

DEPARTMENT OF THE ARMY
Buffalo District, Corps of Engineers
1776 Niagara Street
Buffalo, NY 14207

CENCB-RM-F
STANDARD OPERATING PROCEDURE
NO. 37-1-06

22 June 1992

ADMINISTRATIVE CONTROL OF FUNDS

1. Purpose. To prescribe policy and procedures for administrative control of appropriated funds to preclude overobligation or violation of Section 3679 of the Revised Statutes.

2. Applicability. This procedure is applicable to all individuals in the Buffalo District involved in the authorization or incurrence of any obligation or expenditure of appropriated funds or any subdivision or administrative limitation thereof.

3. References.

- a. AR 37-20 and OCE Supplements
- b. AR 37-21
- c. ER 37-2-10, Chapter 5
- d. ER 11-2-201
- e. ER 1180-1-1, Section I, Part 4

4. General.

a. AR 37-20, which implements 31 USC 665, specifies that no officer or employee shall make or authorize an expenditure or create or authorize an obligation in excess of the funds available in any appropriation, allotment, suballotment. If such a violation does occur, those responsible are subject to fine, imprisonment, or other disciplinary action as the circumstances warrant.

b. The importance of preventing an overobligation or overexpenditure of appropriated funds cannot be overemphasized. Regardless of the urgency of the required action, time must be taken to ensure that funds are available for the intended purpose. Work will not be started, travel initiated, nor contract or purchase orders awarded, until it has been determined that sufficient funds are available and that Congressional and regulatory limitations will not be exceeded.

5. RESPONSIBILITY AND DELEGATION OF AUTHORITY.

a. Administrative control of funds is delegated to the Controller, who is responsible for prevention of violations of funding limitations established through allotment, suballotment, apportionment, work allowance, etc., in the accounting records as formally established. This delegation in no way lessens.

(1) the responsibility of the District Commander in fund management,

(2) the responsibility of individuals charged with the operational(functional) control of funds in the accomplishment of work projects and programs within appropriation and/or other governing criteria and limitations, or

(3) the responsibility of any individual for violations which result from failure to comply with established control policies and procedures.

b. The Finance and Accounting Officer is delegated the authority to certify funds availability. If the Finance and Accounting Officer redelegates this authority, it must be in writing to other Finance and Accounting personnel who may certify in his/her name.

c. The Finance and Accounting Officer will insure that proper funds control procedures and records are established and maintained in accordance with this memorandum.

d. Administrative control of Civil Works Funds in this District will be maintained in accordance with the Provisions of AR 37-20.

e. The Finance and Accounting Branch will determine that funds are available prior to each funds certification.

f. Field purchases using Standard Form 44 or Blanket Purchase Orders must be covered by previously certified DA Form 3717 (Miscellaneous Obligation Document). DA Form 3717 will be prepared by each field location and submitted to Finance and Accounting Branch monthly.

g. Functional (operational) funds Control Officers (see Appendix A) are responsible for the validity of all processing and documentation for actions on which formal prevalidation is not required.

h. Technical organizations of the District Office and the District Budget Branch will prepare and submit to the Finance and Accounting Branch all estimated reservation and obligating documents required by this memorandum.

(1) District Office technical organizations (Engineering Division, and Construction-Operations Division), coordinated

through Program Development Office, will be required to submit by project or by appropriation (summary of project estimates) Miscellaneous Obligation Documents (MOD's) for estimated Government costs to be billed from the Revolving Fund for the coming month. These MOD's are required each month and should reach the Finance and Accounting Branch by the first workday of the month. All MOD's prepared under this paragraph should be prepared by individual duals who are in positions to make accurate estimates.

(2) MOD's of estimated Government costs to be billed from the Revolving Fund for the month will include all labor, travel, District Office overhead, facility services (ADP, Shops and Yards, Reproduction, equipment usage, etc.) MOD's will not include project office or other field crew travel, purchase orders (SF 44), utilities (gas, electric, and water), communications (telephone, teletype, and facsimile), direct project monthly orders, or adjustments to obligations (adjustments to purchase orders, GBL's, travel orders, etc.).

i. Administrative Control of Revolving Funds in this District is maintained in accordance with ER 37-2-10, through:

(1) Receipt of authorized funding document from requesting agency prior to commencing work on requests from other Engineers Districts, Government agencies, or private persons.

(2) Completion of ENG Form 3013 (Work Order/Completion Report) for work to be ultimately charged to District funds. Such items include deferral of Revolving Fund expenses for specifically authorized areas such as Reconnaissance Reports.

(3) Semiannual review of plant balances.

(4) Monitoring of the Plant Replacement and Improvement Program (PRIP) in accordance with Appendix B.

6. CERTIFICATES. AR 37-20 paragraph 2c requires that each contracting officer execute a certificate to the effect that Section 3679, R.S., has been reviewed within the past year, showing the date of such review. A certificate will be furnished within ten days after the assumption of duties as Contracting Officer and on or about 15 July each year. The certificates will be sent to the agency Comptroller and the Executive Officer for review before filing in the Procurement and Supply Division. Internal review and inspection personnel of the field operating agency and higher echelons will periodically examine the files for completeness.

7. REPORTING REQUIREMENTS.

a. The Finance and Accounting Officer or other responsible official upon detecting or learning of an apparent violation of Section 3679 of the Revised Statutes Memorandum will immediately notify the Commander concerned. The Commander will take

necessary action, including the appointment of a Board of Officers, if appropriate, to investigate facts and circumstances surrounding the violation and to fix individual responsibility.

b. Reports of violation will be submitted to HQDA (DAEN-RMF-A) WASH DC 20314 in accordance with provisions of AR 37-20 and OCE Supplement thereto.

Paul F. Kane
F & A Officer

APPENDIX A
Program Management and Funds Control Responsibilities

The District Commander is Funds Management Officer for the Buffalo District. The Comptroller is Administrative Funds Officer for the Buffalo District. Technical Division Chiefs in the Buffalo District are Program Managers and Funds Control Officers in their respective areas, as follows:

Chief, Engineering Division	Construction General, Engineering and Design
Chief, Planning	General Investigations
Chief, Construction Operations Division	Construction General, other than Engineering and Design; Operations and Maintenance, General Expenses (Commercial Statistics)
Emergency Operations Manager	Flood Control
Finance and Accounting Officer	Revolving Fund

Any obligating document for \$2,000 or more and initiated by other than Construction Operations Division and citing Operations and Maintenance, General funds, must show approval by the Chief, Construction Operations Division or his/her delegated representative.

APPENDIX B

The District Commander is responsible for the PRIP under delegated authority from the Division Commander (ER 1125-2-301, para 7b). The Chief, Construction Operations Division (CO) is the Program Manager for the District Commander and the Comptroller (DC) is responsible for monitoring the program to the extent necessary to insure financial limitations are not exceeded.

PRIP procurements are made against line items approved for the current FY Program, by means of an authorizing ENG Form 3013.

Controls are maintained through:

- a. Authorization (Item appears on the PRIP or is determined by CO to be a suitable substitute, replacement/modification for an item appearing on the approved PRIP program).
- b. Validation (CO passes the items for procurement and DC passes the items within the line item/total available in the PRIP).
- c. Review (quarterly comparison of cost against approved PRIP as modified in a, above).
- d. ENG Form 3013's are required for purchases over \$1,000.00.