

**Functional Series 600 - Budget and Finance  
ADS 634 - Administrative Control of Funds**

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## ADS 634 – Administrative Control of Funds

### 634.1 OVERVIEW

An effective funds control system is required to prevent overspending and to ensure compliance with various laws enacted to control and help guide the formulation and implementation of federal fiscal policy. **(See [634.4.1](#), External Mandatory References)** These laws play an important role in the budget process and set forth the rules and restrictions governing Federal obligations and spending.

This chapter establishes policies and general procedures for the administrative control of funds at USAID. It also specifies the penalties and reporting requirements for violations of the policies. These provisions apply to all organizational units and funds under the jurisdiction of the Agency.

### 634.2 PRIMARY RESPONSIBILITIES

#### a. The Chief Financial Officer (CFO)

- Establishes and maintains a system of funds control in accordance with Federal law and Office of Management and Budget (**OMB**) guidance.
- Develops and prescribes accounting systems that will provide for prompt and accurate recording in the official accounts of all financial transactions having an effect on apportionment or other subdivision of funds.
- Investigates and reports any alleged statutory and/or administrative funds control violations. Depending on the results of necessary investigations, the CFO may be required to recommend disciplinary actions against the cited individuals, modify procedures, etc.

#### b. The Deputy CFO (DCFO)

- Receives reports of any alleged statutory and/or administrative funds control violations.
- Reviews the information and determines the appropriate course of action based on data. This includes the appointment of any necessary investigators, notifying the OIG of the allegation and, when completed, advising the CFO of the results of the investigation.

#### c. The Bureau for Management, Office of Financial Management, Central Accounting and Reporting Division (M/FM/CAR)

- Requests apportionments or reapportionments in accordance with budgetary plans approved by the Administrator.

- Reports to OMB on the use of apportionments and reappportionments.
- d. The Bureau for Policy and Programs, Office of Resource Allocation (PPC/RA)**
- Issues Operating Year Budgets to USAID organizational units in accordance with budgetary levels and programs approved by the Administrator and issues funding allotments consistent with approved levels.
  - Clears requests for apportionments and reappportionments.
- e. Each Organizational Unit in USAID/W Receiving an Allotment of Funds (Allottee)**
- Issues budget allowances to units within their organizations, restricting the allowances to the amounts available in such allotments.
- f. Each Organizational Unit Receiving an Allowance of Funds (Allowee)**
- Issues sub-allowances restricting sub-allowances to amounts available in allowances and for ensuring that commitments do not exceed funding provided in allowances or sub-allowances.
- g. Obligating officials**
- Ensure funds are available prior to obligating funds and that obligating documents reflect the applicable appropriation account.
  - Ensure obligations are valid in accordance with policies and procedures established in ADS 621, Obligations. **(See [ADS 621](#))**
- h. The Office of the Inspector General (OIG)**
- Conducts investigations of the circumstances surrounding instances of alleged violations as may be required by the CFO.

### **634.3 POLICY AND PROCEDURES**

#### **634.3.1 Financial Documentation Responsibilities**

Financial documentation is any documentation that impacts on or results in financial activity. It is not limited to documentation within the Controllers' or FM operations, but includes any source material causing or resulting in a financial transaction. Cognizant Technical Officers (CTOs), Loans/Grants Officers, Strategic Objective (SO) teams, etc., are responsible for retaining financial documentation and ensuring its availability for audit.

Basic financial documentation retention rules follow:

- If an action will result in a financial transaction, it must be documented;
- Source documentation must be readily available for audit (by either the Office of Inspector General or a responsible audit activity);
- The general rule of thumb for retention of financial documents is seven years; however, retention times may vary, so please refer to retention by document type in [ADS 502](#), The USAID Records Management Program. The specific financial Records Disposition Schedules are located in the Mandatory Reference Section of ADS 502, under Records Disposition Schedule, USAID/W, Chapter 15, Fiscal Management Records; and Records Disposition Schedule, USAID, Chapter 35, Financial Management Records. See also the National Archives and Records Administration (NARA) General Records Schedules, GRS 6, Accountable Officers' Account Records; and GRS 7, Expenditure Accounting Records.

