



Financial Systems Integration Office

**Financial Management Systems
Standard Business Process
for U.S. Government Agencies**



**Exposure Draft for
Standard Business Processes**

**Version 1.0
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Listed Abbreviations

BRM	Business Reference Model
BFELoB	Budget Formulation and Execution Line of Business
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CFS	Core Financial System
CIO	Chief Information Officer
COTR	Contracting Officer's Technical Representative
CPIC	Capital Planning and Investment Control
FACTS II	Federal Agencies' Centralized Trial-Balance System II
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance With Treasury
FC	Funds Control
FEA	Federal Enterprise Architecture
FEAF	Federal Enterprise Architecture Framework
FFMIA	Federal Financial Management Improvement Act of 1996
FFMSR	Federal Financial Management Systems Requirements
FISMA	Federal Information Security Management Act of 2002
FMLoB	Financial Management Line of Business
FSIO	Financial Systems Integration Office
GAO	Government Accountability Office
GPRA	Government Performance and Results Act of 1993
IRM	Information Resource Management
IT	Information Technology
JFMIP	Joint Financial Management Improvement Program
NIST	National Institute of Standards and Technology
OFFM	Office of Federal Financial Management (OMB)
OMB	Office of Management and Budget
P.L.	Public Law
PMA	President's Management Agenda
PPA	Prompt Payment Act
SFFAC	Statement of Federal Financial Accounting Concepts
SFFAS	Statement of Federal Financial Accounting Standards
SGL	Standard General Ledger (also USSGL - U.S. Standard General Ledger)
TAFS	Treasury Appropriation Fund Symbol
TAS	Treasury Account Symbol
TFM	Treasury Financial Manual

Foreword

The Financial Management Line of Business (FMLoB) is one of several Line of Business initiatives launched by the Office of Management and Budget (OMB) to improve the management of the Federal Government. The purpose of the FMLoB is to improve the cost, quality, and performance of Federal financial management systems by leveraging shared service solutions and implementing other government-wide reforms that foster efficiencies in Federal financial operations. A key component of the FMLoB is the development of standard business processes for core financial management functions.

The Funds Control standard business process is the first chapter in a series of standard business processes that support the objectives of the FMLoB. These standards will include the following:

- Sequenced activities for core business processes;
- Data elements and definitions related to these business processes (such as information contained on a purchase order, e.g., order number, item number, price per item, etc.);
- Relationships among the data elements as they exist in the actual business activities; and
- Business rules governing the process steps.

Subsequent chapters will include standard business processes for Payment Management, Receivables Management, Reports Management and Reimbursables.

OMB is the executive sponsor for the FMLoB initiative and, in conjunction with the Chief Financial Officer (CFO) Council's Financial Systems Integration Office (FSIO) Oversight Transformation Team, provides oversight and guidance for the initiative. FSIO has direct responsibility for completing priority projects under FMLoB. This document was prepared by FSIO, as the managing partner of the FMLoB, in collaboration with Federal program agencies. Participants from both the public and private sector have contributed to the development of the *Standard Business Processes* document. FSIO also manages:

1. Core financial systems requirements development, testing, and product certification;
2. Support to the Federal financial community by taking on special priority projects as determined by the OMB Controller, CFO Council, and the FSIO Executive Director; and
3. Outreach through an annual financial management conference and other related activities.

For more information, visit the FSIO website at <http://www.fsio.gov>

Chapter 1: Introduction To Standard Business Process

1.1 BACKGROUND

Improving financial performance across government is one of the President's top management priorities. A key factor in the success of FMLoB is that Federal agencies implement financial management systems that produce timely, useful, and reliable information for decision making. Over the past few decades, the Federal Government increasingly has standardized the way it develops and implements its financial management systems. The Federal Government has committed significant resources to implement financial management systems that meet its information needs, and each successive effort has reduced the cost and improved the quality of agency financial systems. Agencies are continuing their efforts to comply with Federal financial management system requirements, applicable accounting standards, and information security requirements, as they develop systems that meet financial and program managers' information needs.

The FMLoB initiative arose out of the need to further reduce the cost and risk of Federal financial system implementations. To meet these objectives and to ensure that systems continue to meet the information needs of the Federal Government, the FMLoB focuses on leveraging technology investments across government to assist in standardizing the underlying business processes of Federal agencies. The goals of the FMLoB are to:

1. Provide timely and accurate data for decision making.
2. Facilitate stronger internal controls that ensure integrity in accounting and other stewardship activities.
3. Reduce costs by providing a competitive alternative for agencies to acquire, develop, implement, and operate financial management systems through shared service solutions.
4. Standardize systems, business processes, and data elements.
5. Provide for seamless data exchange between and among Federal agencies by implementing a common language and structure for financial information and system interfaces.

Included in the FMLoB initiative is this project to establish standard business processes—uniform government-wide common business processes, rules, data components, and policies for core financial business processes. Establishing standard core financial business processes supports the overall premise of the FMLoB that standardization will lead to efficiencies in Federal financial management and system design. This project to develop standards processes is required to ensure that the

objectives of all financial management stakeholders are achieved in the most efficient manner possible.

The standard business processes described in this document adhere to the standards established by the following organizations:

- The Office of Management and Budget,
- The Department of the Treasury, Financial Management Service, and
- The Federal Accounting Standards Advisory Board.

Many of these standards are referenced in the Federal Financial Management System Requirements (FFMSR). The FFMSR documents, available at FSIO's website at <http://www.fsio.gov>, address the key provisions of Federal financial management laws, regulations, and central agency reporting requirements.

1.2 PURPOSE AND SCOPE OF THIS DOCUMENT

This document presents government-wide common business rules, data components, and policies for core financial business processes. Standardized business processes across the Federal Government identify opportunities to simplify processes and unify work across the agencies and within the Financial Management Line of Business (FMLoB) of the Federal Government. The outcome will be a more citizen-centered, customer-focused government that maximizes technology investments to better achieve mission outcomes.

When complete, the *Standard Business Processes* will include:

- Sequenced activities for core business processes
- Data elements and definitions related to these business processes (e.g., information contained on a purchase order - order number, item number, price per item)
- Relationships among the data elements as they exist in the actual business activities
- Business rules governing the process steps.

The *Standard Business Processes* document is intended for use by the Federal financial management community to provide guidance for implementing efficient business processes that are consistent throughout the federal government. Primary users will include accountants, budget analysts, financial and program staff, contractors, and software vendors who support financial management system implementations.

This document supports the FMLoB vision as part of the standardization foundation, as highlighted in the following diagram.

FMLOB Vision/Framework

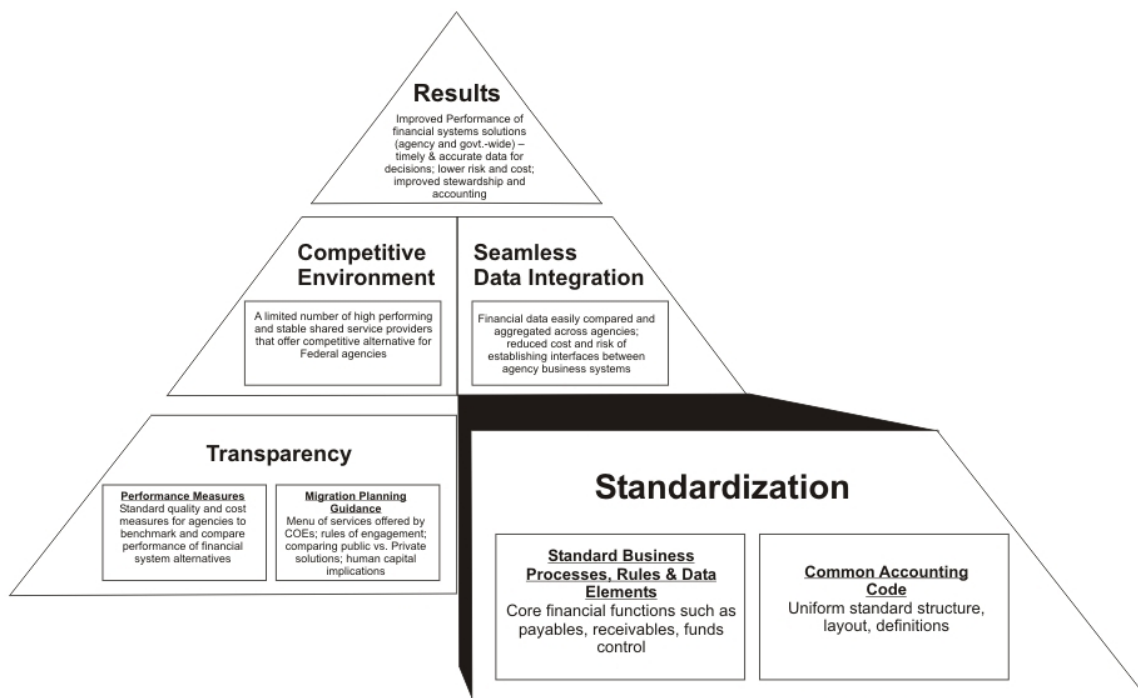


Figure 1: FMLoB Vision & Framework

The subsequent chapters in this document describe the business process flows for core financial business processes, the associated business rules, and the posting models for the process described. Each chapter also provides the data elements and the relationship of those data elements to the business process flows.

Appendices include the FMLoB vision and approach to developing *Standard Business Processes*, a “controlled vocabulary” of standard terms and definitions used in this document, a list of relevant laws and regulations affecting Federal financial management and standard business processes, and acknowledgement of those who contributed to this document.

1.3 FMLOB BUSINESS PROCESSES WITHIN CONTEXT OF CORE REQUIREMENTS

The FFMSR *Core Financial Management Requirements* document (available at <http://www.fsio.gov>) details seven functions that must be supported in all core Federal financial management systems, as shown in the following figure. Each function contains several processes. For example, Funds Control is one of the six processes of the Budgetary Resource Management function.¹

Implementation of standard business processes may lead to revisions to the Core Financial Management Requirements document and eventually incorporated into core Federal financial management systems.

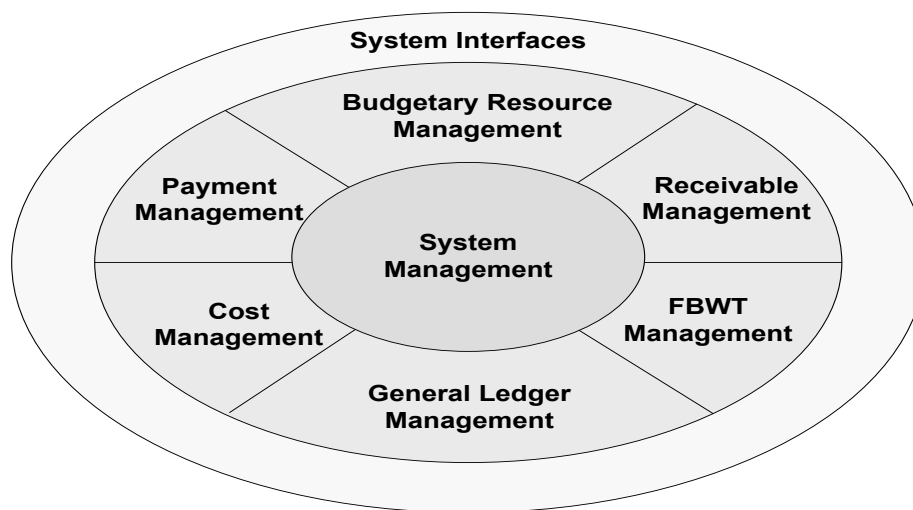


Figure 2: Functions That Must Be Supported by Core Financial Systems

¹ The remaining processes under Budgetary Resource Management are (1) Budget Planning, (2) Budget Preparation, (3) Budget Authority, (4) Funds Distribution, and (5) Funds Status.

Chapter 2: Funds Control Processes

This chapter addresses standardization requirements for the Funds Control (FC) process. A strong Funds Control process ensures that Federal dollars are managed properly in day-to-day operations and provides an acceptable level of accountability.

The Funds Control processes provide safeguards that prevent the distribution, obligation, and expenditure of funds in excess of conventional budgetary limitations as established through the funds formulation and execution process. Specifically, these processes:

- Verify availability of allotted funds for commitment.
- Verify availability of commitments & allotted funds for obligations.
- Verify availability of obligation & allotted funds for expenditure.
- Verify availability of obligation & allotted funds for payment.

The Funds Control processes described in this chapter are intended to assist agencies in complying with all applicable financial management statutes, regulations, and requirements. Funds Control is primarily addressed by the Ant-deficiency Act, which prohibits Federal expenditures in excess of appropriation, and guidance issued by the Office of Management and Budget, the Department of the Treasury, and the Federal Accounting Standards Advisory Board. In addition, the steps outlined in this document provide a roadmap for ensuring an effective Funds Control process within an agency.

This chapter focuses on an agency's Funds Control process after the funds have been provided to the agency. Once the funds have been released to the agency for spending, the agency may further subdivide the funds into allotments and sub-allotments to facilitate better management of the funds.

The following pages contain the flowcharts and process steps for the Funds Control processes listed below. The left sides of the flowcharts present the actual financial event/activity; the right sides present the Funds Control associated with each financial event/activity. After the flowcharts and process steps, Table 2.10 (Cross Reference to A-11 and Title 31) cross-references each Funds Control process step to the requirements of the Anti-deficiency Act and OMB Circular A-11 and Title 31, United States Code, *Money and Finance*.

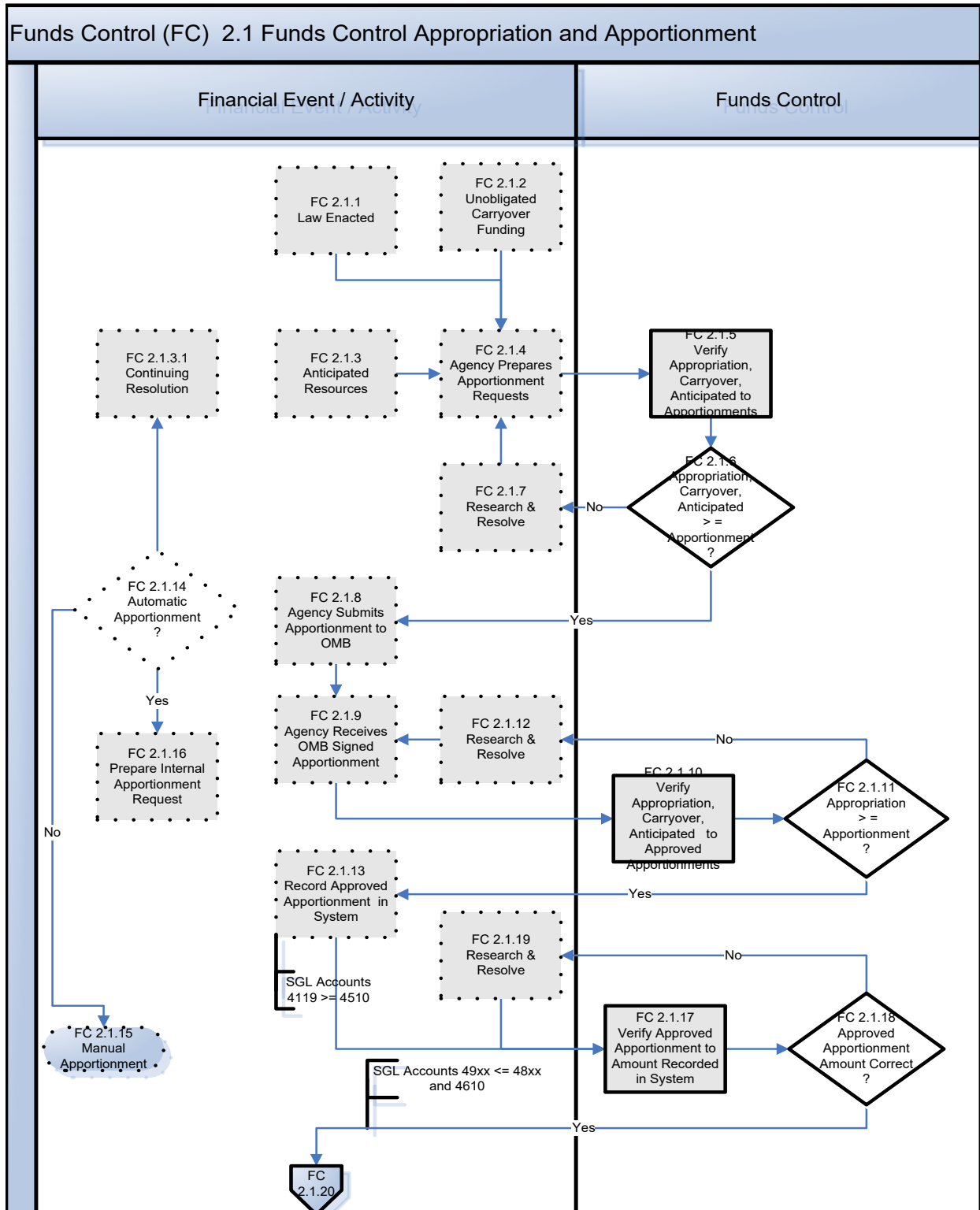
Funds Control Sub-Processes

- 2.1 Funds Control Appropriation and Apportionment
- 2.2 Funds Control Allotment
- 2.3 Funds Control Sub-Allotment
- 2.4 Funds Control Commitment
- 2.5 Funds Control Obligation

