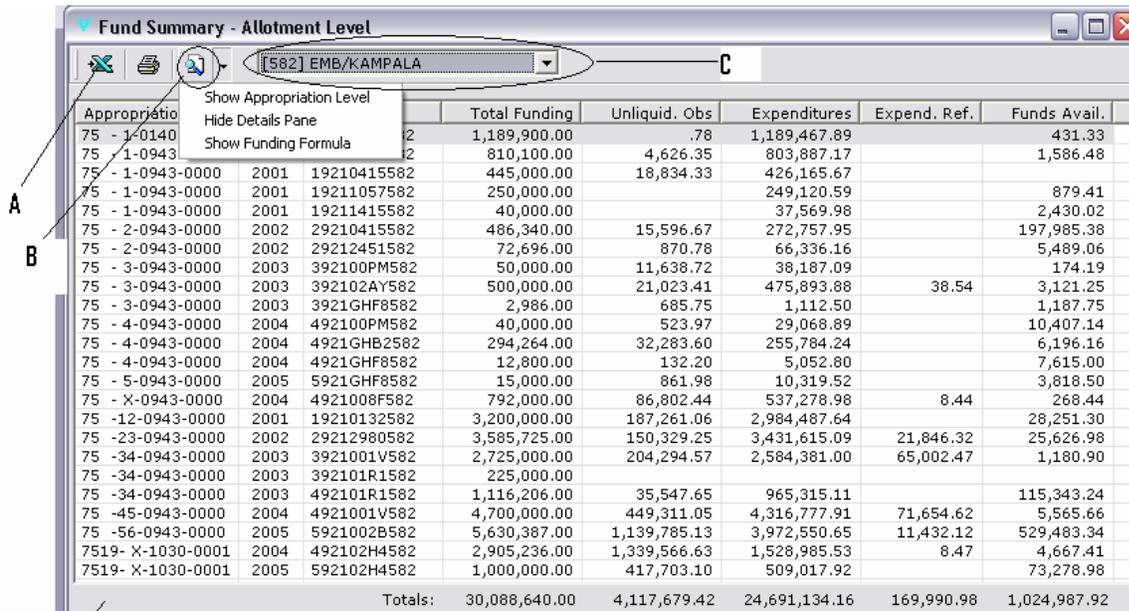
To ensure the user is accessing the most current data, the user can click on the Extract Load Details link.



Funding Summary



To view total funding either by appropriation or allotment, the user can click on the Funding Summary icon.



Appropriation	Total Funding	Unliquid. Obs	Expenditures	Expend. Ref.	Funds Avail.
75 - 1-0140	1,189,900.00	.78	1,189,467.89		431.33
75 - 1-0943	810,100.00	4,626.35	803,887.17		1,586.48
75 - 1-0943-0000	445,000.00	18,834.33	426,165.67		
75 - 1-0943-0000	250,000.00		249,120.59		879.41
75 - 1-0943-0000	40,000.00		37,569.98		2,430.02
75 - 2-0943-0000	486,340.00	15,596.67	272,757.95		197,985.38
75 - 2-0943-0000	72,696.00	870.78	66,336.16		5,489.06
75 - 3-0943-0000	50,000.00	11,638.72	38,187.09		174.19
75 - 3-0943-0000	500,000.00	21,023.41	475,893.88	38.54	3,121.25
75 - 3-0943-0000	2,986.00	685.75	1,112.50		1,187.75
75 - 4-0943-0000	40,000.00	523.97	29,068.89		10,407.14
75 - 4-0943-0000	294,264.00	32,283.60	255,784.24		6,196.16
75 - 4-0943-0000	12,800.00	132.20	5,052.80		7,615.00
75 - 5-0943-0000	15,000.00	861.98	10,319.52		3,818.50
75 - X-0943-0000	792,000.00	86,802.44	537,278.98	8.44	268.44
75 -12-0943-0000	3,200,000.00	187,261.06	2,984,487.64		28,251.30
75 -23-0943-0000	3,585,725.00	150,329.25	3,431,615.09	21,846.32	25,626.98
75 -34-0943-0000	2,725,000.00	204,294.57	2,584,381.00	65,002.47	1,180.90
75 -34-0943-0000	225,000.00				
75 -34-0943-0000	1,116,206.00	35,547.65	965,315.11		115,343.24
75 -45-0943-0000	4,700,000.00	449,311.05	4,316,777.91	71,654.62	5,565.66
75 -56-0943-0000	5,630,387.00	1,139,785.13	3,972,550.65	11,432.12	529,483.34
7519- X-1030-0001	2,905,236.00	1,339,566.63	1,528,985.53	8.47	4,667.41
7519- X-1030-0001	1,900,000.00	417,703.10	509,017.92		73,278.98
Totals:	30,088,640.00	4,117,679.42	24,691,134.16	169,990.98	1,024,987.92

By clicking on the Funding Summary icon, the user will come to this screen. The Fund Summary is a listing of all funds cabled to the field office at either the appropriation or the more detailed allotment level for the selected post at the reported fiscal year. The data is displayed in a spreadsheet format and can easily be formatted into MS Excel by clicking on the MS Excel icon. The user can also display additional information in the details pane or in the funding formula. This function allows the user to get a quick look at the status of funds.

The functions of the Funding Summary include:

- A.) MS Excel formatting button – This button allows for data to be displayed in the MS Excel format allowing for easy sorting and manipulation. MS Excel can also be used to create reports, charts, and graphs.
- B.) Details button – The data can be shown in either allotment or appropriations level, with details, or with the funding formula by using this button.
- C.) Post Selector – The user may choose which Post they would like to display.

The Funding Summary report contains the appropriation, fiscal year, and allotment (if selected). For each line item, the total funding, unliquidated obligation, expenditures, expected refunds, and funds available (or funds not spent) will be given. If a user wants more information for the line item, the user can click on the appropriation.



Drill down of Funding Summary

Appropriation	Year	Allot/Allow	Total Funding	Unliquid. Obs	Expenditures	Expend. Ref.	Funds Avail.
75 - 1-0140-0000	2001	19210132582	1,189,900.00	.78	1,189,467.89		431.33
75 - 1-0943-0000	2001	19210132582	810,100.00	4,626.35	803,887.17		1,586.48
75 - 1-0943-0000	2001	19210415582	445,000.00	18,834.33	426,165.67		79.41
							30.02
							85.38
							39.06
							74.19
							21.25
							37.75
							07.14
							96.16
							15.00
							18.50
							58.44
							51.30
							26.98
							30.90
							43.24
							55.66
75 -56-0943-0000	2005	5921002B582	5,630,387.00	1,139,785.13	3,972,550.65	11,432.12	529,483.34
7519- X-1030-0001	2004	492102H4582	2,905,236.00	1,339,566.63	1,528,985.53	8.47	4,667.41
7519- X-1030-0001	2005	592102H4582	1,000,000.00	417,703.10	509,017.92		73,278.98
Totals:			30,088,640.00	4,117,679.42	24,691,134.16	169,990.98	1,024,987.92

Appropriation	Allotment/Allowance	Fiscal Year	Total Allotment/Allowance
75 - 1-0140-0000	19210132582	2001	\$1,189,900.00

Obligation	Type	Obligated Amt	Expenditures	Unliq. Obs	Reval. Unliq. Obs
7111	01	.78		.78	.78
Totals:					
		.78		.78	.78

Quarterly Funding: Q1=\$1,189,900.00, Q2=\$0.00, Q3=\$0.00, Q4=\$0.00

By clicking on the appropriation, the user is able to gain more detail with in the Funding Summary screen. The data will correspond with the funding summary data of the appropriation, allotment, and fiscal year. It will also give additional detail such as the obligation number. For that obligation, the obligated amount, expenditure, and unliquidated obligation amounts are shown and will match the details from the funding summary page for that line item. These are the individual line items that summarize into that appropriation's allotment's (if selected) data. This data can also be displayed in an MS Excel spreadsheet by clicking on the Excel icon. If a user wants to access more detailed information about an individual obligation, the user can click on the obligation number.



RFMS/R Viewer - Transaction Summary

[582] EMB/KAMPALA

Appropriation	Allotment/Allowance	Fiscal Year	Obligation	Total Allotment/Allowance
75 - 1-0140-0000	19210132582	2001	7111	\$1,189,900.00

▶ All Transactions | Obligations | Expenditures | Exp. Refunds | Collections | Advances | 477's | Auth. T

Function	Object	Project	Voucher	Description	Obligated	Unliq. Obs	Trans Type
	2538			PRIOR YEAR OBLIGATION ADJUSTME	.78	.78	Obligation

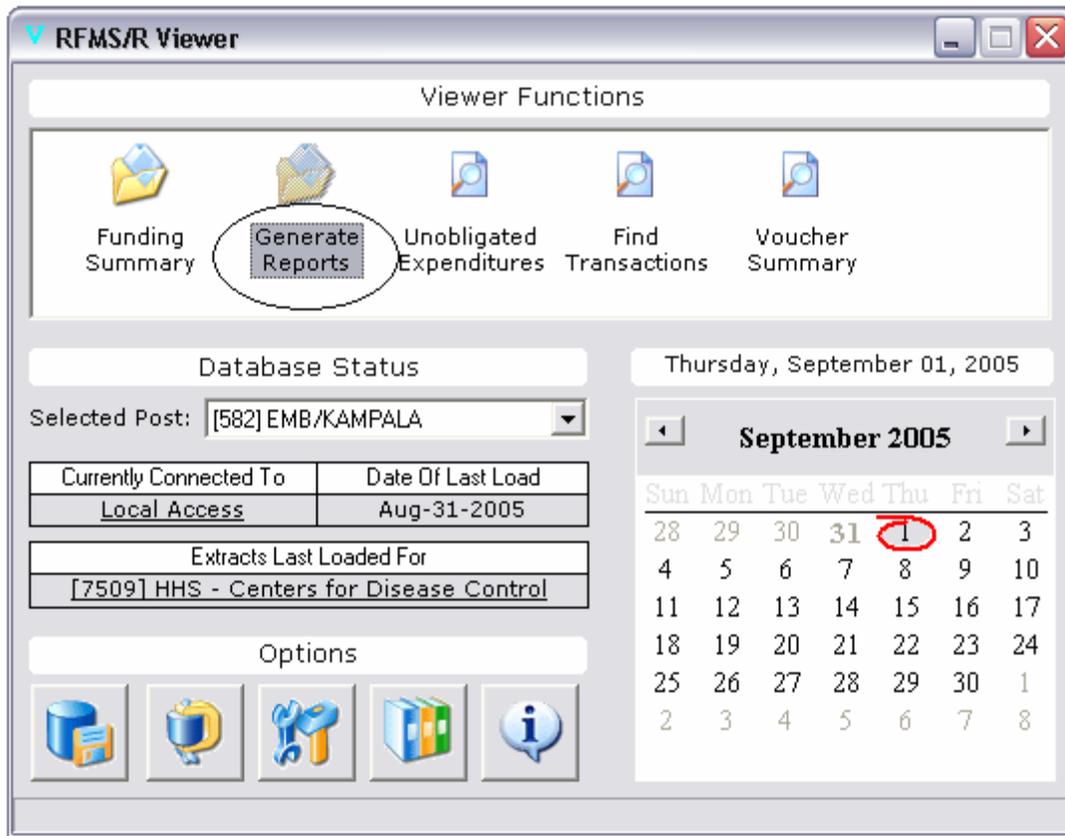
After the individual obligation is clicked on, this screen appears. Once again the data will correspond to the appropriation, allotment, fiscal year, and obligation number. Additionally, the following categories are displayed: the obligation, the object class, voucher, description, obligated amount, unliquidated obligation amount, and transaction type (such as obligation or expenditure). This information can also be formatted into an MS Excel spreadsheet.

To exit this screen and return to the home page: click on the x icon at the top right of the page.

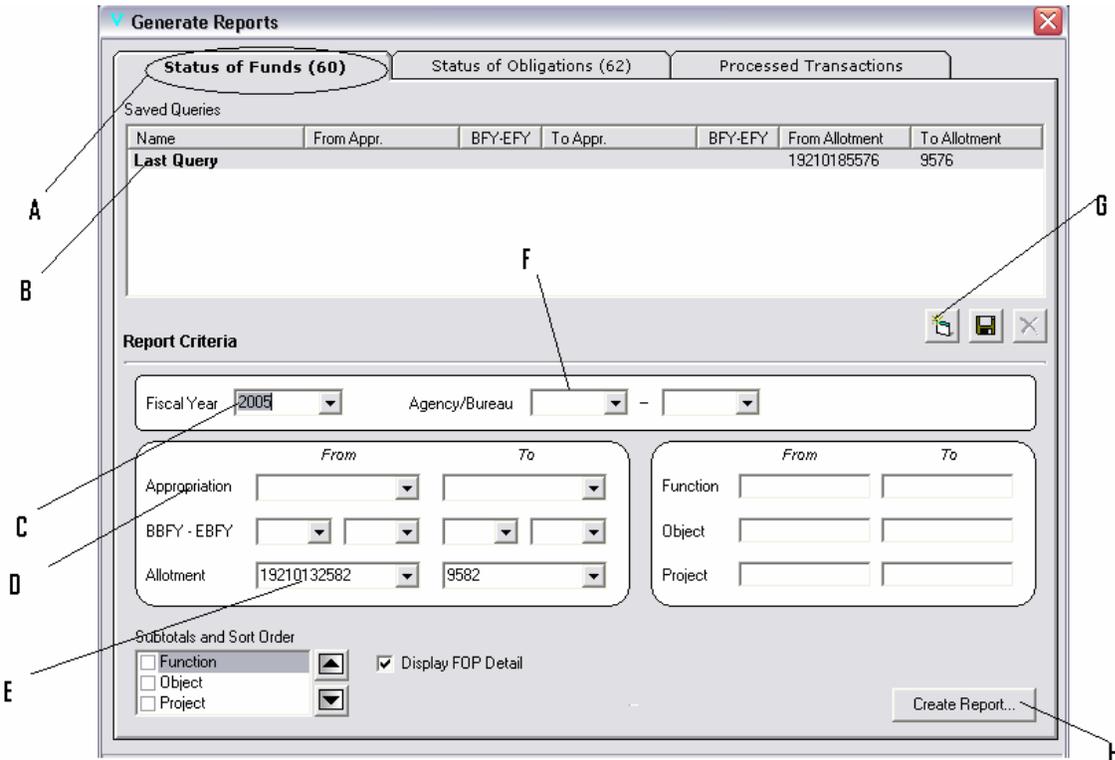


Note: When working with the Department of State financial management officers to create obligations, it is important to be as accurate as possible in providing descriptions for the obligations. This helps when reviewing and reconciling transactions.