### **634.3.2 General Standards for Funds Control**

The administrative control of funds at USAID must satisfy the requirements set forth in OMB Circular A-11, Instructions on Budget Execution and USAID policies for the effective management of funds. (See **Mandatory References**, [OMB Circular A-11](#), [ADS 621](#), [ADS 601](#), [ADS 602](#), and [ADS 603](#)) The following requirements must be met:

- a. Funds must be obligated and expended solely for the purposes which they were appropriated, except as otherwise provided by law.
- b. Funds must be available and committed before obligations.
- c. Obligations and expenditures may not be authorized or incurred in excess of available funds or in excess of any legal or administrative limitations.
- d. Only valid obligations may be recorded in the accounting records, and all obligations incurred must be recorded accurately and promptly.
- e. Outstanding obligations must be reviewed periodically to verify that they are needed for ongoing requirements.
- f. The forward funding of activities must be consistent with Agency standards and guidelines.

### 634.3.3 Funds Allocation Process

Several actions must occur before USAID and operating units receive funding to carry out program and administrative activities. Congress passes an appropriation act for the fiscal year, which begins on October 1<sup>st</sup>. If an appropriation is not enacted by the beginning of the fiscal year, Congress may pass a continuing resolution to prevent a government shutdown due to a lack of funds. A continuing resolution is usually temporary in nature and specifies the time frame during which obligations may be incurred, as well as the maximum amount or rate of obligations.

An appropriation is a form of budgetary authority. It is an act of Congress that provides legal authority for the Agency to incur obligations and to make payments from the Treasury for specified purposes. Appropriations are categorized by the manner in which the funds become available. The funds' period of availability can be one-year, multiple-year, or no-year. Funds appropriated for one year become available on October 1<sup>st</sup> or whenever the bill is signed by the President. These funds are available until September 30<sup>th</sup> of the following year. Multiple year funds expire after two or more years, while no-year funds do not have an expiration date. Funds that are not obligated during their period of availability expire and are no longer available for incurring new obligations.

Section 511 of USAID's annual appropriations act has contained a provision that funds appropriated for the purposes identified in Section 511 (**formerly Section 517**) remain available until expended if initially obligated before expiration of the periods of availability. When deobligated, the funds remain available until expended for on-going requirements (**reobligation**) consistent with the purposes specified, i.e., they become no-year funds. Section 511 recoveries must be apportioned and follow the normal funds control process prior to reobligation. The Section 511 authority must be renewed annually unless otherwise specified in the appropriations act.

#### 634.3.3.1 Treasury Warrant

Once the President signs an appropriation bill, the Department of Treasury issues a warrant, which, in effect, establishes the "**bank account**." Funds paid out of the U.S. Treasury must be accounted for by charging them to an appropriation provided by or derived from an act of Congress. Treasury issues an appropriation warrant that establishes, by appropriation account, the specific amounts appropriated by Congress that can be used to incur obligations. The appropriation warrant provides the appropriation account symbols that must be used to disburse amounts obligated against the account. An appropriation account symbol is a group of numbers or a combination of numbers and letters, which identifies the agency responsible for the account, the period of availability of the appropriation, and the specific fund classification.

M/FM/CAR and M/B must ensure that funds are made available to organizational units consistent with the accounts and amounts specified in the appropriation warrant. In addition, USAID's systems and funds control procedures must ensure that obligating

and expenditure documents reflect complete and accurate appropriation account symbols consistent with the specific purposes contained in the appropriations act.

### **634.3.3.2 Apportionment and Reapportionment of Funds**

The Office of Management and Budget (**OMB**) must apportion funds to the Agency in order to make appropriated funds available for obligation and expenditure. Apportionments divide amounts available for obligation by specific time periods, by activities, or a combination of the two. For example, the apportionment of operating expense funds is normally by quarter; apportionments for Development Assistance funds is normally for the entire year; and Economic Support Funds are normally apportioned by specific amount and by country. Reapportionments are made when changes to the previously approved apportionment are needed. Reapportionments are also required to carry forward unobligated no-year or multi-year funds from one fiscal year to the next. USAID's accounting procedures must provide for recognition of limitations placed on apportioned amounts.