- 2.6 Funds Control Expenditures or Cost
- 2.7 Funds Control Disbursement
- 2.8 Funds Control Payroll Expense
- 2.9 Funds Control Monitoring Controls

2.1 FUNDS CONTROL APPROPRIATION AND APPORTIONMENT

The following flowchart provides the steps performed when controlling funds are appropriated and apportioned:



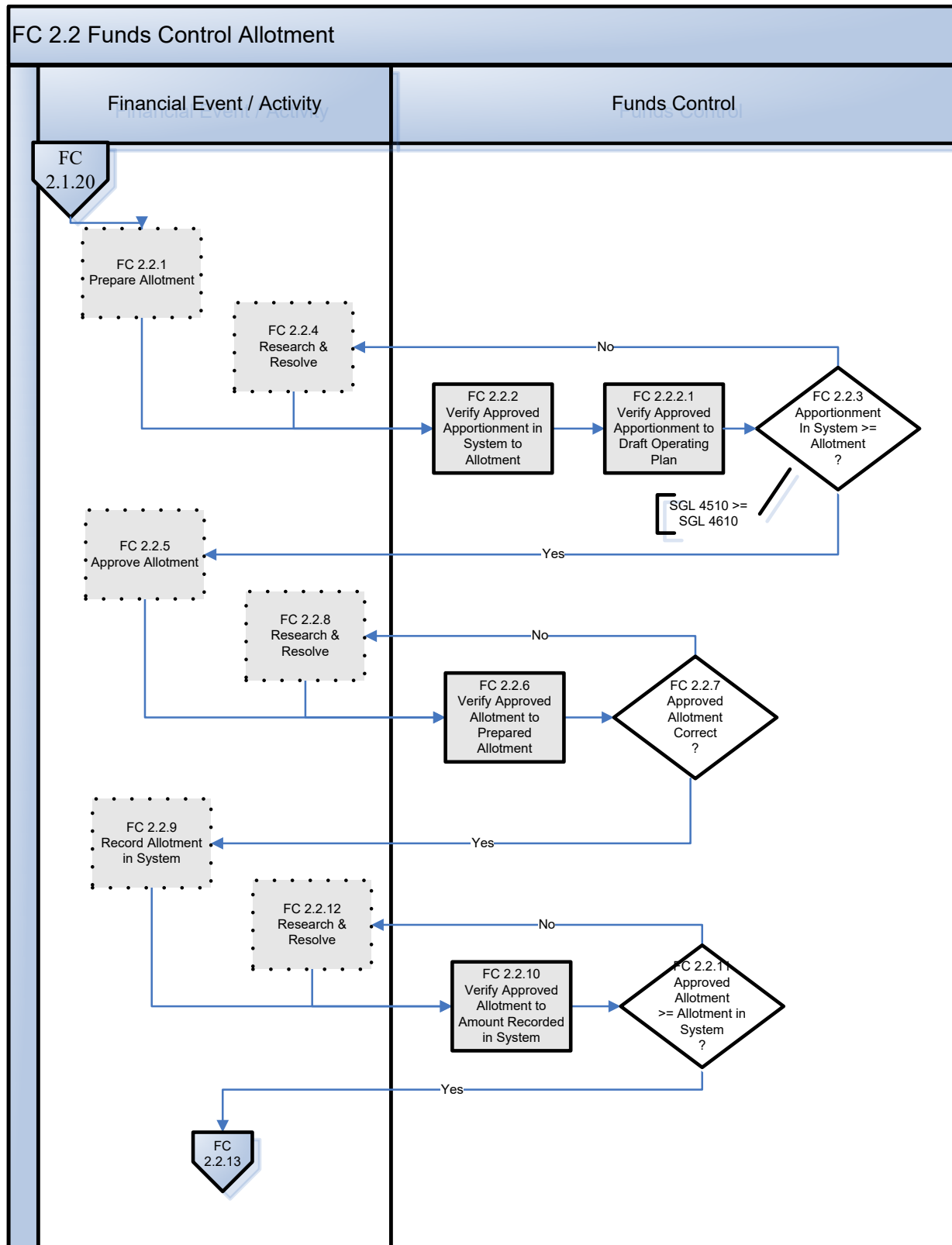
The Funds Control Appropriation and Apportionment process steps are described as follows:

Step ID	Step Name	Step Description
FC 2.1.1	Law Enacted	The enacted law may include language for Appropriation, rescissions, reductions, transfers, re-apportionment requests, and/or continuing resolutions.
FC 2.1.2	Un-obligated Carryover Funding	Un-obligated funds are carried over for use in multi- and no-year funds.
FC 2.1.3	Anticipated Resources	Resources anticipated include revenues planned to be earned.
FC 2.1.3.1	Continuing Resolution	Legislation in the form of a joint resolution enacted by Congress, when the new fiscal year is about to begin or has begun, to provide budget authority for Federal agencies and programs to continue in operation until the regular Appropriation acts are enacted.
FC 2.1.4	Agency Prepares Apportionment Request	The agency prepares an apportionment request.
FC 2.1.5	Verify Appropriated, Carryover, and/or Anticipated Amount to Apportionment	The agency compares appropriated, carryover, and/or anticipated amount against the amount documented in the apportionment request.
FC 2.1.6	Appropriated, Carryover, and/or Anticipated Amount > = Apportionment	The apportionment amount cannot exceed the amount appropriated, carried over, and/or anticipated. If the amount apportioned exceeds the appropriation, go to step FC 2.1.7. If the amount apportioned is less than or equal to the appropriation, go to step FC 2.1.8. This control will prevent an apportionment from exceeding the appropriation.
FC 2.1.7	Research & Resolve	The agency researches the amount of the apportionment that exceeds the appropriation; it resolves the issue by ensuring that the apportionment is less than or equal to the appropriation.
FC 2.1.8	Agency Submits Apportionment to OMB	The agency submits the apportionment request to OMB.
FC 2.1.9	Agency Receives OMB Signed Apportionment	The agency receives the apportionment signed by OMB.
FC 2.1.10	Verify Appropriation to Approved Apportionment	The agency compares the amount appropriated against the amount provided on the approved apportionment.
FC 2.1.11	Appropriation > = Apportionment	The apportionment amount cannot exceed the amount appropriated. If the amount apportioned exceeds the appropriation, go to step FC 2.1.12. If the amount apportioned is less than or equal to the appropriation, go to step FC 2.1.13. This control

Step ID	Step Name	Step Description
		will prevent an approved apportionment from exceeding the appropriation.
FC 2.1.12	Research & Resolve	The agency researches and resolves the excess amount of the apportionment.
FC 2.1.13	Record Approved Apportionment in System	The agency records the approved apportionment in the system, including automatically approved Apportionment. The system must capture information necessary to perform funds checks.
FC 2.1.14	Automatic Apportionment	The apportionment amount can be predetermined and automatically generated. If the apportionment is not automatically generated, go to step FC 2.1.15. If the amount apportioned is automatically generated, go to step FC 2.1.16.
FC 2.1.15	Manual Apportionment	Manually calculated apportionment request process.
FC 2.1.16	Prepare Internal Apportionment Request	The agency prepares an internal apportionment request based on the predetermined apportionment.
FC 2.1.17	Verify Approved Apportionment to Amount Recorded in Core Financial System	The agency compares the amount recorded in the system for the apportionment against the amount provided on the approved apportionment.
FC 2.1.18	Approved Apportionment Amount Correct	The apportionment amount in the system must match the amount on the apportionment. If the amount in the system does not match the amount apportioned, go to step FC 2.1.19. If the amount in the system matches the amount apportioned, go to step FC 2.1.20. This control will prevent approved apportionment amount from differing from the amount in the system.
FC 2.1.19	Research & Resolve	The agency researches and resolves the amount in the system that does not match the apportionment.
FC 2.1.20	Continued to Step 2.1	Continued to Step 2.1

2.2 FUNDS CONTROL ALLOTMENT

The following flowchart provides the steps performed when controlling funds are allotted:



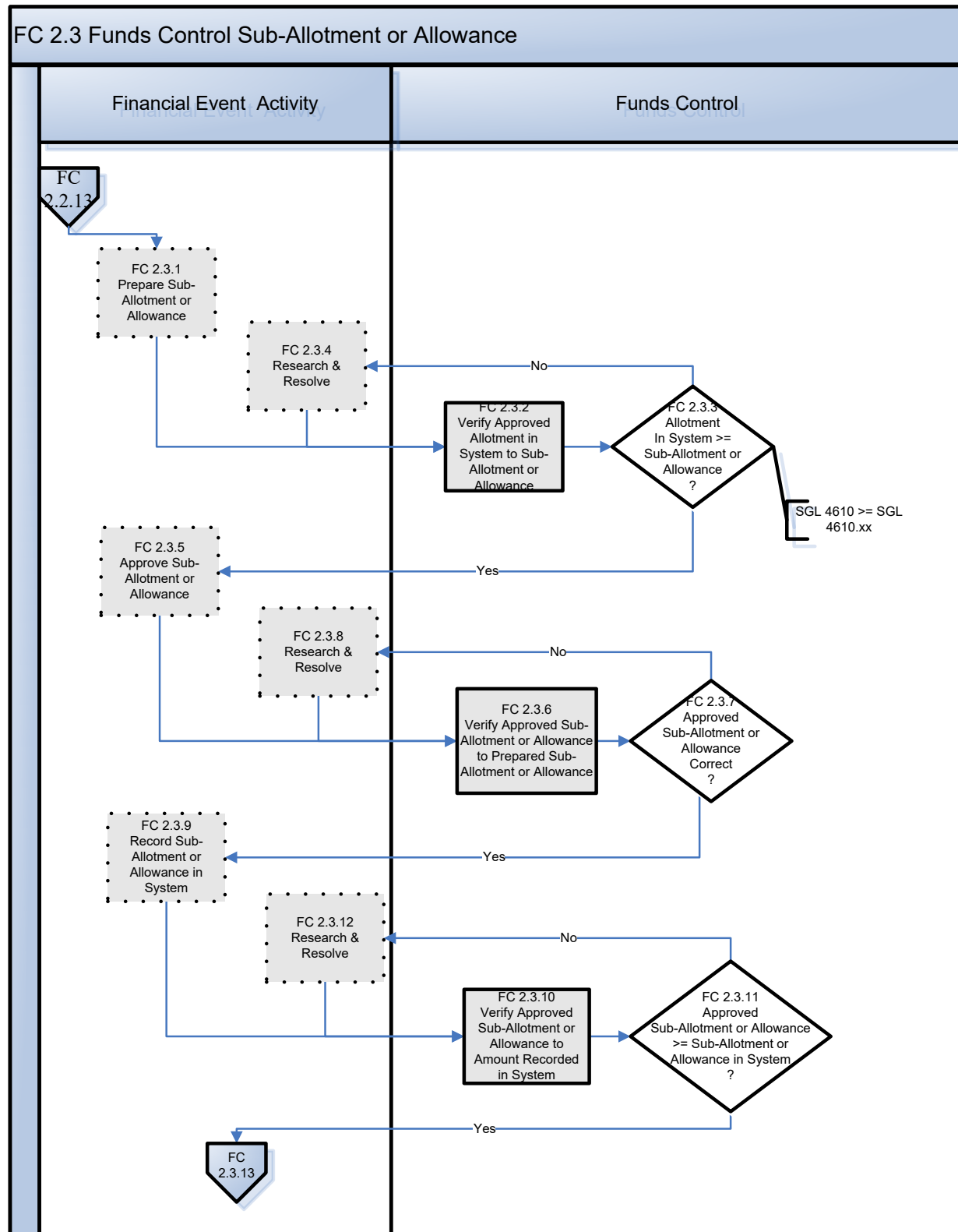
The Funds Control Allotment process steps are described as follows:

Step ID	Step Name	Step Description
FC 2.2.1	Prepare Allotment	The agency prepares an allotment.
FC 2.2.2	Verify Approved Apportionment in System to Allotment	The agency compares the allotment in the system against the amount documented in the approved apportionment.
FC 2.2.2.1	Verify Approved Apportionment to Draft Operating Plan	After receiving the approved apportionment from OMB, the agency verifies the apportionment against its Draft Operating Plan to ensure that the plan does not exceed the approved apportionment.
FC 2.2.3	Apportionment In System >= Allotment	The allotment amount cannot exceed the amount apportioned. If the amount allotted exceeds the apportionment, go to step FC 2.2.4. If the amount allotted is less than or equal to the apportionment, go to step FC 2.2.5. This control will prevent the allotment from exceeding the apportionment.
FC 2.2.4	Research & Resolve	The agency researches and resolves the excess amount of the allotment.
FC 2.2.5	Approve Allotment	The agency approves the allotment.
FC 2.2.6	Verify Approved Allotment to Prepared Allotment	The agency compares the amount on the prepared allotment against the amount provided on the approved allotment.
FC 2.2.7	Approved Allotment Correct	The approved allotment amount must match the prepared allotment. If the amount on the approved allotment exceeds the prepared allotment, go to step FC 2.2.8. If the amount on the approved allotment matches the amount on the prepared allotment, go to step FC 2.2.9. This control will prevent the allotment from differing from the approved allotment.
FC 2.2.8	Research & Resolve	The agency researches and resolves the amount that does not match between the prepared and approved allotment.
FC 2.2.9	Record Allotment in System	The agency records the approved allotment in the system. The system must capture information necessary to check for available funds.
FC 2.2.10	Verify Approved Allotment to Amount Recorded in System	The agency compares the amount recorded in the system for the allotment against the amount provided on the approved allotment.
FC 2.2.11	Approved Allotment >= Allotment in System	The allotment amount in the system must match the amount on the approved allotment. If the amount in the system does not match the amount approved, go to step FC 2.2.12. If the

Step ID	Step Name	Step Description
		amount in the system matches the amount approved, go to step FC 2.2.13. This control will prevent the allotment in the system from exceeding the approved allotment.
FC 2.2.12	Research & Resolve	The agency researches and resolves the amount in the system that does not match the approved allotment.
FC 2.2.13	Funds Control Sub-Allotment	This step initiates funds control sub-allotment or allowance; see 2.3., Funds Control Sub-Allotment

2.3 FUNDS CONTROL SUB-ALLOTMENT

The following flowchart provides the steps performed when controlling funds are sub-allotted:



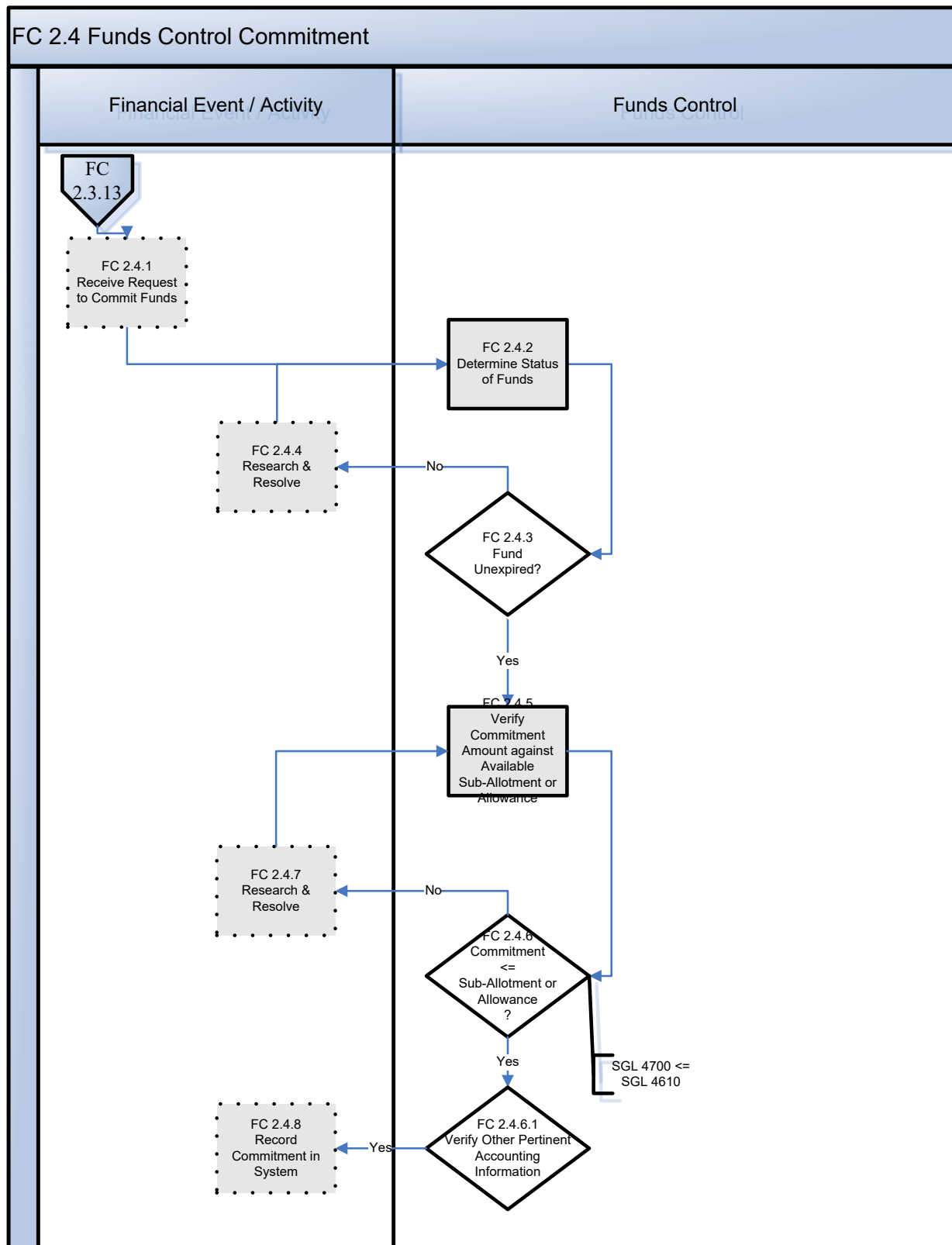
The Funds Control Sub-Allotment process steps are described as follows:

Step ID	Step Name	Step Description
FC 2.3.1	Prepare Sub-Allotment or Allowance	The agency prepares a sub-allotment or allowance. The agency has the option to further subdivide the funds for control purposes.
FC 2.3.2	Verify Approved Allotment in System to Sub-Allotment or Allowance	The agency compares the sub-allotment or allowance in the system against the amount documented in the approved allotment.
FC 2.3.3	Allotment In System >= Sub-Allotment or Allowance	The sub-allotment or allowance amount cannot exceed the amount allotted. If the amount sub-allotted exceeds the allotment, go to step FC 2.3.4. If the amount sub-allotted is less than or equal to the allotment go to step FC 2.3.5. This control will prevent the sub-allotment or allowance from exceeding the allotment in the system.
FC 2.3.4	Research & Resolve	The agency researches and resolves the excess amount of the sub-allotment or allowance.
FC 2.3.5	Approve Sub-Allotment or Allowance	The agency approves the sub-allotment or allowance.
FC 2.3.6	Verify Approved Sub-Allotment or Allowance to Prepared Sub-Allotment or Allowance	The agency compares the amount on the prepared sub-allotment or allowance against the amount provided on the approved sub-allotment or allowance.
FC 2.3.7	Verify approved Sub-Allotment or Allowance Correct	The approved sub-allotment or allowance amount must match the prepared sub-allotment or allowance. If the amount on the approved sub-allotment or allowance exceeds the prepared sub-allotment or allowance, go to step FC 2.3.8. If the amount on the approved sub-allotment or allowance matches the amount on the prepared sub-allotment or allowance, go to step FC 2.3.9. This control will prevent the sub-allotment or allowance from differing from the approved sub-allotment or allowance.
FC 2.3.8	Research & Resolve	The agency researches and resolves the amount that does not match between the prepared and approved sub-allotment or allowance.
FC 2.3.9	Record Sub-Allotment or Allowance in System	The agency records the approved sub-allotment or allowance in the system. The system must capture information necessary to perform funds checks.
FC 2.3.10	Verify Approved Sub-Allotment or Allowance to Amount Recorded	The agency compares the amount recorded in the system for the sub-allotment or allowance against the amount provided on the approved

Step ID	Step Name	Step Description
	in System	sub-allotment or allowance.
FC 2.3.11	Approved Sub-Allotment or Allowance >= Sub-Allotment or Allowance in System	The sub-allotment or allowance amount in the system must match the amount on the approved sub-allotment or allowance. If the amount in the system does not match the amount approved, go to step FC 2.3.12. If the amount in the system matches the amount approved, go to step FC 2.3.13. This control will prevent the sub-allotment or allowance in the system from exceeding the approved sub-allotment or allowance.
FC 2.3.12	Research & Resolve	The agency researches and resolves the amount in the system that does not match the approved sub-allotment or allowance.
FC 2.3.13	Execute Funds	This step initiates the ability to execute funds; see 2.4, Funds Control Commitment.

2.4 FUNDS CONTROL COMMITMENT

The following flowchart provides the steps performed when controlling funds are committed:

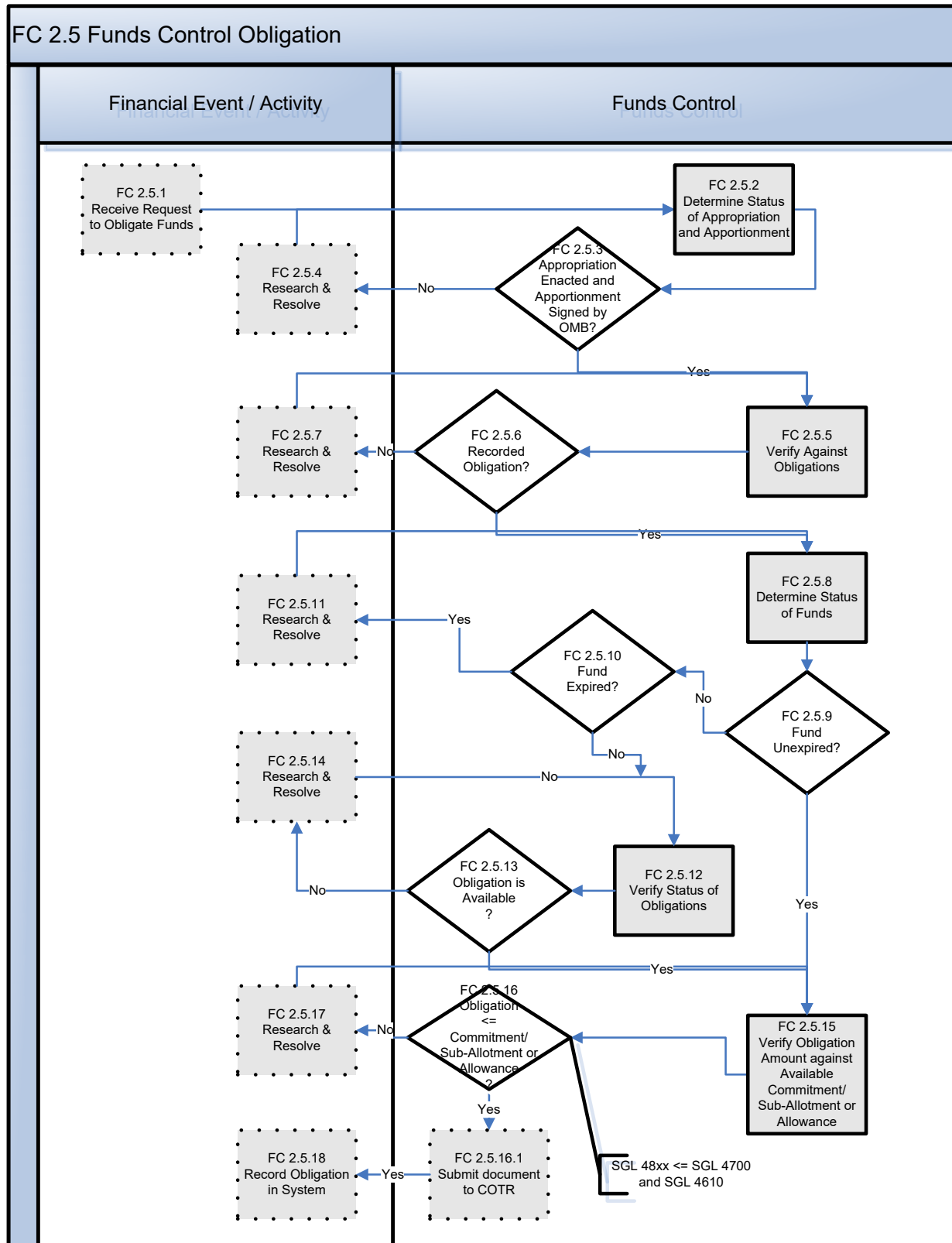


The Funds Control Commitment process steps are described below:

Step ID	Step Name	Step Description
FC 2.4.1	Receive Request to Commit Funds	An authorized official requests funds.
FC 2.4.2	Determine Status of Funds	The agency verifies that the funds are available for commitment, as well as when funds are anticipated. Funds cannot be committed if an agreement is not in place.
FC 2.4.3	Funds Unexpired	The funds cannot be expired or cancelled. If the funds are expired or cancelled, go to step FC 2.4.4. If the funds are unexpired, go to step FC 2.4.5. This control will prevent a commitment from being processed against expired or cancelled funds. The control will allow a commitment to be processed only against unexpired funds.
FC 2.4.4	Research & Resolve	The agency researches and resolves the proper use of the funds for the commitment.
FC 2.4.5	Verify Commitment Amount against Available Sub-Allotment or Allowance	The agency compares the commitment against the amount available in the sub-allotment or allowance.
FC 2.4.6	Commitment ≤ Sub-Allotment or Allowance	The commitment amount cannot exceed the amount sub-allotted. If the amount committed exceeds the sub-allotment or allowance, go to step FC 2.4.7. If the amount committed is less than or equal to the sub-allotment or allowance, go to step FC 2.4.8. This control will prevent a commitment from being processed in excess of the sub-allotment or allowance.
FC 2.4.6.1	Verify Other Pertinent Accounting Information	Verify other pertinent accounting information on the commitment prior to commitment in the Core Financial System (e.g., proper accounting codes for location, type of expenditure, etc).
FC 2.4.7	Research & Resolve	The agency researches and resolves the excess amount of the commitment via a Reprogramming Action, which requires certain approvals in advance to shift funds from one account to another to cover the commitment.
FC 2.4.8	Record Commitment in System	The agency records the commitment in the system. The system must capture information necessary to perform funds checks.

2.5 FUNDS CONTROL OBLIGATION

The following flowchart provides the steps performed when controlling funds are obligated:



The Funds Control Obligation process steps are described below:

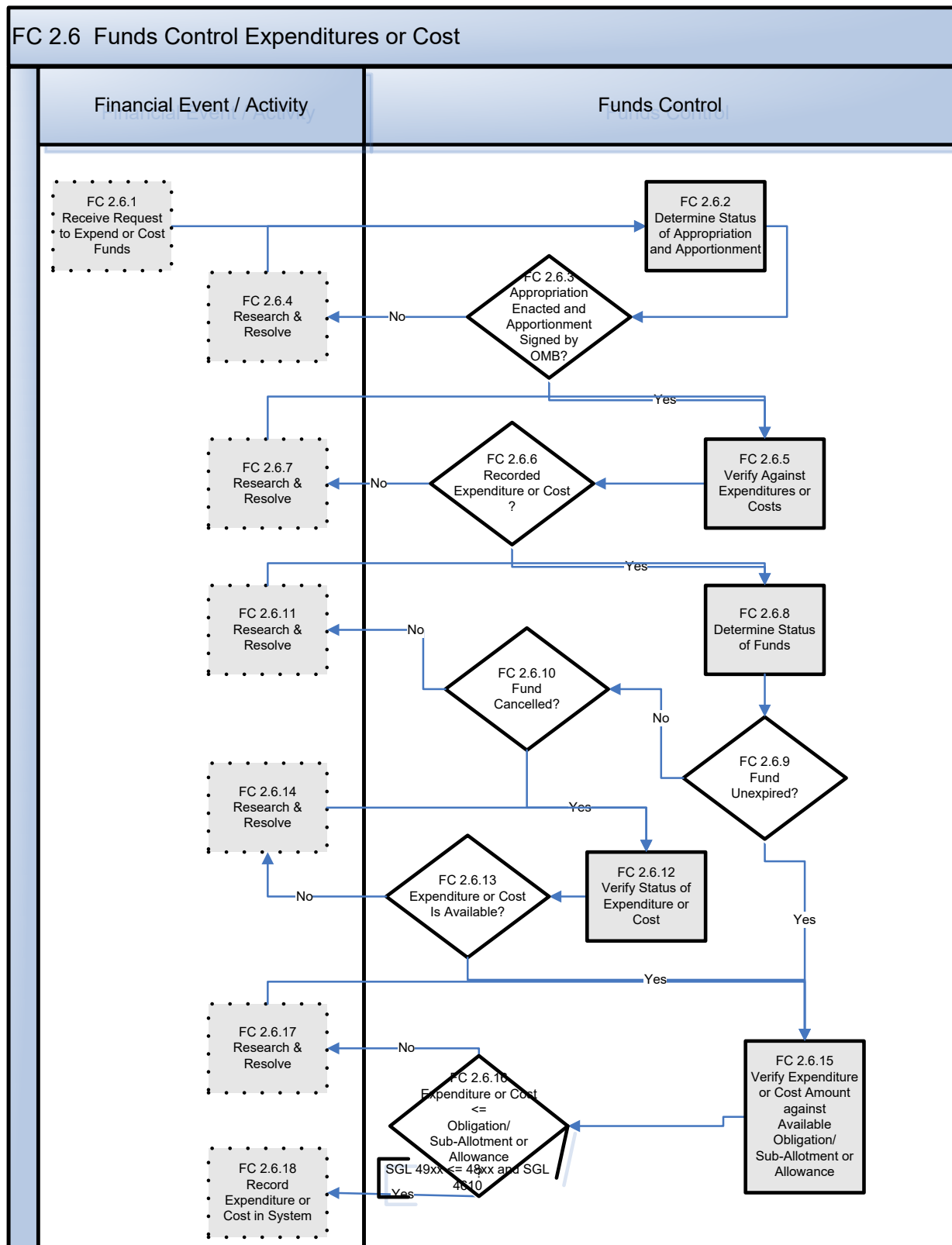
Step ID	Step Name	Step Description
FC 2.5.1	Receive Request to Obligate Funds	An official requests the obligation of funds.
FC 2.5.2	Determine Status of Appropriation and Apportionment	The agency verifies that the funds are available for obligation.
FC 2.5.3	Appropriation Enacted and Apportionment Signed by OMB	The funds must be appropriated and the apportionment signed by OMB. If the appropriation is not enacted or the apportionment is not signed by OMB, go to step FC 2.5.4. If the appropriation is enacted and the apportionment signed by OMB, go to step FC 2.5.5. This control will prevent an obligation from occurring when the appropriation has not been enacted or the apportionment signed by OMB.
FC 2.5.4	Research & Resolve	The agency researches and resolves the status of the appropriation or apportionment.
FC 2.5.5	Verify Against Obligations	The agency reviews the obligation against obligations recorded and un-recorded (Unrecorded obligations are obligations that were incurred legitimately during the period of funds availability, but were not recorded in the component's records prior to expiration of the appropriation or fund.)
FC 2.5.6	Confirm Obligation Recorded	All obligations should be recorded in the system. If the obligation has been made but not recorded, go to step FC 2.5.7. If the obligation has been recorded, go to step FC 2.5.8. This control will prevent an obligation from occurring that is not recorded in the system.
FC 2.5.7	Research & Resolve	The agency researches and resolves the adjustment of an existing obligation.
FC 2.5.8	Determine Status of Funds	The agency verifies that the funds are available for obligation.
FC 2.5.9	Funds Unexpired	The funds cannot be expired for a new obligation. If the funds are expired or cancelled, go to step FC 2.5.10. If the funds are unexpired, go to step FC 2.5.15. This control will prevent a new obligation from being processed against expired or cancelled funds. The control will allow a new obligation to be processed only against unexpired funds.

Step ID	Step Name	Step Description
FC 2.5.10	Funds Expired	The funds cannot be expired. If the funds are expired, go to step FC 2.5.11. If the funds are expired, go to step FC 2.5.12. This control will prevent an obligation from being processed against expired funds. The control will allow an obligation to be processed against expired funds only when there is an existing obligation that can be modified.
FC 2.5.11	Research & Resolve	The agency researches and resolves a solution for processing the obligation against the proper funding source. There may be situations in which a financial event occurred before completion of a funds check. For example, a contract may have been signed indicating a use of expired funds. Expired funds may not be used for new obligations.
FC 2.5.12	Verify Status of Obligation	The agency verifies that an existing obligation may be modified. This includes when funds are anticipated. Funds cannot be obligated if an agreement is not in place.
FC 2.5.13	Obligation Is Available	The obligation must be available for increase. If the obligation is not available, go to step FC 2.5.14. If the obligation is available, go to step FC 2.5.15. This control will prevent increases in obligations where they do not already exist.
FC 2.5.14	Research & Resolve	The agency researches and resolves the proper use of the funds for the obligation, especially when an obligation has been made against expired or cancelled funds.
FC 2.5.15	Verify Obligation Amount Against Available Commitment/Sub-Allotment or Allowance	The agency compares the obligation against the amount available in the commitment or sub-allotment or allowance.
FC 2.5.16	Obligation <= Commitment/ Sub-Allotment or Allowance	The obligation amount cannot exceed the amount committed or sub-allotted. If the amount obligated exceeds the commitment or sub-allotment or allowance, go to step FC 2.5.17. If the amount obligated is less than or equal to the commitment or sub-allotment or allowance, go to FC 2.6.16.1 and submit documentation to the Contracting Officer's Technical Representative (COTR), then go to step FC 2.5.18. This control will prevent an obligation from being processed in excess of the commitment /sub-allotment or allowance.
FC 2.5.16.1	Submit document to COTR	Submit document to COTR for approval.