Generate Reports



For a user to review the status of funds or status of obligations, reports can be created with specific criteria to fit the user's needs. The user can generate these reports from the Generate Reports screen.



The Generate Reports function allows the user to create the P60 Status of Funds Report and the P62 Status of Obligations report by the parameters the user wishes to define for a report. The parameters include fiscal years, allotments, and appropriations.

The functions of the Generate Reports screen include:

- A.) Report name – Either the Status of Funds (60) or Status of Obligations (62) can be chosen. At this time, Processed Transactions is not used.
- B.) Last Query – The last query created will be displayed in this window with all criteria used to create the query.
- C.) Fiscal Year – The fiscal year for the query can be selected. The user can choose not to select this option and data from all fiscal years available will be displayed.
- D.) Appropriation – This option allows the user to create a report for either a specific appropriation or a range of appropriations.
- E.) Allotment – This option allows for reports to be created for either a specific allotment or a range of allotments.
- F.) Agency/Bureau – This option allows for the user to select the agency or bureau's data to be displayed. At this time, only DHHS (075) data will be displayed.
- G.) New Query – This icon allows the user to clear all settings and create a new report.
- H.) Create Report – The user is able to create a report with all of the chosen parameter fields.



Accessing the Status of Funds (P60) and Status of Obligations (P62) reports

The Department of State produces two reports to track the status of Post Held funds.

1. Status of Funds Report, also known as the P60.
2. Status of Obligations Report, also known as the P62.

Status of Funds Report (P60)

Generate Reports

Status of Funds (60) | Status of Obligations (62) | Processed Transactions

Saved Queries

Name	From Appr.	BFY-EBFY	To Appr.	BFY-EBFY	From Allotment	To Allotment
Last Query					09212325	592102HS563

Report Criteria

Fiscal Year: 2005 | Agency/Bureau: 7509 - 7509

From: Appropriation: 75 -56-0943-0000 | To: 75 -56-0943-0000

From: Allotment: 5921002B582 | To: 9582

Subtotals and Sort Order: Function, Object, Project | Display FOP Detail

Create Report...

To generate the Status of Funds Report (P60), the user can click on the Status of Funds tab. The user is given the option of selecting the parameters for the report. A report may be generated by selecting only the appropriation or the by selecting only the allotment. Other parameters may be selected at the user's discretion.

In the example above, a query was made for fiscal year 2005 for agency 7509, the CDC. The appropriation 75 56-0943-0000 was selected from the drop down box. By selecting this for both the *From* and *To* columns, the user limits the search to the data within only that appropriation. Next, allotment 5921002852 was selected for *To* and 9582 was selected for *From*. This means all allotments in the range of 5921002852 to 9582, in appropriation 75 56-0943-0000, fiscal year 2005 for agency 7509 will be displayed in the report.



Department of State
RFMS/R Viewer Reporting
Status of Funds Report



Allotment Port: 522 Agency/Account: 75 05 Budget FY: 2005 Appropriation: 75 -66-0943-0000 Allotment: 652 1042 E832	Available Budget = \$529,463.34 Total Authority = \$5,630,387.00 Net Authority Xfers = \$0.00 Unliquidated Obs = \$1,139,765.13 Expenditures = \$5,972,550.65 CTD Exp. Refund = \$11,432.12 CTD Collections = \$16,063.61 CTD Advances = \$0.00	Total Authority Q1: \$3,170,387.00 Q2: \$0.00 Q3: \$960,000.00 Q4: \$1,500,000.00
	Net Authority Xfers = \$0.00 Carryover In = \$0.00 Carryover Out = \$0.00 Funds Utdm/Rmd = \$0.00 Actual Recoveries = \$0.00 Recoveries Utdm = \$0.00 From Future Years = \$0.00 For Prior Years = \$0.00	

Function	Object	Project	Total Spending	Unliquidated Obs	Expenditures	Expend. Refunds	Advances
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1100		\$332,689.43	\$2,157.67	\$330,531.76	\$0.00	\$0.00
	1113		\$101,952.44	\$8,543.30	\$93,409.14	\$0.00	\$0.00
	1142		\$1,693,993.23	\$183,596.73	\$1,510,396.50	\$0.00	\$0.00
	1148		\$79,076.64	\$0.00	\$79,076.64	\$0.00	\$0.00
	1200		\$103,686.33	\$1,995.42	\$101,690.91	\$0.00	\$0.00
	1201		\$1,438.82	\$0.00	\$1,438.82	\$0.00	\$0.00
	1246		\$172,464.84	\$18,872.13	\$153,592.71	\$0.00	\$0.00
	21		\$483.40	\$483.40	\$0.00	\$0.00	\$0.00
	21.51		\$1,009.20	\$337.11	\$672.09	\$0.00	\$0.00
	2111		\$105,722.99	\$48,443.30	\$57,279.69	\$0.00	\$0.00
	2123		\$10,411.47	\$2,380.70	\$8,030.77	\$0.00	\$0.00
	2124		\$3,710.00	\$685.77	\$3,024.23	\$0.00	\$0.00
	2142		\$30,123.57	\$10,563.48	\$19,560.09	\$18.81	\$0.00
	2151		\$242.90	\$0.00	\$242.90	\$0.00	\$0.00
	2152		\$108,877.93	\$38,501.98	\$70,375.95	\$0.00	\$0.00
	2156		\$161,733.13	\$94,700.85	\$67,032.28	\$0.00	\$0.00
	2161		\$19,628.19	\$594.72	\$19,033.47	\$0.00	\$0.00
	2171		\$9,170.00	\$275.22	\$8,894.78	\$0.00	\$0.00
	2172		\$4,482.62	\$0.00	\$4,482.62	\$0.00	\$0.00

The Status of Funds (P60) report contains:

- Obligations and disbursements by object class code for the defined allotment or appropriation (depending on what criteria was selected)
- Monthly, quarterly and year-to-date summary of total funds authorized, total obligations, total disbursements, unobligated balance, and undisbursed obligations by object class codes.



Status of Obligations Report (P62)

Name	From Appr.	BFY-EFY	To Appr.	BFY-EFY	From Allotment	To Allotment
Last Query						
s f						

Report Criteria

Fiscal Year: 2005 Agency/Bureau: 7509 - 7509

	From	To
Appropriation	75 -56-0943-0000	75 -56-0943-0000
BBFY - EBFY		
Allotment	5921002B582	9582

	From	To
Obligation		
Function		
Object		
Project		
Property Id		

Subtotals and Sort Order

- Function
- Object
- Project

Create Report...

To generate the Status of Obligations Report (P62), the user should click on the Status of Obligations tab. This brings the user to a screen identical to the Status of Funds (P60) screen. The user is given criteria from which to select to generate the report. In this example, the parameters chosen are identical to the parameters used to generate the previous P60 report. It is important to remember the P60 report gives information in regards to how funds are spent. The P62 report, Status of Obligations, details information from the P60 with descriptions and line item detail for all the amounts.



Note: The function field is used solely by Department of State. Additionally, the project field is not currently utilized.



Department of State
RFMS/R Viewer Reporting
Status of Obligations Report



Allottee Post: 532 Agency/Branch: 75 05 Budget FY: 2005 Appropriation: 75 -56-0943-0000 Allotment: 532 1002 2582	Available Budget = \$529,403.34 Total Authority = \$5,630,387.00 Net Authority Xfers = \$0.00 Unliquidated Obs = \$1,139,785.13 Expenditures = \$3,972,550.65 CTD Exp. Est'd = \$11,432.12 CTD Collections = \$16,063.61 CTD Allotment = \$0.00 Total Authority Q1: \$3,170,387.00 Q2: \$0.00 Q3: \$960,000.00 Q4: \$1,500,000.00
Net Authority Xfers = \$0.00 Carryover In = \$0.00 Carryover Out = \$0.00 Funds Util/Rmd = \$0.00 Actual Recoveries = \$0.00 Recoveries Util'dm = \$0.00 From Future Years = \$0.00 For Prior Years = \$0.00	

Document	Date	Description	Function	Object	Project	Property ID	Obligated	Obligated (USE)	Disbursed	Disbursed (USE)
12	300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	80,001.00	\$47.00
12	300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	90,001.00	\$52.88
12	300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	76,001.00	\$44.65
12	300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	100,001.00	\$58.75
12	300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	80,001.00	\$47.06
12	300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	285,715.00	\$167.87
12	300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	285,715.00	\$168.07
12	300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY				0.00	\$0.00	90,001.00	\$52.94
								Collections	\$0.00	\$639.22
Total Obligation:		\$624750900	Unliquidated Obs: \$0.00					\$0.00		\$0.00

03	582506PCAS	10/19/04	PETTY CASHSERVICES	21			500.00	\$500.00	0.00	\$0.00
03	582506PCAS	4/12/05	PETTY CASHSERVICES	21			500.00	\$500.00	0.00	\$0.00
03	582506PCAS	10/19/04	PETTY CASHSERVICES	2299			250.00	\$250.00	0.00	\$0.00
03	582506PCAS	1/05/05	PETTY CASHSERVICES	2299			200.00	\$200.00	0.00	\$0.00
03	582506PCAS	6/28/05	PETTY CASHSERVICES	2299			500.00	\$500.00	0.00	\$0.00
03	582506PCAS	10/19/04	POSTAGE	233E			100.00	\$100.00	0.00	\$0.00
03	582506PCAS	10/19/04	PETTY CASHSERVICES	233Q			90.00	\$90.00	0.00	\$0.00
03	582506PCAS	10/19/04	PETTY CASHSERVICES	23G3			200.00	\$200.00	0.00	\$0.00
03	582506PCAS	10/19/04	PETTY CASHSERVICES	24			200.00	\$200.00	0.00	\$0.00

The Status of Obligations Report (P62) provides detailed obligation information related to the allotments established for each Post Held funding cable sent from CDC Atlanta to the Department of State. This report contains:

- Date the obligation was recorded
- Description of the obligation given by the field office
- Object class code according to the Department of State
- Obligated amount
- Disbursed amount



Reviewing Status of Funds (P60) and Status of Obligations (P62) Reports

Reviewing the Status of Funds and Status of Obligations Reports is necessary to ensure the financial transactions are accurately recorded.

What to look for when reviewing the P60 report:

**Department of State
RFMS/R Viewer Reporting
Status of Funds Report**

Module Port: SS2	Agency/Year: 75 09	Budget FY: 2005	Appropriation: 75 -06-0945-0000	Allotment: 5921002B582	Available Budget = \$529,483.34	Toal Authority = \$5,630,387.00	Net Authority Xfrm = \$0.00	Unliquidated Obs = \$1,139,785.13	Expenditures + \$3,972,550.65	CTD Exp. Refund \$11,432.12	CTD Collections \$16,063.61	CTD Advances \$0.00	Total Authority
												Q1: \$3,170,387.00	
												Q2: \$0.00	
												Q3: \$960,000.00	
												Q4: \$1,500,000.00	

Function	Object	Project	Total Spending	Unliquidated Obs	Expenditures	Expend. Refunds	Advances
			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	1100		\$332,689.43	\$2,157.67	\$330,531.76	\$0.00	\$0.00
	1113		\$101,952.44	\$8,543.30	\$93,409.14	\$0.00	\$0.00
	31		\$468.83	\$468.83	\$0.00	\$0.00	\$0.00
	3121		\$5,828.57	\$249.38	\$5,579.19	\$0.00	\$0.00
	3123		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	3138		\$10,837.96	\$7,590.01	\$3,247.95	\$0.00	\$0.00
	313Z		\$6,299.47	\$812.19	\$5,487.28	\$0.00	\$0.00
	3141		\$43,902.18	\$42,817.35	\$1,084.83	\$0.00	\$0.00
	3143		\$568.20	\$0.00	\$568.20	\$0.00	\$0.00
	3151		\$3,900.00	\$1,730.90	\$2,169.10	\$0.00	\$0.00
	319A		\$12,209.07	\$833.64	\$11,375.43	\$0.00	\$0.00
	319Z		\$4,128.39	\$30.56	\$4,097.83	\$0.00	\$0.00
	4121		\$695.33	\$0.00	\$695.33	\$0.00	\$0.00
	4400		\$40,899.48	\$26,209.11	\$14,690.37	\$1,966.88	\$0.00
Total Allotment: 5921002B582			\$5,112,335.78	\$1,139,785.13	\$3,972,550.65	\$11,432.12	\$0.00



Note: Depending on the parameters set, a report can be hundreds of pages long.

The Status of Funds P60 report summarizes data such as total spending, unliquidated obligations, and expenditures by object code. The Status of Funds P60 report includes:

- A.) Report Header - This information identifies the appropriation, agency, fiscal year, appropriation and allotment the report details.
- B.) Available Budget – This amount is total funding available to obligate. This amount includes all funds that have been cabled to the office for the designated allotment minus all expenditures and unliquidated obligations plus expected refunds.
- C.) Total Authority – This amount represents all the funds that have been cabled for the entire fiscal year. This amount should be checked with the field office records or cabled records to make sure they agree.
- D.) Unliquidated Obligations – Funds are considered unliquidated when the full amount of an obligation is not fully disbursed or paid.
- E.) Total Allotment – The defined allotment for which the total is shown.