M/FM/CAR requests apportionments or reapportionments in consultation with M/B and regional and bureaus. M/FM/CAR must submit a Standard Form 132, "**Apportionment and Reapportionment Schedule**" to OMB to initiate the request. Upon approval of apportionment requests, M/B will issue allotments to organizational units. **(See Mandatory Reference, [SF-132](#))**

### **634.3.3.3 Allotment of Funds**

Allotments authorize operating units to incur obligations for a specified amount and purpose. Except as specifically authorized by the CFO, allotments are only issued at the bureau and independent office levels. The following restrictions apply to allotments:

- a. The sum of allotment amounts issued must not exceed the apportionment.
- b. Allotments must be fixed in amount and may only be changed by authorized individuals in M/B.
- c. Congressional restrictions contained in appropriation acts must be covered.
- d. Allotments must be consistent with budgetary levels and programs approved by the Administrator.

**\*634.3.3.4 Allowance and Sub-Allowance of Funds**

\*Bureaus and independent Offices receiving allotments distribute the funds to lower levels by allowing the funds to specific organizational units within the bureau or office. These units must issue sub-allowances to the strategic objective level or lower organizational levels. For consistency in Agency reporting, all obligations will occur at the sub-allowance level. Allowance and sub-allowance of funds to lower levels may enable the Bureau or Office to better manage or control funding. The number of sub-allowances is left to the discretion of the responsible manager in each organization. **When issuing an allowance to a mission, the bureau will record the allowance in the financial management system (Phoenix) prior to sending the advice of budget allowance to the mission.**

The following restrictions apply to allowances and sub-allowances:

- a. The sum of amounts allowed and sub-allowed to lower level units may not exceed the total amount provided in the advice of allotment.
- b. The amounts allowed and sub-allowed by appropriation account must be consistent with the account breakdown in the advice of allotment.
- c. Allowances and suballowances must be fixed in amount and may only be changed by authorized individuals.
- d. Congressional restrictions contained in appropriation acts must be honored.
- e. Allowances and sub-allowances must be consistent with budgetary levels and programs approved by the Administrator.

**\*Until Phoenix is deployed world-wide, the Management Bureau, Office of Financial Management, Central Accounting and Reporting Division, Funds Control group (M/FM/CAR/FC) has added the following control to ensure proper recording of the mission allowances into the core accounting system (Phoenix). It also provides a means to detect and correct instances where bureaus have sent budget allowances to missions without recording them in Phoenix.**

- \*a. Each month, M/FM/CAR/FC reviews the Flash Report of Obligations to identify all cases where obligations reported by missions exceed allowances posted in Phoenix.**
- \*b. M/FM/CAR/FC notifies the bureau of the error and the bureau corrects it the following month by recording the allowance in Phoenix.**

**\*c M/FM/CAR/FC sends a memo to the Deputy CFO with copies to the Bureau AA and the OIG, advising that a potential administrative funds control violation has occurred, in accordance with ADS 634.**

### **634.3.3.5 Rescission of Funds**

A rescission is enacted legislation canceling previously enacted budget authority before the authority would otherwise lapse. Rescissions may be proposed by the President or initiated by a member of Congress. When a rescission occurs, the Department of Treasury issues an appropriation warrant reducing the funding available to the Agency. M/B determines the distribution of rescissions by appropriation and by new obligation authority and/or prior year funds (where not specified by law). Based on this information, M/FM/CAR submits a Standard Form 132, "Apportionment and Reapportionment Schedule" to reduce the funding apportioned to the Agency by OMB. **(See Mandatory Reference, [SF-132](#))** This action may result in a reduction in allotments to Bureaus and independent Offices and a reduction in funds allowed and sub-allowed to lower level operating units.

### **634.3.4 Commitment and Obligation of Funds**

The allowance of funds authorizes lower level operating units to incur obligations. As an internal control mechanism to preclude over-obligation, operating units must ensure that funds are committed in an Agency accounting system before obligations are incurred.

Obligating officials must also ensure that funds are committed prior to an obligation and that obligations are valid in accordance with policies outlined in ADS 621, Obligations. In limited cases, funds may be simultaneously obligated and committed or obligated without a prior commitment. Obligating officials must contact M/FM/CAR if there are questions regarding the need to commit funds before obligation. **(See [ADS 621](#))**

### **634.3.5 Funds Control Violations**

Funds control violations may be either statutory or administrative in nature. A violation of the Anti-Deficiency Act constitutes a statutory violation that may result in disciplinary and/or criminal penalties. An administrative violation results from actions in violation of Agency funds control policies and procedures below the allotment level. The penalties for such violations are handled on a case-by-case basis.