Step ID	Step Name	Step Description
FC 2.5.17	Research & Resolve	The agency researches and resolves any obligation amount that exceeds the amount committed or sub-allotted.
FC 2.5.18	Record Obligation in System	The agency records the obligation in the system. The system must capture information necessary to perform funds checks.

2.6 FUNDS CONTROL EXPENDITURES

The following flowchart provides the steps performed when controlling funds are expended.



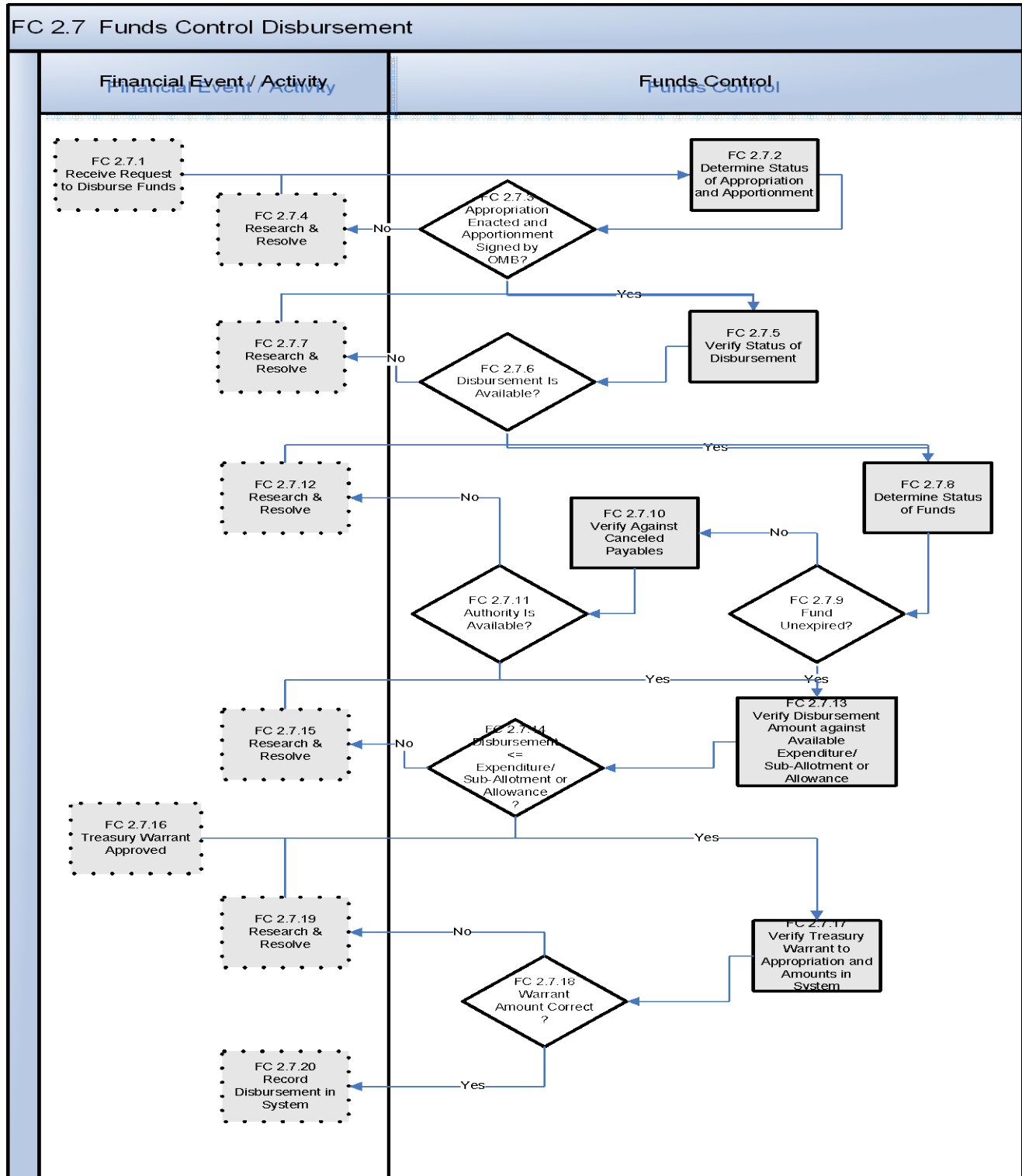
The Funds Control Expenditures process steps are described below:

Step ID	Step Name	Step Description
FC 2.6.1	Receive Request to Expend or Cost Funds	An official requests authorization to expend funds.
FC 2.6.2	Determine Status of Appropriation and Apportionment	The agency verifies that the funds are available for expenditure.
FC 2.6.3	Confirm Appropriation Enacted and Apportionment Signed by OMB	The funds must be appropriated and the apportionment signed by OMB. If the appropriation is not enacted or the apportionment is not signed by OMB, go to step FC 2.6.4. If the appropriation is enacted and the apportionment signed by OMB, go to step FC 2.6.5. This control will prevent an expenditure or cost from occurring when the appropriation has not been enacted or the apportionment signed by OMB.
FC 2.6.4	Research & Resolve	The agency researches and resolves the status of the appropriation or the apportionment.
FC 2.6.5	Verify Against Expenditures or Costs	The agency reviews the expenditure or cost against expenditures or costs recorded and un-recorded.
FC 2.6.6	Recorded Expenditure or Cost	All expenditures or costs should be recorded in the system. If the expenditure or cost has been made, go to step FC 2.6.7. If the expenditure or cost has not been made, go to step FC 2.6.8.
FC 2.6.7	Research & Resolve	The agency researches and resolves adjustment of an existing expenditure or cost.
FC 2.6.8	Determine Status of Funds	The agency verifies that the funds are available for expenditure or cost.
FC 2.6.9	Funds Unexpired	The funds cannot be expired or cancelled for a new expenditure or cost. If the funds are expired, go to step FC 2.6.10. If the funds are unexpired, go to step FC 2.6.13. This control will prevent a new expenditure or cost from being processed against expired or cancelled funds. The control will allow a new expenditure or cost to be processed only against unexpired funds.

Step ID	Step Name	Step Description
FC 2.6.10	Funds Cancelled	The funds cannot be cancelled. If the funds are cancelled, go to step FC 2.6.11. If the funds are expired, go to step FC 2.6.12. This control will prevent an expenditure or cost from being processed against cancelled funds. The control will allow an expenditure or cost to be processed against expired funds only in situations where there is an existing obligation, expenditure, or cost that can be modified.
FC 2.6.11	Research & Resolve	The agency researches and resolves a solution for processing the expenditure or cost against the proper funding source.
FC 2.6.12	Verify Status of Expenditure or Cost	The agency verifies that an existing expenditure is available to be modified.
FC 2.6.13	Expenditure or Cost Is Available	The expenditure or cost must be available for increase. If the expenditure or cost is not available, go to step FC 2.6.14. If the expenditure or cost is available, go to step FC 2.6.15. This control will prevent increases in expenditures or costs where they do not already exist.
FC 2.6.14	Research & Resolve	The agency researches and resolves the proper use of funds for the expenditure or cost, especially in the case where an expenditure or cost has been made against expired or cancelled funds.
FC 2.6.15	Verify Expenditure or Cost Amount against Available Obligation/Sub-Allotment or Allowance	The agency compares the expenditure or cost against the amount available in the obligation/sub-allotment or allowance.
FC 2.6.16	Expenditure or Cost ≤ Obligation/ Sub-Allotment or Allowance	The expenditure or cost amount cannot exceed the amount obligated or sub-allotted. If the amount expended exceeds the obligation/sub-allotment or allowance, go to step FC 2.6.17. If the amount expended is less than or equal to the obligation/sub-allotment or allowance, go to step FC 2.6.18. This control will prevent processing of an expenditure or cost in excess of the obligation/sub-allotment or allowance.
FC 2.6.17	Research & Resolve	The agency researches and resolves an expenditure or cost amount in excess of the amount obligated or sub-allotted.
FC 2.6.18	Record Expenditure or Cost in System	The agency records the expenditure or cost in the system.

2.7 FUNDS CONTROL DISBURSEMENTS

The following flowchart provides the steps performed when controlling funds for disbursements:



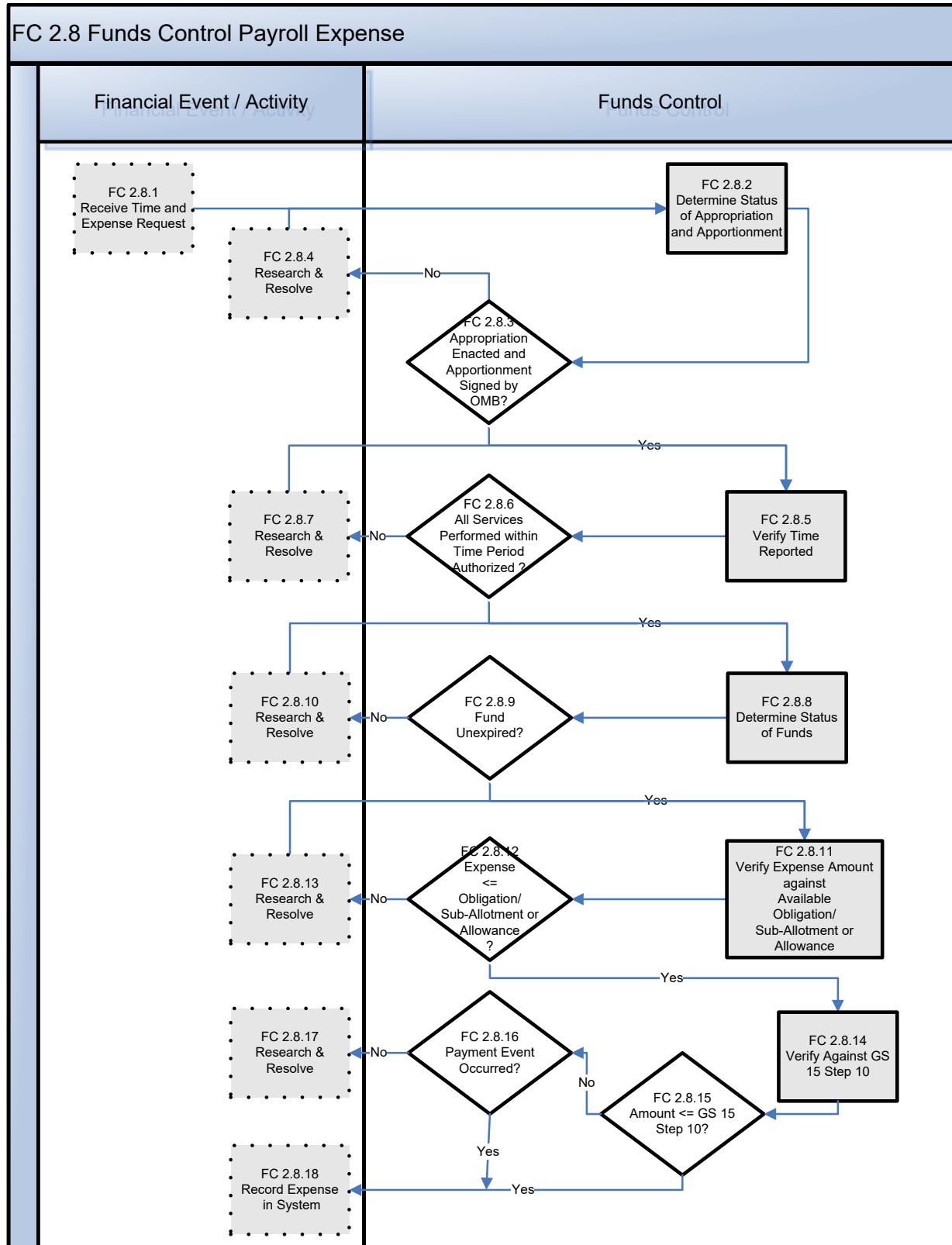
The Funds Control Disbursements process steps are described below:

Step ID	Step Name	Step Description
FC 2.7.1	Receive Request to Disburse Funds	An official requests disbursement of funds.
FC 2.7.2	Determine Status of Appropriation and Apportionment	The agency verifies that the funds are available for expenditure.
FC 2.7.3	Confirm Appropriation Enacted and Apportionment Signed by OMB	The funds must be appropriated and the apportionment signed by OMB. If the appropriation is not enacted or the apportionment is not signed by OMB, go to step FC 2.7.4. If the appropriation is enacted and the apportionment signed by OMB, go to step FC 2.7.5. This control will prevent a disbursement from occurring when the appropriation has not been enacted or the apportionment signed by OMB.
FC 2.7.4	Research & Resolve	The agency researches and resolves the status of the appropriation or the apportionment.
FC 2.7.5	Verify Status of Disbursement	The agency determines whether an existing disbursement is available to be modified. This includes when funds are anticipated. Funds cannot be disbursed if an agreement is not in place.
FC 2.7.6	Disbursement Is Available	The disbursement must be available for increase. If the disbursement is not available, go to step FC 2.7.7. If the disbursement is available, go to step FC 2.7.8.
FC 2.7.7	Research & Resolve	The agency researches and resolves the adjustment of an existing disbursement.
FC 2.7.8	Determine Status of Funds	The agency verifies that the funds are available for expenditure.
FC 2.7.9	Funds Unexpired	The term “unexpired funds” means funds appropriated for a definite period that remain available for obligation. The funds cannot be expired. If the funds are expired, go to step FC 2.7.10. If the funds are unexpired, go to step FC 2.7.11. This control will prevent a disbursement from being processed against expired or cancelled funds. The control will allow a disbursement to be processed only against unexpired funds.
FC 2.7.10	Verify Against Cancelled Payables	The agency compares the disbursement against cancelled payables.
FC 2.7.11	Authority is Available	If a cancelled payable exists, then up to 1% of unexpired funds can be used to cover the request. If the amount disbursed exceeds the 1%, go to step FC 2.7.12. If the amount disbursed is less than or equal to the 1%, go to step FC 2.7.13.

FC 2.7.12	Research & Resolve	The agency researches and resolves disbursements in excess of the 1%, as well as the proper use of the funds.
FC 2.7.13	Verify Disbursement Amount against Available Expenditure/ Sub-Allotment or Allowance	The agency compares the disbursement against the amount available in expenditure/sub-allotment or allowance.
FC 2.7.14	Disbursement ≤ Expenditure or Cost/ Sub-Allotment or Allowance	The disbursement amount cannot exceed the amount expended or sub-allotted. If the amount disbursed exceeds the expenditure/sub-allotment or allowance, go to step FC 2.7.15. If the amount disbursed is less than or equal to the expenditure/sub-allotment or allowance, go to step FC 2.7.17. This control will prevent a disbursement from being processed in excess of the expenditure or cost/sub-allotment or allowance.
FC 2.7.15	Research & Resolve	The agency researches and resolves the excess amount of the disbursement.
FC 2.7.16	Approval of Treasury Warrant	The Treasury posts a warrant for the amount of the appropriation. (Order on the U.S. Treasury that a certain dollar amount be paid with a bank check.)
FC 2.7.17	Verify Treasury Warrant to Appropriation and Amount in Core Financial System	The agency compares the Treasury Warrant to appropriation and amount.
FC 2.7.18	Verify Warrant Amount Correct	The agency verifies that the warrant amount matches the appropriation amount. If the amount is correct, go to step FC 2.7.20. If the amount does not match, go to step 2.7.19.
FC 2.7.19	Research & Resolve	The agency researches and resolves the discrepancy between the Treasury Warrant and appropriation amount.
FC 2.7.20	Record Disbursement in System	The agency records the disbursement in the system.