- F.) Total Spending – A total of all funds obligated for the allotment.
- G.) Total Unliquidated Obligation – The total amount of obligations that have yet to be disbursed.
- H.) Expenditures – All disbursements for obligations; the amount paid for any purchase the field office makes.
- I.) Expected Refunds – If, for any reason, a refund of any disbursed dollars is expected, they will be displayed in the expected refund column.



Note: An expected refund is different than an unliquidated obligation. With an expected refund, a vendor is sent a payment. If the vendor sends back a payment, for example an overcharge, the payment back to the field office is an expected refund. If the field office is invoiced for less than the amount obligated, and the lesser amount is paid, the difference, which is still obligated, is an unliquidated obligation.

P60 Quick Review Checklist

- Ensure the allotment has the total cabled amount for the fiscal year. An allotment is created for each advice of allotment cable and should equal the advice of allotment cable amount.
- Review and monitor unobligated balances.
- Keep track of undisbursed amounts (Total Spending – (Unliquidated Obligations+ Expenditures + Expected Refunds)). It is a joint responsibility of the field staff and DOS to monitor the amount of undisbursed amounts and it may be necessary to de-obligate and use the funds for another purpose.

Who Should Review the P60?

The P60 reports contain important information regarding the status of funds overseas. The report summarizes transactions by the field offices. Senior management should review this report to achieve a high level understanding of the status of funds.



What to look for in reviewing the P62

**Department of State
RFMS/R Viewer Reporting
Status of Obligations Report**

Allotment Port: 552 Agency/Element: 75 09 Budget FY: 2005 Appropriation: 75 -56-4043-0000 Allotment: 552 1002 E5822	Available Budget = \$529,483.34	Total Authority + \$5,630,387.00	Net Authority Xfers - \$0.00	Unliquidated Obs. - \$1,139,745.13	Expenditures + \$3,972,550.65	CTD Ep. Refund \$11,432.12	CTD Collections \$16,063.61	CTD Advances \$0.00	Total Authority Ct: \$3,170,387.00 C2: \$0.00 C3: \$960,000.00 C4: \$1,500,000.00						
Net Authority Xfers = \$0.00		Carryover In - \$0.00		Carryover Out - \$0.00		Funds Util/Ret'd + \$0.00		Actual Recoveries - \$0.00		Recoveries Util/Ret'd + \$0.00		From Future Years - \$0.00		For Prior Years \$0.00	

Document	Date	Description	Function	Object	Project	Property ID	Obligated	Obligated (USE)	Disbursed	Disbursed (USE)	
12_300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	80,001.00	\$47.00	
12_300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	90,001.00	\$52.88	
12_300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	76,001.00	\$44.65	
12_300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	100,001.00	\$58.75	
12_300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	80,001.00	\$47.06	
12_300504582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	285,715.00	\$167.87	
12_300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	285,715.00	\$168.07	
12_300503582P0	3/18/05	PAYROLL VOUCHER FOR PAY					0.00	\$0.00	90,001.00	\$52.94	
Total Obligation: 3824790900											
							Unliquidated Obs: \$0.00		\$0.00		\$639.22
							\$0.00		\$0.00		\$0.00

The Status of Obligations P62 report gives detailed information for the queried allotment or appropriation. The data includes line item detail for each document processed by the RFMS Viewer.

The Status of Obligations P62 report includes:

- A.) Report Header – This information identifies the appropriation, agency, fiscal year, appropriation and allotment the report details.
- B.) Available Budget - This amount is total funding available to obligate. This amount includes all funds that have been cabled to the office for the designated allotment minus all expenditures and unliquidated obligations.
- C.) Detail – This section will give the document number, date the document was processed, description, and object code for the transaction. The description is taken from the transaction information given to the Department of State by the field staff. Field staff should review the detail to make sure it is accurate and agrees with their records. Function is a feature used solely by the Department of State.
- D.) Disbursed (USE) – The amount disbursed or paid for this transaction in U.S. currency.
- E.) Unliquidated Obligation- Funds are considered unliquidated when the full amount of an obligation is not fully disbursed or paid.
- F.) Collections – A total of the obligated and disbursed columns.

P62 Quick Review Checklist

- Ensure the allotment has the total cabled amount for the fiscal year. An allotment is created for each advice of allotment cable and should equal the advice of allotment cable amount.
- Review each line item to ensure the amounts and descriptions are accurate.
 - Make sure the charges have been authorized
 - Ensure the amounts reflect the invoiced or obligated amount
- Review unobligated balances and review budget to make sure the funds will be obligated by fiscal year end.



- Keep track of undisbursed amounts (Total Spending – (Unliquidated Obligations+ Expenditures + Expected Refunds)). It is important for the field offices to track this balance and alert the field office manager of any issues.
- Work with the financial management officers to de-obligate and re-obligate before fiscal year end.

Who Should Review the P62?

P62 reports contain important information regarding the status of obligations overseas. The reports detail all transactions made with funds from CDC's advice of allotment cables. The following persons should review the reports:

- Senior management in the field should carefully review all charges on the P62 to ensure all charges are authorized by the field office. Details behind unliquidated balances and expected refunds should be utilized.
- Budget analysts should review the reports to make sure the allotments match funds that have been cabled over to the field office.

Common discrepancies found on the Status of Funds and Status of Obligations Reports

When reviewing the P60 and P62 reports, watch out for these common errors.

Incorrect CAN Numbers

There are several ways an incorrect CAN number can be used to obligate funds. The error can occur during the generation of the advice of allotment cable (i.e. wrong CAN input on the advice of allotment cable) or when the obligation is recorded.

The Global AIDS Program is required to manage multiple appropriations. For each country, a CAN is created for each appropriation applicable to that country. Due to the various CANs a country may be assigned, it is possible that transactions are recorded to the incorrect CAN, and thus, the incorrect appropriation.

For example, the Financial Service Branch discovered that a Department of State report and CDC's UFMS report had different CAN numbers for the same transaction. It turned out that the CAN used to commit funds by using a Form 6012 (Miscellaneous Obligating Document) was not the same CAN that was used for the advice of allotment cable. The CAN number used to create the Form 6012 should be the same as the CAN used on the advice of allotment cable.

Errors in usage of CAN Numbers for Payroll

Department of State's financial management officers provide support to several agencies operating overseas. In some countries, they provide support to other CDC divisions, other than the Global AIDS Program. Contractors and Locally Employed Staff (LES) for each CDC division should be paid from the CAN associated with that division, but sometimes errors occur.

For example, GAP and the National Immunization Program (NIP) might have separate operations in the same country. LES working for GAP should be paid out of GAP's Post Held funds and NIP's LES should be paid using NIP's Post Held funds. There have been occasions where all CDC personnel were paid out of the GAP CAN. If this occurs, embassy personnel should make correcting adjustments to properly reflect the payroll charges.



It is important that international field staff check the P62 for any large disbursements of payroll that might include payments for contractors or LES not associated with GAP. Additionally, the embassy staff should have payroll reports available to review.

Common Obligation Concerns

Expenditures should be paid where the obligation is made. In some instances such as furniture and shipping, obligations are created at post but are invoiced in Atlanta. Users should review their reports to ensure that all obligations are paid at Post. If there is a discrepancy, the field staff should contact their assigned budget analyst.

Furniture Charges

Problems may arise when field staff orders items, such as furniture, through the Department of State. The process for ordering furniture through the Department of State is as follows:

1. Field staff decides they need furniture and place an order through the embassy General Service Officer (GSO).
2. The GSO obligates the funds to purchase the furniture with Post Held funds.
3. GSO places the furniture order to the vendor in the U.S.
4. The U.S. furniture vendor sends an invoice to a Department of State office (Working Capital Fund, a revolving fund that finances some aspects of the Department of State's overseas mission) in Washington, D.C.
5. The Department of State sends an invoice to CDC Atlanta, even though the embassy created the obligation using Post Held funds. CDC Atlanta receives the invoice through the Intra-governmental Payment and Collection (IPAC) system, a standardized interagency fund transfer mechanism for facilitating invoices and payments between federal agencies. CDC Atlanta pays the IPAC invoice.
6. The furniture arrives at post and is given to the international field staff.

The accounting records of CDC and Department of State's Working Capital Fund will agree; however, the P60 and P62 embassy reports will still show the furniture charges as being obligated, but not disbursed. **Field staff should review the P62 report to ensure that the embassy personnel disburse the furniture charges. Otherwise, the obligation will never be shown as disbursed according to the embassy's records.**

Once a discrepancy is found, the field staff should notify the DOS financial management staff. If further assistance is needed, field staff should contact their respective budget analyst. Please note these funds should not be deobligated because the original obligation was made at the embassy.

Shipping Charges

This issue is similar to those experienced in furniture purchase charges. While shipping charges are much smaller than furniture purchases, the shipping charges occur more frequently. The shipping invoices for products purchased in the U.S. are often sent directly to the Department of State in Washington, DC. The Department of State, in turn, bills CDC through IPAC and CDC pays the IPAC bill and records the disbursement.



However, the Department of State's Working Capital Fund does not inform the embassy of the shipping charges, so the embassy would not record the disbursement. This means that the P60 and P62 will not reflect the disbursement of the shipping charges.

Resolving discrepancies found on the Status of Funds and Status of Obligations Reports

Field staff should first contact the embassy staff to resolve any discrepancies such as unauthorized charges. If the problem is not resolved or there are additional issues, the field staff should contact their GAP budget analyst.

Section Summary



Key Points to Remember

- ✓ Upon receipt of a Post Held funding cable, the embassy's financial management officer will create an allotment equal to the amount of the advice of allotment cable.
- ✓ **Status of Funds Report**, also known as P60, contains:
 - Obligations and disbursements by object class code for the defined allotment or appropriation (depending on what criteria was selected)
 - Monthly, quarterly and year-to-date summary of total funds authorized, total obligations, total disbursements, unobligated balance, and undisbursed obligations by object codes.
- ✓ **Status of Obligations Report**, also known as the P62, is a report that provides detailed obligation information related to the allotments established for each Post Held funding cable sent from CDC Atlanta to the Department of State.
- ✓ The Regional Financial Management System (RFMS) is a system that allows the Department of State to process all of its overseas financial activities in a web-enabled environment.
- ✓ When supplying obligation data to embassy staff, it is important to be as accurate as possible in providing descriptions of obligations. Vague descriptions can make it difficult to analyze the obligations in the P62 reports.
- ✓ Review P60 and P62 reports on a monthly basis and pay particular attention to unobligated and unliquidated balances



Reference Materials

- ✓ RFMS Authorization Form – Appendix A

Travel



TRAVEL



Travel

The purpose of this section is to provide a basic understanding of how the temporary duty travel process should function at each field office. Because the travel process varies from country to country, the guidance provided in this section should be used to establish specific travel procedures for your field office in consultation with the local embassy. Establishing and adhering to the proper internal controls helps provide reasonable assurance that travel is being conducted in the most prudent and economical manner.

The following topics will be discussed in this section:

- Delegation of Travel Approval Authority
- Travel Approval and Voucher
- Invitational Travel
- Reimbursable Travel
- Monitoring Open Travel Orders and Vouchers

Delegation of Travel Approval Authority

The CDC's Management Analysis and Services Office defines a delegation of authority as follows:

A delegation of authority is the formal assignment or commitment of legal power, usually to a subordinate official, to make certain decisions and to take certain actions and/or perform certain transactions that have legal significance, i.e. are governed by provisions of law, e.g., Administrative Procedures Act, Federal Managers Financial Integrity Act (FMFIA), Ethics in Government Act, etc.

It may involve program authority, administrative authority, or both. It generally includes the authority to sign a legal document approving the taking of actions by others. It not only empowers the official to whom authority is delegated, but also establishes the conditions and qualifications that govern the exercise of the authority. It is a primary means by which the agency maintains the system of internal accounting and administrative controls required by the FMFIA.

Under certain circumstances, travel approval authority may be delegated to CDC employees to approve travel for civilian employees. A sample delegation of travel approval authority is provided below.



Example of Travel Approval Authority

The authority to approve the following types of travel, as defined by 22 U.S.C. 4081, the Department of State Standardized Regulations (DSSR), and the Federal Travel Regulations, for CDC/ATSDR civilian employees (and the eligible family members of these employees) assigned outside the Continental U.S., and non-employees traveling on behalf of CDC/ATSDR (invitational travelers) using post-held funds:

1. Emergency Visitation
2. Evacuation
3. Invitational Travel (Non-Government employees and consultants serving for \$1 a year or less)
4. Medevac – to USA or overseas (subject to approval of the Department of State Office of Medical Services or Regional Medical Officer)
5. Rest and Recuperation
6. Temporary Duty
7. Travel of Children of Separated Families

Restrictions, Exceptions or Special Provisions

1. Authorities are to be administered using Post Held funds only
2. Employees of the PHS Commission Corps are not covered under this authority
3. The travel approval authority may not be re-delegated

Receiving the Delegation of Travel Approval Authority

If interested in receiving a delegation of travel approval authority, contact your Country Support Program Officer. Specific procedures on establishing and maintaining a delegation of travel authority have yet to be defined. Here are the general procedures:

1. Employee contacts representative Country Support Program Officer about receiving a delegation of travel authority.
2. If qualified, employee must complete training requirements as determined by the Coordinating Office for Global Health (COGH).
3. Upon successful completion of the required training, employee sends a delegation of travel authority request to the GAP OD for review and approval.
4. Upon review and approval of the request, GAP OD submits the request to COGH.
5. COGH processes the request and sends the delegation of travel approval authority cable to the Department of State, indicating the employee who has been delegated travel approval authority.