#### **634.3.5.1 Anti-Deficiency Act Violations**

The Anti-Deficiency Act was enacted to prevent the obligation of Government funds that are not available. Violations of the Anti-Deficiency Act occur when the following circumstances exist:

- a. For Appropriated Funds

(1) *Over-obligation or over-expenditure of an appropriation or fund* – An officer or employee authorizes an expenditure from or created or authorized an obligation against any appropriation or fund in excess of the amount available in the account.

(2) *Contract or obligation in advance of an appropriation* – An officer or employee involves the Agency in a contract or other obligation for payment of money for any purpose in advance of appropriations made for such a purpose, unless the contract or obligation is authorized by law.

(3) *Acceptance of voluntary service* – An officer or employee accepts voluntary services for the Agency or employs personal services in excess of that authorized by law, except in cases of an emergency involving the safety of human life or the protection of property.

(4) *Over-obligation or over-expenditure of an apportionment or reapportionment* – An officer or employee authorizes or creates an obligation or makes an expenditure, in excess of an apportionment or reapportionment. This includes adjustments that cause obligations in expired accounts to exceed the apportionment for the year in which such obligations were incurred.

(5) *Over-obligation or over-expenditure of an allotment* – An officer or employee authorizes or creates an obligation or makes an expenditure in excess of the amount permitted by an allotment.

(6) *Over-obligation or over-expenditure of an earmark* – An officer or employee authorizes or creates an obligation or makes an expenditure in excess of a legislated earmark.

b. For Credit Programs

(1) *Over-obligation or over-expenditure of amounts appropriated for the subsidy costs* – An officer or employee authorizes a direct loan obligation or loan guarantee commitment that requires a subsidy cost or obligation or expenditure in excess of amounts appropriated or apportioned for such purposes.

(2) *Over-obligation or over-expenditure of the credit level supportable by the enacted subsidy* – An officer or employee makes or authorizes a direct loan obligation or loan guarantee commitment that is in excess of the level specified in law. This includes, for example, obligations or expenditures that are in excess of a limitation on direct loan obligations or guaranteed loan commitments.

(3) *Over-obligation or over-expenditure of the amount appropriated for administrative expenses* – An officer or employee makes or authorizes an expenditure or creates or authorizes an obligation that is in excess of the amount appropriated for administrative expenses.

(4) *Obligation or expenditure of the expired unobligated balance of the subsidy, except to correct mathematical or data input errors in calculating subsidy amounts* – An officer or employee makes or authorizes an expenditure or creates or authorizes an obligation, including a commitment, against unobligated subsidy balances after the period of obligational authority expired. Correction of mathematical or data input errors up to the amount of the expired unobligated balance of the subsidy are specifically exempted. Corrections of these errors in excess of the amount of the expired unobligated balance of the subsidy are violations.

c. For Closed and Expired Accounts

(1) *Obligations and expenditures or adjustments to obligations and expenditures exceed the original appropriations* – An officer or employee makes or authorizes an expenditure from, or creates or authorizes an obligation against, any appropriation or fund account in excess of the amount available in the original appropriation or fund account.

(2) *Obligations or any expenditures in closed accounts* – An officer or employee makes or authorizes an expenditure from, or creates or authorizes an obligation against, an account that was closed.

(3) *Obligations and expenditures or adjustments to obligations and expenditures that exceed the amount apportioned or allotted* – An officer or employee makes or authorizes an expenditure from, or creates or authorizes an obligation against, any appropriation or fund account in excess of the amount apportioned or allotted to the original appropriation or fund account.

(See also Mandatory Reference, [OMB Circular A-11](#))

### **634.3.5.2 Agency Administrative Funds Control Violations**

A violation of the Agency's administrative funds control limitations does not violate the Antideficiency Act unless it results in the circumstances indicated in 634.3.4.1. (See [634.3.5.1](#)) However, such violations are contrary to USAID policy for controlling appropriations and funds. An administrative violation will occur in the following circumstances:

- a. Over-obligation or over-expenditure of a budget allowance,

- b. Obligations or expenditures in excess of an operational year budget,
- c. Obligations incurred prior to the commitment of funds, and
- d. Failure to record an obligation in the accounting system.