2.8 FUNDS CONTROL PAYROLL EXPENSE

The following flowchart provides the steps performed when controlling funds for payroll:

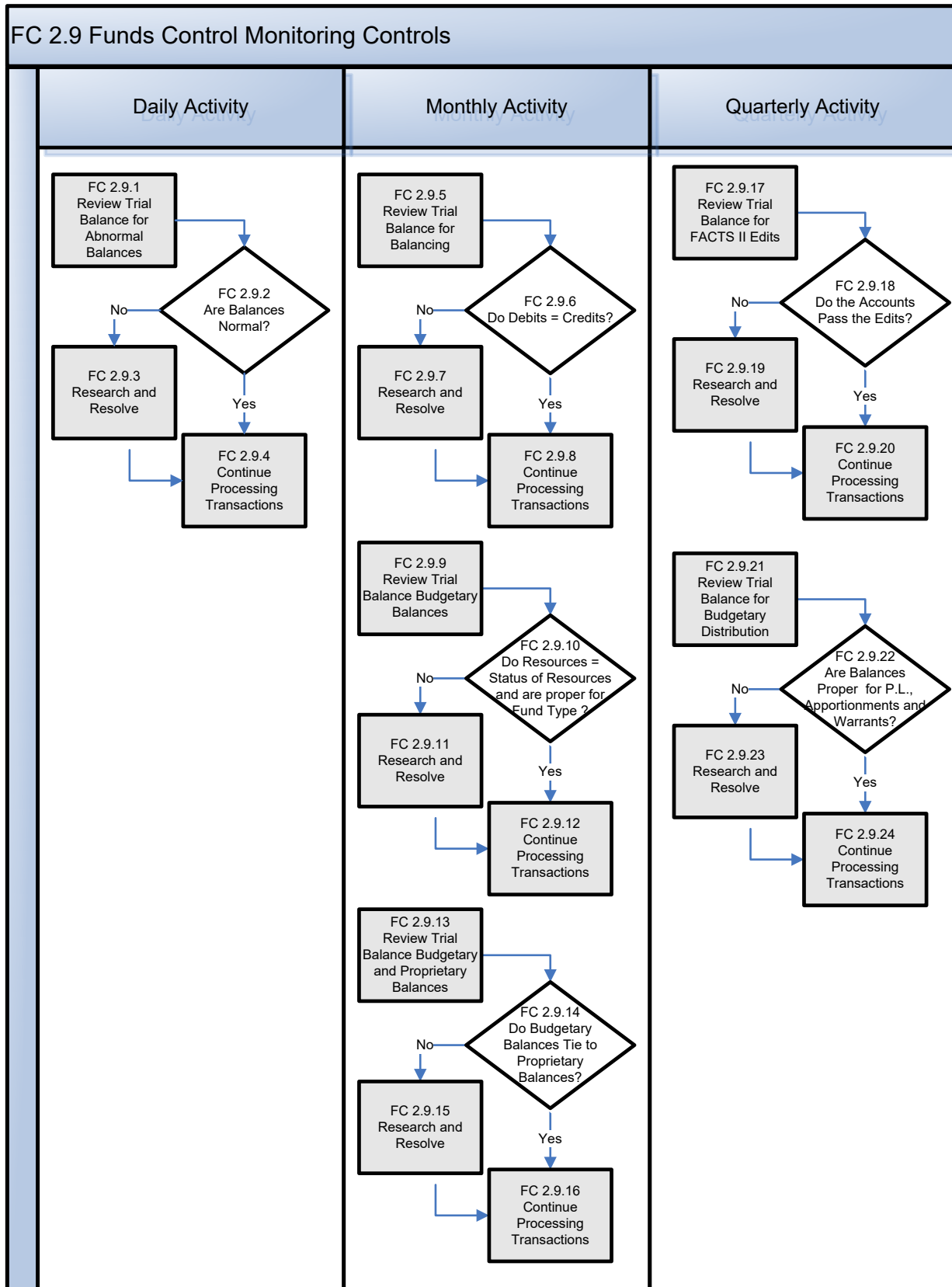


The Funds Control Payroll Expense process steps are described below:

Step ID	Step Name	Step Description
FC 2.8.1	Receive Time and Expense Request	The agency receives a request to record time and expense.
FC 2.8.2	Determine Status of Appropriation and Apportionment	The agency verifies that the funds are available for expenditure.
FC 2.8.3	Confirm Appropriation Enacted and Apportionment Signed by OMB	The funds must be appropriated and the apportionment signed by OMB. If the appropriation is not enacted or the apportionment is not signed by OMB, go to step FC 2.8.4. If the appropriation is enacted and the apportionment signed by OMB, go to step FC 2.8.5. This control will prevent an expense from occurring when the appropriation has not been enacted or the apportionment signed by OMB.
FC 2.8.4	Research & Resolve	The agency researches and resolves the status of the appropriation or the apportionment.
FC 2.8.5	Verify Time Reported	The agency reviews the time reported against authorized time.
FC 2.8.6	Confirm All Services Performed Within Time Period Authorized	Time should not exceed the amount authorized. If the time reported exceeds the authorized amount, go to step FC 2.8.7. If the time reported is less than or equal to the authorization, go to step FC 2.8.8.
FC 2.8.7	Research & Resolve	The agency researches and resolves the excess time reported.
FC 2.8.8	Determine Status of Funds	The agency verifies that the funds are available for the expense.
FC 2.8.9	Funds Unexpired	The funds cannot be expired. If the fund is expired, go to step FC 2.8.10. If the fund is unexpired, go to step FC 2.8.11. This control will prevent an expense from being processed against expired or cancelled funds. The control will allow an expense to be processed only against unexpired funds.
FC 2.8.10	Research & Resolve	The agency researches and resolves the proper use of the funds for the expense.
FC 2.8.11	Verify Expense Amount against Available Obligation/ Sub-Allotment or Allowance	The agency compares the expense against the amount available in obligation/sub-allotment or allowance.

Step ID	Step Name	Step Description
FC 2.8.12	Expense ≤ Obligation/ Sub-Allotment or Allowance	The expense amounts cannot exceed the amounts obligated or sub-allotted. If the amount expensed exceeds the obligation/sub-allotment or allowance, go to step FC 2.8.13. If the amount expensed is less than or equal to the obligation/sub-allotment or allowance, go to step FC 2.8.14. This control will prevent an expense from being processed in excess of the obligation/sub-allotment or allowance.
FC 2.8.13	Research & Resolve	The agency researches and resolves the excess amount of the expense.
FC 2.8.14	Verify Against Title 5 GS 15 Step 10	The agency compares the cumulative amount expensed against GS 15 Step 10 pay. This is the maximum allowable cap for straight and overtime pay.
FC 2.8.15	Determine if the amount ≤ GS 15 Step 10	The agency determines if the amount is less than or equal to the amount of GS 15 Step 10 pay.
FC 2.8.16	Determine Status of Payment Event	The agency determines if the payment has occurred.
FC 2.8.17	Research & Resolve	The agency researches and resolves the payment that should not have been made.
FC 2.8.18	Record Expense in System	The agency records the expense in the system.

2.9 FUNDS CONTROL MONITORING CONTROLS



The Funds Control Monitoring Controls process steps are described below:

Step ID	Step Name	Step Description
FC 2.9.1	Review Trial Balance for Abnormal Balances	For each appropriation, review the trial balance to ensure the Standard General Ledger accounts do not have abnormal balances.
FC 2.9.2	Confirm Balances Are Normal	The account balances must be normal (i.e., confirm accounts that should have a normal debit balance and accounts that should have normal credit balances). If the account balances are not normal, go to step FC 2.9.3. If the account balances are normal, go to step FC 2.9.4. This control will prevent accounts from being posted incorrectly.
FC 2.9.3	Research & Resolve	The agency researches and resolves account balances that are not normal.
FC 2.9.4	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that are affecting accounts with normal balances.
FC 2.9.5	Review Trial Balance for Balancing	For each appropriation, review the trial balance to ensure the budgetary Standard General Ledger account total debit balances equal the total credit balances. This will help to ensure the trial balance is in balance and transactions have properly updated the general ledger.
FC 2.9.6	Confirm Debits = Credits	The total debits should equal the total credits for each trial balance reported. If the trial balance does not balance, go to step FC 2.9.7. If the trial balance does balance, go to step FC 2.9.8. This control will prevent transactions from posting out of balance.
FC 2.9.7	Research & Resolve	The agency researches and resolves trial balances that are not in balance.
FC 2.9.8	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that are affecting accounts which are posting balanced transactions.
FC 2.9.9	Review Trial Balance Budgetary Balances	For each appropriation, review the trial balance to ensure the budgetary resource Standard General Ledger accounts equal the status of resources Standard General Ledger accounts, and the Standard General Ledger accounts are appropriate based on the status (unexpired, expired, cancelled) of the fund and type (direct, reimbursable, trust, etc.) of fund.

Step ID	Step Name	Step Description
FC 2.9.10	Confirm Resources = Status of Resources and Are Proper for Fund Type	The budgetary accounts must be recorded appropriately for each fund and fund type, and the balances of the budgetary resources accounts equal the accounts representing the status of resources. If the budgetary resources accounts are inaccurate, go to step FC 2.9.11. If the budgetary resources accounts are accurate, go to step FC 2.9.12. This control will prevent budgetary transactions from posting improperly and from reflecting inaccurate budgetary status.
FC 2.9.11	Research & Resolve	The budgetary accounts that are not proper must be researched and resolved.
FC 2.9.12	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that are posting to proper budgetary accounts.
FC 2.9.13	Review Trial Balance Budgetary and Proprietary Balances	For each fund, the relationship between the budgetary account balances and the proprietary account balances must be proper. Relationship tests, including the reconciliation to Treasury should be reviewed to ensure accounts are posted properly to record the budgetary impact for the related proprietary accounts.
FC 2.9.14	Confirm Budgetary Balances Tie to Proprietary Balances	The budgetary account balances must tie to the proprietary account balances. If the balances do not relate, go to step FC 2.9.15. If the balances relate, go to step FC 2.9.16.
FC 2.9.15	Research & Resolve	The agency researches and resolves relationships that are not proper.
FC 2.9.16	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that are posting with the proper relationships intact.
FC 2.9.17	Review Trial Balance for FACTS II Edits	Each appropriation must pass the FACTS II edits checks.
FC 2.9.18	Confirm Accounts Pass the Edits	Each edit check applied for FACTS II reporting must be met. If the edit checks are not passed, go to step FC 2.9.19. If the edit checks are passed, go to step FC 2.9.20. This control will prevent the Appropriation from meeting defined Treasury reporting edit checks.
FC 2.9.19	Research & Resolve	The agency researches and resolves Appropriation that do not pass the edit checks.
FC 2.9.20	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that pass the FACTS II edits.

Step ID	Step Name	Step Description
FC 2.9.21	Review Trial Balance for Budgetary Distribution	The accounts must properly reflect the distributed funds from the resources provided and available by Public Law (P.L.) to Apportionment and the Treasury Warrant.
FC 2.9.22	Confirm Balances Proper for Public Law Apportionment and Warrants	Each appropriation's budget distributions and uses of funding should be verified against amounts made available. If the amounts recorded in the system do not properly reflect budgetary and funds distributed, go to step FC 2.9.23. If the amounts recorded in the system are properly reflected, go to step FC 2.9.24. This control will prevent transactions from exceeding funds distributed or from failing controls based on improperly distributed amounts.
FC 2.9.23	Research & Resolve	The agency researches and resolves amounts that are not proper.
FC 2.9.24	Continue Processing Transactions	Transaction processing can continue to occur for those transactions that are recorded in funds where the amounts are properly recorded.

2.10 CROSS REFERENCE TO A-11 AND TITLE 31

The business rules for each Funds Control process are cross-referenced in the following table by to the requirements of the Anti-deficiency Act and OMB Circular A-11, Preparation, Submission and Execution of the Budget and Title 31, CFR.

The **Code of Federal Regulations (CFR)** is an annual codification of the general and permanent rules published in the *Federal Register* by the executive departments and agencies of the Federal Government. The CFR is divided into 50 titles representing broad areas subject to Federal regulation. **Title 31**, Money and Finance, includes Funds Control and the provisions of the Anti-deficiency Act. For further information please refer to the following website:

<http://www.access.gpo.gov/uscode/title31/title31.html>

The **Anti-deficiency Act, codified in Title 31**, is one of the major laws through which Congress exercises its constitutional control of the public purse. It evolved over a period of time in response to various abuses.

In its current form, the law prohibits:

- Making or authorizing expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law. 31 U.S.C. § 1341(a)(1)(A).
- Involving the government in any obligation to pay money before funds have been appropriated for that purpose, unless otherwise allowed by law. 31 U.S.C. § 1341(a)(1)(B).
- Accepting voluntary services for the United States, or employing personal services not authorized by law, except in cases of emergency involving the safety of human life or the protection of property. 31 U.S.C. § 1342.
- Making obligations or expenditures in excess of an apportionment or reappropriation, or in excess of the amount permitted by agency regulations. 31 U.S.C. § 1517(a).

The fiscal principles underlying the Anti-deficiency Act are really quite simple. Government officials may not make payments or commit the United States to make payments at some future time for goods or services unless there is enough money in the “bank” (i.e., available in the appropriation) to cover the cost in full.

Violations of the Anti-deficiency Act are subject to administrative and penal Sanctions. The Anti-deficiency Act is the only official statute in Title 31 to prescribe penalties of both types.

OMB Circular A-11, Preparation, Submission and Execution of the Budget, is OMB’s comprehensive guidance document for the Executive Branch’s budget process.

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
This column contains the reference number to the process flow that meets the control requirement.	The following contains the provisions of the Anti-deficiency Act, formerly section 3679 of the Revised Statutes, and section 210 of the General Government Matters Appropriation Act, 1958. (Formerly 31 U.S.C. 665, 665a, and 669.)	The following provides the section in Title 31 that was enacted without substantive change. Revisions to the 1982 law are italicized.
FC 2.1 – 2.7	<p>665 Appropriation</p> <p>(a) Expenditures or contract obligations in excess of funds prohibited</p> <p>No officer or employee of the United States shall make or authorize any expenditure from or create or authorize an obligation under any appropriation or fund in excess of the amount available therein: nor shall any such officer or employee involve the Government in any contract or other obligation, or the payment of money for any purpose, in advance of Appropriation made for such purpose, unless such contract or obligation is authorized by law.</p>	<p>Section 1341:</p> <p>(a)(1) An officer or employee of the United States Government or the District of Columbia government may not—</p> <p>(A) make or authorize an expenditure or obligation exceeding an amount available in an appropriation or fund for the expenditure or obligation;</p> <p>(B) involve either government in a contract or obligation for the payment of money before an appropriation is made unless authorized by law;</p> <p>(C) make or authorize an expenditure or obligation of funds required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985; or</p> <p>(D) involve either government in a contract or obligation for the payment of money required to be sequestered under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.</p>
FC2.8	<p>(b) Voluntary service forbidden</p> <p>No officer or employee of the United States shall accept voluntary service for the United States or employ personal service in excess of that authorized by law, except in cases of emergency involving the safety of human life or the protection of property.</p>	<p>Section 1342:</p> <p>An officer or employee of the United States Government or of the District of Columbia government may not accept voluntary services for 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.</p> <p>This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government. As used in this section, the term "emergencies involving the safety of human life or the protection of property" does not include ongoing, regular functions of government the suspension of which</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
		would not imminently threaten the safety of human life or the protection of property.
FC 2.1	<p>(c) Apportionment of Appropriation; reserves; distribution; review</p> <p>(1) Except as otherwise provided in this section, all Appropriation or funds available for obligation for a definite period of time shall be so apportioned as to prevent obligation or expenditure thereof in a manner which would indicate a necessity for deficiency or supplemental Appropriation for such period; and all Appropriation or funds not limited to a definite period of time, and all authorizations to create obligations by contract in advance of Appropriation, shall be so apportioned as to achieve the most effective and economical use thereof.</p>	<p>Section 1512:</p> <p>(a) Except as provided in this subchapter, 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. An appropriation for an indefinite period and authority to make obligations by contract before Appropriation shall be apportioned to achieve the most effective and economical use. An apportionment may be reapportioned under this section.</p>
FC 2.1	As used hereafter in this section, the term "appropriation" means Appropriation, funds and authorizations to create obligations by contract in advance of Appropriation.	<p>Section 1511:</p> <p>(a) In this subchapter, "Appropriation" means—</p> <ol style="list-style-type: none"> (1) appropriated amounts; (2) funds; and (3) authority to make obligations by contract before obligations.
FC 2.1	(2) In apportioning any appropriation, reserves may be established solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations.	<p>Section 1512(c):</p> <p>(1) In apportioning or reapportioning an appropriation, a reserve may be established only—</p> <ol style="list-style-type: none"> (A) to provide for contingencies; (B) to achieve savings made possible by or through changes in requirements or greater efficiency of operations; or (C) as specifically provided by law.
FC 2.2	Whenever it is determined by an officer designated in subsection (d) of this section to make apportionments and reapportionments that any amount so reserved will not be required to carry out the full objectives and scope of the appropriation concerned, he shall recommend the rescission of such amount in the manner provided in the Budget and Accounting Act, 1921 (31 U.S.C. 1 et seq.), for estimates of appropriations. Except as specifically provided by particular appropriations acts or other laws, no reserves shall be established other than as authorized by this subsection. Reserves established pursuant to this subsection shall be reported	<p>Section 1512(c):</p> <p>(2) A reserve established under this subsection may be changed as necessary to carry out the scope and objectives of the appropriation concerned. When an official designated in section 1513 of this title to make apportionments decides that an amount reserved will not be required to carry out the objectives and scope of the appropriation concerned, the official shall recommend the rescission of the amount in the way provided in chapter 11 of this title for appropriation requests. Reserves established under this section shall be reported to Congress as provided in the Impoundment Control Act of</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	to the Congress in accordance with the Impoundment Control Act of 1974 (31 U.S.C. 1400 et seq.).	1974 (2 U.S.C. 681 et seq.).
FC 2.1 – 2.3	(3) Any appropriation subject to apportionment shall be distributed by months, calendar quarters, operating seasons, or other time periods, or by activities, functions, projects, or objects, or by a combination thereof, as may be deemed appropriate by the officers designated in subsection (d) of this section to make apportionments and reappportionments. Except as otherwise specified by the officer making the apportionment, amounts so apportioned shall remain available for obligation, in accordance with the terms of the appropriation, on a cumulative basis unless reappportioned.	Section 1512(b): (1) An appropriation subject to apportionment is apportioned by— (A) months, calendar quarters, operating seasons, or other time periods; (B) activities, functions, projects, or objects; or (C) a combination of the ways referred to in clauses (A) and (B) of this paragraph. (2) The official designated in section 1513 of this title to make apportionments shall apportion an appropriation under paragraph (1) of this subsection as the official considers appropriate. Except as specified by the official, an amount apportioned is available for obligation under the terms of the appropriation on a cumulative basis unless reappportioned.
FC 2.1	(4) Apportionments shall be reviewed at least four times each year by the officers designated in subsection (d) of this section to make apportionments and reappportionments, and such reappportionments made or such reserves established, modified, or released as may be necessary to further the effective use of the appropriation concerned, in accordance with the purposes stated in paragraph (1) of this subsection.	Section 1512: (d) An apportionment or a reappportionment shall be reviewed at least 4 times a year by the official designated in section 1513 of this title to make apportionments. Section 1512(a) the last sentence: . . . An apportionment may be reappportioned under this section.
FC 2.1	(d) Officers controlling apportionment or reappportionment (1) Any appropriation available to the legislative branch, the judiciary, the United States International Trade Commission, or the District of Columbia, which is required to be apportioned under subsection (c) of this section, shall be apportioned or reappportioned in writing by the officer having administrative control of such appropriation. Each such appropriation shall be apportioned not later than thirty days before the beginning of the fiscal year for which the appropriation is available, or not more than thirty days after approval of the Act by which the appropriation is made available, whichever is later.	Section 1513: (a) The official having administrative control of an appropriation available to the legislative branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government that is required to be apportioned under section 1512 of this title shall apportion the appropriation in writing. An appropriation shall be apportioned not later than the later of the following: (1) 30 days before the beginning of the fiscal year for which the appropriation is available; or (2) 30 days after the date of enactment of the law by which the appropriation is made available.
FC 2.1	(2) Any appropriation available to an agency,	Section 1513(b):

