

DR 37-1-10

DEPARTMENT OF THE ARMY  
SAVANNAH DISTRICT, CORPS OF ENGINEERS  
CESAS-RM-F P.O. BOX 889  
SAVANNAH, GEORGIA 31402-0889

DISTRICT REGULATION

4 April 1994

NO. 37-1-10

Financial Administration  
ADMINISTRATIVE CONTROL OF FUNDS

1. Purpose. To prescribe policy in connection with administrative control of funds (both appropriations and apportionments), and to preclude violation of 31 USC 1517.
2. Applicability. This regulation is applicable to all elements of the Savannah District.
3. References:
  - a. AR 37-1, 30 April 1991, Army Accounting and Fund Control.
  - b. ER 37-2-10, 1 April 1969, with changes, Accounting and Reporting Civil Works Activities.
  - c. ER 37-345-10, 1 March 1969, with changes, Accounting and Reporting Military Activities.
4. Statutory Provisions. The legal basis for strict funds control is contained in 31 USC 1517, 31 USC-1501, and Section 1311, PL 83-663. Pertinent provisions of these laws are:
  - a. That no officer or team member of the United States shall:
    - (1) Authorize or create an obligation or expenditure in excess of available funds under any appropriation, allotment, suballotment, allocation, apportionment, or other limitation established for the purpose of controlling funds.
    - (2) Involve the Government in any contract or other obligation for payment of money in advance of appropriations, unless specifically authorized by law.
    - (3) Accept voluntary services, without waiver of claim against the Government, or employ personnel services in excess of that authorized by law, except in emergencies involving the safety of human life or the protection of property.

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b. Record obligations in the accounts of the Finance and Accounting Officer only when fully documented. Documentation will be evidenced by properly executed contracts, purchase orders, transportation request, travel orders, bills of lading, requisitions, Intra-Army orders, MIPR's, letters, TWX messages or other forms prescribed by the performing agency.

5. Delegation of Authority/Responsibility. The delegation of authority to cause the obligation or expenditure of funds carries with it the responsibility for controlling and restricting such actions so as not to exceed the funds authorized. Procedures will be established by offices managing funds as are necessary to assure proper control of funds so as to preclude any possibility of over obligation.

a. Resource Management Office. The Comptroller is responsible for administrative control of funds and for certification of fiscal year-end financial reports for the Savannah District.

b. Finance and Accounting Officer.

(1) Authority to certify availability of funds is delegated to the Finance and Accounting Officer (FAO) by the District Engineer. Redelelegation to other Finance and Accounting personnel who may be authorized to certify in the name of the Finance and Accounting Officer will be assigned in writing by the Finance and Accounting Officer. The Finance and Accounting Officer is also authorized to redelegate this authority, up to limits of Bulk Commitments issued to others such as Project Engineers, as applicable. As Disbursing Officer, the FAO is responsible statutorily for the legality of expenditures, the correctness of computations and the facts underlying the vouchers (3 GAO 26.4, 3 GAO 27.2 and 31 USC 3525), and for exercising his statutory prerogative to obtain advance decisions from the Comptroller General (31 USC 3529). The FAO is responsible for safeguarding, depositing and accounting for Government funds collected and entrusted in his care.

(2) The Finance and Accounting Officer will be responsible for a review of his records and controls to reveal any issuance of authorization or incurrence of obligations in excess of fund availability under any fund subdivision. He will also make a monthly review of status of fund reports received by him to detect violations, if any.

(3) Unliquidated obligation files will be analyzed continuously by the Finance and Accounting Officer for assurance that obligation documents provide complete coverage for obligations actually incurred and are valid according to the criteria set forth in Department of Defense Directive 7220.6, 28 April 1955. Program Directors or their representatives shall assist the F&A Officer in joint reviews of unliquidated obligation documents. The F&A Officer will retain documentary evidence generated as a result of these reviews to support the certification of unliquidated obligations.

c. Budget Officer.

(1) The Budget Officer is responsible for advising the District Engineer, staff, and operating officials on budget management and administration. He provides guidance, establishes budget estimates, and monitors program execution of the District operating budgets. The Budget Officer obtains and coordinates funds and participates in District funds control functions ensuring appropriateness of fund usage and coordinates with the F&A Officer and Program/Functional Directors on availability and applicability of funds cited.