### **634.3.5.3 Investigation of Funds Control Violations**

Any individual with knowledge of a potential funds control violation, either statutory or administrative, must notify the **Deputy CFO (DCFO)** immediately upon discovery. Upon receipt of the initial report, the **DCFO** will notify the OIG of the allegation. The **DCFO** will then appoint individuals to conduct an inquiry of the alleged violation. This initial inquiry will determine whether a violation has occurred, the type of violation (statutory or administrative), and the responsible individual.

If the initial inquiry determines that any conditions identified as Anti-Deficiency Act violations have occurred, the **DCFO** will prepare a report for the CFO to submit to the OIG, indicating the name and position of the officer or employee responsible for the account and all the available facts and circumstances surrounding the situation. The CFO will also notify the Administrator of the alleged violation as soon as possible.

The OIG will review the circumstances surrounding the alleged violations and, as appropriate, conduct an investigation or audit. Based on a review of the information received from CFO and/or results of an investigation by the OIG audit staff, where appropriate, the OIG will provide a complete report on the alleged violation and recommendations to the CFO.

### **634.3.5.4 Reporting on Funds Control Violations**

#### **a. Anti-Deficiency Act Violations**

By law, Anti-Deficiency Act violations must be reported by the Administrator to the President, through OMB, and to Congress. If the review described in 634.3.4.3 determined that a violation of the Anti-Deficiency Act has occurred, the CFO will prepare a letter to the President for the Administrator's signature. The letter must provide the following information, in the sequence outlined below. The letter must be provided immediately after a violation becomes known.

- (1) The title and Treasury symbol (including the fiscal year) of the appropriation or fund account, the amount involved for each violation, and the date on which the violation occurred.
- (2) The name and position of the officer(s) or employee(s) responsible for the violation.

- (3) All facts pertaining to the violation, including the type of violation (e.g., over-obligation of an appropriation, over-obligation of an apportionment, over-obligation of an allotment), the primary reason or cause, any statement from the responsible officer(s) or employee(s) with respect to any circumstances believed to be extenuating, and any germane report by the Agency's Inspector General and/or General Counsel.
- (4) A statement of the administrative discipline imposed and any further action(s) taken with respect to the officer(s) or employee(s) involved in the violation.
- (5) In the case where an officer or employee is suspected of willfully and knowingly violating the Antideficiency Act, confirm that all information has been submitted to the Department of Justice for determination of whether further action is needed.
- (6) A statement regarding the adequacy of the system of administrative control prescribed by the Administrator and approved by OMB, if such approval has been given. If the Administrator determines a need for changes in regulations, such proposals will be submitted.
- (7) A statement of any additional action to be taken by, or at the direction of, the Administrator, including any new safeguards provided to prevent recurrence of the same type of violation.
- (8) If another agency is involved, a statement concerning the steps taken to coordinate the report with the other agency.

The letter reporting the violation must be cleared by the Assistant General Counsel for Legislation and Policy. An original and three copies will be forwarded to the President through the Director of OMB. An identical letter will be sent to the Speaker of the House and the President of the Senate. A sample letter is provided in 634.5, Additional Help. **(See Additional Help document, [Sample Letter to the President](#))**

Reports to the President and Congress must also be made on violations reported by the General Accounting Office in connection with audits and investigations. In these cases, the report to the President will indicate whether the Agency agrees that a violation occurred, and if so, it will contain an explanation as to why the violation was not discovered and previously reported by the Agency. If the Agency does not agree that a violation has occurred, the report to the President and the Congress will explain the Agency's position.

Whenever OMB determines that a violation of the Anti-Deficiency Act may have occurred, OMB may request that an investigation or audit be undertaken or conducted by the Agency. In such cases, a report describing the results of the investigation or audit will be submitted to OMB by the Administrator. If the report indicates that no

violation of the Antideficiency Act has occurred, the Administrator must so inform OMB and forward to OMB a copy of the report. If the report indicates that a violation of the Antideficiency Act has occurred, the procedures outlined above must be followed. The CFO will ensure that the investigation or audit report is provided to the Administrator for forwarding to OMB.

b. Administrative Violation

Upon receipt of the initial report of the alleged Agency Administrative Violation, the **DCFO** must have the allegation investigated as outlined in 634.3.4.3, Investigation of Funds Control Violations. **(See [634.3.5.3](#))** If the initial investigation determines that an administrative violation has occurred, the CFO will notify the Administrator as soon as possible by way of a memorandum cleared by the Assistant General Counsel for Legislation and Policy. The memorandum will include the following:

- (1) The name and position of the officer or employee responsible for the violation;
- (2) The title and symbol of the appropriation or fund account;
- (3) The amount involved;
- (4) All facts pertaining to the violation, including the dates on which the violation occurred, and any statement by the responsible officer or employee with respect to circumstances that he/she believes may be extenuating.

