

UNITED STATES DEPARTMENT OF AGRICULTURE
FOOD SAFETY AND INSPECTION SERVICE
WASHINGTON, DC

FSIS DIRECTIVE	3200.2	7/28/89
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**RESPONSIBILITIES FOR OPERATION UNDER THE
ADMINISTRATIVE FUND CONTROL SYSTEM**

I. PURPOSE

This directive:

- A. Identifies responsibilities for operations under the Agency's administrative fund control system for restricting, controlling, and reporting obligations.
- B. Outlines the liabilities for violations of the system.

II. CANCELLATION

Cancel FSQS Directive 3200.1, dated 9/30/80.

III. REASON FOR REISSUANCE

To supplement Chapter 4, Budget Execution, of the USDA Budget Manual by identifying specific responsibilities for operation under the FSIS administrative fund control system. All Agency directives concerning fund control are issued as supplements to Chapter 4, Budget Execution, and will attempt to avoid duplication of any material contained therein.

IV. REFERENCES

FSIS Directive 1270.2, Responding to GAO Reports
FSIS Directive 3200.1, Administrative Control System for Appropriations and Funds
FSIS Directive 3230.1, Availability and Control of Appropriations and Funds

OMB Circular No. A-34, Instructions on Budget Execution

V. FORMS AND ABBREVIATIONS

The following will be referred to in their shortened form in this directive:

BFD	Budget and Finance Division
CAS	Central Accounting System
GAO	General Accounting Office

NFC	National Finance Center
OBPA	Office of Budget and Program Analysis
OMB	Office of Management and Budget

+ [VI. POLICY

FSIS policy is to operate its system of administrative fund control pursuant to the provisions of the Departmental Budget Manual, Chapter 4, Budget Execution, and all Agency directives issued thereunder detailing procedures and responsibilities that are tailored to the specific requirements of the Agency.

VII. DEFINITIONS

For the purpose of this directive, definitions are set forth in OMB Circular No. A-34.

VIII AUTHORITY

Pursuant to the provisions of FSIS Directives 3200.1 and 3230.1, Agency funds are received, recorded, and made available by BFD for obligation and expenditure by appropriations, funds, transfers, estimated reimbursements or receipts, apportionments, allotments, allocations or planning estimates (target allowances), and operating plans.

IX. RESPONSIBILITIES

A. Director, Budget and Finance Division.

1. Develop, for approval by the Administrator or any designee, the annual financial plan containing the estimated Agency resources, reserves, proposed allotments and allocations or planning estimates (target allowances) by appropriation and fund, including estimated reimbursements or receipts. Develop and recommend any reprogramming actions, rescissions or deferrals, or supplemental requests necessary to carry out lawful Agency responsibilities.

2. Implement, operate, and maintain the budget and control system for planning, establishing, revising, adjusting, and transferring budgetary resources. (See FSIS Directive 3230.1 concerning the availability and control of appropriations and funds within the Agency.)

3. Secure approval by OMB or OBPA for all apportionments for designated appropriations and funds, including amounts made available by reimbursement, receipt, or transfer. (FSIS trust funds are specifically exempted from the apportionment process.)

4. Establish allotments to restrict obligations or disbursements under each appropriation and fund to the lesser of either funds made available (including estimated reimbursements or receipts) or approved apportionments.

a. Allotments are made on an annual basis with specific quarterly limitations for any appropriation or fund subject to apportionment. Quarterly limitations contained in allotments must be within approved apportionments or other authorized administrative limitations on funds.

b. Allotments will be limited to the extent practicable to one allotment for each appropriation or fund.]+

+5. Establish and limit allocations (optional method to the amount of the allotment. Allocations are made on an annual basis with specific quarterly limitations for designated appropriations or funds.

6. Establish and limit planning estimates (target allowances) (preferred method) to the amount of financial resources estimated to be available to the Agency. Planning estimates are made on an annual basis, by budget activity, for designated appropriations and funds, and may be revised.

7. Require the submission of annual operating plans, statements of estimated reimbursements or receipts, staff-years, and related information by all Agency organizational units having financial responsibility for the obligation or expenditure of funds.