Travel Approval and Voucher Process

The travel approval and voucher process varies from country to country and each field office should work with its respective embassy to develop specific travel procedures. The purpose of this section is to provide general guidance on procedures and internal controls that are recommended to be established by each field office. Good business judgment should be exercised to ensure travel is necessary to implement the program and is the most cost



advantageous to the government taking into consideration ticket cost, per diem, and any other factors.

Creating a travel request

Each field office should work with its embassy to develop specific travel request procedures.

Some general guidelines to follow include:

- Travelers should indicate the travel location, travel dates and a detailed description of the reason for travel
- Travel request should be submitted within a reasonable amount of time prior to the travel departure date. In the US, the suggested timeframe to submit a travel request is 45 days prior to the departure date
- Traveler should receive verbal approval from his or her supervisor
- Travel request should include the appropriate CAN and object class code

Travelers should be aware of any additional requirements (visas, immunizations, etc.) that may be required to travel to a particular destination. Travelers should address any of these requirements with the embassy.

Approving a travel request

Each field office should work with its embassy to develop specific travel approval procedures.

Some general guidelines to follow when approving travel include:

- Travel must be necessary and support the program's mission
- The most cost-effective means of travel should be used
- An approving official should not approve his or her own travel. Each field office should have processes in place to prevent this from happening
- Chief of Party travel requests must be sent to GAP headquarters in Atlanta for approval
- Funds should be committed once the approving official approves the travel request



Good practice: Each field office should maintain a copy of all travel orders approved by the embassy. Adhering to this practice will allow each field office the ability to retrieve travel documents quickly and to better monitor open travel orders.

Preparing a travel voucher

A travel reimbursement voucher is a written request, supported by documentation and receipts where applicable, for reimbursement of expenses incurred in the performance of official travel. Any items in the travel reimbursement voucher that differ from what was initially approved on the travel order must be accompanied by a justification.

Each field office should work with its embassy to develop specific travel voucher processing procedures.



As a general rule, travel reimbursement vouchers should be submitted in accordance with the dates set in the Department of State Regulations in the Foreign Affairs Manual (Section 4 FAH-3 H-465). Currently, the Foreign Affairs Manual states:

A voucher/claim (expense report) for reimbursement of expenses must be submitted within:

- 1. Five workdays after completion of authorized temporary duty (TDY)*
- 2. Seven workdays after arriving for duty on post assignment or permanent change-of-station (PCS) travel; and,*
- 3. Seven workdays after each 30 calendar days of extended travel, including long-term training in conjunction with PCS.*

Documentation of expenses

Receipts and documentation included in the travel reimbursement voucher must be in accordance with the Federal Travel Regulations (FTR). Below are items to include in the travel reimbursement voucher as stated in Section 301-52.2 of the FTR:

- 1. An itemized list of expenses and other information (specified in the listing of required standard data elements contained in Appendix C of this chapter, and any additional information your agency may specifically require), except:
 - a. You may aggregate expenses for local telephone calls, local metropolitan transportation fares, and parking meter fees, except any individual expenses costing over \$75 must be listed separately;*
 - b. When you are authorized lodgings-plus per diem, you must state the M&IE allowance on a daily basis;*
 - c. When you are authorized a reduced per diem, you must state the reduced rate your agency authorizes on a daily basis; and*
 - d. When your agency limits M&IE reimbursement to the prescribed maximum M&IE for the locality concerned, you must state the reduced rate on a daily basis.*
 - e. Your agency may or may not require itemization of M&IE when reimbursement is limited to either the maximum M&IE locality rate or a reduced M&IE rate is authorized.**
- 2. The type of leave and the number of hours of leave for each day;*
- 3. The date of arrival and departure from the TDY station and any non-duty points visited when you travel by an indirect route other than a stopover to change planes or embark/disembark passengers;*
- 4. A signed statement, "I hereby assign to the United States any rights I may have against other parties in connection with any reimbursable carrier transportation charges described herein," when you use cash to pay for common carrier transportation.*



Note: Each field office may require items to be included with the travel reimbursement voucher in addition to the requirements stated in the Federal Travel Regulations.



Approving Travel Vouchers

Each field office should work with its embassy to develop specific travel voucher approval procedures.

Some general guidelines to follow when approving travel vouchers include:

- Travel voucher expenses should be compliant with the allowable expenses in the Federal Travel Regulations
- The travel performed must be in accordance with the travel that was approved
- **An approving official should not approve his or her own travel expenses. Each field office should have rules in place to prevent this from happening**



Good practice: Each field office should maintain records of all approved travel reimbursement vouchers to ensure the Department of State disburses the appropriate amount of funds.

Invitational Travel

The purpose of this section is to define invitational travel and provide guidance on how to use invitational travel.

Definition

Invitational travel is:

Authorized travel of individuals either not employed or employed (under 5 U.S.C. 5703) intermittently in the Government service as consultants and paid on a daily when-actually-employed basis and for individuals serving without pay or at \$1 a year when they are acting in a capacity that is directly related to, or in connection with, official activities of the Government. Travel allowances authorized for such persons are the same as those normally authorized for employees in connection with TDY.

DHHS Travel Policy states:

DHHS program directors occasionally solicit participation in conferences, meetings, and consultations by persons who are not ordinarily involved in the Department's activities. The participation of such persons is secured by invitational travel orders only. A letter that describes the purpose, place, and time of the activity; the travel arrangements to be made by the participant and the provisions for reimbursement of travel expenses; and a request for the participant's written acceptance may be included with the travel order.



Note: The Department of State, unlike CDC, uses travel grants instead of invitational travel to assist partners with travel to conferences, meetings and other activities.



When is invitational travel appropriate?

Each field office should exercise its best judgment in using invitational travel.

General guidelines on when invitational travel is appropriate include:

- When performing functions for or with the government on a limited basis
- When serving as lecturers or participants at a conference or a meeting where the respective traveler's expertise will enhance the conference or meeting

General guidelines on when invitational travel is **not** appropriate include:

- When the work in question can be performed by an FTE
- When the type of travel is covered under an existing grant or cooperative agreement
- When used to solely implement a program

What are the entitlements of the individual on invitational travel?

DHHS Travel Policy states:

Invited travelers will be reimbursed for travel expenses in the same manner and at the same rates as regular consultants. Travel orders will state the types of expenses to be reimbursed and the limits of reimbursement.

How are the invitational traveler's expenses paid for?

DHHS Travel Policy states:

Invited travelers may submit their claims for reimbursement of travel expenses upon completion of their activities and before departing for their points of origin. The finance staffs of the inviting agencies will provide assistance in preparing travel vouchers and will review all claims to make certain that items directly connected with the purpose of the trip have been excluded.

Reimbursable Travel

Reimbursable travel is when a private organization offers to reimburse CDC for all or a portion of an employee's travel expenses. CDC employees may be invited to travel by a nonfederal entity such as a public company or professional organization who offers to pay all or a portion of the travel expenses using nonfederal funds. This type of travel is commonly referred to as sponsored 348 travel, as indicated by the DHHS 348 form required for reimbursable, in kind, or in cash travel.

Rules to consider when accepting reimbursable travel:

- Travelers may accept only those expenses that would otherwise be covered by government travel regulations.
- Generally, expenses may not be accepted which exceed the maximum rates prescribed in the FTR. However, an approving official may allow a traveler to exceed the normal expense allowances if all additional expenses are paid by the sponsor and are comparable in value to that offered or purchased by other meeting attendees.



- Travelers cannot take annual leave in conjunction with trips that are sponsored, in whole or in part, by non federal sources.
- A travel order originally created as 348 travel can be amended (i.e., from “in kind” to “reimbursable”) before the travel voucher is processed.
- The acceptance of travel expenses must not create an actual or apparent conflict of interest.
- Under certain circumstances, travelers may accept first-class or business-class air accommodations, as long as the cost is paid fully by the non-federal source, other travelers attending the meeting or similar function travel in the same class, and these standards are included in the Letter of Invitation.

Field staff requested to travel on a reimbursable travel order should seek guidance from their respective Country Support Program Officer.

Monitoring Open Travel Orders and Vouchers

Monitoring travel orders that have been open for a significant amount of time is a good practice to follow. The embassy will create an obligation when the travel order is approved, but may not review open travel orders to ensure the respective trip was taken. If the trip was never taken and the traveler does not intend to take the trip, the funds can be deobligated and used to fulfill other programmatic needs. Open travel vouchers should be reviewed to ensure the traveler gets reimbursed on a timely basis.

Reasons a travel order may be open:

- A travel order was never cancelled for a trip that was not taken
- A travel voucher was never submitted for a completed trip

Reasons a travel voucher may be open:

- Partial travel vouchers
- Unresolved main ticket
- Unresolved extra ticket
- Reclaim vouchers
- Obligation problem
- Unresolved voucher check payment
- Outstanding advance
- Unresolved payment

Working with the Embassy to resolve open travel orders and vouchers

CDC cannot close open travel orders, embassy personnel must do this. In order to facilitate this process, field staff should follow up with the Department of State Financial Management Officer on a regular basis. To ensure accurate records of deobligating funds or processing travel voucher payments, field offices should keep record of any updates or changes based on the resolution of any open travel orders or vouchers.



Possible solutions for closing out open travel orders:

- If the respective trip was taken, a voucher will need to be submitted for approval
- If the respective trip was not taken and is not expected to be taken, the trip will need to be cancelled in the system in order for the funds to be deobligated

Section Summary



Key Points to Remember

- ✓ Under certain circumstances, travel approval authority may be delegated to CDC employees to approve travel for civilian employees.
- ✓ Good business judgment should be exercised to ensure travel is necessary to implement the program and is the most cost advantageous to the government taking into consideration ticket cost, per diem, and any other factors.
- ✓ For creating travel requests, each field office should work with its embassy to develop specific travel request procedures.
- ✓ An approving official should not approve his or her own travel.
- ✓ Each field office should maintain a copy of all travel orders approved by the Embassy.
- ✓ Each field office should maintain records of all approved travel reimbursement vouchers to ensure the Department of State disburses the appropriate amount of funds.
- ✓ General guidelines on when invitational travel is appropriate include:
 - When performing functions for or with the government on a limited basis
 - When serving as lecturers or participants at a conference or a meeting where the respective traveler's expertise will enhance the conference or meeting
- ✓ Reimbursable travel is when a private organization offers to reimburse CDC for all or a portion of an employee's travel expenses.
- ✓ Open travel vouchers should be reviewed to ensure the traveler gets reimbursed on a timely basis and travel not taken is de-obligated.
- ✓ To ensure accurate records of de-obligating funds or processing travel voucher payments, field offices should keep record of any updates or changes based on the resolution of any open travel orders or vouchers.



Reference Materials

- ✓ Department of Health and Human Services Travel Regulations - Appendix A
- ✓ HHS Reimbursable Travel Form 348

Safeguarding Assets



SAFEGUARDING ASSETS



Safeguarding Assets

The purpose of this section is to provide general guidance for asset management of property maintained in a field office. Proper controls in asset management reduce the possibility of theft and property misuse, and increase the accuracy of inventory records.

The following areas will be discussed in this section:

- Imprest Funds/Petty Cash
- Accountable Property
- Vehicles

Imprest Funds/Petty Cash

Imprest funds are fixed cash or petty cash funds advanced to a cashier for cash disbursements or other cash requirement purposes as specifically authorized. The funds are charged against a government appropriation account by a federal government agency official and advanced to a duly authorized cashier. This fund may be of a revolving type, replenished to the level of a fixed amount as spent or used, or of a stationary value such as a change-making fund. An imprest fund is a method of payment, not an authorization for payment.

At any given time, an imprest fund may consist of cash, uncashed government checks, and other documents such as unpaid reimbursement vouchers, sales slips, invoices or other receipts for cash payments. An imprest fund cashier must at all times be able to account for the full amount of the fund.

General guidelines for the following areas are provided in this section:

- Establishment of an imprest fund/petty cash
- Roles and responsibilities
- Allowable payments
- Supporting documentation requirements
- Safeguarding the fund



CDC follows imprest fund guidelines established by the Department of Treasury's Imprest Fund Policy Statement and Cashier's Manual and the Department of State's Foreign Affairs Handbook, Volume 4, Section H390. For your reference, these documents can be located in Appendix A – Reference Materials. These manuals should be made available for reference by the cashier, alternate cashier, and subcashier.

Establishment of an imprest fund/petty cash

What is the procedure for establishing an imprest fund?

The CDC Chief Financial Officer must determine there is a need to establish a new imprest fund and appoint/designate a cashier to support it. Additionally, the cashier must be appointed/designated at the embassy level.



How is the dollar limitation for purchases established?

The single purchase dollar limitation is established as \$500 per the Federal Acquisition Regulation Subpart 13.305-3, Conditions for use. This dollar limitation may not be permanently changed by anyone within the field; it can only be changed by federal laws/regulations. In emergency situations and when specific authorization has been obtained from the overseas chief of mission or principal officer, payments may be made for amounts not exceeding \$3,000 for any one transaction.

How do I decrease/increase an established fund?

When there is a need to permanently increase or decrease an existing overseas imprest fund balance, the requesting official must identify the need for the imprest fund, the waiver authority in 31 CFR 208.4, and the specific circumstances under which the fund will operate. The cashier, upon justifying the amount of change and obtaining the approving official's signature on SF 211, Request for Change or Establishment of Imprest Fund, can initiate changes to the fund amount.

The imprest fund amount should be evaluated by the approving official on a quarterly basis to ensure that the amount is what is needed to conduct normal business.

Roles and responsibilities

To ensure the integrity and validity of imprest fund cash transactions and documentation, there should be a distinct separation of duties within the activity. This segregation of responsibilities provides internal controls to reduce the likelihood of fraudulent activity.