The Administrator will make a final determination based on the findings and impose appropriate punishment. No further reporting is required. **(See also [634.3.5.5](#), Penalties)**

### **634.3.5.5 Penalties for Funds Control Violations**

Based on the outcome of the investigation of a funds control violation, an appropriate penalty will be assessed by the Administrator based on the seriousness of the event and the willfulness and intent of the responsible individual. The CFO will propose a disciplinary action for review by the Bureau for Management, Office of Human Resources (M/HR) and referral to the Administrator for a final decision.

a. Anti-Deficiency Act

Anti-Deficiency Act violations may result in either disciplinary or criminal penalties or both. Administrative discipline may consist of:

- (1) A Letter of Reprimand;
- (2) An unsatisfactory performance rating;

- (3) Transfer to another position;
- (4) Suspension from duty without pay; and/or
- (5) Removal from office.

In addition to administrative discipline, individuals who knowingly and willfully violate the Act are subject to a fine of not more than \$5000, imprisonment for not more than 2 years, or both.

b. Agency Administrative Funds Control Violations

Agency administrative violations will be handled on a case-by-case basis, and the Administrator or his or her designee will decide the penalty. The penalty, based on the degree of the violation and/or frequency, may range from a verbal warning or reprimand to dismissal.

#### 634.4 MANDATORY REFERENCES

##### 634.4.1 External Mandatory References

- a. [OMB Circular A-11](#), Instructions on Budget Execution (Provides authority for ADS 634)
- b. [2 USC 683](#) (Rescission of Budget Authority) (Provides authority for ADS 634)
- c. [31 USC 1101](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- d. [31 USC 1104](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- e. [31 USC 1105](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- f. [31 USC 1106](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- g. [31 USC 1107](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- h. [31 USC 1108](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)

- i. [31 USC 1112](#) (Part of the Budget and Accounting Procedures Act of 1950) (Provides authority for ADS 634)
- j. [31 USC 1341](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- k. [31 USC 1342](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- l. [31 USC 1349](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- m. [31 USC 1350](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- n. [31 USC 1351](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- o. [31 USC 1501](#) (Part of section 1311 of the Supplemental Appropriations Act of 1950) (Provides authority for ADS 634)
- p. [31 USC 1502](#) (Part of section 1311 of the Supplemental Appropriations Act of 1950) (Provides authority for ADS 634)
- q. [31 USC 1511](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- r. [31 USC 1512](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- s. [31 USC 1513](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- t. [31 USC 1514](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- u. [31 USC 1515](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- v. [31 USC 1516](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- w. [31 USC 1517](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)

- x. [31 USC 1518](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- y. [31 USC 1519](#) (Part of the Anti-Deficiency Act, as amended) (Provides authority for ADS 634)
- z. [31 USC 1531](#) (Part of the Budget and Accounting Procedures Act of 1950) (Provides authority for ADS 634)
- aa. [31 USC 1552](#) (Procedure for Appropriation Accounts Available for Definite Periods) (Provides authority for ADS 634)
- bb. [31 USC 1553](#) Availability of Appropriation Accounts to Pay Obligations (Provides authority for ADS 634)
- cc. [31 USC 3324](#) (Part of the Budget and Accounting Act, 1921, as amended) (Provides authority for ADS 634)
- dd. [OMB Circular A-134, Financial Accounting Principles and Standards](#) (Provides authority for ADS 634)
- ee. [Standard Form - 132, Apportionment and Reapportionment Schedule](#)
- ff. [Treasury Financial Manual, Supplement 1, U.S. Government Standard General Ledger](#)

#### 634.4.2 Internal Mandatory References

- a. [ADS 601, Funding Source Policy](#)
- b. [ADS 602, Forward Funding](#)
- c. [ADS 603, Forward Funding, Non-Program Funds](#)
- d. [ADS 621, Obligations](#)