(2) The Budget Officer monitors statutory limits on fund usage. The Budget Officer receives, coordinates, and is accepting officer for all request/orders for reimbursable work received from other installations/agencies. He participates in financial review of reimbursable orders received and notifies issuer of excess funds or need for additional funds. The Budget Officer supervises and controls the development, coordination, and execution of the Plant Replacement and Improvement Program (PRIP). He receives and distributes all civil works fund documents, performs fiscal review of and processes civil work funds adjustments and maintains fiscal control over civil works allowances and apportionments.

d. Program or Functional Director. The Program or Functional Director is responsible for development of a program within the parameters of guidance provided, for the area for which he is responsible, to include financial requirements thereof. Financial management involves each director's effective and efficient use of resources in the accomplishment of assigned mission.

(1) The need for funds will be planned in such a manner that timely action may be taken to prevent a deficit in any funds

entity. Whenever need arises for additional funds, apportionments, revocations, etc., the Resource Management Office will be furnished all information and justification necessary for the preparation of required documents to effect local adjustment of fund and/or submission to higher authority.

(2) Work in progress will be suspended **immediately** upon exhaustion of funds and will be reinstated only upon receipt of documentary evidence of allotment of funds. Sufficient advance notice of action contemplated will be furnished to the District Engineer by the Chief of the Division concerned prior to execution thereof. **Urgency of the project is not a valid reason for an over obligation of funds.**

(3) No work of any type, for which funds are not available, will be commenced prior to actual receipt of documentary evidence of allotment of funds.

(4) Reviews of unliquidated obligations will be accomplished jointly with the Finance and Accounting Officer. These joint reviews will be performed at least three times a year, staggered throughout the year to distribute the workload in accordance with para 28-14, AR 37-1. The Resource Management Office will be responsible for scheduling the reviews.

e. Other. Responsibility for administrative control of funds is assigned to each District Office staff chief and area engineer who will read and require their subordinate team members, including contracting officers, contracting officer's representatives, and ordering officers involved in the authorization or incurrence of obligations or expenditures of appropriate funds, to read 31 USC 1517, annually on or about 15 October each year. This action will be documented and the documentation filed in office of the District Office Staff Chief.

6. Report of Violation. It is essential that extreme care be exercised by all concerned to prevent any over obligation or overexpenditure of funds. Should an alleged violation of 31 USC 1517 occur, it is the responsibility of the District Commander to:

a. Report the discovery of the alleged violation to the Chief of Engineers within 15 days of date of discovery. This report should clearly and accurately describe circumstances surrounding the violation.

b. Instruct the individual(s) in the necessary corrective action to preclude recurrence.

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c. Within 30 days of discovery of the alleged violation, appoint an investigating officer, board of officers, or decide to personally conduct the investigation, and submit the names(s) of the investigating officer to the Office of the Assistant Secretary of the Army (Financial Management), Attn: SAFM-FO.

d. Ensure that the investigation and final report is completed within 120 days of discovery.

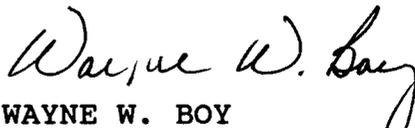
e. Make determination as to the disciplinary action to be imposed on the responsible individual(s).

f. Include a statement of disciplinary action imposed on the responsible individual(s) and specific actions taken to preclude recurrence of the type of violation alleged in the final report (AR37-1 chpt 29, para 29-16c.)

g. Send an original and two copies of the final report of alleged violation through command channels to the Department of the Army, Office of the Assistant Secretary for Financial Management, Attn: SAFM-FO, Washington, DC 20310-0109.

7. Summary. The Comptroller is responsible for establishment of local policy and procedures for administrative control of funds within the parameters of guidance provided in the references above. However, each of us with either direct or delegated authority performing in the capacity of contracting officers, District staff chiefs, area engineers, resident contracting officers, and ordering officers must assume our responsibility to make a major contribution to the effectiveness of administrative control of funds.

Appendix A:  
31 USC 1517

  
WAYNE W. BOY  
Colonel, Corps of Engineers  
Commanding

DISTRIBUTION:  
B and D  
plus IM-SM (5)  
plus RM-F (10)

## Ch. 15 APPROPRIATION ACCOUNTING

31 § 1517

## (4) appropriations made specifically for—

- (A) interest on, or retirement of, the public debt;
- (B) payment of claims, judgments, refunds, and drawbacks;
- (C) items the President decides are of a confidential nature;
- (D) payment under a law requiring payment of the total amount of the appropriation to a designated payee; and
- (E) grants to the States under the Social Security Act (42 U.S.C. 301 et seq.).