The following roles will be discussed in more detail in this section:

- Cashier
- Alternate cashier
- Subcashier
- Approving official

What is a cashier?

Cashiers are federal government employees or duly authorized personal services agreement employees (PSA) hired under 22 U.S.C. 2669, who have been designated as such by an approving official and are authorized to disburse cash or carry out other cash operations. According to the Department of State's Foreign Affairs Handbook, an agency must have a waiver from the Treasury Department to appoint a PSA to serve as a cashier:

(4 FAH-3, H-399.1) Subcashiers of Other Agencies, requires that "...A subcashier of an agency other than the Department of State must be a direct hire employee of that agency unless the agency has Treasury Department authority to designate a personal services contractor..." and "...A request for designation is submitted by the other agency with full justification to the FMO or the Class B cashier's supervisor at the post. The requested designation must be approved by the subcashier's employing agency in accordance with that agency's regulations for designation of subcashiers..."



As of January 1, 2006, CDC does not have a waiver from the Treasury Department to appoint PSAs to serve as cashiers.

Contractors are not permitted to serve in the capacity of cashier. The cashier role is generally at the embassy level. The cashier is legally responsible for the full amount of funds assigned to his/her custody. Other responsibilities of the cashier include:

- Safeguarding cash and all accountable documents.
- Ensuring transactions are properly authorized and approved before imprest funds are disbursed.
- Ensuring that adequate documents to substantiate proof of purchase are provided before imprest funds are disbursed.
- Ensuring prompt and accurate recording of all payment transactions.
- Preparing and submitting imprest fund reimbursement vouchers on a timely basis.

It is strictly prohibited for a cashier to partake in any of the following:

- Commingling one's own money, or any other money, with the Government's funds.
- Loaning cash from the imprest fund
- Using the funds for one's own purposes or benefit
- Depositing public money in financial institutions, unless authorized to do so.

Are there different distinctions of cashiers?

A cashier can have one of three designations, which determines the type of transactions they are permitted to conduct.

1. Class A cashiers are authorized to make disbursements but may not advance an imprest fund to another cashier, besides the alternate. The Class A cashier is an accountable officer who is accountable to the U.S. disbursing officer (USDO) but under the supervision of a non-USDO American officer.
2. Class B cashiers are authorized to make disbursements and may also advance funds to an alternate or subcashier. The Class B cashier is an accountable officer who is accountable to the USDO but under the supervision of a non-USDO American officer.
3. Class D cashiers are designated solely for change-making purposes.

What is an alternate cashier?

Alternate cashiers are to serve as the cashier in the principal cashier's absence, to prevent an interruption in services. Alternate cashiers are selected in the same manner as cashiers. All rules and standards of the cashier would apply to the alternate whether serving in the alternate or cashier role.

What is a subcashier?

Subcashiers are federal government employees or duly authorized personal services agreement (PSA) employees hired under 22 U.S.C. 2669, that are designated in writing by the head of the federal department, agency, or government corporation to receive funds from a



Class B or D cashier. **Contractors may not serve as a subcashier.** Subcashiers are those performing cashier responsibilities at the field level.

Specific requirements for subcashiers include:

- Establishing and maintaining a cashier file as set in the Department of State Foreign Affairs Manual and the Department of Treasury Manual of Procedures and Instructions for Cashiers.
- Maintaining copies of initial request for and confirmation of designation and of the memorandum, cable, or letter of designation concerning the initial advance.
- Maintaining copies of all correspondence regarding increases and decreases to the fund.
- Maintaining copies of all correspondence pertaining to exceptions and/or questions about payments made by the cashier.
- Balancing and reconciling the petty cash fund on a daily basis. A copy of these daily reconciliations must be kept for 60 days.
- Completing the Department of State's "Training for Overseas Cashiers" or equivalent training.

What is an approving official?

An approving official is appointed by the agency heads or their designees to appoint the cashier and review cash requirements. In field offices, the approving official is typically the Chief of Party or the Assistant Director for Operations.

How should roles be separated?

The following are basic guidelines for separating duties within an activity:

- An approving official should not be responsible for any activity, which may result in an inappropriate influence on another activity.
- The cashier should be an employee other than the person who approves purchases.
- One class of cashier may not serve as an alternate to a principal of another class. This rule also applies to subcashiers.
- Where the volume of transactions requires both the principal and alternate to act simultaneously, the principal should advance the alternate funds on a receipt basis.
- A principal cashier may have more than one alternate or subcashier.
- Neither alternate cashiers nor subcashiers should work for more than one principal.

Allowable payments

The imprest fund should be established to support minor office expenses, and is therefore not to be used for non-government business purposes.

The following list provides examples of allowable/authorized items that may be submitted for payment:

- To vendors and carriers, for small purchases in accordance with procurement regulations
- Repair of equipment



- Reimbursement for travel expenses
- Postage stamps, parcel post, COD postal charges, local hauling, transportation tokens or passes, taxi fares, and public utility bills
- Program related common area enhancements, i.e., silk flowers and pictures for the decoration of federal buildings

Imprest funds may also be used for change-making purposes, if deemed administratively appropriate. Any and all losses incurred for change-making will be assumed by the cashier, unless otherwise granted relief.

The following items may not be purchased with imprest funds:

- Payment of personal loans or personal bills
- Purchase of food
- Purchase of personal calling cards, holiday greeting cards, or flowers
- Payment of traffic fines or tickets
- Payment of salary “top offs” (bonuses, cash awards, etc)
- Payment of payroll
- Beverages, including coffee, tea, and bottled drinking water (unless detrimental to employees’ health), and related equipment and supplies for offices, reception areas, or conference rooms
- Paperweights, ashtrays, plaques, or similar items for distribution as public relations
- Picture frames for scenic or decorative pictures, personal collections of photographs, individual certificates and citations, and similar items
- Refrigerators and microwave ovens purchased for personal offices for personal convenience

While this is not an exhaustive list of allowable and unallowable payments, the general rule for an expenditure to be allowable is that it must be necessary to accomplish the purpose of the appropriation.

Please contact your assigned budget analyst if you have a question regarding allowable purchases from the imprest/petty cash fund.

Supporting documentation requirements

When items are purchased from imprest fund monies, there should always be supporting documentation attached. These documents must be reviewed and verified before the monies are to be disbursed for payment.

Each request for payment should be accompanied by at least one of the following:

- A form SF 1164, Claim for Reimbursement for Expenditures on Official Business or comparable agency approved form
- A paid receipt
- An original bill
- A sales slip



- A cash register ticket, an invoice, a form SF 1165, Receipt for Cash-Subvoucher (Subvoucher) or comparable agency approved form, or an equivalent receipt form that itemizes supplies or services purchased and their amounts (signatures are not required)

All records that support cash payments should be kept because they become subvouchers to the account.

Safeguarding the fund

Where can I store the imprest fund?

Physical security of the petty cash must be adequate to avoid fraudulent activity. The following are considered adequate security measures for housing the petty cash fund:

For funds equal to or less than \$500

- GSA-approved security container; or
- A metal file cabinet equipped with a steel bar and secured by a three-position, dial-type, changeable combination padlock.

For funds between \$500 and \$2000

- GSA-approved security container; and
- Kept in a controlled access room, building, or structure during non-working hours.

Additional security measures to protect the authenticity and accuracy of cash transactions and the overall fund balance include:

- Limiting the access to the petty cash fund to the principal cashier. The alternate may have access, only when acting in the cashier role.
- Protecting the combination to the safekeeping facility by keeping it in a sealed envelope for emergency access. If practicable, the combination should be kept at an off-site location.
- The embassy should conduct periodic unannounced cash counts of the CDC subcashier and at least an annual count and review of the CDC petty cash fund.



Note: For amounts greater than \$2000, contact CDC headquarters for additional guidance on the physical security measures needed to protect the imprest/petty cash fund.

How are funds secured when the cashier is absent or permanently leaves the field office?

When the designated cashier is scheduled to be out of the office for more than 2 working weeks, all duties, responsibilities, and funds should be transferred to the alternate, if applicable. When the designated cashier is scheduled to be out of the office for less than 2 working weeks, only sufficient funds to continue normal business and cash transactions will be transferred to the alternate.

In instances where the cashier's absence is unplanned, a committee of three shall turn the total fund amount over to the alternate cashier, upon signing an OF 1129, Reimbursement Voucher,



which states the amount of funds turned over. The old receipt of custody should be held by the Director and turned over to the cashier, upon their return.

When the cashier, alternate cashier, subcashier, or any other official that has had access to the imprest fund security container leaves the program, the combination should be immediately changed. A new cash count and reconciliation must be performed. The new combination should only be given to the new cashier. The sealed envelope with the old combination should be destroyed and replaced with a newly sealed envelope containing the new combination.

Accountable Property

Accountable property is any item that costs \$5,000 or more, has a life expectancy of at least two years, and/or is identified as sensitive/personal appeal. Sensitive/personal appeal items are those items subject to theft and loss.

The following items are considered sensitive/personal appeal items:

- Laptops and personal computers (may include CPU, monitor, and keyboard as one system)
- Camcorders/video cameras
- Weapons
- Vehicles

What are the procedures to ensure accountability of property?

Equipment with an acquisition cost of \$5,000 or more, and equipment with an acquisition cost less than \$5,000 and identified as sensitive/personal appeal equipment will be CDC bar coded regardless of cost and inventoried annually. The administrative officer/office manager should keep the inventoried property records list. The Department of State has their own tracking and bar code system for CDC purchases made by the embassy GSO.

Other measures to ensure property is properly accounted for include:

- Maintaining secured and/or controlled access to the property during non-working hours
- Performing random counts and/or checks with data in the property records file
- Fastening assets to stationary equipment (i.e., Locking laptop computers to an office desk)
- Field offices should maintain a complete record of all accountable property and conduct periodic, at least once a year, physical inventory counts to ensure the property records are identical to the property counted

What is the process for disposing of excess property?

An executive agency may exchange or sell similar property and may apply the exchange or proceeds of the sale in whole or partial payment for similar replacement property. All of the proceeds from the sale will be available during the fiscal year in which the property was sold and for one fiscal year for obligation for the purchase of replacement property.



Recording property sales

If the sales proceeds are received after an obligation for replacement property has been incurred and within the prescribed time limits, the sale proceeds may be credited as a direct reimbursement to the appropriation account charged for the replacement property.

If the sale proceeds are received before an obligation has occurred for the replacement property, but an administrative decision has been made and documented that the sale proceeds will be used as an appropriation reimbursement against the obligation for the replacement property within the prescribed time frames, the proceeds will be deposited to a budget clearing account. **Department of State Financial Management Officers should be instructed to record the transaction to 75 F 3845 09.** The budget clearing account does not have obligation authority and the Department of State does not track individual entries. Therefore, each field office should track the following:

- Date of the property sale
- Description of the item sold

This will help facilitate the purchase of replacement property if purchased within the prescribed timeframe.

Using property sales to purchase replacement property

If replacement property will be purchased within the prescribed timeframe, the following procedures should be followed:

1. Contact your designated budget analyst.
2. Your budget analyst will work with FMO to re-apportion the amount of the sales proceeds to a valid allotment.

Handling property sales if replacement property is not purchased within one fiscal year

If the sale proceeds are not applied within the year of sale or the next fiscal year, the proceeds will be returned to the Treasury General Fund also known as Miscellaneous Receipts, 75R3220.

Vehicles

Passenger and non-passenger vehicles may be purchased based on the availability of funds and the agency's needs. Purchases of vehicles overseas through State Department procurement channels are permitted.

How do I determine the type of vehicle needed?

The need for a vehicle is typically decided by the Deputy or Chief of Party.

In selecting the type of vehicle for acquisition, the most cost efficient and quality motor vehicle should be chosen. Overall vehicle needs and safety requirement should be considered when purchasing the vehicle.



The vehicle should be:

- The minimum body size, engine size, and only the essential optional equipment necessary to fulfill the program needs.
- The overall least expensive unit, including the acquisition costs, operating costs, and disposal costs.
- Capable of serving as a dual purpose motor vehicle with the ability to haul both personnel and light cargo, whenever appropriate, to avoid the need for two motor vehicles.
- Appropriate for the security posture of the country where the vehicle will be used.
- Appropriate for use in the country considering factors such as right hand drive cars or available local parts and service.

What is the process for purchasing a vehicle?

The process is initiated when the requesting party forwards a memorandum setting forth the intended use and justifies the need for the vehicle through CIO headquarters for prior approval. If approved, a cable authorizing the purchase will be forwarded to the embassy to proceed with normal competitive bid solicitation.

Purchase of vehicles from the U.S. must be made through GSA and not directly to a vendor. Purchase of U.S.-manufactured vehicles to meet official transportation needs abroad should always be the first preference when U.S.-manufactured vehicles will meet program needs. Non-U.S. manufactured vehicles may be purchased when program needs cannot reasonable be met by an American vehicle.

The following list provides some examples of when a non-U.S. manufactured vehicle may be purchased:

- When there is a need for special requirements that cannot be met by U.S. manufacturers;
- There is a lack of reliable spare parts and service in the area where the vehicle must be operated;
- Security or other special operational needs necessitate use of non-U.S. made vehicles;
- Emergency situations where it is impossible to wait for shipment of a U.S. manufactured vehicle; or
- The total acquisition and life cycle expenses of non-U.S. made vehicles is at least one third less than that of U.S. made vehicles.

Who may operate these vehicles?

Government owned vehicles should be used by properly licensed federal employees or locally engaged drivers. Locally engaged drivers should only be used through Personal Services Agreements. Contractors and grantees should not use the motor vehicles, unless the contract or grant specifies the use of the vehicle in CDC inventory.

Diplomatically licensed vehicles may not be loaned to or used by non-U.S. Government employees at any time.



What governs the operation of an overseas CDC vehicle?