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	<p>which is required to be apportioned under subsection (c) of this section, shall be apportioned or reapportioned in writing by the Director of the Office of Management and Budget. The head of each agency to which any such appropriation is available shall submit to the Office of Management and Budget information, in such form and manner and at such time or times as the Director may prescribe, as may be required for the apportionment of such appropriation. Such information shall be submitted not later than forty days before the beginning of any fiscal year for which the appropriation is available, or not more than fifteen days after approval of the Act by which such appropriation is made available, whichever is later. The Director of the Office of Management and Budget shall apportion each such appropriation and shall notify the agency concerned of his action not later than twenty days before the beginning of the fiscal year for which the appropriation is available or not more than thirty days after approval of the Act by which such appropriation is made available, whichever is later.</p>	<p>(1) The President shall apportion in writing an appropriation available to an executive agency (except the Commission) that is required to be apportioned under section 1512 of this title. The head of each executive agency to which the appropriation is available shall submit to the President information required for the apportionment in the form and the way and at the time specified by the President. The information should be submitted not later than the later of the following:</p> <p>(A) 40 days before the beginning of the fiscal year for which the appropriation is available; or</p> <p>(B) 15 days after the date of enactment of the law by which the appropriation is made available.</p> <p>(2) The President shall notify the head of the executive agency of the action taken in apportioning the appropriation under paragraph (1) of this subsection not later than the later of the following:</p> <p>(A) 20 days before the beginning of the fiscal year for which the appropriation is available; or</p> <p>(B) 30 days after the date of enactment of the law by which the appropriation is made available.</p>
	<p>When used in this section, the term "agency" means any executive department, agency, commission, authority, administration, board, or other independent establishment in the executive branch of the Government, including any corporation wholly or partly owned by the United States which is an instrumentality of the United States.</p>	<p>Section 101: In this title, "agency" means a department, agency, or instrumentality of the United States Government.</p> <p>Also, section 102: In this title, "executive agency" means department, agency, or instrumentality in the executive branch of the United States Government.</p>
	<p>Nothing in this subsection shall be so construed as to interfere with the initiation, operation, and administration of agricultural price support programs and no funds (other than funds for administrative expenses) available for price support, surplus removal, and available under section 612c of title 7, with respect to agricultural commodities shall be subject to apportionment pursuant to this section.</p>	<p>Section 1513: (e) This section does not affect the initiation and operation of agriculture price support programs.</p> <p>Also, section 1511: (b) This subchapter does not apply to—</p> <p>(1) amounts (except amounts for administrative expenses) available—</p> <p>(A) for price support and surplus removal of agricultural commodities; and</p> <p>(B) under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c); (7 U.S.C. 612c);</p>
	<p>The provisions of this section shall not apply</p>	<p>Section 1341(a):</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	to any corporation which obtains funds for making loans, other than paid in capital funds, without legal liability on the part of the United States.	<p>(2) This subsection does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government.</p> <p>Also, section 1342 (in part): ... This section does not apply to a corporation getting amounts to make loans (except paid in capital amounts) without legal liability of the United States Government.</p> <p>Also, section 1511: (b) this subchapter does not apply to— (2) a corporation getting amounts to make loans (except paid in capital amounts) without legal liability on the part of the United States Government; and</p>
	<p>(e) Apportionment necessitating deficiency or supplemental estimates (1) No apportionment or reapportionment, or request therefore by the head of an agency, which, in the judgment of the officer making or the agency head requesting such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate shall be made except upon a determination by such officer or agency head, as the case may be, that such action is required because of (A) any laws enacted subsequent to the transmission to the Congress of the estimates for an appropriation which require expenditures beyond administrative control; or (B) emergencies involving the safety of human life, the protection of property, or the immediate welfare of individuals in cases where an appropriation has been made to enable the United States to make payment of, or contributions toward, sums which are required to be paid to individuals either in specific amounts fixed by law or in accordance with formulae prescribed by law.</p>	<p>Section 1515(b): (1) Except as provided in subsection (a) of this section, an official may make, and the head of an agency may request, an apportionment under section 1512 of this title that would indicate a necessity for a deficiency or supplemental appropriation only when the official or agency head decides that the action is required because of— (A) a law enacted after submission to Congress of the estimates for an appropriation that requires an expenditure beyond administrative control; or (B) an emergency involving the safety of human life, the protection of property, or the immediate welfare of individuals when an appropriation that would allow the United States Government to pay, or contribute to, amounts required to be paid to individuals in specific amounts fixed by law or under formulas prescribed by law, is insufficient.</p>
	(2) In each case of an appropriation or a reapportionment which, in the judgment of the officer making such apportionment or reapportionment, would indicate a necessity for a deficiency or supplemental estimate, such officer shall immediately submit a detailed report of the facts of the case to the	<p>Section 1515(b): (2) If an official making an apportionment decides that an apportionment would indicate a necessity for a deficiency or supplemental appropriation, the official shall submit immediately a detailed report of the facts to Congress. The report shall be referred to in</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	Congress. In transmitting any deficiency or supplemental estimates required on account of any such apportionment or reapportionment, reference shall be made to such report.	submitting a proposed deficiency or supplemental appropriation.
	<p>(f) Exemption of trust funds and working funds expenditures from apportionment</p> <p>(1) The officers designated in subsection (d) of this section to make apportionments and reapportionments may exempt from apportionments trust funds and working funds expenditures from which have no significant effect on the financial operations of the Government, working capital and revolving funds established for intragovernmental operations, receipts from industrial and power operations available under law and any appropriation made specifically for—</p> <p>(1) interest on, or retirement of, the public debt;</p> <p>(2) payment of claims, judgments, refunds, and draw-backs;</p> <p>(3) any item determined by the President to be of a confidential nature; (4) payment under private relief acts or other laws requiring payments to designated payees in the total amount of such appropriation; (5) grants to the States under title I, IV, or X of the Social Security Act (42 U.S.C. 301 et seq., 1201 et seq.), or under any other public assistance title in such Act.</p>	<p>Section 1516:</p> <p>An official designated in section 1513 of this title to make apportionments may exempt from apportionment –</p> <p>(1) a trust fund or working fund if an expenditure from the fund has no significant effect on the financial operations of the United States Government;</p> <p>(2) a working capital fund or a revolving fund established for intragovernmental operations;</p> <p>(3) receipts from industrial and power operations available under law; and</p> <p>(4) appropriations made specifically for—</p> <p>(A) interest on, or retirement of, the public debt;</p> <p>(B) payment of claims, judgments, refunds, and drawbacks;</p> <p>(C) items the President decides are of a confidential nature;</p> <p>(D) payment under a law requiring payment of the total amount of the appropriation to a designated payee; and</p> <p>(E) grants to the States under the Social Security Act (41 U.S.C. 301 et seq.).</p>
	(2) The provisions of subsection (c) of this section shall not apply to appropriations to the Senate or House of Representatives or to any Member, committee, Office (including the office of the Architect of the Capitol), officer, or employee thereof.	<p>Section 1511:</p> <p>(b) This subchapter does not apply to—</p> <p>(3) the Senate, the House of Representatives, a committee of Congress, a member, officer, employee, or office of either House of Congress, or the office of the Architect of the Capitol or an officer or employee of that Office.</p>
FC 2.2 – 2.3	<p>(g) Administrative division of apportionment; simplification of system for subdividing funds</p> <p>Any appropriation which is apportioned or reapportioned pursuant to this section may be divided and subdivided administratively within the limits of such apportionments or reapportionments. The officer having</p>	<p>Section 1513:</p> <p>(d) An appropriation apportioned under this subchapter may be divided and subdivided administratively within the limits of the apportionment.</p> <p>Section 1514:</p> <p>(a) The official having administrative control of an appropriation available to the legislative</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	<p>administrative control of any such appropriation available to the legislative branch, the judiciary, the United States International Trade Commission, or the District of Columbia, and the head of each agency, subject to the approval of the Director of the Office of Management and Budget, shall prescribe, by regulation, a system of administrative control (not inconsistent with any accounting procedures prescribed by or pursuant to law) which shall be designed to (A) restrict obligations or expenditures against each appropriation to the amount of apportionments or reappropriations made for each such appropriation, and (B) enable such officer or agency head to fix responsibility for the creation of any obligation or the making of any expenditure in excess of an apportionment or reappropriation.</p>	<p>branch, the judicial branch, the United States International Trade Commission, or the District of Columbia government, and, subject to the approval of the President, the head of each executive agency (except the Commission) shall prescribe by regulation a system of administrative control not inconsistent with accounting procedures prescribed under law. The system shall be designed—</p> <p>(1) to restrict obligations or expenditures from each appropriation to the amount of apportionments or reappropriations of the appropriation; and</p> <p>(2) to enable the official or the head of the executive agency to fix responsibility for an obligation or expenditure exceeding an apportionment or reappropriation.</p>
FC 2.2 - 2.3	<p>In order to have a simplified system for the administrative subdivision of appropriations or funds, each agency shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative subdivision for each appropriation or fund affecting such unit.</p>	<p>(b) To have a simplified system for administratively dividing appropriations, the head of each executive agency (except the Commission) shall work toward the objective of financing each operating unit, at the highest practical level, from not more than one administrative division for each appropriation affecting the unit.</p>
FC 2.5 – 2.6	<p>(h) Expenditures in excess of apportionment; penalties</p> <p>No officer or employee of the United States shall authorize or create any obligation or make any expenditure (A) in excess of an apportionment or reappropriation, or (B) in excess of the amount permitted by regulations prescribed pursuant to subsection (g) of this section.</p>	<p>Section 1517:</p> <p>(a) 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—</p> <p>(1) an apportionment; or</p> <p>(2) the amount permitted by regulations prescribed under section 1514(a) of this title.</p>
	<p>(i) Administrative discipline; reports on violation</p> <p>(1) In addition to any penalty of liability under other law, any officer or employee of the United States who shall violate subsections (a), (b), or (h) of this section shall be subjected to appropriate administrative discipline, including, when circumstances warrant, suspension from duty without pay or removal from office;</p>	<p>Section 1349:</p> <p>(a) An officer or employee of the United States Government or of the District of Columbia government violating section 1341(a) or 1342 of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.</p> <p>Also, section 1518:</p> <p>An officer or employee of the United States</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
		Government or of the District of Columbia government violating section 1517(a) of this title shall be subject to appropriate administrative discipline including, when circumstances warrant, suspension from duty without pay or removal from office.
	And any officer or employee of the United States who shall knowingly and willfully violate subsections (a), (b), or (h) of this section shall, upon conviction, be fined not more than \$5,000 or imprisoned for not more than two years, or both.	<p>Section 1350: An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1341(a) or 1342 of this title shall be fined not more than \$5,000, imprisoned for not more than two years, or both.</p> <p>Also, section 1519: An officer or employee of the United States Government or of the District of Columbia government knowingly and willfully violating section 1517(a) of this title shall be fined not more than \$5,000, imprisoned for not more than 2 years, or both.</p>
	(2) In the case of a violation of subsections (a), (b), or (h) of this section by an officer or employee of an agency, or of the District of Columbia, the head of the agency concerned or the Mayor of the District of Columbia, shall immediately report to the President, through the Director of the Office of Management and Budget, and to the Congress all pertinent facts together with a statement of the action thereon.	<p>Section 1351: If an officer or employee of an executive agency or an officer or employee of the District of Columbia government violates section 1341(a) or 1342 of this title, the head of the agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.</p> <p>Also, section 1517: (b) If an officer or employee of an executive agency or of the District of Columbia government violates subsection (a) of this section, the head of the executive agency or the Mayor of the District of Columbia, as the case may be, shall report immediately to the President and Congress all relevant facts and a statement of actions taken. A copy of each report shall be transmitted to the Comptroller General on the same date the report is transmitted to the President and Congress.</p>
	31 U.S.C. 665a. Basis of apportionment; need for funds for increased compensation for wage-board employees	<p>Section 1515: (a) An appropriation required to be apportioned under section 1512 of this title may be</p>

Process Reference	The Anti-deficiency Act	Title 31—Money And Finance
	<p>On and after June 5, 1957, any appropriation required to be apportioned pursuant to section 665 of this title, may be apportioned on a basis indicating the need for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payment of such pay increases as may be granted those employees (commonly known as wage-board employees) whose compensation is fixed and adjusted from time to time in accordance with prevailing rates (5 U.S.C. 5102(c)(7), 5341 et seq.).</p>	<p>apportioned on a basis that indicates the need for a deficiency or supplemental appropriation to the extent necessary to permit payment of such pay increases as may be granted pursuant to law to civilian officers and employees (including prevailing rate employees whose pay is fixed and adjusted under subchapter IV of chapter 53 of title 5) and to retired and active military personnel</p>
FC 2.2 – 2.3	<p>31 U.S.C. 669. Apportionment of contingent funds of departments to offices and bureaus (the following passage occurs in section 669 before the semicolon)</p> <p>In addition to the apportionment required by section 665 of this title, the head of each executive department shall, on or before the beginning of each fiscal year, apportion to each office or bureau of his department the maximum amount to be expended therefore during the fiscal year out of the contingent fund or funds appropriated for the entire year for the department, and the amounts so apportioned shall not be increased or diminished during the year for which made except upon the written direction of the head of the department, in which there shall be fully expressed his reasons therefore.</p>	<p>Section 1513:</p> <p>(c) By the first day of each fiscal year, the head of each executive department of the United States Government shall apportion among the major organizational units of the department the maximum amount to be expended by each unit during the fiscal year out of each contingent fund appropriated for the entire year for the department. Each amount may be changed during the fiscal year only by written direction of the head of the department. The direction shall state the reasons for the change.</p>

Chapter 3: Payment Management Processes

This Chapter will contain the flowcharts and process steps for the Payment Management processes listed below. These flows assume best practices in an electronic environment, sound internal controls and agency systems comply with OFFM Core financial system requirements. Policies, procedures, and requirements already covered in other authoritative guidance are not repeated in this document. The scope of this release for payment management does not include: micro-purchases, IPAC, travel, credit cards payments, payroll, employee awards, grants, cooperative agreements, reimbursable activity or loans. In addition, the standard process focuses on the financial aspects of payment management and does not address the procurement processes included in the overall business process.

The Payment Management processes that will be detailed in this document are:

- PM 3.1 . Ordering of Goods and Services
- PM 3.1.A . Funds Check Prior to Obligation
- PM 3.2 . Accounts Payable and Invoice Processes
- PM 3.3 . Receipt of Goods
- PM 3.4 . Acceptance of Services
- PM 3.5 . Disbursements: Bulk Files
- PM 3.6 . Disbursements: Small Volume and Next Day Payments

Chapter 4: Billing and A/R Processes

For future completion.