8. Notify deputy administrators and staff and division directors, as applicable, of their approved planning estimates (target allowances), allocations, and operating plans, including any approved statements of estimated reimbursements or receipts.

9. Control special limitations or general provisions contained in annual appropriation acts, other laws, rules, or regulations. This includes, but is not limited to:

a. Employment of experts and consultants under 5 U.S.C. 3109 and other authorities.

b. Construction, alteration, and repair of buildings and improvements under 7 U.S.C. 2250.

c. Acquisition of land by donation, exchange, or purchase at a nominal cost, when included in the annual appropriation act.

d. Purchase or hire of passenger motor vehicles.

e. Purchase of uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901-5902).

f. Establishment and adjustments to contract and interagency agreement policies and procedures, to funds available for obligations related to personnel compensation, benefits, and other objects of expenditure, to staff-year and employment ceilings or limitations, to travel or training ceilings or limitations, and to outlay plans and reports.

10. Periodically review current and prior year obligation reports from NFC to ensure that cumulative obligations do not exceed funds available through the current accounting period and quarter. Determine if any violations of the system are subject to liabilities and prepare any report of violations. (See paragraph X.)

11. Periodically review the status of funds with FSIS officials to:

a. Report the results by fund, program, and organizational unit.

b. Assure compliance with laws, regulations, policies, and procedures.]+

+c. Recommend establishment, deferral, or release of reserves, reprogramming, and allocation or target allowance actions.

d. Recommend supplemental appropriation or rescission requests.

12. Review funding documents received from OBPA and OMB and forward copies to NFC for input to the Central Accounting System.

13. Review documents and vouchers submitted by the various Agency organizational units, other Government agencies, applicants, and vendors for payments or adjustments and forward to NFC for necessary action.

14. Develop internal financial reports.

15. Ensure that practices, procedures, systems, reports, and data are proper according to accepted accounting standards.

16. Review at least annually all current and prior year estimated or unliquidated obligations for currentness, reasonableness, and appropriateness, and adjust or remove from the system any such obligations that are no longer valid or needed.]+

B. Recipient Deputy Administrators and Staff and Division Directors.

1. Conduct operations within approved allocations or target allowances and related operating plans.

+2. Establish, operate, and maintain internal fund control systems as required to assure compliance with this directive.]+

3. Notify the Director, BFD, of anticipated obligations which will exceed allocations or target allowances and obtain approval of such obligations before authorization. (See subparagraph XI. B. for liabilities for violations.)

4. Develop, subject to approval of the Director, BFD, an operating plan showing the estimated obligations and statement of estimated reimbursements or receipts of the organization for the fiscal year. (Refer to annual BFD operating plan "call memo" for instructions, due dates, and formats.)

5. Periodically review obligation reports from NFC to ensure that cumulative obligations do not exceed funds available through the current accounting period and quarter. Determine if any violations of the system are subject to liabilities and prepare any report of violations. (See paragraph XM

C. National Finance Center.

1. Implements, operates, and maintains the FSIS accounting system as part of the USDA Central Accounting System.

2. Ascertains that no appropriation or fund that is limited for obligation purposes to a definite period of time is available for expenditure after the expiration of such period except for liquidation of amounts obligated. No such appropriation or fund will remain available for expenditure for any period beyond that otherwise authorized by law.

3. Prepares internal reports in formats requested by BFD.
4. Informs BFD when obligations exceed amounts authorized on apportionments, allotments, or allocations.
5. Prepares and approves all required external reports to the Treasury Department, OMB, Congress, and others.

X. PREVENTING VIOLATIONS

The Administrator, as required under the administrative control system, has fixed responsibility for violations to specific officials who are responsible for allotment and obligation controls.

A. **The Director, BFD**, is responsible for issuing allotments and for limiting allotments under each appropriation or fund to the lesser of either appropriations or funds made available to FSIS (including estimated reimbursements or receipts) or approved apportionments. Allotments will be limited to the extent practicable to one allotment for each appropriation or fund.