CDC vehicle operations overseas are governed and limited by the Chief of Mission under the State Department Basic Authorities Act. CDC/DHHS may also issue more restrictive guidance and regulations on vehicle procurement, disposal, and use.

How are the vehicles inventoried?

The Material Management Branch of CDC Procurement and Grants Office (PGO) in Atlanta is responsible for the inventory, tracking and reporting of all CDC vehicles. All vehicles must be on the Post's inventory, as well as, the CDC PGO's inventory.

How do I receive approval for vehicle maintenance?

All repair and servicing work must be authorized. Vehicle maintenance is approved by whoever is in charge of the vehicles, i.e., the motor vehicle manager. The local motor vehicle manager may authorize in-house repair work up to \$500 estimated costs and in accordance with established procurement policy. Procedures for vehicle maintenance may vary.

What are the procedures for vehicle usage?

Government owned vehicles are to be used for official government business only. The vehicle should not at any time be used for personal benefit, such as going to the bank, attending luncheons, other personal errands, or transporting anyone not conducting official business.

Government vehicles should only be used when it is:

- the least costly method of transportation available, taking into consideration the employees time and actual transportation costs; or
- when no other practical means of transportation is available considering the mission to be performed, the location, and any equipment needed to be transported to support the mission.

According to CDC-109 Use of Government Owned Vehicles policy, any employee that uses the government vehicle for anything other than official business shall be suspended for not less than 30 days without compensation. If the circumstances warrant, the employee may be suspended longer or removed from office.



Further information can be found in CDC-109 Use of Government Owned Vehicle policy located in Appendix A – Reference Materials.

All employees are required to complete a Motor Vehicle Trip Record after using the motor vehicle. Employees should indicate the purpose for each trip.

The Motor Vehicle Trip Record should be filed with the local motor vehicle manager.

Are there any guidelines for use of the vehicle in home-to-work transportation?

It is the responsibility of the employee to provide transportation between residence and place of employment. Public Law 99-550 and FMR 102-5 have established policy on the use of



government owned vehicles. The use of the government owned vehicle between home and work shall be restricted to:

- The Secretary and employees engaged in field work
- Officers and employees on travel, for transportation between home and rail, air, bus, or boat terminals between the terminal and place of temporary employment or residence
- Employees on temporary duty assignments for transportation between the temporary residence and the place of employment, to obtain meals, or obtain services required for the well being of the employee
- Employee on temporary duty that are scheduled to depart before the beginning of regular working hours, or if there will be a significant savings in time, and vice versa

What is the process for obtaining insurance for the vehicle?

Insurance is to be purchased in accordance with the Chief of Mission policy. General U.S. Government policy states that principal officers and ranking officers of establishments abroad are authorized to purchase insurance against such liability and property and for such amounts as are required by local law or as they deem desirable.

What are the proper procedures for disposing of a vehicle?

Contact the Material Management Branch of CDC's PGO Property Management Office for information concerning the transfer, grant, or disposal of vehicles. In many locations, the field office works with the embassy GSO for vehicle disposal after having advised PGO of their intent to dispose of a vehicle.

What documentation should be kept on vehicles?

To ensure that all acquired vehicles are properly maintained, the local motor vehicle manager is responsible for storing and retaining several forms of documentation. This documentation assists in identifying underutilized vehicles, providing internal controls over usage, and ensuring all vehicles are accounted for.

Each office should maintain the following documentation:

- A list of all purchased vehicles, including the vehicle VIN and license plate numbers
- Vehicle maintenance records
- Records of insurance coverage
- Motor Vehicle Trip Records
- Vehicle utilization records



In May 2005, the Coordinating Office of Global Health distributed a cable regarding government vehicle usage. For your reference, the cable is located in Appendix A – Reference Materials.



Section Summary



Key Points to Remember

- ✓ Imprest funds are fixed cash or petty cash funds advanced to a cashier for cash disbursements or other cash requirement purposes as specifically authorized.
- ✓ Contractors cannot be cashiers or subcashiers.
- ✓ The imprest fund amount should be evaluated by the approving official on a quarterly basis to ensure that the amount is what is needed to conduct normal business.
- ✓ To ensure the integrity and validity of imprest fund cash transactions and documentation, there should be a distinct separation of duties within the activity. This segregation of responsibilities provides internal controls to reduce the likelihood of fraudulent activity.
- ✓ When items are purchased from imprest fund monies, there should always be supporting documentation attached.
- ✓ Physical security of the petty cash must be adequate to avoid fraudulent activity.
- ✓ Accountable property is any item that costs \$5,000 or more, has a life expectancy of at least two years, and/or is identified as a sensitive item.
- ✓ Government owned vehicles are to be used for official government business only.
- ✓ Each field office should maintain vehicle maintenance records



Reference Materials

- ✓ Department of Treasury's Cashier's Manual - Appendix A
- ✓ Department of State's Foreign Affairs Handbook 4 FAH 390 – Appendix A
- ✓ Examples of SF211 Request for Change or Establishment of Imprest Fund – Appendix A
- ✓ SF1164 Claim for Reimbursement for Expenditures on Official Business – Appendix A
- ✓ SF1165 Receipt for Cash-Subvoucher – Appendix A
- ✓ SF1129 Reimbursement Voucher – Appendix A
- ✓ CDC-109 Use of Government Owned Vehicle policy located – Appendix A
- ✓ Cable on Government Vehicle Usage – Appendix A
- ✓ Motor Vehicle Trip Record Form – Appendix A

GSA SmartPay VISA Purchase Card Policy Guidelines





GSA SmartPay VISA Purchase Card Policy Guidelines

The purpose of this section is to describe the main requirements of the GSA SmartPay VISA Purchase Card. The Purchase Card reduces the procurement lead-time and the other costs of processing purchases orders. Use of the Purchase Card also reduces the number of petty cash transactions processed for items below the micro-purchase threshold. A “micro-purchase” is an acquisition of supplies or services in which the aggregate amount does not exceed \$2,500, except in the case of construction where the limit is \$2,000. The Purchase Card is issued for Official Government purchases only.

This section provides a brief description of what is required to receive a purchase card, but mainly focuses on rules regarding purchases and card administration. Specifically, the following topics will be addressed:

- Establishing a GSA SmartPay VISA Account
- Making Purchases with GSA SmartPay VISA
- Recording Purchases made with GSA SmartPay VISA
- Penalties for Unauthorized Use
- Auditing GSA SmartPay VISA Purchases



For more detailed information about the information in this section, refer to the CDC's GSA SmartPay VISA Procedure Manual located in Appendix A.

Establishing a GSA SmartPay Account

The steps below provide an overview of the steps required to establish a GSA SmartPay VISA account. Only government employees are eligible to receive a GSA SmartPay VISA card. The cardholder can use the purchase card to buy goods and services **for government use only** and is responsible for the proper use of the purchase card. The purchase card cannot be used for personal use.

1. GAP's Country Program Support Branch will notify employees if they are eligible to receive a Purchase Card.
2. Once given approval to receive a Purchase Card, employees are required to enroll in the VISA Basic Training through CDC Corporate University.
 - a. If you do not have access to the CDC Intranet, contact Teresa Starling at td3@cdc.gov to enroll in the VISA Basic Training course.
3. Upon successful completion of the required training and written test, the following forms must be completed:
 - a. Signed Terms and Conditions for use of the GSA SmartPay® VISA Purchase Card
 - b. Cardholders Set-up Memo (establishes monthly default and default Common Accounting Number (CAN) to record transactions)
 - c. Cardholder Set-Up Information Form



Purchase Limits

Generally, two types of dollar limits are applied to the purchase card: single purchase limit, and a monthly purchase limit. Both limitations are decided based on your delegation of authority and the budgetary limits of your office. The approving official determines the purchase limits.

Is it possible to increase my single purchase limit?

As part of a pilot program with CDC's Procurement and Grants Office (PGO), GAP field staff may be eligible for a single purchase limit increase up to \$25,000 with a current threshold limit of \$50,000. Field staff with an active GSA SmartPay VISA account can submit a request to increase their purchase limit by following the steps below:

1. Employees must have an established GSA SmartPay VISA account.
2. In order to be given consideration to be granted a delegation of authority to make single purchases up to \$25,000, employees **must** successfully complete 80 hours of training. Contact your Country Program Officer for more information on how to enroll in these courses.
 - a. Simplified Acquisitions Procedures (40 hours)
 - b. Another 40 hours of training, as PGO deems appropriate. Appropriations Law training is recommended.
3. Once courses are completed, submit an interest in limit increase to Country Support
 - a. Submitting interest for a limit increase does not guarantee the increase will be approved. Each request will be reviewed on a case-by-case basis taking into account past GSA SmartPay VISA records and other factors.

Training Requirements

Cardholders are required to take VISA refresher courses each year. Field staff will be notified by PGO when they are required to take a VISA Refresher training course.

GAP will make an effort each year to provide a VISA Refresher course during the Management and Operations (M&O) annual meeting. Notification will be sent out in advance if the training will occur.

Making Purchases with the GSA SmartPay VISA

Generally, the GSA SmartPay VISA card may be used under the simplified acquisition procedures to purchase any legal supplies or services that fall under the micro-purchase threshold (\$2,500), except the items listed in the "Unauthorized" section.

Public Law 103-355, The Federal Acquisition Streamlining Act of 1994, provides a micro-purchase threshold of \$2,500. Purchases below that threshold:

- Need not be reserved for small business,
- May be made without obtaining competitive quotations, if the buyer determines the price is reasonable, and
- Are exempt from the Buy America Act



Before Using the Purchase Card

Cardholders must adhere to the following procedures before using the GSA SmartPay VISA Card:

1. Plan Monthly Purchases
2. Ensure Availability of Funds – Establish the amount of funds before making purchases with the purchase card. Purchases must be tracked during the month to ensure sufficient funds are available.
3. Check Mandatory Sources
4. Conduct Market Research
5. Select the Best Value
6. Complete the Credit Card Purchase Request Form (A copy of the request for can be found in Appendix A)
7. Have your approving official sign the credit card purchase request form **before** making the purchase.



Note: The person approving the credit card purchase must not be the same person who issues payment.

Guidelines for Using the Card

Cardholders should follow these guidelines to ensure they comply with the applicable rules and regulations.

1. Avoid Splitting the Requirement - It is **never** permissible to intentionally divide purchases into separate orders within the account threshold. This is called “splitting the requirement”. FAR 13.003 (d) states:

Do not breakdown requirements aggregating more than the simplified acquisition threshold or the micro-purchase threshold into several purchases that are less than the applicable threshold merely to –

1. *Permit use of the simplified acquisitions*
2. *Avoid any requirements that apply to purchases exceeding the micro-purchase threshold of \$2,500*

For example, if the single purchase limit is \$2,500, and a government employee is trying to purchase an item for \$3,000, the employee cannot split the transaction into one for \$2,500 and one for \$500. Another method of procurement would need to be used.

2. The purchase card can be used for government purposes only.
3. Only personnel who have received the proper delegation of authority can use the purchase card (No members of staff, supervisors or anyone else can use the card if they have not received a delegation of authority).
4. Single purchases under \$2,500 do not require competing bids.
5. Single purchases between \$2,500.01 and \$25,000 require a minimum of 3 competitive bids. These bids must be documented in the Credit Card Purchase Request Form.



6. Only PGO contracting officers may make payments using the GSA SmartPay VISA account for existing contracts.
7. Only purchase items on the Authorized Purchases list.



Note: Check with your contracting officer to see if there are existing contracts that offer you a good price, service, and quality. These existing contracts have been negotiated and can sometimes offer advantages in time and money savings. Check with the merchant to determine if they accept the Purchase Card.

Authorized Purchases

Cardholders must adhere to the authorized purchases list provided in the GSA SmartPay VISA Manual (last updated October 1, 2004). It is important to become familiar with the authorized and unauthorized purchase lists and additionally what purchases required additional authorization from an approving official.

Cardholders must check with the warehouse and mandatory sources prior to purchasing these items. Authorized items with an “*” require prior approval, backup documentation, or must be purchased from a mandatory source.

Advertisements	Awards – refer to AHRC guidelines	*Blackberry – see <i>Handheld computing devices</i>	*Business cards – mandatory source is Lighthouse for the Blind – FTEs only	Cell phones/conference phones and service
*Computer related items: CTO approval required (parts, cables, printers, fax machines)	*Conference registration for training and non-training	*Construction (not to exceed \$2,000; DCMO approval required)	Consultant services – fees only, no travel related expenses	Courier services
Digital cameras	*Food for conferences – refer to policy	Framing – for common areas and awards	Furniture	Graphic services – film/slide developing
*Handheld computing devices – Blackberrys, Palm Pilots, PDAs (and related service) as directed on the ITSO website	Honorariums	Internet service – IRMO authority required	Lab supplies – glassware, reagents, chemicals	Maintenance agreements – paid monthly not exceeding \$2,500 per month
Meeting space/booth rental	*Moving services – small moves	Office supplies – check warehouse and JWOD first	*Palm Pilots, PDAs – see <i>Handheld computing devices</i>	Postage – warehouse stocks stamps
Professional credentials – accreditations, licenses, certifications, continuing education	Reference materials/books	Repairs – non-recurring, not covered by maintenance agreement or warranty	*Reprints – pre-approval from MASO	Retirement plaques
Shuttle buses	Subscriptions (up to 3 years)	Translation/transcript on services	*Training (with approved AHRC training request)	Writer/editor services – simple enough to describe verbally – no multiple deliverables



Unauthorized Purchases

The following items should not be purchased with the Purchase Card. If an unauthorized purchase has been made, refer to the Auditing GSA SmartPay VISA Purchases section for more guidance.