(Pub.L. 97-258, Sept. 13, 1982, 96 Stat. 931.)

## Historical and Revision Notes

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
1516	31:665(f)(1)	R.S. § 3679(f)(1); Mar. 3, 1905, ch. 1484, § 4 (1st par.), 33 Stat. 1257; Feb. 27, 1906, ch. 510, § 3, 34 Stat. 48; restated Sept. 6, 1950, ch. 896, § 1211, 64 Stat. 767.

## Explanatory Notes

In the section, before clause (1), the word "apportionments" is substituted for "apportionments and reapportionments" because of section 1512(a) (last sentence) of the revised title [last sentence of section 1512(a) of this title]. In subclause (D), the word "law" is substituted for "private relief acts or other laws" to eliminate unnecessary words.

References in Text. The Social Security Act, referred to in par. (4)(E), is Act Aug. 14, 1935, c. 531, 49 Stat. 620, as amended, which is classified generally to chapter 7 (section 301 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables volume.

## § 1517. Prohibited obligations and expenditures

(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—

- (1) an apportionment; or
- (2) the amount permitted by regulations prescribed under section 1514(a) of this title.

(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.

(Pub.L. 97-258, Sept. 13, 1982, 96 Stat. 932.)

31 U.S.C.A. §§ 1 to 3720—8

**31 § 1517**

**MONEY AND FINANCE Subtitle 2**

**Historical and Revision Notes**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
1517(a)	31:665(h)	R.S. § 3679(h), (i)(2) (related to (h)); Mar. 3, 1905, ch. 1484, § 4 (1st par.), 33 Stat. 1257; Feb. 27, 1906, ch. 510, § 3, 34 Stat. 48; restated Sept. 6, 1950, ch. 896, § 1211, 64 Stat. 768.
1517(b)	31:665(i)(2) (related to (h))	

**Explanatory Notes**

In subsection (a), before clause (1), the words "District of Columbia government" are added because of section 9 of the Act of June 26, 1912 (ch. 182, 37 Stat. 184). In clause (1), the word "apportionment" is substituted for "apportionment or reapportionment" because of section 1512(a) (last sentence) of the revised title [last sentence of section 1512(a) of this title].

In subsection (b), the word "Mayor" is used because of Reorganization Plan No. 3 of 1967 (eff. Aug. 11, 1967, 81 Stat. 948) [set out in the Appendix to Title 5, Government Organization and Employees] and sections

421, 422, and 771 of the District of Columbia Self-Government and Governmental Reorganization Act (Pub.L. 93-198, 87 Stat. 789, 818). The word "President" is substituted for "President, through the Director of the Office of Management and Budget" because sections 101 and 102(a) of Reorganization Plan No. 2 of 1970 (eff. July 1, 1970, 84 Stat. 2085) [set out under section 501 of this title] designated the Bureau of the Budget as the Office of Management and Budget and transferred all functions of the Bureau to the President.

**Cross References**

Administrative discipline for violation of subsec. (a) of this section, see section 1518 of this title.  
 Criminal penalty for violation of subsec. (a) of this section, see section 1519 of this title.

**Library References**

United States  $\Rightarrow$  79.

C.J.S. United States § 120.

**§ 1518. Adverse personnel actions**

An officer or employee of the United States 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. (Pub.L. 97-258, Sept. 13, 1982, 96 Stat. 932.)

**Historical and Revision Notes**

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
1518	31:665(i)(1) (words before semicolon related to (h)).	R.S. § 3679(i)(1) (words before semicolon related to (h)); Mar. 3, 1905, ch. 1484, § 4 (1st par.), 33 Stat. 1257; Feb. 27, 1906, ch. 510, § 3, 34 Stat. 48; restated Sept. 6, 1950, ch. 896, § 1211, 64 Stat. 768.

**Explanatory Notes**

The words "In addition to any penalty or liability under other law" are omitted as surplus. The words "District of Columbia gov- ernment" are added because of section 9 of the Act of June 26, 1912 (ch. 182, 37 Stat. 184).