#### 634.5 ADDITIONAL HELP

- a. [OMB Circular A-11, Instructions on Budget Violations, Section 145](#)

#### 634.6 DEFINITIONS (See [ADS Glossary](#))

##### Agency Limitation

Any administrative division or subdivision of funds made by agency officials that restricts the use of Federal Government funds. (OMB A-11) (Chapter 634)

**Allottee**

The recipient of an Allotment. (Chapter 634)

**Allotment**

The authority delegated by the head or other authorized employee of an agency to agency employees to incur obligations within a specified amount, pursuant to Office of Management and Budget (OMB) apportionment or reappportionment action or other statutory authority making funds available for obligation. (OMB A-11) (Chapter 634)

**Allowance**

The authority delegated to organizational units to incur obligations within a specified amount in accordance with an allotment of funds. (Chapter 634)

**Allowee**

The recipient of a budget allowance. (Chapter 634)

**Apportionment**

The distribution made by the Office of Management and Budget (OMB) to agencies of amounts of budgetary resources available for obligation in an appropriation or fund account into amounts available for specified time periods, activities, projects, objectives, or combinations thereof. The amounts so apportioned limit the obligations that may be incurred by the agencies. (JFMIP)

**Category A Apportionments**

Apportionments that are made on a quarterly basis. (JFMIP)

**Category B Apportionments**

Apportionments made on a basis other than a quarterly basis. They are made by time periods other than quarterly (by activities, projects, or objects, or by a combination of activity and time period). (JFMIP) (Chapter 634)

**Appropriation**

A form of budget authority provided by law that permits Federal agencies to incur obligations and to make payments out of the Treasury for specified purposes. (JFMIP) (Chapter 634)

**Appropriation Account**

Also know as an Allocation Account. An account established by the U.S. Treasury to show the amounts available and related transactions incident to accomplishing certain objectives and purposes as authorized by Congress. (Chapter 634)

**Appropriation Limitation**

A statutory restriction in an appropriation or other authorization of fund that establishes the maximum amount that may be used for specified purposes. (Chapter 634)

**CFO**

Chief Financial Officer

**Expired Appropriation**

An appropriation that is no longer available to incur new obligations, although it may still be available for recording and/or payment of obligations properly incurred before the period of availability expired. (Chapter 634)

**Funds Control**

Management control over the use of fund authorizations to ensure that

- (1) Funds are used only for authorized purposes;
- (2) Funds are economically and efficiently used;
- (3) Fund availability is verified prior to obligations being made;
- (4) Obligations and expenditures do not exceed the amounts authorized; and
- (5) The obligation or expenditure of amounts authorized is not reserved or otherwise deferred without congressional knowledge and approval.  
(Chapter 634)

**Obligating Official**

USAID officials with the delegated authority to sign obligating documents. This includes the authority to negotiate, execute, amend, and administer agreements obligating USAID funds. (Chapters 603 and 634)

**Obligation Manager**

The individual responsible for managing a specific obligation. This may be the cognizant technical officer, activity manager, strategic objective team leader, executive officer, or others. (Chapters 603, 621)

**Multiple-Year Appropriation**

An appropriation that is available for obligation for a definite period of time in excess of one fiscal year. (Chapter 634)

**No-Year Appropriation**

An appropriation that is available for obligation for an indefinite period of time. A no-year appropriation is usually identified by appropriation language such as **“to remain available until expended”** or **“without fiscal year limitation.”** (Chapter 634)

**One-Year Appropriation**

An appropriation that is available for obligation during a specific fiscal year. Funds not obligated during the fiscal year expire at the end of the year. (Chapter 634)

**Operational Year Budget**

\*An asterisk indicates that the adjacent material is new or substantively revised.

Financial plans for the current fiscal year. (Chapter 634)

**Recissions**

Enacted legislation canceling budget authority previously provided by law, prior to the time when the authority would otherwise expire. (JFMIP) (Chapter 634)

**Statutory Violations**

Any transactions that result in creating an obligation or making an expenditure in excess of or before receipt of any appropriation, apportionment, reapportionment, or allotment. (Chapter 634)

**Sub-allowance**

The distribution of funds to the strategic objective or other levels below the allowance level.

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