B. **Officials designated as allottees** (usually the Administrator) are responsible for limiting obligations to allotments and any quarterly limitations thereof. Where allotments include amounts for estimated reimbursements or receipts, the obligations against such funds may be incurred only to the extent that such estimated funds will actually be realized.

C. **Recipients of allocations or target allowances** are responsible for incurring obligations within the amounts designated.

D. **Officials in charge of operating plans** are responsible for limiting obligations to the amount of the approved plan.

XI. REPORTING VIOLATIONS SUBJECT TO DISCIPLINARY ACTION

BFD will report violations subject to disciplinary action to the Administrator.

A. Violations Subject to the Antideficiency Act.

1. **Types of Violations.** Any case where an officer or employee of the United States has:

a. Made or authorized a disbursement from or created or authorized an obligation under any appropriation or fund (including trust and revolving funds) in excess of the amount available therein.

b. Involved the Government in a contract or other obligation for the payment of money for any purpose in advance of appropriations made for such purpose, unless such contract or obligation is authorized by law.

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

d. Authorized or created an obligation or made a disbursement in excess of an apportionment or reapportionment.

e. Authorized or created an obligation or made a disbursement in excess of the amount permitted by the prescribed and approved administrative control system as outlined in this directive.

2. **Method of Reporting.** The Director, BFD, will report violations through the Administrator to the Director, OBPA, in the form of similar letters addressed to the President, the Speaker of the House of Representatives, and the President of the Senate, for the signature of the Secretary. (See subparagraph C. for information to be reported.)

3. **Reports on GAO Findings.** Reports will also be made on violations not previously reported which are included in findings of GAO in connection with audits and investigations. In these cases, the report will contain an explanation of why the violation was not discovered and previously reported by the Agency. If the Agency does not agree with GAO that a violation has actually occurred, the report should explain the reason for the Agency's point of view. (See FSIS Directive 1270.2.)

4. **Liabilities for Violations.** Any officer or employee who violates any of the provisions of subparagraphs 1. and 3. will be subject to appropriate administrative discipline in accordance with established USDA procedures including, when circumstances warrant, suspension from duty without pay or removal from office. In addition, any officer or employee who knowingly or willfully violates any of those provisions will, upon conviction, be fined not more than \$5,000 or imprisoned for not more than 2 years, or both.

B. Violations NOT Subject to the Antideficiency Act.

1. **Types of Violations.** Any case where an officer or employee of the United States has:

a. Exceeded the amount specified in an **allocation** under any appropriation or fund without obtaining **prior written clearance from BFD.**

b. Exceeded the amounts specified in a target allowance or an operating plan without obtaining administrative clearance under the allocation or target allowance.

2. **Method of Reporting.** The Director, BFD, will report violations to the Administrator by memorandum. (See subparagraph C. for information to be reported.)

3. **Liabilities for Violations.** Any officer or employee who violates any of the provisions in subparagraph B. 1: will be subject to appropriate disciplinary action within the Agency imposed by the Administrator.

C. **Information to be Reported.** The reports of violations described in subparagraphs A. and B. will provide the following information, as applicable:

1. The title and symbol (including the fiscal year) of the appropriation or fund account, the amount involved for each violation, and the date on which the violation occurred.

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2. The name and position of the officer or employee responsible for the violation.
3. All the pertinent facts relating to the violation, including the type of violation (e.g., overobligation of an allotment, overobligation of an apportionment, or overexpenditure of an appropriation), the primary reason or cause, and any statement of the responsible officer or employee with respect to any circumstances believed to be extenuating.
4. A statement of the administrative discipline imposed or any other administrative action taken with respect to the officer or employee, or an explanation of why no disciplinary action is considered necessary.
5. A statement of any additional action taken by, or at the direction of the head of the Agency, including any new safeguards provided to prevent recurrence of the same type of violation.
6. A statement regarding the adequacy of the system of administrative control.
7. If another agency is concerned, a statement concerning the steps taken to coordinate the report with the other agency.



**Deputy Administrator
Administrative Management**