Chapter 5: Reporting Processes

For future completion.

Appendix A – FMLoB Vision and Business Approach

FMLoB Vision

The Financial Management Line of Business (FMLoB) Vision is to improve the cost, quality, and performance of financial management systems by leveraging shared services solutions and implementing government-wide reforms that foster efficiencies in Federal financial operations. The Office of Management and Budget (OMB) is the executive sponsor for the FMLoB initiative. The Financial Systems Integration Office (FSIO) has direct responsibility for completing priority projects under FMLoB. This document was prepared by FSIO in coordination with the Chief Financial Officers Council's FSIO Oversight Transformation Team.

The FMLOB vision is built upon precepts that begin with standardization and transparency of forming the base for government financial improvement. To begin this improvement process, the FMLOB established the following “work streams” to begin addressing and defining standardization and transparency for financial operations:

1. **Performance Measures:** To develop performance measures (cost, quality, and timeliness) to assess the performance of financial services offered by a financial service organization.
2. **Standard Business Processes:** To develop data specifications and business rules for core financial management functions (e.g., funds management, payments, receipts, and reporting) to be adopted by all Federal agencies.
3. **Common Government-wide Accounting Code Structure:** To develop a common accounting structure used government-wide that includes an applicable set of definitions and the layout to which Federal agencies' new financial systems must adhere.

Under the FSIO structure, the FMLOB activities are lead by agency-sponsored teams working collaboratively with the broad Federal financial community. This community includes Federal financial policy organizations and organizations representing the financial community stakeholders.

FMLoB Business Process Approach

The FMLoB Business Process work stream follows a standard approach in the development of each business process area. The FMLoB Business Process was developed through a collaborative effort of the Federal financial management community. The project objectives were to:

- Define the objectives of standard business process.
- Document the current business processes used within the 24 Chief Financial Officer Act agencies (the “as-is” environment).
- Determine which business processes should be included in the standard business process.

The FMLoB Business Process project was divided into four phases:

1. Project initiation.
2. Development of FMLoB Business Processes vision and draft proposal.
3. Validation of the FMLoB Standard Business Processes.
4. Issuance of an exposure draft of the proposed Standard Business Processes.

During the initial phase of the project, the sponsors were engaged to ensure that expectations were known, the project approach was acceptable, and requirements for government participation were defined.

The second phase established the vision for a Standard Business Processes that defined the objectives of developing a standard structure and its contribution to the goals of the FMLoB initiative.

During the third phase, the draft proposal was refined and validated with three key stakeholder groups:

- Representatives of the 24 Chief Financial Officers Act agencies,
- Vendors of financial management systems, and
- Federal shared service providers.

From April through August 2006, FSIO conducted a number of workshops with program agencies and vendors to address payments and receipts, funds management, and reporting.

During the final phase of the project, the team began to develop the *Financial Management Systems Standard Business Processes for U.S. Government Agencies* document. This version is an exposure draft to be used to solicit further comment from the Federal financial management community before the FMLoB Standard Business Processes for Funds Control is adopted.

Appendix B – FMLoB Controlled Vocabulary

Term	Definition	Source ²
Accounting Classification	A subset of the agency financial information classification. The accounting classification structure provides a means for categorizing financial information along several dimensions as needed to support financial management and reporting functions. The data elements an agency includes in its accounting classification structure will depend in part on the implementation strategy for the U.S. Standard General Ledger, data aggregation requirements for preparation of financial statements under the Chief Financial Officers Act, appropriation structure, and other reporting and management needs of the agency.	Joint Financial Management Improvement Program Financial System Requirements; http://www.fsio.gov/fsio/fsiodata/fsio_systemrequirements.shtml Multiple sources
Agency	The term "agency" means any executive department, military department, government corporation, government controlled corporation, or other establishment in the executive branch of the Federal government, or any independent regulatory agency. Within the Executive Office of the President, the term includes only OMB and the Office of Administration.	OMB Circular A-130, Transmittal Memorandum No. 4, Management of Federal Information Resources (11/28/2000) http://www.whitehouse.gov/omb/circulars/a130/a130trans4.pdf
Allotment	A subdivision of an apportionment made by an agency.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006) http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_to_c.html

² Sources are provided if available, otherwise the term definition was developed for clarification of terminology.

Term	Definition	Source ²
Apportionment	A distribution made by OMB of amounts available for obligation in an appropriation or fund account into amounts available for specified time periods, program, activities, projects, objects, or any combinations of these. The apportioned amount limits the obligations that may be incurred. An apportionment may be further subdivided by an agency into allotments, sub allotments, and allocations.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Appropriation	A provision of law (not necessarily an Appropriation act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Budget	The Budget of the United States Government setting forth the President's comprehensive financial plan for allocating resources. The Government uses the budget system to allocate resources among its major functions and individual programs. The budget process has three main phases: formulation, congressional action on the budget, and execution.	FASAB Statement of Federal Financial Accounting Standards No. 24 http://www.fasab.gov/pdffiles/sf-fas-24.pdf
Budget Authority	The authority provided by law to incur financial obligations that will result in outlays. Specific forms of budget authority include Appropriation, borrowing authority, contract authority, and spending authority from offsetting collections.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Budget Execution	Includes Funds Control and provides features to record, distribute, and control budget authority and spending in accordance with the provisions of OMB Circular A-11, Part 4, Instructions on Budget Execution. Budget execution provides the ability to track the effects of financial events on the sources and uses of budgetary resources authorized by the President and Congress. Its primary purpose is to ensure that spending does not exceed funds appropriated or authorized.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)

Term	Definition	Source ²
Budget Formulation	During this phase of the budget cycle, the Executive Branch prepares the President's 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 officially starts the process by sending planning guidance to Executive Branch agencies in the Spring. The President completes this phase by sending the budget to Congress on the first Monday in February, as specified in law, although occasionally Presidents have sent it later for various reasons.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Carryover	Funding collected in one fiscal year that was not obligated and is available to be used to meet requirements in the next fiscal year.	Treasury Directive: 31-04 http://www.treas.gov/regs/td31-04.htm
Commitment	A commitment is an administrative reservation of funds that have not yet been obligated. Agencies use commitment accounts for the internal control of budgetary resources and to help prevent unauthorized use of available resources.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Disbursements	Amounts paid out by Federal agencies during the fiscal year. This term is used interchangeably with the term outlay.	Treasury Financial Manual, Supplement to Volume I http://www.fms.treas.gov/TFM/
Enterprise Architecture	A strategic information asset base that defines the business, information necessary to operate the business, technologies necessary to support the business operations, and transitional processes for implementing new technologies in response to the changing needs of the business.	Federal Enterprise Architecture Framework, V.1.1, Federal Chief Information Officers Council, September 1999 http://www.cms.hhs.gov/EnterpriseArchitecture/02_FEAF.asp

Term	Definition	Source ²
Federal Enterprise Architecture (FEA)	To facilitate efforts to transform the Federal Government to one that is citizen-centered, results-oriented, and market-based, OMB is developing the Federal Enterprise Architecture, a business-based framework for Government-wide improvement. The FEA is being constructed through a collection of interrelated “reference models” designed to facilitate cross-agency analysis and the identification of duplicative investments, gaps, and opportunities for collaboration within and across Federal agencies.	Federal Enterprise Architecture Program Management Office http://www.whitehouse.gov/omb/egov/a-1-fea.html
Federal Enterprise Architecture Business Reference Model (BRM)	The BRM is a function-driven framework for describing the Lines of Business and internal functions performed by the Federal Government independent of the agencies that perform them. The BRM serves as the business layer of the Federal Enterprise Architecture. It provides a foundation on which the applications, data, and technology layers of the FEA are developed. Agency Capital Asset Plans (Exhibit 300s that accompany an agency’s budget submission) will be mapped against this framework to identify opportunities for cross-agency collaboration and potential system redundancies.	OMB Circular A-11, Preparing, Executing, and Submitting the Budget (6/30/2006)
Federal Enterprise Architecture Framework	The Federal Enterprise Architecture Framework (FEAF) provides an organized structure and a collection of common terms by which Federal segments can integrate their respective architectures into the Federal Enterprise Architecture.	Federal Enterprise Architecture Framework, V.1.1, Federal Chief Information Officers Council, September 1999
Federal Payment	Any payment made by an agency. The term includes, but is not limited to: (1) Federal wage, salary, and retirement payments; (2) vendor and expense reimbursement payments; (3) benefit payments; and (4) miscellaneous payments including, but not limited to, interagency payments; grants; loans; fees; principal, interest, and other payments related to United States marketable and nonmarketable securities, overpayment reimbursements; and payments under Federal insurance or guarantee programs for loans.	Treasury Green Book (Guide to Federal ACH [Automated Clearing House] Payments and Collections) http://www.fms.treas.gov/greenbook/index.html

Term	Definition	Source ²
Financial Accounting	A branch of accounting. The most noteworthy interpretations or classifications are those about which data pertain to the past and which pertain to the future. In other words, financial accounting is largely concerned with assigning the value of past transactions to appropriate time periods.	FASAB, Statement of Federal Financial Accounting Concepts No. 1: Objectives of Federal Financial Reporting http://www.fasab.gov/pdf/files/sf_fac-1.pdf
Financial Event or Activity	Any occurrence having financial consequences to the Federal government related to the receipt of Appropriation or other financial resources; acquisition of goods or services; payments or collections; recognition of guarantees, benefits to be provided, or other potential liabilities; or other reportable financial activities.	OMB Circular A-127, Financial Management Systems (7/23/1993) http://www.whitehouse.gov/omb/circulars/a127/a127.html http://www.whitehouse.gov/omb/memoranda/fy2005/m05-02.html
Financial Management Systems	Financial systems and the financial portions of mixed systems necessary to support financial management, including manual or automated processes, procedures, controls, hardware, software and support personnel. Financial systems include an information system, comprised of one or more applications, that is used for (1) collecting, processing, maintaining, transmitting or reporting data about financial events; (2) supporting financial or budgeting activities; (3) accumulating and reporting cost information, or: (4) supporting the preparation of financial statements.	Federal Financial Management Improvement Act (FFMIA) http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=104_cong_public_laws&docid=f:publ208.104.pdf OMB Circular A-127, Financial Management Systems (07/23/1993)

Term	Definition	Source ²
Financial System	<p>An information system, comprised of one or more applications, that is used for any of the following: collecting, processing, maintaining, transmitting, and reporting data about financial events; supporting financial planning or budgeting activities; accumulating and reporting cost information; or supporting the preparation of financial statements.</p> <p>A financial system supports the financial functions required to track financial events, or provide financial information significant to the financial management of the agency, and/or required for the preparation of financial statements. A financial system encompasses automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operation and maintenance of system functions. A financial system may include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements.</p>	FFMIA; OMB Circular A-127, Financial Management Systems (07/23/1993)

Information Security	The protection of information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction in order to provide: (1) integrity, which means guarding against improper information modification or destruction, and includes ensuring information nonrepudiation and authenticity; (2) confidentiality, which means preserving authorized restrictions on access and disclosure, including means for protecting personal privacy and proprietary information; and (3) availability, which means ensuring timely and reliable access to and use of information.	Federal Information Security Management Act of 2002 http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ347.107.pdf (See title III)
Information System	A discrete set of information technology, data, and related resources, such as personnel, hardware, software, and associated information technology services organized for the collection, processing, maintenance, use, sharing, dissemination or disposition of information.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)

Information Technology	Any equipment, or interconnected system(s) or subsystem(s) of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency.	Federal Acquisition Regulation 2.101 http://www.acquisition.gov/far/index.html
Internal Control	A subset of management controls are the internal controls used to assure that there is prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets.	OMB Circular A-123, Management's Responsibility for Internal Control (Revised 12/21/2004) http://www.whitehouse.gov/omb/circulars/a123/a123_rev.pdf
Internal Control over Financial Reporting	Process for assessing the effectiveness of an entity's internal control over financial reporting.	OMB Circular A-123, Management's Responsibility for Internal Control, Appendix A (Revised 12/21/2004)
Management Controls	Management controls are the organization, policies, and procedures used by agencies to reasonably ensure that (1) programs achieve their intended results; (2) resources are used consistent with 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. Management controls, in the broadest sense, include the plan of organization, methods and procedures adopted by management to ensure that its goals are met. Management controls include processes for planning, organizing, directing, and controlling program operations.	OMB Circular A-123, Management's Responsibility for Internal Control (Revised 12/21/2004)

Managerial Cost Accounting	Managerial cost accounting should be a fundamental part of the financial management system and, to the extent practicable, should be integrated with other parts of the system. Managerial costing should use a basis of accounting, recognition, and measurement appropriate for the intended purpose. Cost information developed for different purposes should be drawn from a common data source, and output reports should be reconcilable to each other	FASAB, SFFAS No. 4: Managerial Cost Accounting Standards and Concepts http://www.fasab.gov/pdffiles/sffac-1.pdf
Outlay	Outlay means a payment to liquidate an obligation (other than the repayment of debt principal). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the subsidy cost of direct loans and loan guarantees, and interest accrued on public issues of the public debt. Outlays are the measure of Government spending.	OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/2006)
Payment	A government disbursement of monies to any payee, including vendors, employees, private citizens, state, local and foreign governments) in accordance with contract terms. The payment management function consists of the following processes: payee information maintenance, payment warehousing, payment execution, and payment confirmation and follow-up.	Treasury Financial Manual
Program	Generally defined as an organized set of activities directed toward a common purpose or goal, undertaken or proposed by an agency in order to carry out its responsibilities. In practice, however, the term has many uses and thus does not have a well-defined, standard meaning in the legislative process. It is used to describe an agency's mission, programs, functions, activities, services, projects, and processes.	
Shared Services	Shared services is a bringing together of functions that are frequently duplicated across component agencies, and delivering these services more efficiently and with a customer service orientation. It is the focus on the customer service aspect of the process that distinguishes the shared services model from the concept of consolidation. The focus is on the customers because they demand the best quality, timely, accurate and reliable product(s) attainable. Sharing services leads to the elimination of redundancies. The concurrent redesign of accounting processes, organizations and supporting systems leads to radical improvements in time, cost, quality and user satisfaction in regard to the service provided.	

Single Integrated Financial Management System	A unified set of financial systems and the financial portions of mixed systems (e.g., acquisition) encompassing the software, hardware, personnel, processes (manual and automated), procedures, controls, and data necessary to carry out financial management functions, manage the financial operations of the agency, and report on the agency's financial status to central agencies, Congress, and the public.	OMB Circular A-127, Financial Management Systems (7/23/1993)
Treasury Financial Manual	Guidance issued by the Department of the Treasury containing procedures to be observed by all agencies, Federal Reserve Banks, and financial institutions with respect to payments, collections, central accounting, financial reporting, and other government-wide fiscal responsibilities of the Treasury.	Treasury Green Book, Glossary
United States Standard General Ledger (USSGL)	A uniform list of accounts that support transactions that standardizes Federal agency accounting and supports the preparation of standard external reports. The U.S. Government Standard General Ledger Chart of Accounts (1) provides control over all financial transactions and resource balances, (2) satisfies basic reporting requirements of OMB and Treasury, and (3) integrates proprietary and budgetary accounting.	Treasury Financial Manual, Volume I
USSGL Account:	An account, within the uniform chart of accounts used by Federal agencies to record budgetary and proprietary accounting transactions.	Treasury Financial Manual, Supplement to Volume I

Appendix C – Financial Management Laws and Regulations

Federal laws deal with the appropriation of monies to agencies from Congress, including the appropriate use and control of these monies. Various statutes deal with the purpose, amount, and time of Appropriation, as well as the availability of the associated monies.

The Office of Management and Budget (OMB) and the Department of the Treasury usually issue guidance or regulations for implementing financial management legislation.

Detailed information about Federal laws and regulations may be obtained from the following websites:

Public Laws

<http://thomas.loc.gov> and
<http://www.gpoaccess.gov/plaws/index.html>

Code of Federal Regulations, Title 31, Money and Finance

<http://www.access.gpo.gov/uscode/title31/title31.html>

Office of Management and Budget, Office of Federal Financial Management

<http://www.whitehouse.gov/omb/financial/index.html>

Department of the Treasury, Financial Management Service

<http://www.fms.treas.gov>

Federal Accounting Standards Advisory Board

<http://www.fasab.gov>

Following is a summary of the key financial management legislation and regulations relating to Funds Control.

U.S. Constitution

Article I, Section 9

“No Money shall be drawn from the Treasury, but in Consequence of Appropriation made by Law, and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

Budget and Accounting Act of 1921

Public Law 67-13

Ch. 18, 42 Stat. 20

This law, which serves as the basis for modern financial management legislation, centralized the budget process. In the past, budget matters had been assigned to a variety of congressional committees and no central control existed. The law provided for the following:

- Created the Bureau of the Budget; its director was to be a presidential appointee. The bureau was originally part of the Treasury Department, but later was transferred to the Executive Department and finally became the Office of Management and Budget.
- Required that the Director of the Budget (now Director of the Office of Management and Budget) examine all budget requests from Congress, seek economies, and remove duplicates.
- Required the president to submit a budget proposal and a statement of the government's financial condition to Congress annually.
- Established the General Accounting Office (now the Government Accountability Office) to conduct audits of government accounts.