Advanced payments – except training and subscriptions	Airline tickets	Architect/Engineering services – exceptions DCMO, FPMO, RPSMA	Automobile gasoline
Back orders	Camcorders/video cameras	Cash advances	Computers (personal or laptops)
Framing – except awards and for common areas Gifts Luxury items – lamps and other private office decorations Office decorations – except for common areas Orders against existing contracts which do not stipulate VISA payments	Personal use items – footrests, back supports (except for ergonomic workstation) fans, heaters, air purifiers, briefcases, mugs, etc.	Printing and copying – MASO waiver required	Refrigerators/microwaves for break rooms
Rental or lease of motor vehicles, land or buildings	Tax	Telephone calls	Telephone support services (prepaid)
Temporary personnel	Travel or travel related expenses	Vehicles	Weapons

Recording purchases made with the GSA SmartPay VISA

This section describes the cardholder’s duties and responsibilities after making purchases with the GSA SmartPay VISA card.

After making a purchase, a cardholder should complete the following procedures:

- Log the purchase in the Managing Accounting Credit Card System (MACCS) system; assign object class code and CAN. All transactions are transmitted on a daily basis from U.S. Bank to the MACCS System.
- Match and register transactions in MACCS – Each day, review the transactions that have been transmitted from U.S. Bank and match and register them in MACCS. Once a purchase has been registered, the approving official will receive an e-mail indicating that there is a purchase awaiting approval.

At the end of each billing cycle:

- Print reports – After all transactions are approved, print the Invoice Detail Report and the Finance CAN/Object Class report.
- Sign report – Sign the Invoice Detail Report and attach the original purchase receipts. Forward this documentation to your approving official for signature.



- Maintain purchase records – Keep a file that contains documentation of your purchases. This file should store receipts, justifications, price quotes and any other documentation about the month's purchases.

If it is not possible to access MACCS, field staff should use an alternate method for documenting GSA SmartPay VISA purchases.

Record Retention Requirements

The office should keep purchase documentation on-site for at least one fiscal year. It is a violation of Federal Records Management rules and regulations if a cardholder does not keep original receipts and documentation regarding purchases as a part of their official records.

Failure to maintain proper documentation will result in a revocation of purchase card privileges.

Penalties for Unauthorized Use

The purchase card should be used **for official use only!** No personal purchases are allowed and if any are made, this will be a basis for immediate cancellation of the card, possible disciplinary action, and possible criminal action.

Intentional misuse of this card for unauthorized purposes will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of the Delegation of Authority. The penalties for fraudulent use of the purchase card include a fine of not more than \$10,000, or imprisonment for not more than five years, or both, under U.S.C. 287. If anyone suspects intentional misuse of a purchase card, they must immediately notify the Office of the Inspector General, the approving official, FMO and the program coordinator

If personal purchases are made, the Financial Management Office will bill the employee the full cost of the purchase(s) plus interest and administrative debt collection fees authorized by the Debt Collection Act and take all actions necessary to collect the debt, including, if necessary, salary offset.

If an authorized cardholder uses the purchase card to make an unauthorized purchase, the government is liable for payment and the agency is responsible for taking appropriate action against the cardholder.

Use of the charge card by a person other than the cardholder, who does not have actual, implied, or apparent authority for such use and for which the cardholder receives no benefit is not the government's liability. The approving official has ultimate responsibility.



Audit Requirements

A random sample audit program is being used to audit purchase card accounts. Each month FMO runs this audit program and requests supporting documentation from selected cardholders.

FMO Audits

Each month FMO runs an audit program to randomly select Purchase Card accounts for audit.

The following are guidelines for when an account is selected for audits:

1. When an account is selected for audit, an employee will receive an e-mail from an auditor requesting the documentation for a specific month.
2. The employee should make copies of the requested documentation prior to sending it to FMO in case he/she needs to reference the information, since it may take several weeks for the audit/review to be accomplished and the documentation to be returned.
3. After FMO reviews the documentation, FMO forwards the files to PGO for procurement review.

Below are some examples of what auditors may look for the following items when performing an audit review:

<input type="checkbox"/>	Signatures - Both cardholder and approving official signatures are required on the Invoice Detail (SOA) report.
<input type="checkbox"/>	Receipts – Receipt and/or packing slip for each purchase or appropriate documentation as to why no receipt is available.
<input type="checkbox"/>	Tax - Documentation that a tax refund has been requested from the vendor or efforts to recoup tax.
<input type="checkbox"/>	Training - Screens printed from mainframe training request for pre-payment of training costs.
<input type="checkbox"/>	Discrepancies – All discrepancies in the amount charged and the logged amount are explained.
<input type="checkbox"/>	Signatures on the charge slip – All signatures that are not the cardholder's signature, are preceded by "received by _____."
<input type="checkbox"/>	Framing – Charges for framing must include documentation that they are for a common area.
<input type="checkbox"/>	Warehouse stock not suitable – If warehouse stock isn't suitable (and therefore the purchase was necessary), then justification for the purchase must be included in the documentation.
<input type="checkbox"/>	Computer components – Provide confirmation of IRMO approval.
<input type="checkbox"/>	Books – Book purchases must have documentation on the title and for whom the book was purchased.
<input type="checkbox"/>	Checks – Each check must have a completed Convenience Check Purchase Record.

PGO review of improper card usage

PGO may conduct random reviews of individual cardholder purchases. This review focuses on unauthorized purchases and evidence of improper order splitting, as well as general adequacy of documentation and compliance with published procedures.



See below for information regarding the random reviews by PGO:

- Any questions that arise as a result of this review will initially be addressed to the cardholder to supply supporting documentation.
- If inappropriate cardholder purchases are identified, PGO will notify the approving official, FMO, and U.S. Bank and may unilaterally initiate administrative action to cancel the Purchase Card.
- As appropriate PGO will recommend other actions including criminal prosecution or disciplinary action.



For more details on the policy surrounding improper card usage, refer to CDC's Policy on Unauthorized Contractual and Purchase Commitments located in Appendix A- Reference Materials.

The table below summarizes the main requirements for using GSA SmartPay VISA. Refer to the specific sections above for more details.

Table 8: Main Requirements for using the GSA SmartPay VISA		
	LIMITS	
	<= \$2,500	> \$2,500 up to \$25,000
Eligibility	GAP headquarters will contact individuals eligible for a Purchase Card.	Employees must take required training and then submit interest for increase in limit to GAP headquarters. *Submitting interest for an increase in limit does not guarantee the increase will be approved.
Training Requirements	VISA Basic Training VISA Refresher course	VISA Basic Training 80 hours of additional training <ul style="list-style-type: none"> • 40 hours of Simplified Acquisition • 40 hours as PGO deems appropriate (Appropriations Law is recommended) VISA Refresher Course
Competition of Vendors	No	Competition of at least 3 vendors is required for purchases over \$2,500. Include the 3 vendors on the Credit Card Purchase Request Form.
Approval	For specific authorized purchases as noted in the authorized items list.	Complete the Credit Card Purchase Request Form (1123) and obtain approval prior to making a purchase.
Audit	Random selection of Purchase Card accounts will be audited. Reviews of unauthorized purchases will be conducted by PGO.	Initially as part of the pilot program all purchases greater than \$2,500 will be audited. Reviews of unauthorized purchases will be conducted by PGO.



Section Summary



Key Points to Remember

- ✓ The cardholder can use the purchase card to buy goods and services for government use only
- ✓ The person approving the credit card purchase must not be the same person who issues payment
- ✓ Have your approving official sign the credit card purchase request form before making the purchase
- ✓ It is not appropriate to split purchases to avoid the single purchase limit or the competition rules
- ✓ Only personnel who have received the proper delegation of authority can use the purchase card
- ✓ Single purchases under \$2,500 do not require competing bids
- ✓ Single purchases between \$2,500.01 and \$25,000 require a minimum of 3 competitive bids, which must be documented in the Credit Card Purchase Request form
- ✓ Competition regulations must be followed
- ✓ Only PGO contract officers may make payments using the GSA SmartPay VISA account for already existing contracts
- ✓ Maintain a file that contains documentation of your purchases. This file should include receipts, justifications, price quotes and any other relevant documentation



Reference Materials

- ✓ CDC GSA SmartPay VISA Procedure Manual – Appendix A
- ✓ Credit Card Purchase Request Form – Appendix A
- ✓ CDC's Policy on Unauthorized Contractual and Purchase Commitments – Appendix A

Glossary



GLOSSARY



Glossary

Activity: Any project, task or process required to carry out a program. Activities constituting a program vary with the nature and purpose of the program.

Advice of allotment cable: Secured transmission permitting the Department of State to manage obligations and/or make payments on CDC's behalf.

Agency: Any office, commission, authority, administration board, Government-owned corporation, or other independent establishment of any branch of the Government of the United States.

Allotment/Allocation: A distribution of an appropriation or fund within a prescribed amount to a primary organization component or a program manager for the purpose of making obligations.

Apportionment: A distribution made by the Office of Management and Budget of amounts available for obligation or expenditure in an appropriation or fund account into amounts available for specified time periods, activities, projects, etc. The apportioned amounts limit the obligations to be incurred, or when specified, the expenditures accrued.

Appropriation: An authorization by an act of Congress to incur obligations against and make disbursements out of the Department of Treasury for specified purposes.

Appropriation Symbol: Each appropriation is set up with a Treasury Appropriation Fund Symbol (TAFS), which identifies the federal agency, the amount, the period of availability for obligation and the purpose. The TAFS is associated with an account at the Department of Treasury.

Budget: The Budget of the United States Government sets forth the President's comprehensive financial plan and indicates the President's priorities for the federal government.

Commitment: Any requisition that will require payment of money for future orders, contracts and services that will be performed in a given period.

Common Accounting Number (CAN): A short-cut to transcribing a full accounting classification on documents and recording as input into the accounting system and is developed each year by budget, program and accounting staff.

Comptroller General: The Comptroller General is the head of the General Accountability Office. The Comptroller General's office issues decisions and opinions, called GAO Comptroller General Decisions, in areas of federal law such as appropriations, bid protests, and federal agency rulemaking.

Continuing Resolution: Legislation enacted by Congress to provide budget authority for specific ongoing activities in cases where the regular fiscal year appropriation for such activities has not been enacted by the beginning of the fiscal year. Normally, this authorizes continuance of the program and often requires more resources than average of prior year (due to inflation). The continuing resolution usually specifies a rate at which the agency may incur obligations.



Fiscal Year: The fiscal year of the United States Government begins October 1 and ends September 30 of the following year, which is the numerical year by which it is designated.

General Accountability Office (GAO): GAO is an independent, nonpolitical agency in the legislative branch of the United States Government. GAO is primarily concerned with how federal agencies/departments, through their programs and activities, implement the mandate or intent of legislation enacted by Congress.

Imprest Fund: A petty cash type fund of a fixed amount in the form of currency or coin which has been advanced to a duly authorized cashier for cash payment or other cash requirements as specified in the designation or authorization.

Object Classification: A uniform classification identifying transactions of the federal government by the nature of the goods or services purchased (such as personnel compensation, supplies and materials, equipment) without regard to the agency involved or the purpose of the programs for which they are used.

Obligation: A binding agreement that will result in disbursements, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Office of Management and Budget (OMB): Assists the President in preparation of the budget and formulation of the fiscal program and supervises and controls the administration of the budget.

Outlay: A payment to liquidate an obligation. Outlays are the measure of government spending. The Department of State occasionally refers to outlays as liquidations.

Post: Any diplomatic or consular establishment maintained by the United States abroad. Post is often used interchangeably with Embassy.

Unliquidated Balance: The cumulative amount of budget authority that has been obligated, but not disbursed.

Unobligated Balance: The cumulative amount of budget authority that is not obligated and that remains available for obligation under law.

Acronyms



ACRONYMS



Acronyms

AHRC	Atlanta Human Resources Center (Formerly HRMO)
BEB	Budget Execution Branch
BFO	Building and Facilities Office
CAN	Common Accounting Number is an eight-digit fiscal code that identifies the control and cost accounts of CDC's accounting structure.
CIO	Center/Institute/Office
COGH	Coordinating Office of Global Health
DHHS	Department of Health and Human Services
DOS	Department of State
DSSR	Department of State Standardized Regulations
FMFIA	Federal Manager's Financial Integrity Act
FMO	Financial Management Office
FMO - Department of State	Financial Management Officer at the U.S. embassy
FSB	Financial Services Branch; Branch within CDC's Financial Management Office
FSC	Financial Service Center; Department of State's financial support office located in Bangkok, Thailand and Charleston, South Carolina (USA)
FTE	Full-time Equivalent - Compensable work years; i.e., hours worked, or scheduled to be worked, divided by 2,080 hours.
FTR	Federal Travel Regulations
FY	Fiscal Year - The fiscal year of the United States Government begins October 1 and ends September 30 of the following year, which is the numerical year by which it is designated.
GAO	General Accountability Office
GETA	Government Employees Training Act
GSA	General Services Administration
GSO	General Service Officer at the U.S. embassy
ICASS	International Cooperative Administrative Support Services
ICE	Integrated Contracts Expert; Acquisition management system that manages all procurement activities
IPAC	Intra-governmental Payment and Collection system
ITSO	Information Technology Services Office
JWOD	Javits-Wagner-O'Day (JWOD) Program
LES	Locally Employed Staff
MACCS	Managing Accounting Credit Card System; Allows user to access, log and manage credit card transaction information.
MASO	Management Analysis and Services Office
M&IE	Meals and Incidental Expenses
MOU	Memorandum of Understanding
NCHSTP	National Center for HIV, STD, and TB Prevention
NIP	National Immunization Program
OC	The Object Classifications (OC) are used to provide a measure of cost analysis concerning obligations incurred. The major object codes are uniform throughout the federal government (the first three positions). The sub-object class codes are not uniform throughout the government, being optional for each department.
OD	Office of the Director



OMB	Office of Management and Budget
PCS	Permanent Change of Station
PGO	Procurement and Grants Office
PHS	Public Health Service
RFMS	Regional Financial Management System
SF	Standard Form
SOP	Standard Operating Procedure
SOW	Statement of Work
TAFS	Treasury Appropriation Fund Symbol
TDY	Temporary Duty
UFMS	Unified Financial Management System

APPENDIX A – Reference Materials

Section	Reference Item	Document/Website
Internal Controls	Standards of Internal Control in the Federal Government	Standards of Internal Control in the Federal Government
	OMB Circular 123 "Management's Responsibility for Internal Control"	OMB Circular 123
Federal Budget Process Overview	OMB Circular A-11 "Preparation, Submission and Execution of the Budget"	OMB Circular A-11
	Budget Execution in the Federal Government	Budget Execution in the Federal Government
Appropriations Law	Principles of Federal Appropriations Law	Principles of Federal Appropriations Law
	CDC Provision of Light Food and Beverages at Conferences	 Provision of Light Food and Beverages
	Departmental Policy on Use of Appropriated Funds for Food at HHS –Sponsored Conferences	 "HHS policy on Food at Conferences.pdf"
	DHHS Logistics Management Manual	DHHS Logistics Management Manual
	Restrictions on Personal Convenience Items	 "Restrictions on Personal Convenience"
	Allowable Expenses for Honor Awards, Honor Ceremonies and Informal Recognition Awards	 Allowable Expenses for Honor Awards and
Reconciling the P60/P62	RFMS Viewer request form	 RFMS Viewer Request Form.doc
Travel	Department of Health and Human Services Travel Regulations	DHHS Travel Regulations
	Reimbursable Travel Form – DHHS 348	 "DHHS Reimbursable Travel Form 348.pdf"
Safeguarding Assets		
Imprest Fund/Petty Cash	Department of Treasury's Cashier's Manual	 Department of Treasury Cashier's Manual
	Department of State's Foreign Affairs Handbook	 Department of State FAH Vol 4 Sec. H 390
	Example of SF211 Request for Change or Establishment of Imprest Fund	 Completed SF-211.pdf



Financial Management Overview for Overseas Program Officials 2/23/2006

	SF 1164 Claim for Reimbursement for Expenditures on Official Business	 SF 1164.pdf
	SF 1165 Receipt for Cash-Subvoucher	 SF 1165.pdf
	OF 1129 Reimbursement Voucher	 OF 1129.pdf
Vehicles	CDC Policy on Government Owned Vehicle Usage	 "Use of Govt Owned Vehicles-CDC 109.doc"
	Motor Vehicle Trip Record Form	 DOS Daily Vehicle Usage_OF108.pdf
	Cable on Government Vehicle Usage	 Cable on Govt Vehicle Usage.doc
GSA SmartPay VISA Policy Guidelines	CDC GSA SmartPay VISA Procedure Manual	 VISA Manual.pdf
	Credit Card Purchase Request Form	 CDC Purchase Request Form.doc
	CDC's Policy on Unauthorized Contractual and Purchase Commitments	 CDC Policy on Unauthorized Contrac



Appendix B – CDC Financial Transaction Responsibility Matrix

Post-Held Funds

CDC Financial Transactions – Responsibilities <u>Post Held Funds</u>	DOS Embassy	FSC	FMO-GAP Budget	COGH	FMO/FSB	Field Staff
Identifies activity for funding			X			X
Determines optimal method to obligate and disburse funds			X			X
Prepares advice of allotment cable specifying Post Held funds			X			
Prepares 6012 to tie up funds in CDC Accounting System			X			
Forwards a copy of the cable to DHHS for approval If there is no objection from DHHS, transmits to embassy				X		
Records allotment (funding limits) in post financial system	X					
Identifies specific needs and coordinate with embassy staff (travel, supplies, personnel services, etc.).						X
Ensures goods and services are authorized within CDC's appropriation.						X
Prepares obligating document and obligates funds against previously established allotment	X					
Records obligation in post financial system	X					
Verifies goods are delivered/services or travel performed	X					X
Receives vendor/employee prepared invoice/voucher for payment against obligation	X					X
Inputs payment data into accounting system	X					
Transmits accounting data to FSC	X					
Prepares monthly reports of obligations and disbursements and transmit to CDC and post personnel monthly		X				
Reviews and validates obligations and expenditures on report						X
Posts obligations and expenditures to CDC's UFMS					X	
Reviews pertinent financial reports for accuracy			X			



Atlanta Held Funds

CDC Financial Transactions – Responsibilities <u>Atlanta Held Funds</u>	DOS Embassy	FSC	FMO-GAP Budget	COGH	PGO	FMO/FSB	Field Staff
Identifies activity for funding			X				X
Determines optimal method to obligate and disburse funds			X				X
Prepares advice of allotment cable specifying Atlanta Held funds					X		
Forwards a copy of the cable to DHHS for approval If there is no objection from DHHS, transmits to embassy				X			
Identifies specific needs and coordinate with CIO (travel, supplies, personnel services, etc.)							X
Ensures goods and services are authorized within CDC's appropriation.			X				X
Prepares obligating document and obligates funds					X	X	
Records obligation in CDC's Unified Financial Management System (UFMS)						X	
Ensures that a copy of the obligating document is available for the embassy			X		X		X
Verifies goods are delivered/services or travel performed			X			X	X
Receives vendor/employee prepared invoice/voucher for payment against obligation	X						
Inputs payment data into DOS accounting system	X						
Transmits accounting data to FSC	X						
Prepares monthly reports of obligations and disbursements and transmit to CDC and post personnel monthly		X					
Reviews and validates obligation and expenditure on report							X
Posts obligations and expenditures to UFMS						X	
Reviews pertinent financial reports for accuracy			X				X



Atlanta Direct Funds

CDC Financial Transactions – Responsibilities <u>Atlanta Direct Funds</u>	DOS Embassy	FSC	FMO-GAP Budget	FMO/FSB	Field Staff
Identifies activity for funding			X		X
Determines optimal method to obligate and disburse funds			X		X
Identifies specific needs and coordinate with CIO (travel, supplies, personnel services, etc.)					X
Ensures goods and services are authorized within CDC’s appropriation.			X		X
Records obligation in CDC’s Unified Financial Management System (UFMS)				X	
Verifies goods are delivered/services or travel performed			X	X	X
Receives vendor/employee prepared invoice/voucher for payment against obligation				X	
Inputs payment information into CDC accounting system				X	
Reviews and validates obligations and expenditures on budget report prepared by GAP budget analysts			X		X
Posts obligations and expenditures to CDC’s UFMS				X	
Reviews pertinent financial reports for accuracy			X		

Summary of Department of State Responsibilities

<u>Department of State - Responsibilities</u>	Post Held	Atlanta Held	Atlanta Direct
Receives advice of allotment cable from CDC	X	X	
Records allotment (funding limits) in Post financial system	X		
Prepares obligating document and obligates funds against previously established allotment	X		
Records obligation in post financial system	X		
Verifies goods are delivered/services or travel performed	X		
Receives vendor/employee prepared invoice/voucher for payment against obligation	X	X	
Ensures payments do not exceed available funds in field office’s allotment	X	X	
Inputs payment data into accounting system	X	X	
Transmits accounting data to FSC	X	X	
Distributes monthly reports of obligations and disbursements to GAP field staff monthly (P60 and P62 reports)	X		
Distributes monthly reports of <u>disbursements only</u> to GAP field staff monthly (VADR report)	X	X	



Appendix C – Cable Examples

Post Held Funds Cable

PRIORITY
FM CDC ATLANTA GA USA
TO AMEMBASSY ABIDJAN
INFO RUEHFSC/USOFFICE FSC CHARLESTON
INFO RUEHC/SECSTATE WASHDC
INFO RUEHPH/CDC ATLANTA GA
ABIDJAN FOR FMO AND ADMIN OFFICER
ABIDJAN INFO FOR CDC NOLAN
FSC CHARLESTON FOR ACCOUNTING
FSC CHARLESTON INFO NANCY DURHAM
SECSTATE FOR AF/EX
SECSTATE DEPT PASS TO DHHS FOR STEIGER OGHA

ATD # 5307

TAGS: CDC, ABUD, AFIN, AMGT, NCHSTP

SUBJECT: CDC ADVICE OF ALLOTMENT – COTE D'IVOIRE – CDC GLOBAL AIDS PROGRAM ACTIVITIES IN FY 2005.

1. This is an action cable. Request for Embassy Abidjan assistance is specified in para 2.
2. CDC authorizes Embassy Abidjan to incur obligations up to, but not to exceed, USD 750,000 for operational support of the CDC Global AIDS Program activities in Cote D'Ivoire.

Please use the following fund cites info:

Appropriation ID: 75 5/6 0943
Agency/Bureau ID: 75-09
Allotment/CAN: 5921 000R 530
Function/Document Number: 00030106
Total This Authorization: USD 750,000

This authorization is for FY 2005. This brings the total authorized for this program in FY 2005 to USD 2,857,654.

All funds associated with this program are considered post held, repeat post held, funds.

3. This funding does not include human subjects research.
4. The CDC program contact for this cable is Henry Roberts, TEL: 404-639-6353, FAX: 404-639-4268, EMAIL: cmu7@cdc.gov. The programmatic



contact for this cable is Country Support Officer Matt Stockton; TEL: 404-639-8891, FAX: 404-639-8105.

5. CDC appreciates Embassy Abidjan assistance with this request.
6. Please transmit cable reply to RUEHPH/CDC ATLANTA GA and make ref to ATD number above.



Atlanta Held Funds Cable

PRIORITY
FM CDC ATLANTA GA
TO AMEMBASSY HARARE
INFO RUEHFSC/USOFFICE FSC CHARLESTON
INFO RUEHC/SECSTATE WASHDC
INFO RUEHPH/CDC ATLANTA GA
HARARE FOR ADMIN OFF AND FMO
HARARE INFO FOR CDC MOFFAT
INFO CDC/SHANNON HADER
FSC CHARLESTON FOR ACCOUNTING
FSC CHARLESTON INFO NANCY DURHAM
SECSTATE FOR AF/S
SECSTATE DEPT PASS TO HHS FOR STEIGER OGHA

ATD #

TAGS: CDC, OSCI, TBIO, PGO, US, ZI

SUBJECT: FUNDING AUTHORIZATION AND PAYMENT ASSISTANCE REQUEST TO ZIMBABWE

1. This is an action cable. HHS/CDC requests Embassy Harare, FSC Charleston assistance as specified in paragraph 5.
2. HHS/CDC hereby authorizes Embassy Harare to make payments on CDC issued cooperative agreements up to but not to exceed the approved amounts listed in paragraph 5.
3. HHS/CDC requests the assistance of Embassy Harare and FSC Charleston to facilitate payment of the cooperative agreements in either local currency or US dollars (when justified) through established financial disbursement processes. Justifications for payments in US dollars must be facilitated by CDC Zimbabwe and forwarded to Embassy Harare for approval.
4. HHS/CDC requests Embassy Harare and FSC Charleston to incorporate the specific requirements outlined in paragraph 6 into the payment process.
5. The CDC Zimbabwe has been tasked to provide copies of supporting cooperative agreement award documents as well as banking details for each recipient, as needed, directly to Embassy Harare and FSC Charleston.



The identification of the cooperative agreement recipients, and the amount of funds available and fund cite for each recipient is as follows:

University of Zimbabwe
Department of Community Medicine
U62/CCU023989-01-1
Amount of funds: USD 64,867.00
Appropriation ID: 75 5/6 0943
Agency/Bureau ID: 75-09
Allotment/CAN: 5921 00BN 001
Object Class: 41.51
Function/obligation number: CCU023989
Total this Authorization: USD 64,867.00

Deseret International
U62/CCU022379-03-1
Amount of funds: USD 15,000.00
Appropriation ID: 75 5/6 0943
Agency/Bureau ID: 75-09
Allotment/CAN: 5921 00BN 001
Object Class: 41.51
Function/obligation number: CCU022379
Total this Authorization: USD 15,000.00

Sharing Health Empowerment
U62/CCU022386-03-1
Amount of funds: USD 20,000.00
Appropriation ID: 75 5/6 0943
Agency/Bureau ID: 75-09
Allotment/CAN: 5921 00BN 001
Object Class: 41.51
Function/obligation number: CCU022386
Total this Authorization: USD 20,000.00

All funds associated with this project shall be considered Atlanta/Agency held, repeat Atlanta/Agency held funds.

6. CDC Atlanta - Specific Requirements: For each payment request, the recipient will be required to submit the following documents for endorsement by CDC Zimbabwe and approval by CDC Atlanta. A scanned or faxed copy of the paperwork to CDC Atlanta is sufficient.

- a. Payment Invoice communicating the date, amount of funds requested, currency requested (on organization letterhead);
- b. Completed Standard Form 1034 (form on file at CDC Zimbabwe);
- c. Completed Recipient Spending Report (form on file at CDC Zimbabwe);
- d. Voucher continuation Form (form on file at CDC Zimbabwe).



The CDC Atlanta office will transmit all approved voucher payments to CDC Zimbabwe by email or fax. The CDC Zimbabwe office will forward payment requests to the Embassy Harare for payment execution.

CDC Zimbabwe and Embassy Harare are requested to closely track all payments so as to ensure that recipient payments do not exceed actual cooperative agreement award amounts.

7. In order to ensure prompt receipt of cable response at CDC, please transmit cable reply or cable request for additional information directly to RUEHPH/CDC ATLANTA GA, Attn: PGO/Shirley Wynn.

8. CDC appreciates Embassy assistance and consideration.

9. If additional information is needed, please contact Shirley Wynn, phone 770-488-1515, fax 770-488-2688, e-mail zbx6@cdc.gov.



Appendix D – Process Flowcharts

Post Held Funds – Process Flowchart