Anti-deficiency Act of 1921 and Anti-Deficiency Act of 1950

Public Law 81-784

US Code Title 31, Section 1341-42; 1511-1519

The [Anti-Deficiency Act of 1921](#): (1) prohibits the obligation or expenditure of government funds in excess of the amounts appropriated by Congress or in excess of amounts permitted by regulations; (2) forbids the obligation of any funds in advance of the official appropriation of funds; and (3) requires the head of each government agency to establish an administrative control system for the purposes of keeping obligations within the amount of apportionment, and enabling the agency to detect and report violations of the Anti-Deficiency Act through the Executive Branch to Congress.

The 1921 Anti-Deficiency Act was amended in 1950. In the amendment, provisions pertaining to apportionment ensure that Appropriation available for a fiscal year are not obligated at a rate that would exhaust the appropriation before the end of the period for which the appropriation is made. Exhausting an appropriation may result in a need for a deficiency or supplemental appropriation, or an increase in the authorization for administrative expenses of a corporation, or in drastic curtailment of the activity for which the appropriation or authorization is made.

Congress made major revisions to the 1950 Anti-Deficiency Act under the Congressional Budget and Impoundment Control Act of 1974. The revised act encourages agencies to set aside reserves for unanticipated expenses and prohibits agencies from obligating more budget authority than is provided in law. Certain adjustments (e.g., a rescission) may be made to cancel or reduce budget authority after it has been enacted into law. The revised law sanctions supplemental Appropriation only for legislation enacted after the President's Budget is submitted, as well as for emergencies related to the preservation of human life and property.

Budget and Accounting Procedures Act of 1950

Ch. 946, 64 Stat. 832 Public Law 784, 81st Congress (64 Stat. 832)

This Act revamped the Budget and Accounting Act of 1921. Its budget provisions presented the financial program of the Government in simpler and more meaningful terms, providing the basis for a better evaluation of Government programs and activities. The accounting and auditing provisions laid the foundation for far-reaching improvements and simplification. For the first time, clear-cut legislation assigned responsibility for accounting, auditing, and financial reporting in the Government.

This law was the forerunner of the Federal Manager's Financial Integrity Act of 1982. It placed the responsibility for establishing and maintaining adequate systems of accounting and internal control upon the head of each executive agency. It required that systems must conform to the accounting

principles, standards, and related requirements prescribed by the Comptroller General of the United States. The law required the Department of the Treasury to render overall Government financial reports to the President, the Congress and the public. Each agency was required to furnish the Secretary of the Treasury with reports and information relating to the agency's financial condition and operations as the Secretary may require for effective performance. The Secretary's responsibilities include the system of central accounting and financial reporting for the Government.

Debt Collection Act of 1982 and Debt Collection Improvement Act of 1996

These Acts require proper collection of debts, to authorize the compromise or suspension of some debts, and to authorize the use of certain collection tools that are available in the private sector. The use of electronic payment and offset methods is required.

OMB Guidance:

[OMB Circular A-129](#), Managing Federal Credit Programs (11/2000)

This Circular prescribes policies and procedures for justifying, designing, and managing Federal credit programs, and for collecting non-tax receivables. It sets principles for designing credit programs, including:

- Preparation and review of legislation and regulations;
- Budgeting for the costs of credit programs and minimizing unintended costs to the Government; and
- Improving the efficiency and effectiveness of Federal credit programs.

Circular A-129 also sets standards for extending credit, managing lenders participating in Government guaranteed loan programs, servicing credit and non-tax receivables, and collecting delinquent debt.

Federal Managers' Financial Integrity Act (FMFIA) of 1982 Public Law 97-255

The [Federal Managers' Financial Integrity Act of 1982](#) amended earlier legislation to strengthen internal control and accounting systems throughout the Federal Government and to help reduce fraud, waste, abuse, and misappropriation of federal funds. FMFIA requires Agency heads to establish controls that reasonably ensure:

- Obligations and costs are in compliance with applicable law;
- Funds, property, and other assets are safeguarded against waste, loss, unauthorized use or misappropriation; and
- Revenues and expenditures are properly recorded and accounted for.

FMFIA holds agency managers accountable for correcting noted deficiencies and requires that agencies annually identify and report internal control and accounting system problems and planned remedies. The act also requires that OMB establish, in consultation with the Comptroller General, guidelines that the agencies shall follow in evaluating their systems of internal accounting and administrative control.

OMB Guidance:

OMB Circular A-123, Management's Responsibility for Internal Control (Revised 12/21/2004), is the primary vehicle for implementing FMFIA in the executive branch and describes internal control requirements.

http://www.whitehouse.gov/omb/circulars/a123/a123_rev.html

OMB Circular A-136, Financial Reporting Requirements, provides instructions for reporting on internal controls. As part of these reporting requirements, agencies also report annually on whether their accounting systems comply with the provisions of Circular OMB A-127, Financial Management Systems.

http://www.whitehouse.gov/omb/circulars/a123/a123_rev.html

OMB Circular A-127 prescribes policies and standards for agencies to follow in developing, operating, evaluating, and reporting on financial management systems generally.

<http://www.whitehouse.gov/omb/circulars/a127/a127.html>

<http://www.whitehouse.gov/omb/memoranda/fy2005/m05-02.html>

Chief Financial Officers Act of 1990 **Public Law 101-576**

The [Chief Financial Officers Act of 1990](#) sets expectations for agencies to develop and deploy modern financial management systems to routinely produce accurate, reliable, and timely program cost information; and to develop results-oriented reports on the government's financial condition. This Act laid the foundation for significant financial management reform in the Federal Government by emphasizing strong financial leadership, improved systems of accounting, financial management and internal control, and reliable financial information. Key provisions include:

- Strong financial management leadership: Established the OMB Deputy Director for Management position to coordinate and supervise OMB's general management functions; the Office of Federal Financial Management, headed by a Controller, to carry out specified financial management functions; Chief Financial Officer (CFO) and Deputy CFO positions in major agencies to provide financial management direction; and the Chief Financial Officers Council to coordinate financial management matters
- Enhanced financial management systems: Requires agency CFOs to develop and maintain agency financial management systems that comply with applicable accounting principles, standards, and requirements, internal control standards, and requirements of OMB and Treasury that enable systems to report cost information, integrate accounting and budgeting, and systematically measure performance.
- Improved financial information: Requires the preparation and audit of financial statements of the agencies covered by the Act and revised the procedures for the audit of financial statements of Government corporations.

OMB Guidance:

Circular A-123, Management's Responsibility for Internal Control

Circular A-127, Financial Management Systems

Circular A-130, Management of Federal Information Resources

<http://www.whitehouse.gov/omb/circulars/a130/a130trans4.pdf>

OMB re-issued Circular A-130 in revised form in December 2000 as Transmittal Memorandum No. 4. The expanded version of A-130 provides guidance on the Paperwork Reduction Act, the Clinger-Cohen Act, the CFO Act, and others. This includes the requirement for all electronic systems, including financial management systems, to have a defined association with the agency's enterprise architecture.

The circular provides specific guidance on collecting and managing information and records management, including:

- Electronic information collection;
- Provision of information to the public;
- Information dissemination systems; and
- Information safeguards.

It further mandates agencies to establish a capital planning and investment control process (CPIC) that links information technology investments to improved mission performance. The CPIC also establishes the links among agency processes including strategic planning, IT planning, enterprise architecture integration, performance planning, financial management planning pursuant to the Chief Financial Officers Act of 1990, and budget formulation and execution.

Circular A-136, Financial Reporting Requirements

Federal Accounting Standards Advisory Board (FASAB)

<http://www.fasab.gov>

To bolster the CFO Act, in 1990 the Director of OMB, Secretary of the Treasury, and Comptroller General of the United States, the three officials responsible for Federal financial reporting, established the FASAB to recommend accounting standards and principles for the United States Government.

The FASAB develops and recommends Statements of Federal Financial Accounting Standards (SFFAS) for use by the federal government. Once adopted by OMB, these standards serve as Generally Accepted Accounting Principles for Federal governmental entities.

The accounting standards that have resulted from FASAB's work are central to effectively meeting financial management improvement goals of the CFO Act and other legislation. In particular, FASAB's standards for managerial cost accounting, as described in SFFAS No. 4, are a primary source of guidance. This and other FASAB standards foster financial information and reporting that is understandable, relevant, and reliable concerning the financial position, activities, and results of operations for the Federal Government and its departments and agencies. Furthermore, the standards prescribe accounting systems and internal control that help demonstrate that Federal programs are conducted in compliance with laws and regulations.

Government Performance and Results Act (GPRA) of 1993 Public Law 103-62

The [Government Performance and Results Act \(GPRA\)](#) changed the Federal Government's budgeting and policymaking mechanisms by shifting managerial emphasis to actual program execution and comparison of results with desired outcomes. This legislation promotes a focus on results, service, quality, and customer satisfaction and holds federal agencies accountable for achieving program results and requires them to identify missions, set goals, measure performance, and report on their accomplishments.

Under GPRA, each federal agency must develop and submit a multi-year strategic plan, which contains the agency's mission statements and long-term strategic goals. Agencies must also submit annual performance plans, which include performance goals linked to the budget and indicators of how performance will be measured. Annual performance reports, also required under the Act, provide information on the extent to which the agency met its annual performance goals.

OMB Guidance:

OMB Circular A-11, Preparation, Submission and Execution of the Budget

http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html

Government Management Reform Act (GMRA) of 1994 and Federal Financial Management Act (FFMA) of 1994

Public Law 103-356

The [Government Management Reform Act of 1994 and the Federal Financial Management Act of 1994](#) expanded financial statement audit coverage to include Department-wide and Government-wide audited financial statements. This legislation mandated statutory requirements for reports to Congress, the use of electronic funds transfers for payments, and the submission of annual audited financial statements to the Director of OMB. The Chief Financial Officers Act was expanded under GMRA to require the 24 agencies responsible for 99 percent of Federal spending to prepare annual audited financial statements. It also requires the Department of the Treasury to produce a consolidated financial statement for the Federal Government, which the Government Accountability Office is to audit annually.

OMB Guidance:

Circular A-136, Financial Reporting Requirements

Paperwork Reduction Act of 1995

Public Law 104-13

The [Paperwork Reduction Act of 1995](#) applies life-cycle management principles to information management and focuses on reducing the government's information-collection burden. It designates senior information resources manager positions in the major departments and agencies with responsibility for a wide range of functions. The Act also created the Office of Information and Regulatory Affairs within OMB to provide central oversight of information management activities across the federal government.

OMB Guidance:

Circular A-130, Management of Federal Information Resources

Clinger-Cohen Act of 1996

Public Law 104-106

The [Clinger-Cohen Act of 1996](#) (formerly the Information Technology Management Act of 1995) repeals Section 111 of the Federal Property and Administrative Services Act of 1949 (40 USC 759), often referred to as the Brooks Act, which gave the General Services Administration exclusive authority to acquire computer resources for all of the Federal Government. Clinger-Cohen assigns overall responsibility for the acquisition and management of information technology (IT) in the Federal Government to the Director of OMB. It also gives authority to acquire IT resources to the head of each executive agency and makes them responsible for effectively managing their IT investments.

Among other provisions, the Act requires agencies to:

- Base decisions about IT investments on quantitative and qualitative factors associated with the costs, benefits, and risks of those investments
- Use performance data to demonstrate how well the IT expenditures support improvements to agency programs
- Appoint Chief Information Officers to carry out the IT management provisions of the act and the broader information resources management requirements of the Paperwork Reduction Act.
- Develop and maintain an integrated system architecture to help (1) ensure an agency invests only in integrated, enterprise-wide business solutions and (2) move resources away from non-value added legacy business systems and nonintegrated system development efforts.

OMB Guidance:

OMB Circular A-11, Preparation, Submission and Execution of the Budget (6/30/06)

OMB Circular A-127, Financial Management Systems (07/23/1993)

This circular augments FFMIA by specifically mandating that federal agencies implement integrated core accounting and financial management systems. To be fully integrated, the system must address:

- Standard data classification (both data and format);
- Common processes for handling similar accounting events;
- Consistent internal control mechanisms; and
- Elimination of duplicate transaction entry.

It incorporates, by reference, Circulars A-123, Management's Responsibility for Internal Control and A-130, Management of Federal Information Resources, as well as all Federal financial management systems requirements published by [JFMIP](#) / FSIO.

OMB Circular A-130, Management of Federal Information Resources (11/28/2000)

Federal Financial Management Improvement Act (FFMIA) of 1996

Public Law 104-208

The [Federal Financial Management Improvement Act of 1996](#) requires agencies to implement and maintain systems that substantially comply with (1) Federal accounting standards, (2) the United States Government Standard General Ledger (USSGL) at the transaction level, and (3) Federal financial management systems requirements. In addition, the FFMIA requires agencies' auditors to report whether agency systems comply with FFMIA's systems requirements. Agencies that

determine their systems do not substantially comply must develop and submit remediation plans to OMB.

Circular A-127

Circular A-130, Appendix III

Circular A-136, Financial Reporting Requirements

[JFMIP's Federal Financial Management Systems Requirements](#)

Reports Consolidation Act of 2000

Public Law 106-531

The [Reports Consolidation Act of 2000](#) authorizes the consolidation of certain financial and performance management reports required of federal agencies. This law streamlines reporting requirements by allowing each agency to submit a consolidated financial and performance report within 180 days of the ends of fiscal years 2000 and 2001, and within 150 days of the end of every fiscal year after that.

OMB Guidance:

Circular A-136, Financial Reporting Requirements

Accountability of Tax Dollars Act of 2002

Public Law 107-289

http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=107_cong_public_laws&docid=f:publ289.107.pdf

This Act requires virtually all Federal agencies to prepare financial statements and have them audited. It also amends the Reports Consolidation Act of 2000 by requiring agencies to combine financial and performance reports into an annual Performance and Accountability Report, which must be published by November 15 of each year for the preceding fiscal year.

OMB Guidance:

Circular A-136, Financial Reporting Requirements

Federal Information Security Management Act (FISMA) of 2002

[\(Public Law 107-347, Title III\)](#)

This law reiterates security requirements contained in existing OMB policies and in Federal laws such as the Computer Security Act of 1987, the Paper Reduction Act of 1995, and Clinger-Cohen Act of 1996. The Act mandates that federal agencies implement an information security program and designate a senior information security officer. FISMA also established evaluation and reporting requirements that requires each agency to report any significant deficiencies and an information security policy, procedure or practice. If relating to financial management systems as a lack of substantial compliance with FFMIA.

OMB Guidance:

Title 5 Provisions for Overtime Pay

Overtime (or premium) pay provided under Title 5, United States Code, is pay for hours of work officially ordered or approved in excess of 8 hours in a day or 40 hours in an administrative workweek.

Under 5 U.S.C. 5547(a) and 5 CFR 550.105, premium pay cannot be paid to General Schedule employees (including law enforcement officers and other covered employees) to the extent that doing so would cause an employee's basic pay, overtime pay, the dollar value of compensatory time off, night pay, annual premium pay, Sunday premium pay, and holiday premium pay to exceed the **greater** of the biweekly rate for—

- (1) GS-15, step 10 (including any applicable special salary rate or locality rate of pay),
or
- (2) level V of the Executive Schedule.

Appendix D - Contributors

The following individuals and organizations contributed to the development of the Funds Control Exposure Draft:

FEDERAL AGENCIES:

Department of Commerce	Karen McBride Antonio Emanuel (Bureau of the Census)
Department of Defense	Bruce Brown
Department of Education	Sylvester Osineme Anthony Robinson
Environmental Protection Agency	Valerie Chun
General Services Administration	Mary Mitchell Terry Gricher Denis Gusty Keith Thurston
Financial Systems Integration Office	Doris Chew (doris.chew@gsa.gov 202.219.0528) Dale Miller (dale.miller@gsa.gov 202.219.0543) Michael Ploen (Michael.ploen@gsa.gov 202.219.0529)
Department of Housing & Urban Development	Irene Aggrey
National Aeronautics and Space Administration	MelaJo Kubacki Chandran Pillai
Office of Management and Budget	Adam Goldberg David Alekson Billy Mea
Social Security Administration	Kristina Poist
Department of Transportation	Joanne Choi Mike Hammer (Federal Aviation Administration) J.B. Morgan (Federal Aviation Administration) Meredith Parcila Blanca Tovias (Federal Aviation Administration) Holden Hogue (Financial Management Service)
Department of the Treasury	
Department of Veterans Affairs	Bonnie Duncan

NON-FEDERAL

Accenture	DSG
Booz Allen Hamilton	IBM
CGI Federal	Oracle
Deloitte & Touche	SAP
	Savantage

